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## Application Proof of

# Pinnacle Marine Holdings Ltd

(the "**Company**")

*(Incorporated in the Cayman Islands with limited liability)*

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# Pinnacle Marine Holdings Ltd

*(Incorporated in the Cayman Islands with limited liability)*

## [REDACTED]

| | | |
|---|---|---|
| **Number of [REDACTED]** | **:** | **[REDACTED] Shares (subject to the [REDACTED])** |
| **Number of [REDACTED]** | **:** | **[REDACTED] Shares (subject to [REDACTED])** |
| **Number of [REDACTED]** | **:** | **[REDACTED] Shares (subject to [REDACTED] and the [REDACTED])** |
| **[REDACTED]** | **:** | **Not more than HK$[REDACTED] per [REDACTED] and expected to be not less than HK$[REDACTED] per [REDACTED], plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)** |
| **Nominal value** | **:** | **US$0.00001 per Share** |
| **[REDACTED]** | **:** | **[REDACTED]** |

**Sole Sponsor and [REDACTED]**

Alliance Capital Partners Limited
同人融資有限公司

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The **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) may, with our consent, reduce the number of **[REDACTED]** in the **[REDACTED]** and/or the **[REDACTED]** below that stated in this document at any time on or prior to the morning of the last day for lodging **[REDACTED]** under the **[REDACTED]**. In such a case, notices of the reduction in the number of **[REDACTED]** in the **[REDACTED]** and/or the **[REDACTED]** will be published on the website of our Company at **https://www.pinnaclemarine.sg/** and on the website of the Stock Exchange at **www.hkexnews.hk**. Further details are set forth in the sections headed "Structure and Conditions of the **[REDACTED]**" and "How to Apply for **[REDACTED]**" in this document.

Prior to making any investment decision, prospective investors should consider carefully all of the information set out in this document, including the risk factors set out in the section headed "Risk Factors" in this document.

The obligations of the **[REDACTED]** under the **[REDACTED]** are subject to termination by the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) if certain grounds arise prior to 8:00 a.m. on the **[REDACTED]**. Further details of the circumstances are set forth in the section headed "**[REDACTED]** — **[REDACTED]** — **[REDACTED]** — **[REDACTED]**".

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# IMPORTANT

[REDACTED]

# IMPORTANT

[REDACTED]

# EXPECTED TIMETABLE

**[REDACTED]**

# EXPECTED TIMETABLE

**[REDACTED]**

# EXPECTED TIMETABLE

[REDACTED]

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**IMPORTANT NOTICE TO [REDACTED]**

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# SUMMARY

*This summary aims to give you an overview of the information contained in this document. Since this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by, and should be read in conjunction with the full text of this document. You should read the whole document before you decide to* ***[REDACTED]*** *in the* ***[REDACTED]****. There are risks associated with any* ***[REDACTED]*** *in the* ***[REDACTED]****. Some of the particular risks in* ***[REDACTED]*** *in the* ***[REDACTED]*** *are set out in the section "Risk Factors" in this document. You should read that section carefully before you decide to* ***[REDACTED]*** *in the* ***[REDACTED]****.*

## OUR BUSINESS

We are a Singapore-based marine services provider. Since commencing operations in 2009, we have developed a coordinated operating platform encompassing (i) aluminium workboat construction, workboat chartering and logistics support, (ii) shipping agency services, and (iii) chandelling and sale of machinery and spare parts. Workboats are harbour craft primarily used for support operations within port limits and surrounding waters. Our business is anchored on vessel activity at the Port of Singapore, which drives demand across our three operationally interconnected service lines:

(I) **Boatbuilding, workboat chartering, crew manning and logistics support services.** We construct aluminium workboats for third-party customers and our own chartering fleet. Since commencing boatbuilding operations in 2018 and up to the Latest Practicable Date, we have delivered 67 workboats, of which 48 were sold to customers and 19 were deployed primarily for chartering (including trip-based charter and time charter) and to support certain shipping agency services. Construction is carried out at our Singapore waterfront facility, in compliance with applicable classification society rules and flag state requirements. According to the JWA Report, we ranked third among aluminium workboat builders in Singapore in terms of the number of vessels delivered in 2025. As at 31 August 2026, we had three ongoing workboat construction projects with an outstanding aggregate contract value of approximately S$1.2 million.

We deploy our in-house workboats on trip-based charters (typically up to one year) and longer-term time charters, provide certified captains and crew to customers, and offer related logistics support services, including land transportation and cargo handling and storage, primarily within Singapore port limits.

For FY2023, FY2024, FY2025 and 5M2026, we delivered and sold a total of 4, 9, 14 and 7 workboats at average selling prices of S$593,000, S$820,000, S$793,000 and S$909,000, respectively. The lower average selling price per workboat in FY2025 compared to FY2024, despite a higher number of workboat sold, reflected a higher proportion of 13-meter workboats priced at approximately S$400,000-S$450,000 whereas FY2024 sales included more 16 to 20 meter workboats priced at approximately S$620,000 to S$1,105,000. All such workboats were designed and built in Singapore, with ownership titles passed to customers upon delivery in Singapore.

From January 2026 up to August 2026, we delivered and sold 9 workboats for a total contract value of approximately S$8.3 million. As at 31 August 2026, our Group had three on-going workboat construction works with total outstanding contract value of approximately S$1.2 million, which are expected to be recognised as revenue between October and November in 2026.

Set out below is the movement of the workboat backlog in terms of number of workboat orders during the Track Record Period and up to 31 August 2026:

| | FY2023 | FY2024 | FY2025 | 5M2026 | After 5M2026 and up to August 2026 |
|---|---|---|---|---|---|
| Opening number of orders | 1 | 2 | 8 | 3 | 1 |
| Add: Number of new orders awarded | 5 | 15 | 9 | 5 | 4 |
| Less: Number of orders completed | (4) | (9) | (14) | (7) | (2) |
| Ending number of orders *(Note)* | 2 | 8 | 3 | 1 | 3 |

*Note:* The backlog figures represent workboat orders from external customers under our boatbuilding business line and excluded workboats constructed for internal deployment under our chartering business. As at 31 August 2026, we had three workboat construction orders for two buyers.

Set out below is the movement of the workboat backlog in terms of contract value during the Track Record Period and up to 31 August 2026:

| | FY2023 | FY2024 | FY2025 | 5M2026 | After 5M2026 and up to August 2026 |
|---|---|---|---|---|---|
| Opening value of backlog as at the beginning of the relevant year/period | 283 | 533 | 5,839 | 997 | 259 |
| Add: Total value of contract works awarded during the relevant year/period | 3,585 | 11,518 | 7,850 | 4,560 | 4,000 |
| Less: Total boatbuilding services revenue recognised during the relevant year/period | (3,335) | (6,212) | (12,692) | (5,298) | (3,010) |
| Ending value of backlog | 533 | 5,839 | 997 | 259 | 1,249 |

(II) **Shipping agency services.** Our shipping agency services at the Port of Singapore primarily involve coordinating port entry formalities and operational arrangements, including pre-arrival documentation, berth arrangement and departure clearance, Singapore law requires vessel owners and operators to appoint a local agent for immigration, port clearance, towage and other regulatory requirements when their vessels are in Singapore port. We act as their local agent and provide these services in accordance with Singapore law and payments to us are made in US dollars. Our shipping agency customers primarily comprise shipowners and vessel operators, including those from the PRC. Our customers include shipowners and vessel operators, including PRC-based customers. Revenue from PRC shipping agency customers represented approximately 32.2%, 29.5%, 21.2% and 19.3% of our Group's revenue in FY2023, FY2024, FY2025 and 5M2026, respectively. Since 2019, we have also expanded to selected ports in Malaysia and Indonesia, coordinated by our Singapore-based team.

(III) **Chandelling and sales of marine machinery and spare parts.** We supply provisions and consumables spare parts, tools and equipment to vessels calling at the Port of Singapore. We are also an authorised distributor in Singapore of certain engines, generators and spare parts sourced from Supplier A, supplying both purchasers of our newbuild workboats and vessel operators requiring replacement components.

The following table sets forth (i) the breakdown of our revenue by service line; and (ii) the breakdown of our gross profit and gross profit margin by business segments, for the years indicated:

| | FY2023 | | | | FY2024 | | | | FY2025 | | | | 5M2025 | | | | 5M2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Revenue | % | Gross profit | Gross profit margin in | Revenue | % | Gross profit | Gross profit margin in | Revenue | % | Gross profit | Gross profit margin in | Revenue | % | Gross profit | Gross profit margin in | Revenue | % | Gross profit | Gross profit margin in |
| | *(S$'000)* | | *S$'000* | *%* | *(S$'000)* | | *S$'000* | *%* | *(S$'000)* | | *S$'000* | *%* | *(S$'000)* (Unaudited) | | *S$'000* (Unaudited) | *%* | *(S$'000)* | | *S$'000* | *%* |
| Boatbuilding and workboat chartering services | | | | | | | | | | | | | | | | | | | | |
| (a) Boatbuilding services | 3,743 | 10.7 | 1,179 | 31.5 | 7,781 | 19.0 | 3,521 | 45.3 | 14,267 | 30.8 | 7,145 | 50.1 | 5,083 | 26.4 | 2,232 | 43.9 | 5,935 | 30.6 | 3,257 | 54.9 |
| (b) Workboat chartering, crew manning and logistics support services | 8,066 | 23.1 | 2,204 | 27.3 | 9,255 | 22.6 | 3,038 | 32.8 | 9,814 | 21.1 | 3,557 | 36.2 | 4,094 | 21.2 | 1,513 | 37.0 | 4,771 | 24.5 | 1,879 | 39.4 |
| **Subtotal:** | 11,809 | 33.8 | 3,383 | 28.6 | 17,036 | 41.6 | 6,559 | 38.5 | 24,081 | 51.9 | 10,702 | 44.4 | 9,177 | 47.6 | 3,745 | 40.8 | 10,706 | 55.1 | 5,136 | 48.0 |
| Shipping agency services | 18,785 | 53.9 | 6,607 | 35.2 | 20,320 | 49.7 | 7,548 | 37.1 | 19,579 | 42.2 | 7,945 | 40.6 | 8,878 | 46.0 | 3,436 | 38.7 | 7,338 | 37.8 | 2,788 | 38.0 |
| Chandelling and sales of machinery and spare parts | 4,310 | 12.3 | 540 | 12.5 | 3,553 | 8.7 | 1,070 | 30.1 | 2,757 | 5.9 | 599 | 21.7 | 1,237 | 6.4 | 340 | 27.5 | 1,372 | 7.1 | 441 | 32.1 |
| **Total revenue:** | 34,904 | 100.0 | 10,530 | 30.2 | 40,909 | 100.0 | 15,177 | 37.1 | 46,417 | 100.0 | 19,246 | 41.5 | 19,292 | 100.0 | 7,521 | 39.0 | 19,416 | 100.0 | 8,365 | 43.1 |

Please refer to the paragraph headed "Business — Our core business" for further details of our core business.

**Our revenue model**

We mainly generate revenue from three principal business lines: (i) boatbuilding, workboat chartering and associated services, where we derive project-based revenue from the construction, repair and maintenance of workboats and service income from trip-based and time charters, crew manning and logistics support services; (ii) shipping agency services, where we earn fees for coordinating port-call formalities and various kinds of operational arrangements, together with reimbursement of disbursements incurred on behalf of customers; and (iii) transaction-based chandelling and sales of machinery and spare parts. Our revenue mix reflects a combination of boatbuilding, recurring charter, fee-based and transactional income streams within our integrated operating platform.

During the Track Record Period, the majority of our revenue was generated from customers based in Singapore. Although we serve overseas shipowners and operators, including PRC-based chemical tanker operators, our services are primarily rendered in connection with vessels calling at the Port of Singapore and thus, our business remains geographically concentrated in Singapore.

**Our waterfront facility**

We lease and operate a waterfront facility in Singapore of approximately 153,000 sq.ft., as our central hub for boatbuilding, repair and maintenance, warehousing and logistics operations. Fully commissioned in January 2024, it increased our concurrent boatbuilding capacity from two to up to five workboats and supports an annual production capacity of up to approximately 15 workboats in FY2025. Please refer to "Business — Properties — Leasehold property" for further details.

We monitor our waterfront facility's operational efficiency by reference to our production utilisation rate, which compares actual output against the theoretical maximum capacity under our single-shift operating model. The table below sets forth the production capacity, actual production output and utilization rate of our shipyards in our waterfront facility during the Track Record Period:

| Year | Capacity (slot-equivalent per year) | Actual output (slot-equivalent per year) | Utilisation rate |
|---|---|---|---|
| **FY2023 *** | 3.81 | 2.8 | 74% |
| **FY2024** | 10.31 | 10.0 | 97% |
| **FY2025** | 13.76 | 13.4 | 97% |

* *Production in our Group's waterfront facility only started in July 2023*

## OUR CUSTOMERS

Our customers primarily comprise shipowners, charterers, ship management companies, logistics operators, vessel owners and operators (including overseas chemical tanker operators), government-linked entities and purchasers of our newbuild workboats. The revenue attributable to our largest customer in FY2023, FY2024, FY2025 and 5M2026 accounted for approximately 25.6%, 20.0%, 11.0% and 9.1% of our total revenue respectively, while the revenue attributable to our five largest customers, in aggregate, in FY2023, FY2024, FY2025 and 5M2026 accounted for approximately 40.2%, 33.3%, 29.8% and 32.7% of our total revenue respectively. Please refer to the paragraph headed "Business — Customers" for further details. We had 415, 413, 468 and 317 customers in FY2023, FY2024, FY2025 and 5M2026, respectively, with customer retention rate of approximately 41.0%, 49.6%, 55.1% and 77.0% in FY2023, FY2024, FY2025 and 5M2026, respectively.

## OUR SUPPLIERS

Our suppliers mainly comprise marine goods suppliers such as spare parts, pilotage and towage service providers, government-linked entities, and marine gasoil supplier. We also procure marine engines, generators and genuine spare parts under our authorised distribution arrangement with Supplier A. Purchases from our Group's five largest suppliers in FY2023, FY2024, FY2025 and 5M2026 amounted to approximately S$9.4 million, S$11.2 million, S$10.7 million and S$4.8 million, respectively, representing approximately 38.4%, 43.5%, 39.2% and 43.7% of our cost of sales respectively. The purchase from our largest supplier during the same years/period, amounted to approximately S$2.4 million, S$2.6 million, S$2.6 million and S$1.6 million, respectively, representing approximately 9.8%, 10.2%, 9.7% and 14.2% of our cost of sales respectively. Please refer to the paragraph headed "Business — Suppliers and procurement" for further details.

## OVERLAP OF CUSTOMER AND SUPPLIER

Due to the integrated nature of our operations, certain customers may also act as our suppliers in the ordinary course of business, which is consistent with industry practice. During FY2023, FY2024, FY2025 and 5M2026, revenue generated from such overlapping counterparties amounted to approximately S$3.2 million, S$4.1 million, S$6.3 million and S$2.1 million, respectively, representing approximately 9.1%, 10.0%, 13.6% and 10.4% of our total revenue for the respective years and 5M2026. Purchases from such counterparties amounted to approximately S$5.1 million, S$5.7 million, S$4.9 million and S$1.9 million, respectively, representing approximately 21.1%, 22.0%, 18.1% and 19.9% of our total purchases for the respective years and five months ended 31 May 2026.

## RESEARCH AND DEVELOPMENT

We collaborate with industry partners and academic institutions on alternative fuels, workboat performance optimisation, and emissions reduction. In October 2024, we entered into a research cooperation agreement with China Classification Society, Supplier A, and Nanyang Technological University to conduct a continuous 1,000-hour sea trial of a harbour craft powered entirely by B100 biodiesel. Completed in January 2026, the trial demonstrated the technical feasibility and operational reliability of B100 biofuel as an alternative fuel source for the harbour craft.

## SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth a summary of our consolidated financial information during the Track Record Period, which has been extracted from the Accountants' Report as set out in Appendix I to this document, including the notes thereto.

### Selected information extracted from the consolidated statements of profit or loss and other comprehensive income

| | FY2023 | FY2024 | FY2025 | 5M2025 | 5M2026 |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* *(Unaudited)* | *S$'000* |
| Revenue | 34,904 | 40,909 | 46,417 | 19,292 | 19,416 |
| Gross profit | 10,530 | 15,177 | 19,246 | 7,521 | 8,365 |
| Profit before tax | 4,873 | 7,077 | 11,623 | 4,678 | 3,979 |
| Total comprehensive income attributable to owners of the Company | 3,779 | 6,087 | 9,714 | 4,285 | 3,312 |

### Non-IFRS measure

In addition to our consolidated income statements presented in accordance with IFRSs, we also presented the adjusted net profit (Non-IFRS measure) and adjusted net profit margin (Non-IFRS measure) as supplemented financial measures. We present these non-IFRS measures to facilitate period-to-period comparison of our operating performance. These measures exclude **[REDACTED]**, which are incurred in connection with the **[REDACTED]**, to facilitate comparison of our operating performance across periods. Non-IFRS measures have limitations and should not be considered in isolation from, or as a substitute for, our financial results prepared in accordance with IFRSs.

### Adjusted net profit (non-IFRS measure)

We defined adjusted net profit (non-IFRS measure) as net profit for the year, adjusted by adding back **[REDACTED]**. The table below sets forth the adjusted net profit (non-IFRS measure) and the adjusted net profit margin (non-IFRS measure) for each year during the Track Record Period:

| | FY2023 | FY2024 | FY2025 | 5M2025 | 5M2026 |
|---|---|---|---|---|---|
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* *(Unaudited)* | *(S$'000)* |
| **Non-IFRS measure:** | | | | | |
| Profit for the year | 3,780 | 6,066 | 9,747 | 4,324 | 3,314 |
| Add: | | | | | |
| **[REDACTED]** | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Adjusted profit for the year (non-IFRS measure) | 3,780 | 6,066 | 10,517 | 4,587 | 3,875 |
| Adjusted profit margin for the year (non-IFRS measure) | 10.8% | 14.8% | 22.7% | 23.8% | 20.0% |

Our adjusted net profit (non-IFRS measure) (excluding **[REDACTED]**) increased to S$10.5 million in FY2025, with adjusted net profit margin (non-IFRS measure) reaching 22.7%, indicating that underlying operating performance was stronger than statutory earnings suggest.

Adjusted profit of S$3.9 million in 5M2026 was approximately 15.5% lower compared to 5M2025. This was primarily due to (i) gain of approximately S$0.9 million on termination of lease liability following the buy-back of five workboats previously leased from a workboat buyer and lessor in 5M2025 and (ii) provision of S$0.3 million in 5M2026 for legal proceedings brought by MOM (a Government entity) in May 2026 relating to staff injury in July 2023, details of which are set out in "Litigation and Compliance" section below.

***Revenue growth and business mix***

Revenue increased from S$34.9 million in FY2023 to S$40.9 million in FY2024 and further to S$46.4 million in FY2025, representing a CAGR of approximately 15.3%, and remained broadly stable at approximately S$19.4 million in 5M2026 compared with S$19.3 million in 5M2025. Growth was primarily driven by boatbuilding revenue, which rose from S$3.7 million in FY2023 to S$7.8 million in FY2024 and further to S$14.3 million in FY2025 and recorded an increase of approximately S$0.8 million for 5M2026 comparing with FY2025. This coincided with the commissioning of our waterfront facility in January 2024, which increased our concurrent construction capacity from two to up to five vessels and enhanced production scheduling efficiency. Accordingly, boatbuilding contributed a greater share of revenue, while shipping agency remained a major contributor and workboat chartering and logistics services remained relatively stable.

***Gross profit and gross profit margin***

Our gross profit increased by 44.1% from S$10.5 million in FY2023 to S$15.2 million in FY2024 and by 26.8% to S$19.2 million in FY2025 while our gross profit margin rose from 30.2% in FY2023 to 41.5% in FY2025 mainly due to (i) improved operational efficiency following the commissioning of the waterfront facility; (ii) higher contribution from higher-margin boatbuilding services; and (iii) operating leverage effects, as fixed facility and administrative costs were spread over a higher revenue base. Our gross profit further increased by 11.2% from S$7.5 million in 5M2025 to S$8.4 million in 5M2026, with gross profit margins rising from 39.0% for 5M2025 to 43.1% for 5M2026, primarily reflecting an increase in our boatbuilding gross profit margin rose from approximately 43.9% for 5M2025 to approximately 54.9% for 5M2026, supported by seven boats in 5M2026 compared with six in 5M2025 as well as higher average selling prices achieved during the period.

***Profitability***

Our profit before tax increased from S$4.9 million in FY2023 to S$7.1 million in FY2024 and further to S$11.6 million in FY2025, while net profit rose from S$3.8 million to S$9.7 million over the same period. Our net profit margin improved from 10.8% in FY2023 to 21.0% in FY2025. This mainly reflected growth in our boatbuilding services following the expansion of our production capacity, improved gross profit margin, increased contribution from other income and cost management. Net profit for 5M2026 was S$3.3 million, S$1.0 million lower compared to 5M2025. This was mainly because the approximately S$0.9 million gain on termination of lease liability recorded in 5M2025 did not recur. For further details, please refer to the paragraph headed "Financial Information — Description of key income statement items" in this document.

**Key Financial Ratios**

The following table summarises certain key financial ratios derived from our consolidated financial information during the Track Record Period. The improvement in our gross profit margin and net profit margin reflects the scaling of our higher-margin boatbuilding operations and operational efficiency following the commissioning of our waterfront facility. Return on equity and return on total assets improved with profitability, while gearing ratio declined. Improvement in current and quick ratios reflected strengthened equity, improved cash flow generation and disciplined capital management over the period.

Industry trends, including the MPA's requirement that all new harbour craft operating in Singapore's waters from 2030 must be electric or use net-zero fuels, supported fleet renewal demand for new aluminium workboats to replace ageing wooden harbour craft. According to the JWA Report, the order book of Singapore workboat builders is projected to increase by 10% year-on-year for 2025, with demand

growing at a CAGR of 6.6%, equivalent to approximately 66 new workboats annually. In addition, the waterfront facility also reduced our production cycle from 4.33 months per workboat in FY2023 to 2.62 months per workboat in FY2025.

| | Year ended/as of 31 December | | | For the five months ended/as of 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Gross profit margin | 30.2% | 37.1% | 41.5% | 43.1% |
| Net profit margin | 10.8% | 14.8% | 21.0% | 17.1% |
| Return on equity | 52.3% | 45.5% | 54.0% | 45.0% |
| Return on total assets | 9.4% | 15.4% | 23.7% | 20.2% |
| Current ratio | 0.7 | 1.0 | 1.2 | 1.2 |
| Quick ratio | 0.6 | 0.9 | 1.1 | 1.1 |
| Gearing ratio | 159.5% | 55.9% | 44.5% | 61.3% |

For details of the calculation basis, please refer to the sub-section headed "Financial Information — Key financial ratios" in this document.

**Selected information extracted from the consolidated statements of financial position**

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Non-current assets | 26,041 | 24,675 | 25,402 | 24,201 |
| Current assets | 14,146 | 14,760 | 15,782 | 15,096 |
| Current liabilities | 19,971 | 14,487 | 13,702 | 12,615 |
| Net current (liabilities)/assets | (5,825) | 273 | 2,080 | 2,481 |
| Total assets less current liabilities | 20,216 | 24,948 | 27,482 | 26,682 |
| Non-current liabilities | 12,983 | 11,628 | 9,421 | 9,009 |
| Net assets | 7,233 | 13,320 | 18,061 | 17,673 |

***Net current assets***

We moved from net current liabilities of S$5.8 million as at 31 December 2023 to net current assets of S$0.3 million as at 31 December 2024, mainly due to an increase in current assets, including inventories, contract assets and prepayments, deposits and other receivables, together with a decrease in current liabilities, particularly accruals and other payables, borrowings and contract liabilities. Net current assets further increased to S$2.1 million as at 31 December 2025, mainly due to higher bank and cash balances and prepayments, deposits and other receivables, together with lower accruals and other payables, lease liabilities and contract liabilities, partially offset by increased borrowings. As at 31 May 2026, our net current assets further increased to approximately S$2.5 million.

***Net assets***

Our net assets increased from S$7.2 million as of 31 December 2023 to S$13.3 million as of 31 December 2024, primarily due to profit of S$6.1 million generated in FY2024, compared with S$3.8 million in FY2023, driven by the expansion of our boatbuilding services following the commissioning of our waterfront facility in January 2024. In addition, no dividends were paid in FY2024, compared to dividend payments of S$10.9 million made in FY2023. Our net assets further increased to S$18.1 million as of 31 December 2025, mainly due to our profit of S$9.7 million generated in FY2025, partially offset by dividend payments of S$5.0 million made in FY2025. As at 31 May 2026, our net assets decreased slightly by S$0.4 million from S$18.1 million as at 31 December 2025 to S$17.7 million, mainly due to an interim dividend of S$3.7 million was declared and paid to Shareholders during the five months to 31 May 2026.

Please refer to the sub-section headed "Financial Information — Net current assets" for further details.

**Selected information extracted from the consolidated statements of cash flows**

| | FY2023 | FY2024 | FY2025 | 5M2025 | 5M2026 |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Net cash generated from operating activities | 4,525 | 8,620 | 11,105 | 1,675 | 714 |
| Net cash (used in)/generated from investing activities | (8,735) | (810) | (3,976) | (4,269) | 397 |
| Net cash generated from/(used in) financing activities | 6,593 | (6,574) | (6,251) | 797 | (3,795) |
| Net increase/(decrease) in cash and cash equivalents | 2,383 | 1,236 | 878 | (1,797) | (2,684) |
| Cash and cash equivalents at 1 January | 1,983 | 4,371 | 5,642 | 5,642 | 6,321 |
| Cash and cash equivalents at 31 December | 4,371 | 5,642 | 6,321 | 3,653 | 3,645 |

Net cash generated from operating activities increased from S$4.5 million in FY2023 to S$8.6 million in FY2024 and further to S$11.1 million in FY2025, which was broadly in line with the growth in profitability. This was primarily driven by an increase in profitability, with profit before tax rising from S$4.9 million in FY2023 to S$11.6 million in FY2025. The growth in operating cash flow was also supported by non-cash adjustments, particularly depreciation of property, plant and equipment and right-of-use assets, which increased from S$1.6 million in FY2023 to S$2.4 million in FY2025. For 5M2025, we recorded net cash inflow from operating activities of S$1.7 million, supported by a profit before tax of S$4.7 million, partially offset by working capital outflows of S$3.0 million. For 5M2026, net cash inflow from operating activities was S$0.7 million, with profit before tax of S$4.0 million and working capital outflows of S$3.3 million. This decrease was primarily attributable to lower profit before tax of S$4.0 million for the period, reflecting the comparative timing of project milestones and revenue recognition, partially offset by higher non-cash adjustments of S$1.3 million.

We recorded net cash outflow from investing activities of approximately S$8.7 million, S$0.8 million and S$4.0 million, respectively during the Track Record Period. For 5M2025 and 5M2026, we recorded net cash outflow of approximately S$4.3 million and net cash inflow of S$0.4 million respectively. Our net cash outflow in FY2023 was primarily related to the acquisition and subsequent improvement of our waterfront facility for a total of S$7.6 million during the year. In FY2025, our net cash outflow of S$4.0 million was primarily due to our buy-back of five workboats from the independent third-party to whom we had sold our workboats during the Track Record Period, for S$3.8 million to cater for our own workboat chartering needs. For 5M2025, we recorded a net cash outflow from investing activities of S$4.3 million, primarily due to the purchase of property, plant and equipment of S$4.3 million, partially offset by interest received. For 5M2026, we recorded a net cash inflow from investing activities of S$0.4 million, primarily due to proceeds from disposals of property, plant and equipment of S$0.4 million, partially offset by property, plant and equipment purchases. Details and background of the sale, leaseback and buy-back arrangement are set out in the paragraphs headed "Business — Workboat chartering, crew manning and logistics support services — Sale, leaseback and buy-back arrangement" of this document.

We recorded net cash inflow from financing activities of S$6.6 million in FY2023, mainly attributable to S$5.0 million in proceeds from the issuance of new shares to our **[REDACTED]** investor to finance the acquisition of our waterfront shipyard facility, together with net bank borrowings. In FY2024 and FY2025, we recorded net cash outflows of S$6.6 million and S$6.3 million, respectively, primarily due to repayment of amounts due to then shareholders, borrowings and dividend payments, partially offset by net proceeds from bank loans in FY2025.

Our cash and cash equivalents increased from S$4.4 million as at 31 December 2023 to S$5.6 million as at 31 December 2024, and further to S$6.3 million as at 31 December 2025, primarily driven by strong operating cash flows that exceeded net cash outflows from investing and financing activities. As at 31 May 2026, our cash and cash equivalents declined to S$3.6 million from S$6.3 million as at 31 December 2025, primarily due to net financing outflows of S$3.8 million, partially offset by net operating and investing cash inflows of S$1.1 million during the five-month period.

Please refer to the sub-section headed "Financial Information — Liquidity and capital resources" for further details.

## CONTROLLING SHAREHOLDERS

Immediately following completion of the **[REDACTED]** (without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**), Prompt Venture will have approximately **[REDACTED]**% shareholding in our Company. Prompt Venture is owned as to 87.22% and 12.78% by Mr. Chua TK and Ms. Lim SC, respectively. Therefore, Mr. Chua TK, Ms. Lim SC and Prompt Venture will be our Controlling Shareholders as defined in the Listing Rules upon the **[REDACTED]**. Please refer to the section headed "Relationship with Our Controlling Shareholders" for further details.

## DIVIDENDS

We have adopted a general dividend policy of declaring and paying annual dividends of not less than 40% of our profit attributable to Shareholders for the relevant year, subject to the Board's recommendation, our financial position, compliance with applicable financial covenants and Singapore law, and Shareholders' approval. Assuming **[REDACTED]** occurs in FY2026, it will be the first year to which this policy applies. The declaration and amount of any dividends will remain at the discretion of our Board having regard to, among other things, market conditions, our financial condition, results of operations, prospects, cash flow, capital requirements and reserves and any restrictions under our financing arrangements, constitutional documents and applicable restrictions under Singaporean law, including the approval from our Shareholders. Future declarations of dividends may or may not reflect our historical declarations of dividends and our Board may review our dividend policy from time to time.

During FY2023 and FY2025 and in March 2026, Pinnacle Marine declared dividends in cash of approximately S$10.9 million, S$5.0 million and S$3.7 million to its then shareholders in respect of FY2022, FY2024 and FY2025 respectively. During FY2024, no dividend was declared in respect of FY2023 by any of the companies now comprising the Group.

## [REDACTED] STATISTICS

| | | |
|---|---|---|
| **[REDACTED] size** | : | **[REDACTED]**% of the **[REDACTED]** issued share capital of our Company |
| **[REDACTED]** | : | HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]** |
| **Number of [REDACTED]** | : | **[REDACTED]** Shares (subject to the **[REDACTED]**) |
| **Number of [REDACTED]** | : | **[REDACTED]** Shares (subject to **[REDACTED]**) |
| **Number of [REDACTED]** | : | **[REDACTED]** Shares (subject to **[REDACTED]** and the **[REDACTED]**) |

| | **Based on the [REDACTED] of HK$[REDACTED] per [REDACTED] (low-end)** | **Based on the [REDACTED] of HK$[REDACTED] per [REDACTED] (high-end)** |
|---|---|---|
| **[REDACTED]** of our Shares[(1)] | HK$**[REDACTED]** | HK$**[REDACTED]** |
| Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share[(2)(3)] | HK$**[REDACTED]** | HK$**[REDACTED]** |

*Notes:*

(1) The calculation of **[REDACTED]** of the Shares is based on **[REDACTED]** Shares in issue immediately after completion of the **[REDACTED]** and the **[REDACTED]**.

(2) Please refer to Appendix II to this document for details.

(3) All statistics in this table are based on the assumption that the **[REDACTED]** is not exercised.

## FUTURE PLANS AND USE OF [REDACTED]

It is our business strategies to further strengthen our core boatbuilding, repair and maintenance capabilities, expanding our fleet and logistics capacity to support our workboat chartering and shipping agency businesses, and pursuing selective strategic investments that complement our existing services platform, primarily by (i) expanding our boatbuilding capacity, (ii) expanding our workboat chartering operations, (iii) strategic investments and/or acquisitions, and (iv) strengthening our sustainability initiative.

Assuming the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the midpoint of the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**, we will receive **[REDACTED]** of approximately HK$**[REDACTED]**. The **[REDACTED]** from the **[REDACTED]** are estimated to be approximately HK$**[REDACTED]**, after deducting the **[REDACTED]** and other estimated expenses payable by our Company in relation to the **[REDACTED]** and assuming the **[REDACTED]** is not exercised. We intend to apply such **[REDACTED]** from the **[REDACTED]** in the following manner in order to execute our business strategies:

| | **Approximate amount of [REDACTED]** | **Intended applications** |
|---|---|---|
| 1. | Approximately **[REDACTED]**%, or HK$**[REDACTED]** | Acquisition and development of land to support the expansion of our boatbuilding, repair and maintenance operations including the extension and enhancement of existing buildings at the waterfront facility in preparation for our expansion |
| 2. | Approximately **[REDACTED]**%, or HK$**[REDACTED]** | Expansion of our fleet and logistics capacity, which supports our workboat chartering and shipping agency businesses |
| 3. | Approximately **[REDACTED]**%, or HK$**[REDACTED]** | Strategic investments and/or acquisitions in businesses or assets that complement our existing operations |
| 4. | Approximately **[REDACTED]**%, or HK$**[REDACTED]** | Repaying certain outstanding loans and borrowings, thereby reducing finance costs and improving our financial position |
| 5. | Approximately **[REDACTED]**%, or HK$**[REDACTED]** | Research and development activities aimed at improving workboat design, performance and sustainability, including initiatives relating to ESG considerations |
| 6. | Approximately **[REDACTED]**%, or HK$**[REDACTED]** | General corporate purposes and working capital needs |

**[REDACTED]**

The estimated total **[REDACTED]** in connection with the **[REDACTED]** (based on the midpoint of our **[REDACTED]** for the **[REDACTED]**) are approximately S$**[REDACTED]**, representing approximately **[REDACTED]**% of the **[REDACTED]** of the **[REDACTED]** (based on the mid-point of our **[REDACTED]** for the **[REDACTED]**). Our **[REDACTED]** are categorised into **[REDACTED]** related expenses of approximately S$**[REDACTED]** and **[REDACTED]** expenses of approximately S$**[REDACTED]**. The **[REDACTED]** can be further classified into fees and expenses of legal advisers and accountants of approximately S$**[REDACTED]** and other fees and expenses of approximately S$**[REDACTED]**. Out of the amount of approximately S$**[REDACTED]**, (i) approximately S$**[REDACTED]** is directly attributable to the issue of the **[REDACTED]** which is to be accounted for as a deduction from equity; (ii) approximately S$**[REDACTED]** and S$**[REDACTED]** were recognised in our consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2025 and the five months ended 31 May 2026; and (iii) approximately S$**[REDACTED]** will be further recognised upon the **[REDACTED]** of our Company.

**LITIGATION AND COMPLIANCE**

During the Track Record Period, charges were brought against Prestige Ocean and Mr. Lim CP, our Director, under the Workplace Safety and Health Act 2006 of Singapore arising from a workplace incident in July 2023. On 24 September 2026, Prestige Ocean pleaded guilty and was fined S$140,000. In respect of Mr. Lim CP, following his acceptance and payment of the composition sum offered by MOM, the charge was concluded on 1 October 2026 by way of a discharge amounting to an acquittal, without any conviction. As at the Latest Practicable Date, there were no outstanding criminal proceedings against either party in relation to the incident. Please refer to "Business — Litigation and compliance — Workplace Safety and Health Proceedings" for further details. Save as disclosed above, during the Track

Record Period and up to the Latest Practicable Date, we had complied in all material respects with applicable Singapore laws and regulations and had obtained all material approvals, permits, licences and certificates required for our operations.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we have been in compliance in all material respects with the applicable laws and regulations in Singapore where we operate business and have obtained all necessary approvals, permits, licence and certificates that are material to our business operations from the relevant government authorities.

## OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths enable us to maintain our position in the industry in which we operate: (i) integrated boatbuilding and port support services platform; (ii) in-house boatbuilding and repair expertise enhancing fleet reliability and customer convenience; (iii) strategically located waterfront facility enhancing efficiency, capacity and service integration; (iv) commitment to environmental and social sustainability; (v) maintaining long-term business relationships with our major customers and suppliers; and (vi) having an experienced management team. Please refer to the sub-section headed "Business — Competitive strengths" in this document for further details.

## RISK FACTORS

There are certain risks involved in our business and operations, including risks relating to our business, the industry in which we operate, the **[REDACTED]**, and the statements in this document.

We believe that the following are among the principal risks in our business and operations: (i) our boatbuilding projects may be subject to delays, cost overruns or cancellation; (ii) our reliance on Supplier A for engines, generators and related spare parts, and any disruption or adverse changes could affect our delivery schedules, costs and profitability; (iii) increases in the cost of raw materials and component parts, or disruptions in our supply chain, could adversely affect our production and profitability in our boatbuilding service line; (iv) our operations may be adversely affected if we fail to renew, maintain or comply with the licenses, permits or certifications required for our business and our workboat fleet; (v) increase in staff cost may adversely affect our Group's profitability and financial performance; (vi) labour shortages, rising labour costs and changes in foreign worker requirements may materially and adversely affect our business, financial condition and results of operations; (vii) the construction and sale of our workboats expose us to product liability and other vessel-related liabilities, and (viii) our operations involve inherent workplace safety risks, and workplace accidents or occupational injuries may result in regulatory action, liabilities, operational disruption and reputational harm.

Please refer to the section headed "Risk Factors" for further details. Prospective investors should read the entire section before deciding to **[REDACTED]** in the **[REDACTED]**.

## RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business operation remained stable. Since 1 January 2026 and up to 31 August 2026, we have completed and launched nine workboats, and as at 31 August 2026, our Group had orders on hand for three ongoing workboat construction projects with an outstanding contract value of approximately S$1.2 million. We expect a decrease in our net profit in FY2026, primarily due to **[REDACTED]** and selling and administrative expenses associated with our expected growth in revenue.

Our Directors confirmed that after the Track Record Period and up to the Latest Practicable Date, (i) our business operations and business model have not experienced any material changes; (ii) there has been no material adverse change in the market conditions or the industry and environment in which our Group operates; (iii) there has been no material adverse change in the trading and financial position or prospects of our Group; and (iv) no event has occurred that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this document.

***In this document, unless the context other requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this document.***

| | |
|---|---|
| "5M2025" | the five months ended 31 May 2025 |
| "5M2026" | the five months ended 31 May 2026 |
| "Abo Shoten" | Abo Shoten, Ltd., a company established in Japan on 14 March 1959 and our **[REDACTED]** Investor |
| "affiliate(s)" | with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person |
| "AFRC" | the Accounting and Financial Reporting Council of Hong Kong |
| "Articles of Association" or "Articles" | the articles of association of our Company, adopted on [●] and as amended from time to time, and effective from the **[REDACTED]**, a summary of which is set forth in the section headed "Summary of the Constitution of the Company and Cayman Islands Company Law" in Appendix IV to this document |
| "ASEAN" | the Association of Southeast Asian Nations |
| "**[REDACTED]**" | **[REDACTED]** |
| "ASR Code" | the Code of Conduct for Approved Securities Registrars issued by the Securities and Futures Commission, as amended from time to time |
| "associate(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Board" | our board of Directors |
| "business day(s)" | any day(s) (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are normally open for business |
| "BVI" | the British Virgin Islands |
| "**[REDACTED]**" or "**[REDACTED]**" | the **[REDACTED]** as named in the section headed "Directors and Parties Involved in the **[REDACTED]**" of this document |
| "**[REDACTED]**" | **[REDACTED]** |

| | |
|---|---|
| "**[REDACTED]**" | **[REDACTED]** |
| "close associate(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Companies Act" or "Cayman Companies Act" | the Companies Act (As Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company" or "our Company" | Pinnacle Marine Holdings Ltd, an exempted company with limited liability incorporated in the Cayman Islands on 2 January 2026 |
| "connected person(s)" | has the meaning ascribed thereto under the Listing Rules |
| "connected transactions(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Controlling Shareholders" | has the meaning ascribed to it under the Listing Rules and means Mr. Chua TK, Ms. Lim SC, Mr. Chua TS, Mr. Lim CP, Ms. Chua GC and Prompt Venture, and "Controlling Shareholder" means any one of them. For more details, please refer to the section headed "Relationship with our Controlling Shareholders" in this document |
| "core connected person(s)" | has the meaning ascribed thereto under the Listing Rules |
| "CSRC" | China Securities Regulatory Commission of the PRC (中國證券監督管理委員會) |
| "Deed of Indemnity" | the deed of indemnity dated [●] and entered into by our Controlling Shareholders in favour of our Company, the particulars of which are set out in the paragraph headed "Statutory and General Information — D. Other information — 1. Tax and other indemnities" in Appendix V to this document |
| "Designated Bank" | a bank that has been registered as a designated bank with **[REDACTED]** to perform **[REDACTED]** services |
| "Director(s)" | the director(s) of our Company |
| "**[REDACTED]**" | **[REDACTED]** |
| "Extreme Conditions" | the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below |

| | |
|---|---|
| "**[REDACTED]**" | **[REDACTED]** |
| "FY2023" | the financial year ended 31 December 2023 |
| "FY2024" | the financial year ended 31 December 2024 |
| "FY2025" | the financial year ended 31 December 2025 |
| "FY2026" | the financial year ending 31 December 2026 |
| "**[REDACTED]**" | **[REDACTED]** |
| "Group", "our Group", "our", "we", or "us" | the Company and its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it |
| "Guide for New Listing Applicants" | the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |

| | |
|---|---|
| "**[REDACTED]**" | **[REDACTED]** |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "**[REDACTED]**" | **[REDACTED]** |
| "Independent Third Party" or "Independent Third Parties" | person(s) or entity(ies) which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is/are not connected person(s) of our Company within the meaning of the Listing Rules |
| "Industry Consultant" or "JWA" | Justin Wee & Associates Pte Ltd, a market data research and consulting company and an independent third party of our Group |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "JWA Report" | a market research report commissioned by us and prepared by the Industry Consultant on the overview of the industry in which we operate, as referred to in the section headed "Industry Overview" and elsewhere in this document |
| "JTC" | JTC Corporation, a statutory board under the Ministry of Trade and Industry of Singapore |
| "Latest Practicable Date" | 2 October 2026, being the latest practicable date for ascertaining certain information in this document before its publication |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| "Memorandum" or "Memorandum of Association" | the amended and restated memorandum of association of our Company adopted on [●], as amended, modified or otherwise supplemented from time to time |
| "MOM" | Ministry of Manpower of Singapore |

| | |
|---|---|
| "MPA" | Maritime and Port Authority of Singapore |
| "Mr. Chua TK" | Mr. CHUA Teck Keong (also known as Mr. Cai De Yi Laurence and Mr. Cai Deqiang), being our founder, chairman of our Board, an executive Director, the spouse of Ms. Lim SC, the brother of Ms. Chua GC and Mr. Chua TS, and one of our Controlling Shareholders |
| "Mr. Chua TS" | Mr. CHUA Teik Seng, being the brother of Mr. Chua TK and Ms. Chua GC and one of our Controlling Shareholders |
| "Mr. Lim CP" | Mr. LIM Chin Pei (also known as Mr. Lin Jin Xian Fabian and Mr. Lin Junpei), being our Chief Executive Officer and executive Director, the brother-in-law of Mr. Chua TK and the brother of Ms. Lim SC, and one of our Controlling Shareholders |
| "Ms. Chua GC" | Ms. CHUA Guek Cheng, being the sister of Mr. Chua TK and Mr. Chua TS, and one of our Controlling Shareholders |
| "Ms. Lim SC" | Ms. LIM Shoo Chee, being the spouse of Mr. Chua TK and the sister of Mr. Lim CP, and one of our Controlling Shareholders |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "P Group" | P Group Agencies (Asia) Pte. Ltd., a company incorporated in Singapore with limited liability on 1 April 2019 and an indirect wholly-owned subsidiary of the Company upon completion of the Reorganisation |
| "Pinnacle Marine" | Pinnacle Marine (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on 7 December 2009 and an indirect wholly-owned subsidiary of the Company upon completion of the Reorganisation |

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| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "PMS Group" | PMS Group Limited, a company incorporated in the British Virgin Islands on 19 January 2026 and a wholly-owned subsidiary of our Company |
| "Port of Singapore" | the collective facilities and terminals located in Singapore that conduct maritime and shipping operations |
| "PRC" | the People s Republic of China and, except where the context otherwise requires and for the purpose of this document only, does not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| "PRC Legal Advisers" | DaHui Lawyers, the legal adviser of our Company as to the PRC laws |
| "**[REDACTED]** Investment" | the investments made by the **[REDACTED]** Investor, particulars of which are set out in "History, Reorganisation and Corporate Structure — **[REDACTED]** Investments" in this document |
| "**[REDACTED]** Investor" | Abo Shoten |
| "Prestige Ocean" | Prestige Ocean Pte. Ltd., a company incorporated in Singapore with limited liability on 26 September 2011 and an indirect wholly-owned subsidiary of the Company upon completion of the Reorganisation |

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| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "Primus Shipping" | Primus Shipping Agencies (Asia) Pte. Ltd., a company incorporated in Singapore with limited liability on 14 December 2012 and an indirect wholly-owned subsidiary of the Company upon completion of the Reorganisation |
| "Prompt Venture" | Prompt Venture Limited, a company incorporated in the British Virgin Islands on 2 January 2026, being the shareholding vehicle owned by Ms. Lim SC and Mr. Chua TK as to 12.78% and 87.22% respectively, upon completion of the Reorganisation and one of our Controlling Shareholders |
| "PSA Corporation" | PSA Corporation Limited, a port operator in Singapore and a wholly owned subsidiary of PSA International Pte Ltd, which owns and operates marine terminals in Singapore |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |

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| "Reorganisation" | the corporate reorganisation of the Group as set out in section headed "History, Reorganisation and Corporate Structure — Reorganisation" in this Document |
| "Repurchase Mandate" | the general unconditional mandate to repurchase Shares given to our Directors by our Shareholders, particulars of which are set forth in the section headed "Statutory and General Information — A. Further information about our Group — 5. Resolution of our Shareholders" in Appendix V to this document |
| "SFA" | Singapore Food Agency |
| "SFC" | the Securities and Futures Commission of Hong Kong |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "S$" or "SG$" | Singapore dollars, the lawful currency of Singapore |
| "**[REDACTED]**" | **[REDACTED]** |
| "Shareholder(s)" | holder(s) of Shares |
| "Share(s)" | ordinary share(s) in the capital of our Company with a par value of US$0.00001 each, which are to be **[REDACTED]** and **[REDACTED]** Hong Kong dollars and for which an **[REDACTED]** has been made for **[REDACTED]** |
| "Singapore" | the Republic of Singapore |
| "Singapore Legal Advisers" | CNPLaw LLP, the legal advisers to our Company as to the laws of Singapore |
| "**[REDACTED]**" | **[REDACTED]** |
| "Sole Sponsor" | Alliance Capital Partners Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the sponsor of the **[REDACTED]** |
| "sq. ft." | square foot |
| "sq. m." or "$m^2$" | square meter |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "subsidiary(ies)" | has the meaning ascribed thereto under the Listing Rules |

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| "substantial shareholder(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Supplier A" | a Singapore-incorporated distributor of marine engines, generators and spare parts, and a member of a PRC-headquartered state-owned industrial group with established international operations in engine and powertrain manufacturing |
| "Takeovers Code" | the Code on Takeovers and Mergers and Share Buy-backs, as may be amended, supplemented or otherwise modified from time to time |
| "Track Record Period" | the period comprising FY2023, FY2024, and FY2025 and 5M2026 |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "**[REDACTED]**" | **[REDACTED]** |
| "U.S." or "United States" | the United States of America |
| "U.S. Securities Act" | the United States Securities Act of 1933, as amended or supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder |
| "US$" or "USD" | United States dollars, the lawful currency of the United States |
| "USM Rules" | the Securities and Futures (Uncertificated Securities Market) Rules, Cap 571AS, as amended from time to time |
| "%" | per cent. |

*In this document, unless the context otherwise requires, the terms "associate", "close associate", "connected person", "connected transaction", "core connected person", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules.*

*If there is any inconsistency between this document and the Chinese translation of this document, this document shall prevail.*

# GLOSSARY OF TECHNICAL TERMS

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| "American Bureau of Shipping" or "ABS" | American Bureau of Shipping (ABS), one of the major maritime classification societies |
| "B20" | B20 refers to a blended fuel consisting of 20% biodiesel and 80% conventional marine fuel |
| "B100" | B100 is the designation for 100% pure biodiesel, a renewable fuel made from plant oils (like soy or rapeseed) or animal fats, used in diesel engines as a cleaner alternative to petroleum diesel, reducing carbon emissions |
| "barge" | a flat-bottomed boat for carrying freight, typically on canals and rivers, either under its own power or towed by another |
| "bunker" | fuel, consisting of diesel or heavy fuel oil, used for vessels |
| "Bureau Veritas" or "BV" | Bureau Veritas Marine & Offshore, one of the major maritime classification societies |
| "CAGR" | compound annual growth rate |
| "chandelling" | the specialised business of supplying ships with all necessary provisions, equipment, and services for their voyages, acting as a one-stop shop for everything from food to technical parts and cleaning supplies, ensuring vessels can operate efficiently without lengthy delays in port |
| "charter hire" | the sum paid to the shipowner by a charterer for the use of vessel under a charterparty |
| "charterparty(ies)" | contract(s) for leasing of a vessel |
| "China Classification Society" or "CCS" | China Classification Society (CCS), one of the major maritime classification societies |
| "classification society" | an independent organisation that certifies that a vessel has been built, delivered and maintained in accordance with the rules of such organization |
| "discharge" | the act of taking cargo out of a vessel |
| "dry-dock" | a facility or establishment where a vessel can be removed from the water for inspection, maintenance and/or repair of submerged parts |

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| "EPDA" | Estimated Port Disbursement Account, being the shipping agent's advance estimate of port-related expenses expected to be incurred for a vessel's call at a particular port, including port dues or charges, pilotage, towage, berth charges, launch services and other related disbursements. The EPDA is typically submitted to the vessel owner, charterer or principal for funding prior to the vessel's arrival |
| "ESG" | environmental, social and governance |
| "ETA" | Estimated Time of Arrival, being the expected date and time at which a vessel is scheduled to arrive at a specified port, berth or anchorage, as advised by the vessel's master, owner or charterer and subject to change based on voyage conditions and operational factors |
| "flag state" | the country where the vessel is registered |
| "GDP" | gross domestic product |
| "HVAC" | heating, ventilation and air conditioning systems |
| "IACS" | International Association of Classification Societies, a non-governmental organisation which is allowed to develop guidance for the IMO |
| "IFRS S1" | International Financial Reporting Standards Standard 1: General Requirements for Disclosure of Sustainability-related Financial Information |
| "IFRS S2" | International Financial Reporting Standards Standard 2: Climate-related Disclosures |
| "IMO" | International Maritime Organisation, a United Nations agency that issues international trade standards for shipping |
| "loading" | the act of putting cargo on board a vessel |
| "newbuild(s)" or "newbuilding(s)" | ships that are newly constructed and have recently been built or are currently under construction at a shipyard |
| "PDA" | Port Disbursement Account, being the statement of actual port-related expenses incurred by a shipping agent in connection with a vessel's call at a particular port, including port dues or charges, pilotage, towage, berth charges, launch services and other related disbursements. The PDA is rendered to the vessel owner, charterer or principal for settlement, together with supporting documentation where applicable |

# GLOSSARY OF TECHNICAL TERMS

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| "pilotage" | on-board assistance to the captains of ships and other seaborne vessels to help them enter and leave the port and with any other maneuvers within the port waters, ensuring their safety |
| "port call" | a scheduled stop for a ship on its journey for cargo operation or taking on supplies or fuel |
| "propulsion" | the system generating thrust to move vessels, involving engines (diesel, electric), power sources (fuel, batteries, wind), and components (propellers, shafts) that convert energy into kinetic force, crucial for speed, maneuverability, and fuel efficiency |
| "retrofit" or "retrofitting" | retrofitting is the process of modifying and upgrading existing vessels with new technologies, systems, or components that were not part of their original design |
| "tug" or "tugboat" | any vessel employed within the port or in the vicinity thereof for towing or moving any vessel |

# FORWARD-LOOKING STATEMENTS

This document contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, belief, expectations or intentions for the future, and actual results or outcomes may differ materially from those expressed or implied. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. Forward-looking statements typically can be identified by the use of words such as "aim", "anticipate", "believe", "can", "consider", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "might", "ought to", "plan", "potential", "project", "propose", "seek", "should", "will", "would" and other similar terms. Even though these statements have been made by our Directors after due and careful consideration and on bases and assumptions fair and reasonable at the time, they nevertheless involve known and unknown risks, uncertainties and other factors which may cause our Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements include, but not limited to, statements relating to:

- our business and operating strategies and the various measures we use to implement such strategies;
- our dividend distribution plans;
- our planned use of **[REDACTED]**;
- our operations, business and financial prospects, including development plans for our business and future cash flows;
- our capital commitment plans;
- our future debt levels and capital needs;
- the future developments and competitive environment of the industry and markets in which we operate;
- the regulatory environment as well as the general industry outlook for the industry which we operate in;
- relationships with parties we contract and collaborate with to conduct our business;
- risks identified under the section headed "Risk Factors" in this document;
- general economic trends; and
- other statements in this document that are not historical facts.

Such statements reflect the current views of our management with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this document. Please refer to the sections headed "Risk Factors", "Business" and "Financial Information" in this document for more details.

Should one or more of these risks or uncertainties materialise, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from the goals we have expressed or implied in these forward-looking statements. Since we operate in an evolving environment where new risks and uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events.

Except as required by applicable laws and regulations, including the Listing Rules, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should not place undue reliance on any forward-looking statements.

In this document, statements of or references to the intentions of our Company or those of any of our Directors are made as at the date of this document. Any such intentions may change in light of future developments.

***Prospective investors should consider carefully all of the information set forth in this document and, in particular, should consider the following risks and special considerations in connection with an [REDACTED] in our Company before making any [REDACTED] decision in relation to the [REDACTED]. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of our Group. This document contains certain forward-looking statements regarding our plans, objectives, expectations, and intentions which involve risks and uncertainties. Our Group's actual results could differ materially from those discussed in this document. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this document. The [REDACTED] of the [REDACTED] could decline due to any of these risks and you may lose all or part of your [REDACTED].***

There are certain risks involved in our business and industry and in connection with the **[REDACTED]**. These risks can be categorised as: (i) risks relating to our business; (ii) risks relating to the industry in which we operate; (iii) risks relating to the **[REDACTED]**; and (iv) risks relating to the statements in this document.

## RISKS RELATING TO OUR BUSINESS

### Our boatbuilding projects are subject to inherent risks that may result in delays, cost overruns or cancellation of our sales contracts for newbuild workboats

The execution of our boatbuilding projects require close coordination with customers, classification societies, external naval architecture firm and suppliers. Our typical construction cycle is approximately two months per aluminium workboat, supporting an annual output of up to approximately 15 workboats. Timely completion of a newbuild workboat depends on the sequencing of multiple interdependent workstreams, including hull fabrication, outfitting, installation of propulsion and navigational systems, testing, commissioning and sea trials. Accordingly, delay or disruption at one stage may affect on subsequent works and the overall delivery schedule.

Project execution may be affected by shortages or late delivery of raw materials or skilled labour, defective or non-conforming components, supplier difficulties, engineering or design changes, additional approval requirements, labour disputes, adverse weather, increases in input costs and delays in permits or inspections. These matters may require additional resources, delay delivery or increase project costs. If we are unable to complete projects within the agreed budget or schedule, we may experience lower margins, delayed revenue recognition and cash collection, claims or cancellation of contracts. For illustrative purposes, assuming a hypothetical uniform cost overrun of 10% across our boatbuilding projects in FY2025, our gross profit for boatbuilding services would have declined from approximately S$7.1 million to S$6.4 million and the corresponding gross profit margin from approximately 50.1% to 45.1%. As boatbuilding services accounted for approximately 30.8% of our total revenue in FY2025, material delays, cost overruns or contract cancellations could materially and adversely affect our business, financial condition, cash flows and results of operations. Additionally, failure to complete a boatbuilding project within the agreed timeline may delay the recognition of revenue and the receipt of related cash flow from that project, which in turn, could further affect our profitability and working capital condition.

**Our boatbuilding projects are non-recurring in nature, and there is no assurance that customers will place repeat orders with us.**

Our boatbuilding business operates on a project-by-project basis and each newbuilt contract is a non-recurring engagement. Customers who have purchased workboats from us in the past are under no contractual obligation to place future orders with us. The non-recurring nature of our boatbuilding projects means that our revenue from this business line depends on our ability to continually secure new contracts from existing or new customers. There is no assurance that customers will place repeat orders, even if they have been satisfied with our previous work. Any decline in demand increased competition, changes in customer preferences, or our inability to obtain new projects, could materially and adversely affect our boatbuilding revenue, financial condition and results of operations.

**The availability, quality and cost of engines, generators and related spare parts supplied by Supplier A are critical to our business**

The availability, quality and cost efficiency of marine engines, generators and spare parts are critical to our boatbuilding, repair and maintenance operations as our expenses for these components amounted to approximately S$3.3 million, S$5.1 million, S$7.6 million and S$5.1 million, for FY2023, FY2024, FY2025 and 5M2026, representing approximately 13.6%, 19.7%, 28.0% and 26.9% of our total cost of sales for the respective year/period. We source these core components primarily from Supplier A, with whom we maintain exclusive distribution rights for certain marine engines and generators in Singapore. Our distribution agreement with Supplier A stipulates minimum purchase targets for certain marine engines, generators and spare parts. We had failed to meet these mandated sales volumes, which technically grants Supplier A the right to terminate our exclusive distribution arrangement. Any such termination or the loss of exclusivity would severely disrupt our supply chain, impair our chandelling operations, and could have a material adverse effect on our competitive position and financial performance. Please refer to the paragraph headed "Business — Suppliers and procurements — Selection of suppliers — Engines, generators and spare parts procurement" in this document for further details on our agreements with Supplier A.

If Supplier A becomes, unable or unwilling to supply products to us in sufficient quantities or on comparable commercial terms, including pricing, delivery schedules, credit terms or after-sales support, we may experience supply disruption, increased procurement costs or delays in our construction schedule. Even if we can find alternative products in the market, any substitution may require compatibility adjustments, customer acceptance and/or classification society approvals, and changes to our spare parts inventory and maintenance arrangements, which may not be achievable within the required timeframe. Any such disruption or cost increase could adversely affect our production schedule, margins, and our ability to deliver workboats on time, which may in turn have a material adverse effect on our business, financial condition and results of operations.

**Increases in the cost of raw materials and components, or disruptions in our supply chain, could adversely affect our boatbuilding profitability**

Our boatbuilding operations use aluminium alloy sheets, propellers, electrical components and auxiliary systems, the price and availability of which and logistics associated with their procurement and delivery, are subject to global factors beyond our control, including commodity market volatility, global market, energy costs, foreign exchange movements and tariffs.

As many of our sales contracts are fixed-price contracts, we are particularly exposed to price escalations in aluminium. If these costs rise after a contract sum has been determined, or if we are unable to pass through such increases to our customers, we may experience compressed margins or net

losses on those projects. For illustrative purposes, assuming a hypothetical, uniform increase of 10% in the cost of raw materials and component parts across our boatbuilding projects in FY2025, our gross profit for boatbuilding services in the same year would have declined from approximately S$7.1 million to S$6.5 million, with a corresponding reduction in gross profit margin from approximately 50.1% to 45.8%. Moreover, given that our boatbuilding services substantially accounted for approximately 30.8% of our total revenue in FY2025, the increase in the cost of raw materials and component parts could have a material adverse effect on our business performance.

Our operations also depend on the timely supplies from our suppliers, some of which are limited in number. Labour disputes, transportation bottlenecks, financial distress of key suppliers, or extreme weather or other disruptions could delay our production schedules and delivery deadlines, increase our working capital requirements, thereby adversely affecting our business, financial condition, and results of operations.

**Our business operations may be adversely affected if we fail to obtain, renew, maintain or comply with the required licenses, permits or classifications**

Our boatbuilding, workboat chartering, shipping agency and chandelling operations depend on our ability to obtain, renew and comply with the licences, permits and certifications required for our business. In particular, our workboats are required to maintain valid flag state registrations and harbour craft licences issued by the MPA for lawful operation and insurance coverage. Failure to comply with applicable requirements or pass inspections by the relevant authorities could result in vessel detention, suspension or revocation of registrations or licences, or restrictions on our right to operate within the Port of Singapore. There can be no assurance that our licences, permits or approvals will not be suspended, revoked, withdrawn, terminated, varied or made subject to additional conditions as a result of non-compliance, regulatory changes or administrative action, which could increase our compliance costs and adversely affect our operations. Please refer to "Regulatory Overview" and "Business — Licences, permits and approvals" for further details.

The maintenance and attainment of class status are also important to our workboat chartering and boatbuilding operations. Classification is generally required for workboat registration, insurance coverage and commercial operation, and is subject to periodic surveys and inspections by classification societies and relevant authorities. Failure of a workboat to pass any required survey or inspection could result in the suspension or withdrawal of its certificates or operating licence, rendering it unavailable for charter or commercial service until rectified.

For our boatbuilding operations, workboats constructed under classification society supervision may also be required to obtain class certification before delivery under the relevant contracts. Any failure to obtain or maintain the required classification could result in delivery delays, additional rectification costs, contractual disputes or customer claims. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

**Increase in staff cost may adversely affect our Group's profitability and financial performance**

For FY2023, FY2024, FY2025 and 5M2026, direct labour costs amounted to approximately S$4.0 million, S$4.0 million, S$4.2 million and S$1.6 million respectively, representing approximately 16.2%, 15.5%, 15.6% and 14.3% of our cost of sales, respectively. During the same years/period, employee costs amounted to approximately S$2.7 million, S$4.2 million, S$4.3 million and S$2.1 million respectively, representing approximately 43.1%, 49.7%, 50.7% and 44.6% of our selling and administrative expenses, respectively. The supply and cost of labour in Singapore are generally influenced by market availability, inflation rate and overall economic conditions. Singapore does not

have a general minimum wage policy. However, employers who hire foreign workers are required to pay their local employees a minimum Local Qualifying Salary ("**LQS**"), which is currently set at S$1,600 per month for full-time employees and will be increased to S$1,800 per month with effect from 1 July 2026. There is no assurance that the LQS or other employee benefits will not increase in the future, or that the supply of labour and average wage level will remain stable. For illustrative purposes, assuming a hypothetical increase of 10% in our total staff costs in FY2025, our net profit in the same year would have declined from approximately S$9.7 million to S$8.9 million, with a corresponding reduction in net profit margin from approximately 21.0% to 19.2%.

Increasing labour costs or shortages of skilled workers could increase our operating expenses. If we cannot recruit and retain sufficient qualified employees or if staff members to replace departed staff members in a timely manner or the cost of staff increases significantly in the future, our operations and profitability could be materially and adversely affected.

**We may face labour shortages, rising labour costs and labour disputes, which could materially and adversely affect our business, financial condition and results of operations**

Our operations depend on our ability to attract, recruit and retain a skilled workforce, including engineers, project managers, and technical specialists. Singapore's maritime services sector is facing intense competition for skilled labour, resulting in upward pressure on wages and employee benefits.

As at the Latest Practicable Date, we had 231 employees, of which 91 were local workers and 140 were foreign employees. A significant portion of our workforce therefore comprises foreign employees who are required to hold valid work passes issued by MOM, including Employment Pass ("**EP**"), S Pass or Work Permit. These different categories of work passes are subject to different eligibility requirements, including, as applicable, minimum qualifying salaries, foreign worker quotas and levies. For details, please see the paragraph headed "Regulatory Overview — General laws relating to our business — Employment of Foreign Manpower Acct 1990" in this document.

Recent regulatory changes have tightened certain of these requirements. With effect from 1 January 2027, for new EP applications, the minimum qualifying salary will increase from S$5,600 to S$6,000, representing an increase of approximately 7.14%. For S Pass holders, the minimum qualifying salary will increase from S$3,300 to S$3,600, representing an increase of approximately 9.09%. In addition, the Dependency Ratio Ceiling ("**DRC**"), which caps the maximum proportion of foreign workers a company may employ relative to its local workforce in the marine shipyard sector, has been reduced from 77.8% to 75%, effective 1 January 2026. The Foreign Worker Levy payable for basic-skilled (R2) workers in the marine sector will be raised by S$100, from S$500 to S$600, representing an increase of 20%. These changes will be effective from 1 January 2028.

These changes may increase our labour costs and constrain our ability to employ sufficient foreign personnel. As we often operate under fixed-price contracts, particularly in boatbuilding, repair and maintenance service lines, we may be unable to pass increased labour costs and levies on to our customers. For illustrative purposes, assuming a hypothetical increase of 10% in our staff costs in relation to our foreign employees in FY2025, our net profit in the same year would have declined from approximately S$9.7 million to S$9.3 million, with a corresponding reduction in net profit margin from approximately 21.0% to 20.1%. Further, assuming we maintain our current number of foreign employees, we would be required to maintain at least 64 local employees in order to remain compliant with the tightened DRC. If we are unable to maintain the requisite number of local employees to comply with the tightened ratios, we may face constraints in renewing existing work passes or obtaining new work passes for essential foreign personnel.

Labour shortages, higher wages and levies, changes in labour laws and regulations, higher employee turnover, could result in higher recruitment, training and retention costs, project delays, reduced productivity and higher operating expenses.

In addition, we compete with other industry participants for skilled workers and certified crew; and our skilled workers may be attracted by competitors offering higher remuneration or more favourable terms of employment. If we are unable to replace experienced employees or certified crew in a timely and cost-effective manner, our operational efficiency, service quality and ability to meet applicable MPA or flag state requirements may also be affected.

We are also exposed to labour disputes, industrial actions or other forms of labour unrest, which could disrupt our boatbuilding, repair, transportation and other operations, delay fulfilment of contractual obligations and increase costs. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

**The construction and sale of our workboats expose us to product liability and other vessel-related liabilities**

The construction and sale of our workboats expose us to inherent risks of product liability and other vessel-related liabilities, economic loss, and other claims. If a workboat or component sold by us is alleged or found to be defective in design, workmanship or materials, or used improperly by our customers and result in bodily injury, property damage or other loss (including death), we could be subject to product liability, warranty and/or economic loss claims against us. Such incidents may also negatively affect our brand image or reputation and the perceived quality of our workboats.

As we do not carry third-party product liability insurance for workboats sold to customers, any future material claim would have to be funded from our own resources, which could materially and adversely affect our business, financial condition and results of operations.

Any adverse determination of a product liability or related claim, particularly one involving significant personal injury, property damage, environmental impact or loss of life, could result in substantial monetary damages, legal expenses, reputational harm and loss of confidence, which could materially and adversely affect our business, financial condition and results of operations.

**Unexpected fluctuations in diesel fuel and/or B100 biodiesel prices or disruption to fuel supply may adversely affect our financial performance.**

Fuel costs are a component of our operating expenses, particularly for our workboat chartering and related operations. During the Track Record Period, our fuel costs amounted to approximately S$1.4 million, S$2.0 million, S$1.7 million and S$0.9 million, representing approximately 5.6%, 7.6%, 6.3% and 8.4% of the total cost of revenue of our Group for FY2023, FY2024, FY2025 and 5M2026, respectively.

Diesel and B100 biodiesel prices and availability may fluctuate due to factors beyond our control, including crude oil and feedstock prices, geopolitical tensions, exchange rate fluctuations, supply and demand conditions, and production policies of major oil-producing countries. We generally procure diesel fuel from local suppliers at prevailing market prices and do not maintain long-term fixed-price supply arrangements.

As we develop and evaluate a B100-powered workboat, the availability and pricing of B100 biodiesel may become increasingly relevant to our operations.

In the event of significant increases in diesel fuel and/or B100 biodiesel prices or prolonged supply disruptions, we may be unable to pass such cost increases on to customers or to secure alternative supplies at comparable terms within a short period, which could increase our operating costs and reduce our profitability. For illustrative purposes, assuming a hypothetical increase of 10% in our fuel costs in FY2025, our gross profit in the same year would have declined from approximately S$19.2 million to S$19.1 million, with a corresponding reduction in gross profit margin from approximately 41.5% to 41.1%.

**The ageing of our fleet and any significant downtime of our workboats may increase our operating costs and disrupt our operations**

Our workboat fleet support our workboat chartering operations as well as certain shipping agency service line and chandelling services. Any reduction in the availability, reliability or efficiency of our workboats may therefore affect multiple aspects of our operations.

As at the Latest Practicable Date, our owned workboats were between zero and six years old. As our fleet ages, operating and maintenance expenses are expected to increase due to wear and tear, evolving environmental and safety standards, and technological advancements in newer workboats. As our workboats age, their value depreciates. During the Track Record Period, we recorded depreciation expenses for our workboats of approximately S$0.5 million, S$0.4 million, S$0.6 million and S$0.2 million, respectively.

We may also be required to incur additional capital expenditure to retrofit or upgrade older workboats in order to comply with evolving environmental, safety or equipment standards. Older workboats may also be less attractive to charterers due to higher maintenance requirements, lower fuel efficiency or the availability of newer vessels with more advanced equipment, which could adversely affect charter demand and rates. If we dispose of older workboats for proceeds below their carrying amount, we may also incur impairment losses.

Prolonged or significant downtime of our workboats may arise from crew shortages, extensive repair or maintenance works, collisions, special surveys, labour disruptions, or the illness or death of key crew members or detention or sailing restrictions imposed by authorities for reasons beyond our control. Such downtime could delay charter deployments, crew transfer or husbandry services, and the delivery of provisions and spare parts, resulting in loss of revenue, increased operating costs and potential exposure to contractual claims or penalties. These risks may increase as our workboats age.

Accordingly, the ageing of our fleet and any significant downtime could materially and adversely affect our business, financial condition and results of operations.

**We rely on third-party service providers and overseas agents for certain regulated, specialist and oversees port services, and any failure by them to perform could adversely affect our operations and reputation**

Our shipping agency services integrate port-call coordination with our in-house workboat chartering, crew manning and chandelling capabilities, including the deployment of our own workboat to support sea logistics.

However, certain regulated, port-specific or specialist services, including pilotage, tug assistance, bunkering coordination and underwater inspections, are performed by third-party providers. We also coordinate a network of third-party local agents in jurisdictions such as Malaysia and Indonesia through our Singapore-based regional hub to support customers operating across Southeast Asia.

We do not maintain long-term contractual arrangements with most of these third-party service providers or agents, and we do not directly control their day-to-day operations. There can be no assurance that they will continue to provide services to us in a timely, reliable and cost-effective manner, or that they will not experience operational difficulties, financial distress, labour disputes or non-compliance with applicable laws and regulations.

Any disruption, delay, non-performance or dispute with such service providers or agents could result in service interruptions, penalties from port authorities or damage to our customer relationships, all of which could materially and adversely affect our business operations, financial condition and reputation.

**A substantial portion of our revenue is derived from major or recurring customers**

A significant portion of our revenue is generated from recurring engagements by a limited number of major customers across our boatbuilding, workboat chartering and shipping agency segments. Our five largest customers in each year/period contributed total revenue of approximately S$14.1 million, S$13.6 million, S$13.8 million and S$6.3 million, representing approximately 40.2%, 33.3%, 29.8% and 32.7% of our total revenue for the respective years/period, while the revenue attributable to our largest customer in each year/period during the Track Record Period amounted to approximately S$8.9 million, S$8.2 million, S$5.1 million and S$1.8 million, representing approximately 25.6%, 20.0%, 11.0% and 9.1% for the respective years/period. Our customers generally do not commit to long-term service arrangements and may reduce, delay or discontinue their orders or service requirements due to fluctuations in demand, changes in their operational needs, procurement or scheduling decisions, budgetary constraints, or other factors beyond our control. There can be no assurance that our existing customers will continue to engage our services at the same level, on comparable terms, or at all. The loss of any major customer, or a material reduction, delay or termination of their orders or service engagements, could result in lower revenue and reduced utilisation of our workboat fleet and manpower resources, which could adversely affect our operating efficiency and profitability. Reduced utilisation may also increase unit costs, place pressure on margins and adversely affect cash flows. In addition, our efforts to diversify our customer base may not succeed or may require additional time and resources, and failure to do so could materially and adversely affect our business, financial condition and results of operations.

**We rely on digital communication and vessel tracking systems in our daily workboat chartering and shipping agency operations, and any system failure, malfunction or cyberattack could disrupt our business**

Our workboat chartering and shipping agency operations was real-time digital communication and vessel tracking and monitoring systems for coordination with port authorities, customers and third-party service providers and vessel masters. Any malfunction, data corruption, cyberattack, system outage or unauthorised access affecting our systems or those of our service providers could disrupt our operational planning and scheduling, result in loss, corruption or unauthorised disclosure of data, including confidential information, and impair our ability to deliver services efficiently. Any material failure or disruption of these systems, or any cyberattack or breach of data security, could result in operational delays, financial loss, regulatory liabilities or reputational damage, which may adversely affect our business, financial condition and results of operations.

**Our insurance coverage may be insufficient to cover losses arising from operational accidents, marine casualties or other events beyond our control**

Our operations expose us to collisions, marine casualties, pollution incidents, grounding, fires, explosions, property loss or damage, mechanical failure, human error, labour strikes, adverse weather conditions other unforeseen circumstances. We maintain insurance coverage for our workboats against risks commonly insured against by workboat owners and operators, but not all risks are insured or fully insured. Please refer to the paragraph headed "Business — Insurance" in this document for further details. Our current insurance policies, with a total coverage limit for all our 19 workboats of approximately S$80.6 million, do not cover certain risks including loss and damages caused by wear and tear, terrorist attacks, radioactive or chemical contamination and acts of wilful or misconduct or gross negligence by of the shipowners and/or crew. We also do not insure certain trading-related risks such as loss of revenue due to delay or detention caused by political unrest, labour strikes, arrest, crew desertion, crew illness, infectious diseases, stowaways, drug seizure, inability to load or discharge cargo.

An uninsured loss, a loss exceeding policy limits, delay in claim settlement or inability to obtain replacement workboats may materially disrupt our operations or require us to bear substantial costs. Furthermore, material claims may also increase our future premiums or reduce the availability of coverage on commercially acceptable terms.

**We are exposed to risks of workplace safety and occupational injuries**

Workplace injuries and accidents may occur in the course of our operations across our boatbuilding, repair and maintenance and port-call services. Our boatbuilding and repair and maintenance activities involve fabrication, welding (such as burns, fire outbreaks and exposure to welding fumes), cutting and grinding (including sparks, flying debris and eye injuries), working at height on superstructures or scaffolding (falls), and moving heavy components and materials within the yard (crush and pinch injuries). Boatbuilding also involves the use of lifting equipment such as cranes and forklifts to handle hull blocks, engines and other major equipment, which increases the risk of dropped loads, collisions and other incidents despite the implementation of safety controls and procedures.

Our port-call services involve additional occupational hazards associated with marine and shipyard environment, including risks arising from vessel movements, mooring and unmooring operations, deck work under adverse weather or sea conditions, handling of ropes and equipment, loading and offloading activities, adverse weather or sea conditions, and the movement of personnel or goods between vessels and shore. These activities may require the operation of heavy machinery and lifting equipment (including cranes), and may increase the likelihood of work-related injuries or accidents notwithstanding standard safety procedures.

During the Track Record Period and up to the Latest Practicable Date, we recorded several workplace accidents involving injuries to our employees. These included accidents arising in the course of our marine and operational activities, ranging from less serious workplace injuries to the incident which occurred on 30 July 2023 and resulted in serious injury to an employee. The occurrence of such incidents demonstrates that workplace accidents may arise notwithstanding the existence of established working procedures and safety requirements. Please refer to the paragraph headed "Business — Environmental, Social and Governance Measures — Social Responsibility — Occupational Health and Safety" in this document for further information on the material accidents. In particular, in connection with the workplace incident on 30 July 2023 involving mooring and unmooring operations, Prestige Ocean and Mr. Lim CP were charged under the Workplace Safety and Health Act 2006 of Singapore. Prestige Ocean pleaded guilty to the charge against it and, on 24 September 2026, was convicted and

fined S$140,000. In respect of Mr. Lim CP, following his acceptance of MOM's offer and payment of the relevant composition sum S$5,000, the charge against him was concluded on 1 October 2026 by way of a discharge amounting to an acquittal. The incident and the related proceedings demonstrate that workplace accidents may expose members of our Group and, depending on the circumstances, our Directors or responsible personnel to regulatory investigations, prosecution, fines or other enforcement action. Please refer to the paragraphs headed ''Business — Litigation and compliance — Workplace Safety and Health Proceedings'' in this document for further details.

There can be no assurance that workplace or accidents or occupational injuries will not occur in the future. Any serious incident could result in personal injury or death, work stoppages, regulatory investigations or enforcement actions, fines, compensation or other claims, increased compliance costs and reputational damage, and could require us to modify or suspend our operations. As demonstrated by the July 2023 incident, we have previously been subject to regulatory proceedings and a fine arising from a workplace accident. Any such occurrence could materially and adversely affect our business, financial condition and results of operations.

**We face challenges in securing workboat financing in Singapore, and any future equity fundraising could be dilutive to shareholders.**

The maritime services industry in Singapore presents specific financing challenges. Local banks may be reluctant to provide financing for vessel acquisitions, which limits our access to traditional funding sources. As a result, we may require additional capital to finance our operations, fleet expansions or other business development initiatives. During the Track Record Period, we drew down approximately S$2.5 million from a revolving banking facility that became available on 30 October 2024 to partially fund the repurchase of five workboats (Mazu 03, Mazu 05, Mazu 06, Mazu 08 and Mazu 12) in January 2025, following the termination of their leaseback arrangements. The aggregate repurchase price was approximately S$3.8 million, with the balance funded from operating cash flow. If our internal resources are insufficient, we may seek to obtain funding through private placements or other issuance of new equity or equity-linked securities or debt securities or by securing new or expanded credit facilities. Our ability to raise external financing will depend on a variety of factors and uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and Singapore regulations over foreign investment and the maritime services industry. There can be no assurance that such financing will be available in a timely manner, in the required amounts, or on terms favourable to us.

In addition, incurring indebtedness would increase our debt service obligations and could subject us to operational and financing covenants that would restrict our business activities. Any failure to raise adequate financing on terms acceptable terms could constrain our liquidity, delay our growth plans as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

**Our revenue from time charters depends on our customers' utilisation and hire performance of our workboats**

Our workboats may be chartered to customers under time charter agreements, typically for one to five years with charter hire rate subject to review and re-negotiation in accordance with the agreed mechanisms. Customers are responsible for arranging their own cargo shipments and setting voyage schedules. If their operational requirements changes, projects are delayed, demand decreases or underlying contracts are lost, they may seek to reduce the charter hire rate upon renewal or amend the agreed rates during the charter term. For illustrative purposes, assuming a hypothetical, uniform decrease

of 10% in the charter hire fee paid by our time charter customers in FY2025, our gross profit for workboat chartering, crew manning and logistics support services in the same year would have declined from approximately S$3.6 million to S$3.5 million, with a corresponding reduction in gross profit margin from approximately 36.2% to 35.7%.

There can be no assurance that our customers will continue to utilise our workboats at expected levels or maintain agreed charter hire rates. Reduced utilisation, delayed or cancelled planned deployments, or lower charter hire rates could reduce our revenue and cash flows, increase collection costs and adversely affect our profitability and financial position.

**Our workboat chartering business is subject to market volatility in charter rates and workboat utilisation, which could materially and adversely affect our revenue and profitability**

As at the Latest Practicable Date, we operated 19 workboats, of which three were engaged on time charters and 16 were deployed for trip-based charters and/or to support our shipping agency services.

For our trip-based charters, hire rates are negotiated on a per-voyage basis and are affected by factors such as voyage distance, duration, and prevailing fuel prices. Revenue is generated only when a workboat is deployed, while fixed operating costs such as crew wages, insurance, maintenance, and depreciation continue to be incurred during idle periods.

For our time charters, hire rates for new or renewal contracts are negotiated based on prevailing market conditions including general economic conditions, sector-specific demand, vessel availability, and fuel costs.

For illustrative purposes, assuming a hypothetical, uniform decrease of 10% in the charter hire fee paid by our trip based charter customers in FY2025, our gross profit for workboat chartering, crew manning and logistics support services in the same year would have declined from approximately S$3.6 million to S$2.9 million, with a corresponding reduction in gross profit margin from approximately 36.2% to 31.4%.

A decline in charter rates or demand or an increase in workboat idle time, could significantly reduce our revenue and result in fixed costs eroding profitability. If we are unable to secure charters on commercially acceptable terms or minimise off-hire periods, our business, financial condition, cash flows and results of operations could be materially and adversely affected.

**We are exposed to foreign exchange risk**

We are exposed to certain foreign exchange risks due to fluctuation in the exchange rates among the currencies used in our business operations. Our revenue is denominated in S$ while our cost of sales, operating expenses and capital expenditures are predominantly incurred in S$ and certain payment commitments and expenditures are denominated in USD. In particular, the purchase price of engines, generators and other spare parts procured from Supplier A is settled in USD. As our reporting currency is S$ and therefore our revenue and other accounting items are all translated into S$ on our consolidated financial statements, and our results of operations and financial position presented in S$ are therefore affected by the exchange rate between S$ and the USD.

During the Track Record Period, fluctuations of the exchange rates between USD against S$ resulted in a net loss of approximately S$0.1 million in 2023, net gain of approximately S$0.09 million in 2024, net loss of approximately S$0.2 million in 2025 and net loss of approximately S$0.05 million in 5M2026. There is no assurance that we will be able to effectively manage such foreign exchange risks.

If we face significant volatility in these foreign exchange rates and we cannot procure any specific foreign exchange control measures to mitigate such risks, our results of operations and financial performance may be adversely affected.

**We may fail to effectively manage our inventory levels, leading to operational disruptions and increased costs**

We maintain aluminium plates, engines, vessel equipment, spare parts, and consumable materials for boatbuilding, chandelling, repairs and maintenance. Effective inventory management is subject to significant uncertainties, including variable supplier lead times, supplier reliability, and fluctuations in customer demand. As at 31 December 2023, 2024, 2025 and 31 May 2026, our inventories amounted to approximately S$1.2 million, S$1.4 million, S$1.2 million and S$1.1 million, respectively, representing approximately 8.2%, 9.5%, 7.8% and 7.5% of our total current assets for the respective years/period. During the Track Record Period, our inventory turnover days were 13.9, 18.2, 17.7 and 16.2 days, respectively.

Inaccurate demand forecasts, supplier delays or changes in customer orders may result in shortages or excess inventory, causing service disruption, lost sales, write-downs or additional holding costs and adversely affecting our business, financial condition and results of operations.

**Our Group's historical growth rate, revenue and profit margin may not be indicative of our performance**

For FY2023, FY2024, FY2025 and 5M2026, our revenue amounted to approximately S$34.9 million, S$40.9 million, S$46.4 million and S$19.4 million, respectively. For the same period, our profit and total comprehensive income were approximately S$3.8 million, S$6.1 million, S$9.7 million and S$3.3 million, respectively, representing a net profit margin of approximately 10.8%, 14.8%, 21.0% and 17.1%, respectively. For discussions on our results of operations, please refer to the section headed "Financial Information" in this document.

Our historical financial performance may not be indicative of our future results. We may not be able to sustain our historical revenue growth rate or profit margin due to factors such as higher labour, fuel and repair and maintenance costs, fluctuations in customer demand, and changes in competitive or regulatory environments. Accordingly, investors should not place undue reliance on our historical financial information as an indication of our future financial or operating performance.

**Failure to collect payments in a timely manner could have an adverse effect on our cash flows, working capital and results of operations**

As at 31 December 2023, 2024, 2025 and 31 May 2026, our trade receivables amounted to approximately S$7.2 million, S$6.1 million, S$6.6 million and S$7.4 million, respectively, of which approximately S$4.6 million, S$3.1 million, S$4.0 million and S$4.5 million, were past due but not impaired, respectively. For FY2023, FY2024 and FY2025 and 5M2026, our trade receivable turnover days were approximately 74.2 days, 59.1 days, 49.8 days and 54.5 days, respectively. For further details on our trade receivables, please refer to the paragraph headed "Financial information — Certain balance sheet items — Trade receivables" in this document.

If we fail to collect the trade receivables on a timely manner, our cash flow and working capital could be adversely affected. Even if the overdue trade receivables could eventually be collected, the recovery process may be time-consuming, and require additional financial and human resources. Furthermore, any significant difference between the actual collection period from customers and the

credit period granted by our suppliers and subcontractors may lead to a significant cash flow mismatch and have a negative impact on our working capital sufficiency. As a result, our business, financial position and results of operations will be adversely affected.

**We incurred net current liabilities as of 31 December 2023**

Our Group had recorded net current liabilities of S$5.8 million as of 31 December 2023, primarily due to the balances of amounts due to the then shareholder of S$6.4 million arising from funding need for the investment in the new waterfront facility that we have acquired in 2023. For further details, please refer to the sub-section headed "Financial Information — Net current assets" in this document. We cannot assure you that we will not have a net current liabilities position in the future. The net current liabilities position, if recurs in the future, would expose us to liquidity risk which could restrict our ability to make necessary capital expenditure or develop business opportunities, and our business, operating results and financial condition could be materially and adversely affected.

**Our success significantly relies on key management personnel and our ability to attract and retain additional qualified management**

We depend on the continued services of our executive Directors and senior management team, whose experience and industry knowledge are important to our operations and business development. In particular, our Group has benefitted from the experience of Mr. Chua TK, our executive Director, chairman of the Board, one of the Controlling Shareholders and the founder of the Group, who has over 28 years of experience in the maritime services industry in Singapore.

The loss of any key member of our management could disrupt our operations and strategic planning, and suitable replacements may not be available on a timely manner, or cost effective basis. If any key personnel were to join a competitor or forms a competing business, we may lose know-how, trade secrets, customers and key employees.

Our operations also depend on our ability to attract, train and retain qualified skilled personnel including engineers, designers, craftsmen, specialized installers, assemblers and testers. However, competition for such personnel is intense in the maritime and boatbuilding industries in Singapore and we cannot guarantee that we will be able to recruit or retain adequate staff to meet our operational and expansion needs in the future. Any inability to do so could adversely affect our business, results of operations, financial condition and prospects.

**We may not be able to successfully implement our strategies, or achieve our business objectives**

Our strategies are based on assumptions regarding funding, market conditions, regulation, customer relationships, competition and other factors that may change. We also intend to consider strategic investments or acquisitions, particularly to expand our shipping agency services. Suitable opportunities may not be identified or completed on acceptable terms, and acquisitions may involve valuation, financing and integration risks, including difficulties integrating operations, systems, personnel or brands or retaining key employees and customers. We may fail to realise anticipated benefits, synergies or efficiencies. Failure to implement our strategies or successfully execute or integrate investments or acquisitions could adversely affect our business, financial condition and results of operations.

**We may not be able to successfully execute our strategic investments and/or acquisitions, and we may be exposed to risks and uncertainties associated with such activities**

As part of our growth strategy, we intend to pursue strategic investments and/or acquisitions to expand our service offerings, particularly within our shipping agency service line. However, there can be no assurance that suitable targets will be identified or that any transactions can be completed on commercially acceptable terms. Acquisition activities involve inherent risks and uncertainties, including valuation risk due to changes in market conditions, evolving industry dynamics or other factors beyond our control. Following completion, we may encounter integration challenges, including difficulties in integrating operations, systems, personnel and brands of acquired businesses, as well as retaining key employees and customers. In addition, there is a risk that we may be unable to realise the anticipated benefits, synergies, cost savings or operational efficiencies from such acquisitions within the expected timeframe, or at all. Any of the foregoing may adversely affect our business, financial condition and results of operations.

**We may not be able to detect and prevent fraud, misconduct or non-compliance by third parties**

We are exposed to the risk of fraud, misconduct or other unlawful activities committed by our agents, customers, suppliers or other third parties. Such acts could result in financial losses, legal liabilities, regulatory sanctions as well as reputational harm. Examples of potential misconduct include misappropriation of assets, falsification of records, fraudulent representations or other actions that could cause us to incur losses or damage our credibility and business relationships.

We may be unable to identify non-compliance and/or suspicious transactions in a timely manner. There is no assurance that we will be able to detect, deter and prevent all such actions of third parties. There will therefore continue to be the risk that fraud and other misconduct may occur, including negative publicity as a result, which may have an adverse effect on our business, reputation, financial position, and results of operations.

**There may be legal consequences to our Group in the event that a charterer uses our Group's workboats for illegal activities**

Although we require charterers to use our workboats in compliance with applicable laws and regulations and maintain internal compliance controls, we may be unable to identify, deter or prevent all unlawful activities or misconduct by a charterer in a timely manner or at all.

If a charterer uses our workboats for unauthorised or illegal activities in Singapore (including Singapore waters), we may face legal, regulatory and reputational consequences. According to our Singapore Legal Advisers, under Singapore maritime laws and regulations, including the Maritime and Port Authority of Singapore Act 1996 and its subsidiary legislation, vessels are licensed for specific uses. Charterers may, intentionally or otherwise, engage in unauthorised activities beyond the scope of the applicable licence. Under the Maritime and Port Authority of Singapore (Harbour Craft) Regulations, if a harbour craft is used for a purpose other than that stated on the licence, such a breach may lead to regulatory action, including suspension or cancellation of licences, and monetary penalties, including a fine not exceeding S$5,000 and, in the case of a continuing offence, a further fine not exceeding S$1,000 for every day or part thereof during which the offence continues after conviction.

Singapore authorities also enforce environmental protection laws, including the prohibition of discharge of refuse, garbage, wastes, effluents, plastics and dangerous pollutants from vessels. Under the Prevention of Pollution of the Sea Act 1990, if any disposal or discharge of refuse, garbage, waste matter, trade effluent, plastics or marine pollutant in packaged form occurs from any ship into Singapore

waters, the master, the owner and the agent of the ship shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding S$20,000 or to imprisonment for a term not exceeding 6 months or to both.

Chartered vessels may also be misused for activities that contravene customs laws, including failure to declare dutiable goods and smuggling. Singapore's customs laws apply within its territorial waters, and infringements may result in vessel seizure and forfeiture. Under the Customs Act 1960, all goods in respect of which there has been, or there is reasonable cause to suspect that there has been, an offence committed under the Customs Act 1960 or any breach of its provisions, together with any vessel not exceeding 200 tons net registered tonnage, in which the same may have been found or which has been used in connection with the offence or breach may be seized by any officer of customs in any place either on land or in the territorial waters of Singapore. All goods liable to seizure under the Customs Act 1960 are liable to forfeiture, including vessels not exceeding 200 tons net registered tonnage.

If any of the foregoing occurs, our business, financial condition and results of operations could be adversely affected.

**We may be required to complete the filing with the CSRC in connection with the proposed [REDACTED] under the Trial Measures**

On 17 February, 2023, the CSRC released a set of regulations including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**"), and five supporting guidelines (5項配套指引), which came into effect on 31 March 2023. Please refer to the paragraph headed "Regulatory Overview — Regulations in relation to the Trial Measures promulgated by the CSRC" in this document for further details.

As advised by our PRC Legal Advisers, we do not meet any of the thresholds set forth in the Trial Measures, for the following considerations: (a) our Company does not, directly or indirectly, own or control any entity or subsidiaries established in the PRC, nor has it established any variable interest entity structure or entered into any contractual arrangement or similar mechanism to control any PRC entity; (b) our Group does not generate any revenue or profit through any PRC entity; (c) our Group does not hold or control any assets within the PRC and does not currently maintain any business activities, operations or any revenue-generating activities within the PRC, nor is its principal place of business located in the PRC. Despite the fact that we provide shipping agency services (and ancillary services thereto) to PRC-based customers when they are in Singapore, all aspects of such services are performed entirely outside the PRC, and only approximately 21.7% of our Group's revenue was derived from such PRC-based customers for FY2025 (approximately 33.4% and 29.9% for FY2023 and FY2024 respectively); and (d) none of the directors or senior management personnel responsible for our Group's business operations and management is a PRC citizen or domiciled in the PRC. Accordingly, as advised by our PRC Legal Advisers, our Company is not required to complete any filing procedures with the CSRC in connection with the **[REDACTED]**.

However, uncertainties still exist as to how the Trial Measures and the supporting guidelines will be interpreted and implemented in practice. Particularly, the determination of indirect overseas offering and listing by domestic enterprises shall follow the principle of substance over form (the "**Principle**") and such Principle is subject to any new laws, rules and regulations or interpretations and implementations in any form relating to the filing requirements under the Trial Measures. If the CSRC considers that we fall within the circumstances stipulated in the second paragraph of Article 15 of the Trial Measures and therefore shall complete the filing procedure, but we failed having done so, the

CSRC may order us to rectify, issue warnings and impose a fine up to RMB10 million. Plus, directly liable persons-in-charge and other directly liable persons may be warned and each be imposed a fine up to RMB5 million.

**We may from time to time be involved in legal and other disputes and claims arising from our operations**

Given the nature of the maritime services industry, we may, from time to time, be involved in disputes or claims with our employees, service providers or customers, arising from, among others, alleged substandard services, delays, payment issues, or work-related injuries and compensation claims. The outcome of such proceedings may be uncertain, and could be result in judgments, settlements, compensation payments or other liabilities.

Legal or regulatory proceedings may also divert our management's time and attention, increase our insurance premiums and result in additional compliance or remedial costs, and adversely affect our reputation and business relationship. Any material dispute, claim, adverse judgment, settlement or related negative publicity could materially and adversely affect our business, financial condition and results of operations.

## RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

**We are subject to the cyclicality and volatility of the maritime services industry in general**

Our business is affected by the cyclical and unpredictable nature of the maritime services industry, and by global and regional economic conditions beyond our control. Changes in shipping demand, vessel supply, and raw material prices may affect orders for new workboats, demand for repair services, utilisation of our shipping agency services, the prices we can charge and our operating costs.

As our operations are primarily based in Singapore, any adverse developments in the local maritime services market could have a significant impact on our financial condition and results of operations.

The maritime services industry has in recent years experienced considerable volatility arising from macroeconomic and geopolitical factors, including global and regional economic and geopolitical trends, armed conflicts, terrorist activities, embargoes, strikes and trade wars; changes in global demand and supply for commodities and industrial products globally, particularly in key markets, such as the PRC; developments in international trade policies, including tariffs, modification of trade agreements and protectionist measures; fluctuations in foreign exchange rates; prices of energy resources; evolving environmental and other regulatory developments; shifts in global and regional transportation patterns; changes in the maritime services industry, including industry consolidation, mergers and acquisitions, bankruptcies, restructurings and alliances; expansion or congestion in port and terminal infrastructure; outbreaks of diseases; and increasing adoption of digital platforms for operational management and customer relations, including billing and services.

These factors are difficult to predict and may materially and adversely affect our business, financial condition, results of operations and liquidity.

**We face intense competition from local and regional boatbuilders and shipping agency service providers, many of which possess greater resources and broader customer base**

The boatbuilding and shipping agency services sector in which we operate are highly competitive. Competition affects our ability to maintain and expand market share in our existing markets and to enter new markets. Key competitive factors include technical expertise, available capacity, pricing, delivery schedule and geographical proximity to suppliers. We compete with both international and local boatbuilders as well as shipping agency service providers, many of which have greater financial, marketing and other resources, established customer relationships and broader operating networks than we do. For instance, according to the JWA Report, while our Group ranked third among aluminium workboat builders in Singapore based on 15 workboats delivered in 2025, the number of vessels delivered by the largest aluminium workboat builder in Singapore amounted to 25 in 2025. We cannot assure you that we will not face increasing competition from existing or new market entrants, or that we will be able to maintain our current competition position. Our failure to compete effectively could adversely affect our business, financial condition and results of operations.

**Global geopolitical tensions may adversely affect our chartering operations and increase our operating costs**

Global geopolitical tensions, particularly in major oil-producing regions, may disrupt global oil supply chains, constrain production or transportation routes, and lead to increased volatility in crude oil prices. During the Track Record Period, our cost of fuel, petrol and diesel was approximately S$1.4 million, S$2.0 million, S$1.7 million and S$0.9 million, respectively, representing approximately 5.6%, 7.6%, 6.3% and 8.4% of our cost of sales, respectively.

Any such disruptions may result in higher fuel costs, and sustained increases in fuel prices arising from geopolitical tensions would directly increase our operating costs, particularly for our trip-based chartering business where fuel costs are borne by us (in contrast to time charters where fuel costs are borne by the customers). In light of the above, any prolonged escalation of global geopolitical tensions may materially and adversely affect our business, results of operations and financial condition.

**Increases in energy costs could increase our cost of sales and compress our margins**

Aluminium is a key raw material in our boatbuilding operations, and aluminium procurement represented approximately 15.1% of our total cost of sales for boatbuilding services during the Track Record Period. As aluminium production is energy intensive, any sustained increase in energy prices may increase aluminium prices, and in turn our cost of sales.

For illustrative purposes, assuming a hypothetical, uniform increase of 10% in the cost of aluminium across our boatbuilding projects in FY2025, our gross profit for boatbuilding services in the same year would have declined from approximately S$7.1 million to S$7.0 million, with a corresponding reduction in gross profit margin from approximately 50.1% to 49.3%. Any prolonged increase in global energy prices may materially and adversely affect our business, results of operations and financial condition.

**We may experience damage to our brand image and corporate reputation, including negative publicity against us**

Our ability to retain customers and win new business depends in part on our reputation for reliable and safe services. Actual or perceived service failures, customer complaints, workplace or marine accidents, regulatory proceedings or negative publicity involving our Group, Directors, senior

management, employees or business partners, whether substantiated or not, could reduce customer confidence and demand for our services. Failure to address complaints or adverse publicity appropriately could materially and adversely affect our business, financial condition and results of operations.

**Our business is vulnerable to epidemics, natural disasters, acts of war, terrorist acts, piracy, political unrest and other events beyond our control**

Epidemics or pandemics, such as COVID-19, in jurisdictions where we operate could disrupt global or regional trade flows and reduce demand for our shipping agency, transportation and other services. Related measures, including quarantines, travel restrictions, port closures, crew-change restrictions or additional inspection requirements, could also delay our operations and increase operating costs.

Our operations may also be disrupted by natural disasters, fires, power or telecommunications failures, acts of war, terrorism, piracy, political unrest, human error and other events beyond our control. Any such event could interrupt or suspend our operations, increase costs or prevent us from providing services, which could materially and adversely affect our business, financial condition and results of operations.

## RISKS RELATING TO THE [REDACTED]

**There has been no prior [REDACTED] for our Shares and the liquidity, [REDACTED] and [REDACTED] of the Share may be volatile**

Prior to the **[REDACTED]**, there has been no **[REDACTED]** for our Shares. The **[REDACTED]** of, and the **[REDACTED]**, the Shares on the Stock Exchange do not guarantee that an active or sustained **[REDACTED]** will develop following completion of the **[REDACTED]**. Factors such as variations in our Group's revenues, earnings and cash flows, acquisitions made by our Group or our competitors, industrial or environmental accidents suffered by our Group, loss of key personnel, litigations or fluctuations in the market prices for the services provided or supplies required by our Group, the **[REDACTED]** for the Shares, and the general market sentiment could cause the **[REDACTED]** and **[REDACTED]** of the Shares to change substantially. In addition, both the **[REDACTED]** and **[REDACTED]** could be adversely affected by factors beyond our Group's control and unrelated to the performance of our Group's business, especially if the financial market in Hong Kong experiences a significant price and volume fluctuation. In such cases, investors may not be able to **[REDACTED]** their Shares at or above the **[REDACTED]** or at all.

**Any disposal of a substantial number of Shares by our Controlling Shareholders after the [REDACTED] could materially and adversely affect the market price of our Shares**

There is no assurance that our Controlling Shareholders will not dispose of their Shares following the expiration of the applicable lock-up periods after the **[REDACTED]**. Our Group cannot predict the effect, if any, of any future sales of Shares by any Controlling Shareholders, or the availability or expectation of such sale, may have on the **[REDACTED]** of our Shares. Sale of a substantial number of Shares by any Controlling Shareholders, or even the perception that such sale may occur, could significantly reduce the **[REDACTED]** of our Shares and adversely affect investor confidence in our Group.

**The [REDACTED] are entitled to terminate the [REDACTED]**

Prospective investors should note that the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) are entitled to terminate its obligations under the **[REDACTED]** by giving notice in writing to us upon the occurrence of any of the events set out in the paragraph headed "**[REDACTED]**" in this document at any time prior to 8:00 a.m. (Hong Kong time) on the **[REDACTED]**. Such event

may include, among others, any act of God, outbreak or escalation of war or hostilities, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism, strike or lock-out or other event which, in the opinion of the **[REDACTED]**, is likely to have a material adverse effect on the success of the **[REDACTED]** or on the business or financial position of our Group.

**The interests of our Controlling Shareholders may not always coincide with the interests of our Group and those of our other Shareholders**

Immediately after the completion of the **[REDACTED]** **[REDACTED]** and the **[REDACTED]** (without taking into account any Shares that may be **[REDACTED]** and **[REDACTED]** upon the exercise of the **[REDACTED]**), our Controlling Shareholders will together be interested in **[REDACTED]**% of our issued share capital. Our Controlling Shareholders will therefore, have a significant influence over our Group's management, business strategies and corporate matters, including decisions relating to the election of Directors, declaration of dividends and approval of major transactions. The interests of our Controlling Shareholders may not always align with those of our Group and other Shareholders. If our Controlling Shareholders exercise their influence in a manner that conflicts with the interests of our Group or other Shareholders, for instance, by pursuing strategies, transactions or policies that serve their own interests, our business, operations or the interest of other Shareholders could be adversely affected as a result.

**Future [REDACTED] of our Shares, or the perception that such events may occur, could adversely affect the prevailing market price of the Shares**

Future **[REDACTED]** of additional Shares by our Company or any disposal of Shares by our existing Shareholders or the perception that such **[REDACTED]** may occur, may negatively impact the prevailing market price of the Shares.

There can be no assurance that our Company or our Shareholders will not **[REDACTED]** additional Shares in the future. Any such events could materially and adversely affect the **[REDACTED]** and **[REDACTED]** of our Shares.

**There can be no assurance that we will declare or distribute any dividends in the future**

For FY2023, FY2024, FY2025 and 5M2026, our Group declared dividends of S$10.9 million, nil, approximately S$5.0 million and S$3.7 million, respectively, to our then shareholders.

Subject to the Companies Act and the Articles, our Company may declare dividends in general meetings, but no dividends shall exceed the amount recommended by our Board.

Our Board may also from time to time pay to our Shareholders such interim dividends as appear to our Board to be justified by the financial conditions and the profits of our Company, and may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of our Company as it thinks fit. Any decision to pay dividends will be made having regard to factors such as the results of operation, financial condition and position, and other factors deemed relevant by our Board. Any distributable profits that are not distributed in any given year may be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in our operation.

There can be no assurance that we will be able to declare or distribute any dividends. Our future declarations of dividends will be at the absolute discretion of our Board.

## RISKS RELATING TO THE STATEMENTS IN THIS DOCUMENT

### No representation is given as to the accuracy of the information from official government sources

The information and statistics set out in the section headed "Industry Overview" and elsewhere in this document have been extracted from the JWA Report prepared by the Industry Consultant, which was commissioned by us, and from various official government publications. We engaged the Industry Consultant to prepare the JWA Report, as an independent industry consultant, in connection with the **[REDACTED]**. However, information derived from official government sources has not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]** except for the Industry Consultant, and no representation is given as to the accuracy and completeness of such information.

### You should read the entire document and we strongly caution you not to place any reliance on any information contained in press articles or media regarding us or the [REDACTED]

There may be press and media coverage regarding us or the **[REDACTED]**, which may include certain events, financial information, financial projections and other information about us and the **[REDACTED]**. We have not authorised the disclosure of any such information in the press or other media and do not accept responsibility for the accuracy and completeness of such press and media coverage and we make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this document is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to **[REDACTED]** and/or **[REDACTED]** our Shares, you should rely only on the information included in this document in making your **[REDACTED]** decision regarding our Shares. By applying to purchase our Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than those contained in this document.

### Our Group's future results could differ materially from those expressed or implied by the forward-looking statements

Included in this document are various forward-looking statements that are based on various assumptions. Our Group's future results could differ materially from those expressed or implied by such forward-looking statements. For details of these statements and the associated risks, please refer to the section headed "Forward-looking Statements" in this document. Investors should read this entire document carefully and we strongly caution you not to place any reliance on any information (if any) contained in press articles or other media regarding us and the **[REDACTED]** including, in particular, any financial projections, valuations or other forward-looking statements.

Prior to the publication of this document, there may be press or other media which contains information referring to us and the **[REDACTED]** that is not set out in this document. We wish to emphasise to potential investors that neither we nor any of the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]** and the **[REDACTED]**, or the directors, officers, employees, advisers, agents or representatives of any of them, or any other parties (collectively, the "**Professional Parties**") involved in the **[REDACTED]** has authorised the disclosure of such information in any press or media, and neither the press reports, any future press reports nor any repetition, elaboration or derivative work were prepared by, sourced from, or authorised by us or any of the Professional Parties.

Neither we nor any Professional Parties accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is not contained in this document or is inconsistent or conflicts with the information contained in this document, we disclaim any responsibility and liability whatsoever in connection therewith or resulting therefrom. Accordingly, prospective investors should not rely on any such information in making your decision as to whether to **[REDACTED]** in the **[REDACTED]**. You should rely only on the information contained in this document.

In preparation for the **[REDACTED]**, we have applied to the Stock Exchange for the following waiver from strict compliance with the relevant provision of the Listing Rules.

## MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, all applicants applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong. This would normally mean that at least two of the applicant's executive directors must be ordinarily resident in Hong Kong.

Our Company's business operations and assets are primarily located outside Hong Kong. The headquarters and business operations of our Group are primarily based, managed and conducted in Singapore. Currently, all of our Company's executive Directors and members of our senior management team are based in Singapore. As our executive Directors and senior management team play very important roles in our Company's operations, our Company considers that it is more effective and efficient, and in the best interest of our Company, for our executive Directors and senior management to be based in a location where our substantial operations are located. Our Company therefore does not, and in the foreseeable future will not, maintain management presence in Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(1) We have appointed Mr. Chua TK and Mr. Lim CP, our executive Directors, as our authorised representatives for the purpose of Rule 3.05 of the Listing Rules. They will serve as the principal channel of communication with the Stock Exchange and make themselves readily available to communicate with the Stock Exchange. Each of Mr. Chua TK and Mr. Lim CP can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters within a reasonable period of time upon the request of the Stock Exchange. The contact details of our authorised representatives have been provided to the Stock Exchange.

(2) All Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including phone numbers and email addresses, to our authorised representatives and to the Stock Exchange. In the event that a Director expects to be traveling or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation or other contact information to our authorised representatives to ensure that each of our authorised representatives will be able to contact all our Directors promptly at all times if and when the Stock Exchange wishes to contact our Directors.

(3) We have appointed Alliance Capital Partners Limited as our compliance advisor in accordance with Rule 3A.19 of the Listing Rules, which will serve as an additional and alternative channel of communication with the Stock Exchange in addition to our authorised representatives. The compliance advisor will have reasonable access, at all times during the term of their appointment, to our authorised representatives, Directors and other officers of our Company, participate in the communication between the Stock Exchange and our Company and answer inquiries from the Stock Exchange.

(4) Any meeting between the Stock Exchange and our Directors will be arranged through our authorised representatives or our compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorised representatives and our compliance advisor.

(5) We intend to retain our Hong Kong legal advisors on on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the **[REDACTED]**.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

# DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

## DIRECTORS

| Name | Address | Nationality |
|---|---|---|
| ***Executive Directors*** | | |
| Mr. CHUA TK | 109 Pavilion Circle, Singapore 658542 | Singaporean |
| Mr. LIM CP | Blk 158 Jalan Teck Whye, #15–111, Singapore 680158 | Singaporean |
| ***Independent non-executive Directors*** | | |
| Ms. Ayako YAMADA | 15 Cuaderno st., BF West Executive Village, BF Homes Paranaque, Manila Philippines 1740 | Japanese |
| Mr. KONG Kian Siong (江建祥) | 6B Jedburgh Garden, Singapore 457117 | Singaporean |
| Capt. WONG Kar Weng | Block 1B Cantonment Road, The Pinnacle@Duxton, #09–23, Singapore 085201 | Singaporean |

For further details on our Directors and members of our senior management, please refer to the section headed ''Director and Senior Management'' of this document.

## PARTIES INVOLVED IN THE [REDACTED]

| | |
|---|---|
| **Sole Sponsor** | **Alliance Capital Partners Limited**<br>*A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities*<br>Unit 03, 7/F, Worldwide House<br>19 Des Voeux Road Central<br>Hong Kong |
| **[REDACTED]** | **[REDACTED]** |
| **[REDACTED]** | **[REDACTED]** |
| **[REDACTED]** | **[REDACTED]** |

| | |
|---|---|
| **Legal advisers to our Company** | *As to Hong Kong Law:*<br>**Howse Williams**<br>27/F Alexandra House<br>18 Chater Road<br>Central<br>Hong Kong<br><br>*As to Singaporean Law:*<br>**CNPLaw LLP**<br>600 North Bridge Road #13–01<br>Parkview Square (Parkview 2)<br>Singapore 188778<br><br>**Vijay & Co.**<br>111 North Bridge Road<br>Peninsula Plaza # 13–05<br>Singapore 179098<br><br>*As to Cayman Islands Law:*<br>**Ogier**<br>11th Floor Central Tower<br>28 Queen's Road Central<br>Central<br>Hong Kong<br><br>*As to PRC Law:*<br>**DaHui Lawyers**<br>37/F China World Tower A<br>1 Jianguomenwai Avenue<br>Beijing 100004<br>PRC |
| **Legal advisers to the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED]** | *As to Hong Kong Law:*<br>**TC & Co.**<br>Units 501–502<br>5/F, Tai Tung Building<br>8 Fleming Road<br>Wanchai<br>Hong Kong |
| **Auditors and reporting accountants** | **RSM Hong Kong**<br>*Certified Public Accountants, Hong Kong*<br>29/F., Lee Garden Two<br>28 Yun Ping Road<br>Causeway Bay<br>Hong Kong |

| | |
|---|---|
| **[REDACTED]** | **[REDACTED]** |
| **Compliance adviser** | **Alliance Capital Partners Limited**<br>*A licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities*<br>Unit 03, 7/F, Worldwide House<br>19 Des Voeux Road Central<br>Hong Kong |
| **Internal control consultant** | **Ascentium Business Advisory Pte. Ltd.**<br>36 Robinson Road<br>#20–01, City House<br>Singapore 068877 |
| **Industry Consultant** | **Justin Wee & Associates Pte Ltd**<br>62 Ubi Road 1<br>#05–13 Oxley Bizhub 2<br>Singapore 408734 |
| **Property Valuer** | **Robert Khan & Co Pte Ltd**<br>261 Waterloo Street<br>#04–24 Waterloo Centre<br>Singapore 180261 |

# CORPORATE INFORMATION

| | |
|---|---|
| **Registered office in the Cayman Islands** | 89 Nexus Way<br>Camana Bay<br>Grand Cayman<br>KY1-9009<br>Cayman Islands |
| **Headquarter and principal place of business in Singapore** | 182 Pandan Loop<br>Singapore 128373 |
| **Principal place of business in Hong Kong under Part 16 of the Companies Ordinance** | Suites 3301–04, 33/F.<br>Two Chinachem Exchange Square<br>338 King's Road<br>North Point, Hong Kong |
| **Company's website address** | **https://www.pinnaclemarine.sg/**<br>*(information on this website does not form part of this document)* |
| **Company Secretary** | **Mr. Kwok Pak Shing**<br>*Certified Public Accountant*<br>Flat B, 22/F, Tower 1<br>Island Harbourview<br>Tai Kok Tsui, Kowloon<br>Hong Kong |
| **Authorised representatives (for the purpose of the Listing Rules)** | **Mr. Chua TK**<br>109 Pavilion Circle<br>Singapore 658542<br><br>**Mr. Lim CP**<br>Blk 158 Jalan Teck Whye,<br>#15-111, Singapore 680158 |
| **Audit Committee** | Mr. Kong Kian Siong *(Chairman)*<br>Ms. Ayako Yamada<br>Capt. Wong Kar Weng |
| **Remuneration Committee** | Capt. Wong Kar Weng *(Chairman)*<br>Mr. Kong Kian Siong<br>Ms. Ayako Yamada |
| **Nomination Committee** | Ms. Ayako Yamada *(Chairlady)*<br>Mr. Kong Kian Siong<br>Capt. Wong Kar Weng |
| **[REDACTED]** | **[REDACTED]** |
| **[REDACTED]** | **[REDACTED]** |

# CORPORATE INFORMATION

**Principal bankers**

**United Overseas Bank**
80 Raffles Place, UOB Plaza,
Singapore 048624

*This section and elsewhere in this document contain certain information, statistics and data which are derived from various official government publications and other publicly available publications, and a report commissioned by us and prepared by our industry consultant, Justin Wee & Associates Pte Ltd (JWA). The information, statistics and data from official government sources have not been independently verified by us, the Sole Sponsor, the* ***[REDACTED] [REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, any of our or their respective directors, officers, employees, advisors or agents or any other party (other than JWA) involved in the* ***[REDACTED]****, and no representation is given as to their accuracy, reliability or completeness.*

## SOURCES OF INFORMATION

We have engaged JWA, an independent market research consulting firm, to conduct a detailed analysis and prepare an industry report on the markets in which we operate. JWA is an independent marine consultant in the marine sector in Singapore. The author of the JWA Report (as defined below) is a recipient of the prestigious Lloyd's Register Educational Trust (LRET) scholarship. He received his training at the Department of Ship Science in the University of Southampton (UK), in the field of marine hydrodynamics and practical working expertise in Naval Architecture. He possesses a post graduate level Master's degree in Offshore & Marine Technology (Dean's List Recipient) and is a practising Chartered Engineer (CEng) and Chartered Marine Engineer (CMarEng) licensed under the UK Engineering Council. He is a member of the Royal Institution of Naval Architects (RINA), the Institute of Marine Engineering, Science & Technology (IMarEST) and the Society of Naval Architects & Marine Engineers, Singapore (SNAMES). He has over 20 years of experience working with shipyards, classification societies and ship design firms which provided him with experiences in the maritime industry, especially that relates to the marine and offshore sectors and JWA. We incurred a total of S$9,000 in fees and expenses in connection with the preparation and use of the JWA Report.

JWA prepared its report (the "**JWA Report**") based on its in-house database, independent third party reports and publicly available data from government sources and reputable industry organisations. Where necessary, JWA visits companies operating in the industry to gather information about the market, prices and other relevant information. The information contained herein has been obtained from sources believed by JWA to be reliable, but there can be no assurance as to the accuracy or completeness of included information.

The market projections in the commissioned report are based on the following key assumptions: (i) the overall Singapore's social, economic, and political environment is expected to maintain a stable trend during the forecast period; (ii) the key industry drivers are likely to continue to drive the growth in each market during the forecast period; and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period. All the information regarding our Company has been sourced from our Company's audited report or management interviews. The information concerning and provided by our Company has not been independently verified by JWA.

## OVERVIEW OF GLOBAL SEABORNE TRADE AND THE MARITIME SERVICES VALUE CHAIN

Maritime transportation accounts for approximately 80% of global trade by volume by containerised cargo, dry bulk commodities and liquid bulk cargo. Shipping activities are generally correlated with global economic conditions, industrial production, energy demand and cross-border trade. According to the JWA Report, the global maritime shipping industry is projected to grow at a CAGR of approximately 1.5% through 2030. Ocean-going vessels require port infrastructure and supporting services for cargo operations, bunkering, crew changes and regulatory compliance. Increased vessel traffic and anchorage occupancy generally raise demand for workboats, crew transfers, provisions and spare parts, and coordination with port authorities, linking seaborne trade to harbour craft operations, shipping agency and chandelling services.

## SINGAPORE AS A MARITIME HUB

Located along the Straits of Malacca and the Singapore Strait, Singapore is a leading maritime centre and transshipment hub connecting trade flows between Asia, Europe, the Middle East and the Americas. It also one of the world's largest bunkering ports and an established centre for maritime

regulatory administration and professional services. Its ecosystem comprises shipbuilding and boatbuilding yards, harbour craft operators, shipping agencies, ship chandlers and marine equipment suppliers, bunkering providers, and classification societies and maritime professional services firms.

## SINGAPORE PORT ACTIVITY AND OUTLOOK

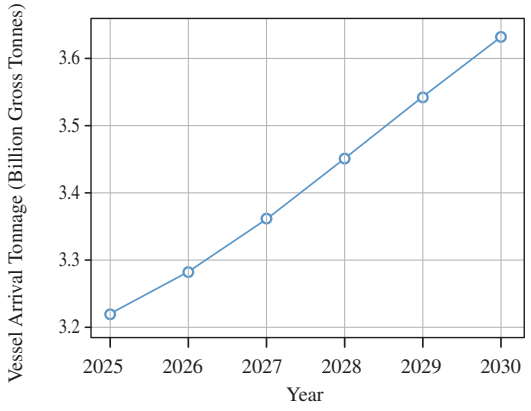
Singapore sustained high levels of vessel traffic and container throughput between 2019 and 2025. In 2025, vessel arrival tonnage reached approximately 3.22 billion gross tonnes, while container throughput reached approximately 44.66 million twenty-foot equivalent units (TEUs).

| Period | Vessel arrival tonnage | Cargo throughput | Container throughput |
|---|---|---|---|
| | *(billion gross tonnes)* | *(million tonnes)* | *(million TEUs)* |
| 2019 | 2.85 | 626.52 | 37.26 |
| 2020 | 2.90 | 590.74 | 36.94 |
| 2021 | 2.81 | 599.64 | 37.57 |
| 2022 | 2.83 | 578.22 | 37.29 |
| 2023 | 3.09 | 592.01 | 39.01 |
| 2024 | 3.11 | 622.67 | 41.12 |
| 2025 | 3.22 | 614.34 | 44.66 |
| 5M2025 | — | 250.75 | 18.01 |
| 5M2026 | — | 256.42 | 18.91 |

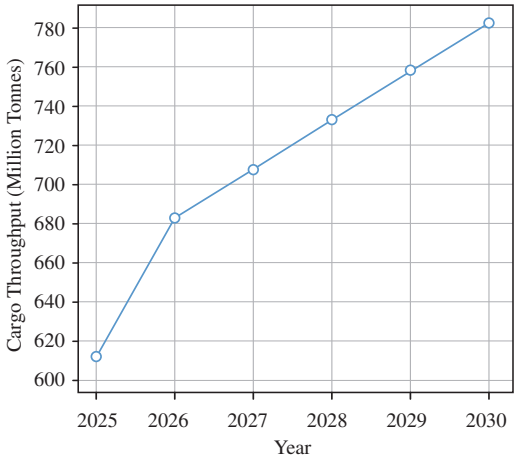
*Source: MPA. A dash indicates that the figure is not provided.*

Below are graphs for projected Singapore port vessel arrival tonnage, Singapore port cargo throughput and Singapore container throughput from 2025 to 2030. (Source: MPA)

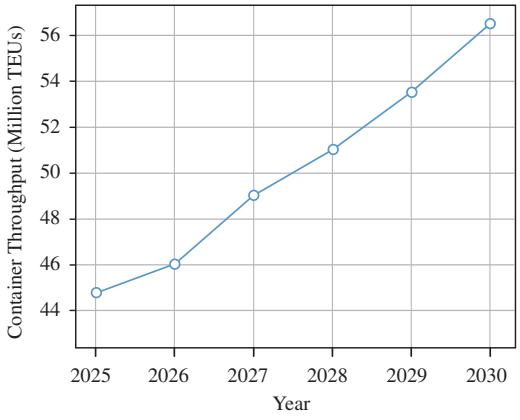
**Estimated Singapore Port Vessel Arrival Tonnage (2025-2030)**




**Estimated Singapore Port Cargo Throughput (2025-2030)**




**Estimated Singapore Container Throughput (2025-2030)**



Based on JWA Report, vessel arrival tonnage is projected to increase from approximately 3.22 billion gross tonnes in 2025 to approximately 3.55–3.70 billion gross tonnes by 2030. Cargo throughput is projected to approach 780–800 million tonnes by 2030, while container throughput is expected to increase to approximately 55–58 million TEUs over the same period. The projected growth is supported by expanding global seaborne trade, increasing intra-Asia trade particularly between China and ASEAN, the development of the Tuas Mega Port and Singapore's position as a leading bunkering and transshipment centre.

**Market size growth projection from 2025 to 2030 and next half decade**

The market growth for workboats in terms of fleet size is predicted to increase by 3% year-on-year for 2025 and continue on this trajectory of approximately 3% to 5% for the next five years.

**Predicted Growth in Workboat Industry Market Value in USD millions for South East Asia (ASEAN)**

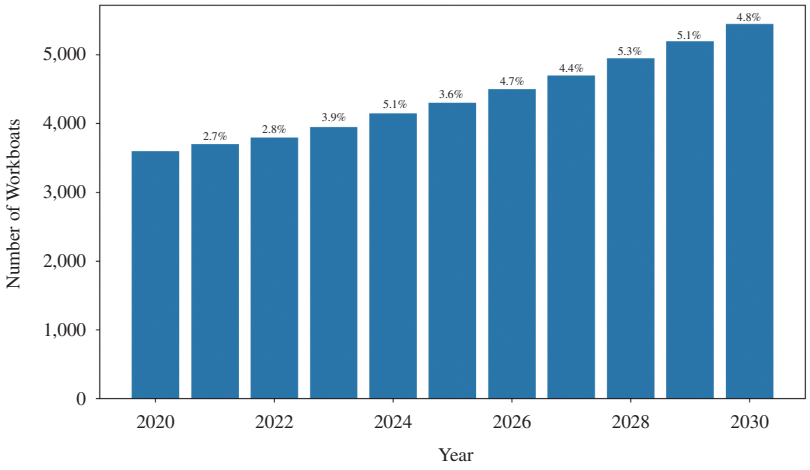



**Figure 8: Projected Growth in Workboat Market Value for ASEAN in USD Millions (Source: Fact.MR)**

**Development of Singapore's Mega Port**

Singapore is consolidating its container terminals into the Tuas Mega Port with an estimated cost of over S$20 billion, utilising automated guided vehicles and yard cranes to support operational efficiency. Annual capacity is expected to reach approximately 65 million TEUs upon completion in the 2040s, supporting long-term vessel activity and ancillary services demand.

## COMMON DEMAND DRIVERS OF SINGAPORE'S MARITIME SERVICES SECTOR IN SINGAPORE

Demand for workboat construction and chartering, shipping agency and chandelling services is supported by (i) Vessel calls and anchorage activity: recurring requirements for regulatory clearance, port coordination, crew transfers and supply deliveries; (ii) Transshipment and bunkering: recurring vessel traffic through Singapore; (iii) Regulatory complexity: reliance on providers with compliance expertise and established local networks; and (iv) Fleet renewal and decarbonisation: accelerated vessel replacement driven by environmental requirements, including those for newly registered harbour craft from 2030.

## KEY THREATS AND CHALLENGES IN THE SINGAPORE MARITIME INDUSTRY

Singapore's maritime industry faces the following key challenges: (i) Regional competition: expansion of other Asian ports may increase pricing pressure and reduce market share in transshipment and vessel services; (ii) Regulatory compliance: safety, environmental and emissions requirements may require significant capital expenditure, while non-compliance may result in penalties, operational

suspension or reputational damage; and (iii) Manpower and costs: difficulty attracting and retaining skilled technical and seafaring personnel, together with rising labour and compliance costs, may affect profitability.

**Barriers to Entry and Market Concentration in the Singapore Maritime Services Sector**

Boatbuilding and vessel ownership require significant infrastructure, technical expertise and capital, while shipping agency relies more on regulatory knowledge and operational networks. Basic chandelling activities generally have lower entry barriers. The principal barriers across the sector include: (i) limited waterfront land, typically leased from authorities such as JTC, and capital-intensive yard facilities require substantial investment and regulatory approvals; (ii) aluminium boatbuilding requires skilled welders, naval architects and marine engineers to ensure build quality and classification compliance; (iii) established relationships with engine manufacturers, equipment suppliers and classification societies, to facilitate procurement, approvals survey and insurance coverage. New entrants may face challenges in building comparable networks; (iv) increasing regulatory and environmental requirements, including the 2030 requirements for newly registered harbour crafts, raise technical and capital thresholds for participation. New entrants may face delays, higher premiums or difficulty obtaining cover; (v) workboat chartering and shipping agency services require MPA approvals including vessel registration, manning licences and port compliance, and new entrants without an established compliance track record face delays and cost overruns; and (vi) major customers require service providers with operational experience, satisfactory safety performance and financial stability, which new entrants cannot immediately satisfy.

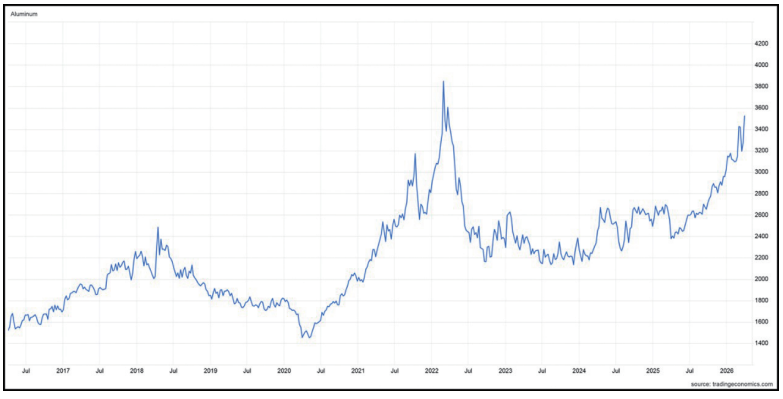
## PROJECTED PRICES OF KEY RAW MATERIALS AND HISTORICAL PRICE

The Group's key raw materials are aluminium for boatbuilding and marine diesel oil (MDO) or marine gas oil (MGO) for sea trials, logistics and vessel operations. Prices are primarily influenced by macro-economic conditions, supply and demand dynamics, geopolitical events, and energy policies, creating cost-control challenges for industry participants.

**Aluminium prices**

Aluminium production is sensitive to energy costs. Energy represents approximately 20%–40% of primary smelting costs. Recycling uses approximately 5% of the energy required for primary production, but still requires energy to melt scrap. Sustained energy price increases may therefore raise aluminium procurement costs.

Set out below is a graph showing the 10-year historical prices of marine grade aluminium for boatbuilding (Source: Trading Economics).



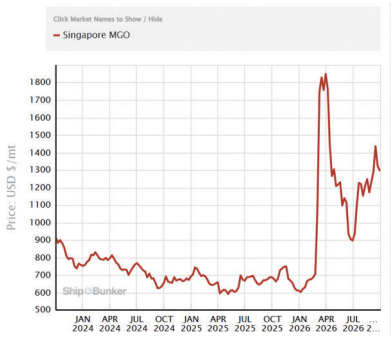

**10 Year Historical Prices Of Marine Grade Aluminium For Boatbuilding (Source: Trading Economics)**

Based on data from Trading Economics and the London Metal Exchange (LME), marine grade aluminium prices for boatbuilding have exhibited significant volatility over the past ten years. Year-on-year price growth on the costs of aluminium has been increasing, reaching its peak in 2022 of over

US$4,000 per tonne, driven by post-COVID demand recovery, Europe's energy crisis and supply disruptions following the Russia-Ukraine conflict. This was followed by a correction in 2023, possibly due to a normalisation of supply chains. The JWA Report records a 7.2% increase in 2024 and a further 18.5% increase associated with global supply concerns and smelter disruptions. In early 2026, the price of aluminium alloy sheets ranged from USD2,500 to USD4,500 per metric tonne depending on grade of alloy and country of origin. Near-term aluminium pricing is expected to remain volatile as US tariffs reshape global trade dynamics and cost structures. JWA expects aluminium prices to average approximately US$2,700 to US$2,900 per tonne in 2026 and to reach approximately USD4,100 per tonne in 2028, with a price increase per annum of about 5% from 2024 to 2028.

**Marine Fuel Prices (Marine Diesel Oil/Marine Gas Oil)**

Set out below is a graph showing the 5-year historical prices of marine gas oil (MGO) in Singapore (Source: Ship & Bunker).




**5 Year Historical Prices Of Marine Gas Oil (MGO) In Singapore (Source: Ship & Bunker)**

Based on data from Ship & Bunker, marine diesel oil (MDO) and marine gas oil (MGO) prices in Singapore have experienced significant volatility over the past five years.

Fuel typically accounts for 30% to 50% of a workboat's total operating cost and is the largest variable operating cost for workboat chartering operations. Energy-efficient workboats and slow-speed displacement hulls are generally at the lower end of the range. Semi-planing and planing hulls (i.e., high speed craft) may incur fuel cost of 46% to 47% of operating cost while harbour craft such as workboats with cruising speeds above 25 knots may exceed 50%.

Marine fuel prices fell in 2020 due to the pandemic demand collapse, rose sharply from 2021 to 2022 with economic recovery and geopolitical tensions, and stabilised at levels above historical averages from 2023 to 2024. The reported average bunker fuel price decreased from US$592 per tonne in 2023 to US$570 per tonne in 2024, representing a decrease of approximately 3.7%.

In 2025, average bunker fuel prices remained relatively stable, fluctuating between US$600 and US$750 per tonne. However, from late February 2026 onward, prices surged dramatically due to escalating conflict in the Middle East, including the war in Iran and disruptions in the Straits of Hormuz. This led to a sharp spike in fuel costs, with bunker prices peaking above US$1,800 per tonne in April. Although prices partially corrected in subsequent months, they remained substantially elevated, trading around US$1,000–1,200 per tonne by August 2026. The geopolitical tensions also drove diesel prices higher, making diesel more expensive than petrol (gasoline) in Singapore.

Future price remains sensitive to crude oil prices, production decisions of the Organization of the Petroleum Exporting Countries ("OPEC") and its allies (collectively known as OPEC+, which includes major oil-producing nations such as Russia, Kazakhstan and Oman), geopolitical risks and energy transition policies. OPEC+ output changes directly affect crude oil supply and consequently Singapore's marine fuel costs. JWA expects near-term bunker prices to remain range-bound, with moderate increases depending on geopolitical developments and the transition to alternative fuels. Continued disruption in the Straits of Hormuz may keep prices elevated and lead operators to pass additional costs to customers.

The price fluctuations of aluminium and fuel affect boatbuilding and workboat chartering operations. Industry participants require effective procurements and cost control and operational efficiencies; ineffective management of input-price exposure may increase production and operating costs and reduce profitability.

## SINGAPORE WORKBOAT MARKET OVERVIEW

### Definition of workboats and its structural role within Singapore's port

According to the JWA Report, ''workboats'' are harbour craft supporting operations and surrounding waters, including crew transfer, delivering provisions and spare parts, and intra-port passengers or cargo movements. Designed for coastal and harbour service, they connect ocean-going vessels with shore-based operations. Demand is therefore closely linked to vessel traffic and anchorage activity in Singapore.

### Market growth outlook

Singapore workboat builders' order books were expected to grow by approximately 10% year-on-year in 2025 and continue on an upward trajectory over the following five years, supported by increasing merchant vessel traffic and port calls.

### Classification Requirements and Regulatory Environment in Singapore

Modern workboats are generally constructed under recognised classification societies, particularly members of the IACS, such as the American Bureau of Shipping (ABS), DNV, Lloyd's Register (LR), Bureau Veritas (BV) and China Classification Society (CCS). Classification covers design approvals, construction and maintenance against prescribed safety and technical standards, including plan approval, construction surveys, sea trials and periodic surveys throughout the workboat's operational life. Maintaining class status is important for operational approval, insurance coverage or securing charter contracts as government agencies and major commercial operators, frequently require classed vessels while IACS classification generally provides broader international acceptance.

### Flag Requirements and Harbour Craft Licensing

Most workboats in Singapore are below 500 gross tonnage and categorised as non-convention vessels. Although generally not subject to certain international conventions applicable to larger ocean-going ships, they remain subject to MPA oversight as flag state authority and port regulator. Workboats are typically registered under the Singapore flag or licensed as Singapore harbour craft and must comply with applicable technical, manning, insurance and environmental requirements, including inspections, surveys and licence renewals. Non-compliance may result in suspension of class or licence, restricting commercial operation. Singapore's regulatory framework has progressively tightened through higher safety and technical standards, restrictions on ageing wooden vessels, greater emphasis on aluminium craft and requirements for newly registered harbour craft from 2030 to be fully electric, powered by B100 biofuel or compatible with net-zero fuels.

### Regulatory Impact on Market Structure

Classification, licensing and environmental requirements improve fleet quality but increase construction costs and technical and financial entry barriers. The 2030 requirements are also expected to accelerate replacement of older diesel vessels, shaping competition and market structure.

## BOATBUILDING MARKET IN SINGAPORE

### Fleet Composition and Domestic and Export Demand

According to the JWA Report, harbour craft, including workboats, in Singapore range from approximately one to thirty years old, reflecting gradual fleet renewal. Vessels approaching obsolescence may be sold overseas, decommissioned or scrapped. Annual workboat production exceeds the number leaving operational service. Approximately 40% of aluminium workboats constructed in Singapore are exported, with most deployed locally. Workboats are customised for operational, regulatory and

environmental requirements and are less interchangeable between jurisdictions than merchant vessels such as containerships or tankers. Domestic port activity remains the principal driver of local production.

Export markets include the United Arab Emirates and Qatar, Taiwan, Nigeria, Europe and Australia. Demand is generally project-based or linked to fleet renewal or specific tenders. Singapore yards compete on delivery speed, build quality, technical expertise and established supplier networks. Export sales provides diversification but involve additional regulatory compliance, currency, credit risk and after-sales risks, which may limit scalability.

**Construction Materials Used in Boatbuilding**

***(i) Marine engines and machinery***

According to the JWA Report, machinery and underwater components account for approximately 40% of an aluminium workboat's construction cost, Engine selection, therefore materially affects vessel pricing.

Engine pricing varies materially by country of origin. For engines with comparable rated power outputs, Japanese-manufactured engines are priced at approximately 1.8 times the price of Chinese-manufactured engines, European engines at approximately 2.5 times, and American engines at approximately 4.6 times the price of Chinese equivalents. These pricing differentials reflect variations in brand positioning, perceived reliability, fuel efficiency, after-sales support networks, warranty terms and compliance with international emissions standards. Fluctuations in USD, RMB and other procurement currencies may affect procurement costs and gross margin stability, particularly where customer contracts are fixed-price.

***(ii) Aluminium as the Dominant Material in the Workboat Segment***

According to JWA Report, marine-grade aluminium represent about 7% of the newbuilding cost and is widely used for its strength-to-weight ratio, corrosion resistance and suitability for high-speed operations. Local yards have developed capabilities in CNC plate nesting and cutting, enclosed fabrication and marine travel lift infrastructure. Welding expertise is critical to structural integrity and classification compliance.

**Regional competitive positioning**

Singapore accounted for approximately 7.5% of regional workboat construction in FY2025, below Malaysia, Indonesia and Vietnam. Yard scale and costs differ; Indonesia and India benefit from lower labour costs and greater waterfront land availability. Singapore yards compete mainly in medium- to higher-specification vessels, supported by fabrication infrastructure, international suppliers, aluminium and propulsion expertise, and classification society and government relationships.

**Competitive Landscape and Market Positioning of Our Company In Boatbuilding in Singapore**

Singapore's aluminium workboat construction market comprises a limited number of established yards. The JWA Report ranks the following builders by the quantity of vessels delivered in 2025:

**Industry Ranking of Aluminium Boatbuilders in Singapore by Prolificity**

| Industry ranking by prolificity | Name of company | Year of incorporation | Public or private company | Number of Employees (Estimated) | Serving countries | Size build range (meters) | Quantity delivered in 2025 |
|---|---|---|---|---|---|---|---|
| 1 | Penguin International Ltd *(Note 1)* | 1976 | Public | > 500 | Singapore, Europe, Australia, Nigeria | 15 to 56 | 25 |
| 2 | Strategic Marine Pte Ltd *(Note 2)* | 1998 | Private | > 200 | Singapore, UK | 15 to 42 | 15 |
| 3 | **The Group** | 2009 | N/A | > 200 | Singapore | 13 to 20 | 15 |
| 4 | Lita Ocean Pte Ltd *(Note 3)* | 1982 | Private | 50 to 200 | Singapore | 12 to 60 | 6 |
| 5 | Sam Aluminium Engineering Pte Ltd *(Note 4)* | 1986 | Private | 50 to 200 | Singapore, Nigeria | 5 to 60 | 2 |

*Notes:*

1. Penguin International Ltd, listed on the Singapore Exchange, is primarily engaged in design, construction, ownership, and operation of aluminium high-speed vessels, including crew transfer vessels, windfarm support boats, patrol craft, passenger ferries.
2. Strategic Marine Pte Ltd is a shipbuilder in Singapore that specializes in commercial and aluminium vessels such as fast crew boats, offshore wind support craft and defense boats.
3. Lita Ocean Pte Ltd offers shipbuilding, repair, fabrication for aluminium workboats and other types of vessels such as tugs, barges, ferries, landing craft, and specialised craft.
4. Sam Aluminium Engineering Pte Ltd is primarily engaged in design and construction of aluminium workboats and vessels up to 60 m. It also provides repair, retrofit, fabrication and berthing services.

These figures indicate a market structure characterised by a small number of mid-sized participants and several smaller yards, rather than a highly fragmented industry with numerous micro-scale operators. Production volumes suggest that certain players benefit from series production of sister vessels, enabling standardisation of hull designs, procurement efficiencies and shorter delivery cycles.

### Competitive Positioning of Singapore Boatbuilders

Singapore boatbuilders generally operate with higher labour and land costs relative to regional jurisdictions such as Indonesia and India. They therefore compete primarily in the mid- to higher-specification workboat market, supported by: (i) *Infrastructure quality and fabrication capability* — Singapore yards are typically equipped with enclosed fabrication facilities, CNC plate cutting systems and marine travel lifts, enabling higher precision and improved production efficiency; (ii) *Access to equipment suppliers* — Access to international engine manufacturers, marine equipment suppliers and logistics providers; (iii) *Technical expertise* — Possession of experience in aluminium fabrication, classification compliance and integration of advanced propulsion systems; and (iv) *Established relationships* — With classification societies, engine suppliers and government agencies enhance credibility and repeat contract opportunities.

This positioning suggests that Singapore yards compete primarily in the mid- to higher-specification segment of the workboat market, rather than purely on price.

## SINGAPORE WORKBOAT CHARTERING MARKET

### Overview of the Workboat Chartering Segment in Singapore

Workboat chartering generates revenue from deploying workboats within port limits and surrounding waters, principally for crew transfer, delivery of provisions and spare parts between shore and vessels at anchorage. Demand is recurring and linked to vessel call volumes, anchorage occupancy and port throughput at the Port of Singapore. Arrangements include time charters, often with government agencies or large commercial operators, and trip-based charters for individual operational requirements. MPA and PSA Corporation are significant charterers within the harbour craft segment.

### Competitive Landscape in the Workboat Chartering Market in Singapore

The market is relatively fragmented and includes dedicated vessel-owners and integrated maritime service providers. Larger fleets support long-term contracts and spot contracts, while smaller operators serve niche or ad hoc engagements. Key competitive factors include:

*Fleet availability and condition.* Well-maintained fleet for consistent vessel availability and minimal downtime. Classed and properly maintained vessels are generally preferred, particularly for government or long-term contracts.

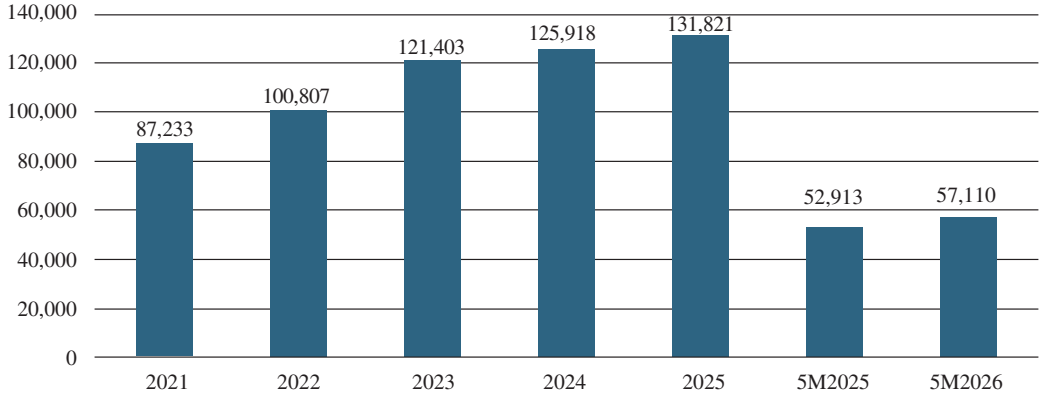
*Safety record and response capability.* A sound safety record is important in congested port waters and passenger-transfer operations. Proximity to anchorages and flexible deployment support rapid mobilisation for spot demand.

*Fleet profile and pricing*. Newer vessels and compliant propulsion systems are increasingly favoured as environmental standards tighten. Charter rates are assessed alongside reliability, vessel condition and compliance.

### Market growth in workboat chartering market

No statistics directly track the size of Singapore's workboat chartering market. JWA therefore estimate growth using vessel arrivals as a proxy, on the basis that increased arrivals generally require more ship-to-shore transfer of people and goods. This is an indirect estimate of growth rather than a measurement of market size.

**Number of Vessels Arrivals Annually in Singapore, 2021–2025**




*Source: MPA*

JWA reports average annual vessel-arrival growth of approximately 11.1% over the five years to 2025, including strong post-pandemic recovery in 2022–2023. The more recent average of approximately 4.2% annually from 2023 to 2025 reflects growth beyond the recovery period. Arrivals increased further in 5M2026. On this basis, JWA projects workboat chartering market growth of approximately 3%–4% annually from 2026 to 2030.

## SHIPPING AGENCY SEGMENT IN SINGAPORE

### Overview and Regulatory Context of Shipping Agency Segment in Singapore

Ship agents act as local representatives of vessel owners, operators or charterers and are responsible for coordinating all operational, regulatory and administrative matters throughout a port call. In Singapore, foreign vessels must appoint a locally incorporated ship agent when calling at port, supporting demand linked to vessel calls, which exceeded 130,000 vessel calls in 2025.

### Scope of Operational Responsibilities

Shipping agency services typically extend across the full lifecycle of a vessel's port call, from pre-arrival planning to post-departure documentation. Prior to arrival, ship agents coordinate with port authorities and submit required documentation, including notices of arrival, crew lists and cargo manifests. They arrange berthing schedules, pilotage and towage services, and confirm compliance with immigration, customs and health requirements.

During the vessel's stay, they arrange crew changes, bunkering; freshwater supply and waste disposal; delivery of provisions and spare parts; shore-based technical attendance; and liaison with terminal operators for cargo operations.

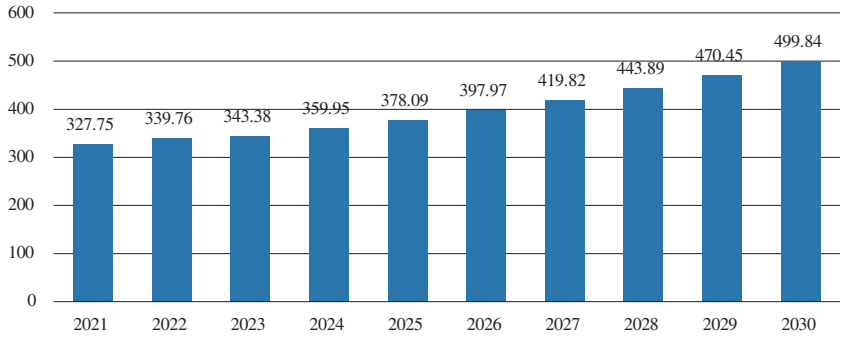
Following departure, they finalise disbursement accounts, settle port dues and service charges for principals, and provide financial reconciliation documentation.

### Market Growth in Shipping Agency Segment in Singapore

Demand for shipping agency services in Singapore is fundamentally linked to overall port activity and the operational requirements of vessels calling at the Port of Singapore. The principal drivers include vessel call frequency, transshipment volumes, anchorage activity and the increasing complexity of regulatory and compliance requirements.

Tuas Mega Port's development, MPA's digital port systems and Green and Digital Shipping Corridors with countries including China, India and South Korea support maritime digitalisation and decarbonisation. Increasing port activity and trade volumes are expected to drive demand for shipping agency services, including operational coordination and regulatory compliance. Providers will need to adopt digital technologies, including automated systems, IoT monitoring and blockchain, to improve efficiency and transaction security.

For the past five years to 2025, Singapore's shipping agency services market grew at an average rate of approximately 4% p.a. With increasing port activity and services demand, it is estimated that such market will grow at an average rate of 6% p.a. from 2026 to 2030.




**Singapore Shipping Agency Services Market, Value in USD million, 2021–2030**
**Source: JWA Research/Mordor Intelligence**

## CHANDELLING AND MARINE SUPPLY SEGMENT IN SINGAPORE

Chandelling supplies vessels calling at Singapore or remaining at anchorage, with deliveries often coordinated through harbour craft. Demand depends on vessel calls, anchorage occupancy, voyage cycles, crew size, maintenance and unexpected repairs. Customers include international shipping lines, tramp operators, tanker and bulk carrier operators, offshore support vessels and ship managers. Container vessels typically require rapid replenishment during short port stays, while tankers, bulk carriers and offshore vessels may require extended or specialised supply support.

The Singapore chandelling market is competitive and relatively fragmented, comprising multi-product suppliers and smaller niche operators. Low entry barriers for basic supplies intensify competition, particularly in commoditised goods. Key competitive factors include inventory availability, delivery reliability, pricing, trade credit and operational coordination.

## ENVIRONMENTAL AND DECARBONISATION REGULATORY FRAMEWORK

MPA's harbour craft decarbonisation roadmap requires newly registered harbour craft from 2030 onwards to be fully electric, powered by B100 biofuel, or compatible with net-zero fuels. The transition is expected to accelerate fleet renewal and increase capital expenditure and technical requirements for shipyards and charter operations, potentially favouring participants with stronger engineering capability and financial resources.

For workboat chartering businesses, environmental compliance may increasingly affect tender specifications and charter eligibility, while older vessels may face utilisation and residual value pressure. Operating efficiencies may partly offset compliant vessels' higher upfront costs.

Shipping agents may face increased regulatory coordination requirements as environmental compliance becomes more complex, reinforcing the value of experienced local intermediaries. Marine suppliers may need to adjust inventory and procurement as demand gradually shift from traditional engine consumables towards electrical components, battery systems and alternative fuel-related equipment.

Overall, the decarbonisation roadmap may raise entry barriers and encourage gradual industry consolidation, while providing greater regulatory clarity that supports structured long-term investment planning.

## APPLICABLE SINGAPORE LAWS AND REGULATIONS

Summaries of major Singapore laws and regulations which are relevant the business operations of our Group are set out below:

### Maritime legislation in Singapore

#### *Maritime and Port Authority of Singapore Act 1996*

Our business operation in Singapore is mainly regulated by the Maritime and Port Authority of Singapore ("**MPA**"), established under the Maritime and Port Authority of Singapore Act 1996 ("**MPAA**") and its subsidiary legislation. The MPAA covers, amongst others, the functions, duties and powers of MPA, the employment of seamen, port regulation, and licensing.

Under Section 81(1) of the MPAA, a person must not provide (a) any marine service or facility; or (b) any port service or facility, unless the person is authorised to do so by a public licence or an exemption granted by the MPA. Under Section 82(1) of the MPAA, a public licence must not be transferred to any other person without the prior written consent of the MPA to the transfer to that person. Under Section 82(2) of the MPAA, any purported transfer of a public licence without the consent in subsection (1) is for all purposes void and of no effect. As at 31 December 2025, 182 Pandan Loop has been specified as a shipyard facility and offshore marine facility by the MPA.

Under Section 84(1) of the MPAA, if the MPA is satisfied that (a) a public licensee is contravening, or is likely to contravene or has contravened any of the conditions of its public licence or any of the provisions of the MPAA or any of its regulations or any direction issued by the Minister or the MPA to, or applicable to, that licensee; (b) a public licensee has gone or is likely to go into compulsory or voluntary liquidation other than for the purpose of amalgamation or reconstruction; (c) a public licensee has made any assignment to, or composition with, its creditors; or (d) the public interest or security of Singapore so requires, the MPA may cancel the public licence or suspend the licence; and/or require the payment of a fine in such amount the MPA thinks fit.

Under Section 86 of the MPAA, it is the duty of a public licensee to provide reliable, efficient and economical marine services and facilities or port services and facilities (as the case may be) to the public in accordance with the conditions of the public licence granted to the public licensee and the directions of the MPA.

Under Section 93 of the MPAA, any person who establishes, installs, maintains, provides or operates any marine service or facility or any port service or facility without a public licence shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding $1,000 for every day or part of a day during which the offence continues after conviction. Under Section 94(1) of the MPAA, any owner, agent or master of any vessel who, by any means, evades or attempts to evade any port dues, goods dues or pilotage dues payable under the MPAA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $10,000 or to imprisonment for a term not exceeding 6 months or to both, and shall in addition be liable to pay to the MPA as penalty double the amount of the dues the owner, agent or master evaded or attempted to evade.

Under Section 38(2) of the MPAA, an employer must not engage a seaman and a seaman must not accept employment on board any vessel except in accordance with regulations made under section 40. Under Section 40 of the MPAA, the MPA is empowered (with approval from the Ministry) to make regulations governing the registration and management of seamen, particularly (a) eligibility requirements such as minimum age and qualifications; (b) application and registration (c) mandatory medical examinations; (d) disciplinary processes; (e) fees for issuing or replacing registration cards; (f) conditions for cancelling, suspending, or amending a seaman's registration; and (g) fees payable upon the selection of seamen under the MPAA.

***Maritime and Port Authority of Singapore (Harbour Craft) Regulations***

Under Regulation 4 of the Maritime and Port Authority of Singapore (Harbour Craft) Regulations ("**MPA Harbour Craft Regulations**"), except as provided in the MPA Harbour Craft Regulations, (a) no person shall use a harbour craft; and (b) no owner of a harbour craft shall cause or permit the harbour craft to be used within the port, without a licence granted in respect thereof.

Under Regulation 6(6) of the MPA Harbour Craft Regulations, the Port Master may at any time vary or revoke any existing condition of a licence and impose additional conditions thereto. Under Regulation 6(8) of the MPA Harbour Craft Regulations, no licence shall be granted in respect of any harbour craft unless there is in force in relation to the harbour craft a policy of insurance which insures the owner or master or any other person using the harbour craft for (a) any liability which may be incurred by any of them in respect of the death of or bodily injury to any person caused by, or arising out of, the use of the harbour craft; (b) any liability which may be incurred by any of them in respect of loss of, or damage to, property belonging to any third party arising out of the use of the harbour craft; (c) wreck removal costs; and (d) in the case of a tanker carrying oil, oil pollution damage and costs of preventing or reducing damage resulting from the discharge or escape of oil.

Under Regulation 11 of the MPA Harbour Craft Regulations, the owner of a licensed harbour craft shall display the licence conspicuously on board the harbour craft and, where this is not possible, shall produce the harbour craft licence to the Port Master or any police officer who demands it.

Under Regulation 12(1) of the MPA Harbour Craft Regulations, the owner of a licensed harbour craft shall report to the Port Master any change of the particulars set out in Regulation 6(3) within 7 days of the change. Under Regulation 13, every change in the particulars appearing in the register which occurs after the Port Master has granted the licence to which the particulars relate must be endorsed on or contained in that licence and be entered in the register.

As at 31 December 2025, all of our core operating vessels registered in Singapore utilised for workboat chartering operations have obtained the relevant MPA harbour craft licences.

***Maritime and Port Authority of Singapore (Port) Regulations***

Under Regulation 3(1) of the Maritime and Port Authority of Singapore (Port) Regulations ("**MPA Port Regulations**"), the owner, agent, master or person-in-charge of a vessel entering or leaving the port must (a) prior to the arrival or departure of the vessel; or (b) if the vessel is within the port, prior to any movement of the vessel, inform the Port Master or the MPA, in the manner determined by the Port

Master or the MPA (as the case may be), of the particulars of the vessel including its type, draught, length, beam, height and manoeuvring characteristics, the peculiarities of the vessel and any abnormal circumstances of the vessel which may affect its safe navigation.

Under Regulation 3(2) of the MPA Port Regulations, the master or person-in-charge of any vessel required to be under pilotage must, prior to the movement of the vessel, give the pilot information as to the type of vessel, its draught, length, beam and height, its manoeuvring characteristics, the peculiarities of the vessel and any abnormal circumstances of the vessel which may affect its safe navigation.

Under Regulation 3(3) of the MPA Port Regulations, the owner, agent, master or person-in-charge of a vessel must inform the Port Master (a) of the estimated time of arrival or departure of the vessel; and (b) while the vessel is in the port, of the position of the vessel.

Under Regulation 39(1) of the MPA Port Regulations, no owner, agent, master or person-in-charge of a vessel may discharge cargo from the vessel onto any pier or place except (a) at piers and places specified in the Customs (Authorised Piers and Places) Regulations 2011 (G.N. No. S 708/2011); and (b) at such other places approved by the MPA, from time to time, for the purpose, and except under such conditions as the MPA thinks fit to impose.

Under Regulation 39(2) of the MPA Port Regulations, no owner, agent, master or person-in-charge of a vessel may load, or cause to be loaded, cargo from any pier or place onto the vessel except (a) at piers and places authorised for such purposes under the Customs (Authorised Piers and Places) Regulations 2011; and (b) at such other places approved by the MPA, from time to time, for the purpose, and except under such conditions as the MPA thinks fit to impose.

Under Regulation 53 of the MPA Port Regulations, no person may cause or permit a vessel to be broken up either wholly or in part without the permission of the Port Master and except under such conditions as the Port Master may impose. Conditions that are imposed by the Port Master when the permit is granted include *inter alia* completely emptying all tanks pipelines and spaces containing oil and ensuring that there are no substance noxious to human life nor matter capable of polluting the port waters in or on the vessel.

***Maritime and Port Authority of Singapore (Registration and Employment of Seamen) Regulations***

The Maritime and Port Authority of Singapore (Registration and Employment of Seamen) Regulations ("**MPA RES**") are concerned with the registration, selection, discharge, and welfare of seamen.

Under Regulation 4(2) of the MPA RES, no person is to be registered as a seaman with the MPA unless (a) he is a citizen or a permanent resident of Singapore; (b) he has attained the age of 16 years; (c) he possesses a certificate or has previous experience on board sea-going ships or has such other experience acceptable to the MPA; (d) he meets the requirements of either Regulation II/4 or Regulation III/4 of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended on 7th July 1995 and any amendment thereto which has come into force and has been accepted by the Government; and (e) he is a fit and proper person to be registered as a seaman.

Under Regulation 17(1) of the MPA RES, except as provided in Regulation 18, an employer of a seaman shall not select any seaman for engagement in any vessel unless he obtains the approval of the MPA for the engagement.

Under Regulation 23(1) of the MPA RES, the employer of a registered seaman shall, within 14 days of the discharge of that seaman, forward the particulars of the discharge to the MPA.

***Merchant Shipping Act 1995***

The Merchant Shipping Act 1995 ("**MSA**") sets out the procedures and requirements for the registration of ships under the Singapore flag, manning, crew matters as well as safety issues. Vessels registered in accordance with the MSA under the Singapore flag are subject to the provisions of the MSA. The MSA regulates the various aspects of merchant shipping including the following:

(i) registration of ships;

(ii) manning and certification of qualified persons;

(iii) crew matters;

(iv) survey and safety of ships;

(v) inquiries and investigations of ship officers and shipping causalities;

(vi) delivery of goods;

(vii) liability of shipowners;

(viii) wreck and salvage of ships; and

(ix) legal proceedings governing ships subject to the MSA.

Vessels registered under the Singapore flag will be issued with certificates of registration by the MPA. These certificates are only issued to vessels which have met the requirements specified in the MSA for registration. Such requirements include, among others:

(i) the number and standard of competence of officers and seamen operating and manning our vessels;

(ii) crew agreements, engagement and discharge of seamen;

(iii) installation of safety equipment onboard vessels; and

(iv) surveys and inspections to be undertaken on vessels.

As at 31 December 2025, all of the Group's operating vessels have met the MPA's requirements and have been issued certificates of registration.

*Merchant Shipping (Maritime Labour Convention) Act 2014*

The Merchant Shipping (Maritime Labour Convention) Act 2014 ("**MSML**") and its regulations incorporated the Maritime Labour Convention 2006 ("**MLC**"). The MSML not only imposes strict liabilities on the ship-owner, but also any other person (such as the ship manager, agent or bareboat charterer) who has assumed the responsibility for the operation of the ship from the owner and who, on assuming such responsibility, has agreed to take over the duties and responsibilities imposed on the shipowners in accordance with the MLC.

Some key features of the MSML include specifying the minimum age of seafarers, minimum hours of rest for seafarers, wages, entitlement to annual leave, the repatriation of seafarers, and catering requirements. The MSML also sets out requirements for working conditions on board ships, which include the provision of a safe and secure workplace, the proper provision of food and water, and the provision of medical care and health protection services.

Under Section 55 of the MSML, shipowners must ensure that there are on board the shipowner's ship appropriate procedures to allow seafarers to make a complaint against any person in connection with any possible breach of any provision under the MSML or other relevant written law.

Under Section 58 of the MSML, a ship is subject to inspection limited to verifying that there are carried on board the ship (a) a valid Maritime Labour Certificate[1] or a valid interim Maritime Labour Certificate; and (b) a valid Declaration of Maritime Labour Compliance[2], issued under the MSML in respect of a Singapore ship. Since the Group's vessels are under 500GT, there is no requirement for the vessels to have Maritime Labour Certificate or interim Maritime Labour Certificate.

Under Section 59 of the MSML, where, following a more detailed inspection, a ship is found not to conform to the requirements of the MSML or other relevant written law, or of the MLC (as the case may be) and (a) the conditions on board are clearly hazardous to the safety, health or security of seafarers; or (b) the non-conformity constitutes a serious or repeated breach of the requirements (inclusive of seafarers' rights) of the MSML or other relevant written law, or of the MLC, as the case may be, the Director of Marine must serve on the shipowner and the master of the ship a notice of detention requiring that the ship must not proceed to sea until any non-conformity that falls within the scope of paragraph (a) or (b) has been rectified, or until the Director of Marine has accepted a plan of action to rectify the non-conformity and is satisfied that the plan will be implemented in an expeditious manner.

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1 Pursuant to Section 52(1) of the MSML, a "Maritime Labour Certificate" is issued by the Director or a Recognised Organisation if: (a) the Director of Marine (as appointed under the Merchant Shipping Act 1995) or Recognised Organisation (an organisation appointed by the Director of Marine) is fully satisfied, after an initial or a renewal inspection of the ship (as the case may be) that the ship complies with the requirements of the MSML and other relevant written law; and (b) there is issued in respect of the ship, a Declaration of Maritime Labour Compliance.

2 Pursuant to Section 50(1), a "Declaration of Maritime Labor Compliance" may be issued by the Director of Marine or Recognised Organisation if satisfied that the shipowner has adopted measures to ensure ongoing compliance with the requirements of the MSML and other relevant written laws.

*Merchant Shipping (Civil Liability and Compensation for Bunker Oil Pollution) Act 2008*

The Merchant Shipping (Civil Liability and Compensation for Bunker Oil Pollution) Act 2008 ("**MSCLA**") is a Singapore Act of Parliament that covers the liability of ships that cause bunker oil pollution in Singapore.

Under Section 3(1), subject to subsection (3), where as a result of any occurrence, any bunker oil is discharged or escapes from a ship, the owner of the ship shall, except as otherwise provided by Part 2 of the MSCLA, be liable (a) for any damage caused outside the ship in the territory of Singapore by contamination resulting from the discharge or escape; (b) for the cost of any measures reasonably taken after the discharge or escape for the purpose of preventing or minimising any damage so caused in the territory of Singapore by contamination resulting from the discharge or escape; and (c) for any damage caused in the territory of Singapore by any measures so taken.

Under Section 6(1) of the MSCLA, where the owner of a ship incurs a liability under Section 3 by reason of a discharge or an escape or by reason of any relevant threat of contamination, then, subject to subsection (4)[3], the owner may limit that liability in accordance with and in the manner provided in Section 136 of the MSA, and if the owner does so the owner's liability (being the aggregate of his liabilities under Section 3 of the MSCLA resulting from the occurrence) shall not exceed the relevant amount.

*Merchant Shipping (Wreck Removal) Act 2017*

The Merchant Shipping (Wreck Removal) Act 2017 ("**MSWRA**") gives effect to the Nairobi International Convention on the Removal of Wrecks 2007.

Under Section 4(1) of the MSWRA, where a Singapore ship is involved in a maritime casualty resulting in a wreck in a Convention area[4] other than Singapore's Convention area, the master or the operator of that ship must report the wreck to the government of the affected State without delay. Under Section 4(2) of the MSWRA, where a Singapore ship is involved in a maritime casualty resulting in a wreck in Singapore's Convention area, the master or the operator of that ship must report the wreck to the Director of Marine without delay.

Under Section 15(1) of the MSWRA, a Singapore ship may not enter or leave a port in Singapore, or a port in a country other than Singapore, unless (a) the ship is covered by wreck removal insurance; (b) the Director of Marine has certified that the ship is covered by wreck removal insurance; and (c) a copy of the Director of Marine's certificate is carried on board the ship. Under Section 15(3) of the MSWRA, the master of a ship must (a) ensure that the certificate mentioned in subsection (1)(c) is carried on board the ship; and (b) on demand, produce the certificate to (i) any officer of the MPA; or (ii) any consular officer within the meaning of section 2(1) of the MSA.

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[3] Subsection (4) states "Subsection (1) does not apply in a case where it is proved that the discharge or escape, or the relevant threat of contamination (as the case may be) resulted from anything done or omitted to be done by the owner either with intent to cause any such damage or cost as is mentioned in section 3 or recklessly and in the knowledge that any such damage or cost would probably result."

[4] "Convention area" is defined as the exclusive economic zone of a State Party (i.e. a State in respect of which the Nariobi International Convention on the Removal of Wrecks 2007 is in force), established in accordance with international law or, if a State Party has not established such a zone, an area beyond and adjacent to the territorial sea of that State determined by that State in accordance with international law and extending not more than 200 nautical miles from the baselines from which the breadth of its territorial sea is measured.

***Merchant Shipping (Load Line) Regulations***

Under Section 3(1) of the Merchant Shipping (Load Line) Regulations ("**MSLLR**"), no ship to which the MSLLR applies shall proceed to sea on an international voyage unless it has been surveyed, marked and provided with an International Load Line Certificate, International Load Line Exemption Certificate, Singapore Load Line Certificate or Singapore Load Line Exemption Certificate.

As at 31 December 2025, all of our vessels to which the MSLLR applies have a valid International Load Line Certificate, International Load Line Exemption Certificate, Singapore Load Line Certificate or Singapore Load Line Exemption Certificate.

***Merchant Shipping (Safety Convention) Regulations***

Singapore maritime legislations adopt the SOLAS through the Merchant Shipping (Safety Convention) Regulations ("**MSSC**") which specify the minimum standards for the building, equipping and operations of vessels. Some standards include the requirement for the installation of the fire-fighting systems, machinery and electrical equipment on board a vessel which are essential for its safe operation under various emergency conditions.

***Merchant Shipping (Non-Convention Ships) Safety Regulations***

The Merchant Shipping (Non-Convention Ships) Safety Regulations ("**MSNCR**") set out safety requirements for Singapore-registered or Singapore-operating ships that are not covered by SOLAS, including self-propelled cargo ships of under 500 gross tonnes, as well as barges, among others. The MSNCR mandate statutory safety certifications, such as a Cargo Ship Safety Construction Certificate, Cargo Ship Safety Equipment Certificate, and Cargo Ship Safety Radiotelephony Certificate.

As at 31 December 2025, all of our vessels that are not covered by SOLAS have been issued with safety construction, safety equipment, and safety radio certificates under the MSNCR.

***Telecommunications (Radio-communication) Regulations***

The Telecommunications (Radio-communication) Regulations ("**TRR**") provide that a station or network may be possessed, established, installed, maintained, provided or operated if authorised by, *inter alia*, a station licence or network licence. Under the TRR, a Singapore-registered ship that operates radio-communication equipment must obtain a Ship Station Licence issued by the Infocomm Media Development Authority ("**IMDA**"). A Ship Station Licence may be granted by the IMDA if (a) the ship on which the station is to be carried has a valid Ship Registry Certificate issued by the MPA; (b) the person applying for the Ship Station Licence furnishes the documents and information required by the IMDA for the purpose of the application; and (c) the ship complies with such other requirements as may be determined by IMDA from time to time.

As at 31 December 2025, all of our operating vessels registered in Singapore that operate radio-communication equipment have obtained a Ship Station Licence.

*Prevention of Pollution of the Sea Act 1990*

Our vessels are required to comply with the requirements of the Prevention of Pollution of the Sea Act 1990 ("**PPSA**"), which aims to prevent sea pollution from ships and from land and apparatus.

The PPSA includes regulations aimed at preventing and minimising pollution from vessels by the discharge of oil, refuse, garbage, waste matter, trade effluent, plastics or marine pollutants. Such discharges or emissions may result from accidents or routine operations. Under the PPSA, our vessels are required to keep a record of all discharges of oily mixtures and other discharges and to report any discharge of harmful substances. In the event of a discharge of such pollutants in Singapore waters, we will be liable to pay for the costs of any measures taken by the MPA to remove or reduce the contamination caused by the pollution.

The PPSA gives effect to the International Convention for the Prevention of Pollution from Ships, 1973 ("**MARPOL**"), as added to by the protocol of 1978. MARPOL is another convention introduced by IMO. In addition to the pollutants described above, MARPOL sets out requirements regulating the emission of gases from ship exhausts and ozone depleting substances. All vessels which are above 400 GRT are required to comply with MARPOL. Assessment for compliance with MARPOL is also carried out by recognised classification societies. Though our vessels are below 400, we nevertheless endeavour to comply with some of the requirements of MARPOL as a matter of good practice.

**General laws relating to our business**

*Workplace Safety and Health Act 2006*

The Workplace Safety and Health Act 2006 ("**WSHA**") applies to all workplaces, which includes factories. Pursuant to Section 5 and Fourth Schedule of the WSHA, the definition of "factory" under the WSHA includes, inter alia, (i) any premises within which persons are employed in the repair, construction or manufacturing of any vehicle; and (ii) any premises where the construction, reconstruction or repair of vehicles or other plant for use for transport purposes is carried on as ancillary to a transport undertaking or other industrial or commercial undertaking, not being any premises used for the purpose of housing vehicles where only cleaning, washing, running repairs or minor adjustments are carried out.

Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, measures which are necessary to ensure the safety and health of its employees at work, as well as persons who may be affected by any undertaking carried on by the employer in the workplace. "Workplace" means any premises where a person is at work or is to work, for the time being works, or customarily works, and includes a factory. The measures necessary to ensure the safety and health of persons at work include (i) providing and maintaining a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for such persons' welfare at work and (ii) ensuring that there is adequate instruction, information, training and supervision as is necessary for such persons to perform their work.

Under Section 17(1) of the WSHA, a person who erects, installs or modifies any machinery or equipment for use at work must ensure, so far as is reasonably practicable, that the machinery or equipment is erected, installed or modified in such a manner that it is safe, and without risk to health, when properly used.

The Commissioner for Workplace Safety and Health ("**CWSH**") may serve a remedial or stop-work order under Section 21 of the WSHA if he is satisfied that:

- the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any work or process carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work;

- any person has contravened any duty imposed by the WSHA; or

- any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work.

The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, to comply with any duty imposed under the WSHA, or to do or refrain from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The stop-work order shall direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process at the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The CWSH may appoint inspectors under the WSHA to inspect any workplace and any machinery, equipment, plant or installation at any workplace. Such examination or enquiry helps to ascertain whether the provisions of the WSHA are complied with. Samples of any material or substance found in a workplace or being discharged from a workplace are collected for purpose of test or analysis.

We are unaware of any stop-work order that will have a material effect on our business operations.

*Factory*

All factories must either register or notify their activities with the Ministry of Manpower ("**MOM**") by way of an online application before commencing operations. Factories that fall within the classes of factories described in the First Schedule to the Workplace Safety and Health (Registration of Factories) Regulations 2008 ("**WSHRF**") are regarded as engaging in high-risk activities and are subject to registration requirements, while other factories not falling within the First Schedule to the WSHRF are regarded as engaging in low-risk activities and are subject to notification requirements.

The classes of factories under Part II of the First Schedule of the WSHRF include any yard (including any dock, wharf, jetty, quay and the precincts thereof) where the construction, reconstruction, repair, refitting, finishing or breaking up of ships is carried out, including the waters adjacent to any such yard where the construction, reconstruction, repair, refitting, finishing or breaking up of ships is carried out by or on behalf of the occupier of that yard.

Pursuant to Regulation 3 of the WSHRF, a premise will be exempted from the registration or notification requirement if: (a) the number of persons at work within the premises is ordinarily less than 10 (whether or not they are all at work at those premises at the same time); and (b) the premise does not

use or create any of the following (i) mechanical power, steam boiler, steam container, steam receiver, air receiver, refrigerating plant pressure receiver or gas plant; and (ii) any highly flammable or noxious substance.

Under Regulation 6(1) of the WSHRF, any person who desires to occupy or use any premises as a factory falling within any of the classes of factories described in Part I or II, but not Part III, of the First Schedule of the WSHRF shall apply to the Commissioner to register the premises as a factory.

Our premises at 182 Pandan Loop, Singapore 128373, falls under the First Schedule of the WSHRF, and the Group is not exempted from the notification requirements under the WSHRF. As at 21 July 2023, we have obtained the relevant certificate of factory registration for the building, repairs, maintenance of boats and custom fabrication.

*Safety and Health Management System*

Under Regulation 8(1) of the Workplace Safety and Health (Safety and Health Management System and Auditing) Regulations 2009 ("**WSH SHMSA**"), it shall be the duty of the occupier of every workplace specified in the Second Schedule to implement a safety and health management system for the purpose of ensuring the safety and health of persons at work in the workplace. Workplaces specified in the Second Schedule include (but is not limited to) premises which is a worksite, premises which is a shipyard, or any factory engaged in the manufacturing of fabricated metal products, machinery or equipment and in which 100 or more persons are employed.

Under Regulation 10(1) of the WSH SHMSA, it shall be the duty of the occupier of any workplace specified in the Fourth Schedule to conduct an internal review of the safety and health management system of the workplace at a frequency as specified in that Schedule. Workplaces specified in the Fourth Schedule include any worksite with a contract sum of less than $30 million, or any shipyard in which less than 200 persons are employed. Though the Group has less than 200 employees occupying 182 Pandan Loop, the Group frequently conducts internal reviews of the safety and health management of the workplace as a matter of good practice.

The Workplace Safety and Health (General Provisions) Regulations ("**WSH General Regulations**") sets out more specific duties of employers regarding workplace safety and health. For example, employers have the duty to take reasonably practicable and effective measures to protect persons in the workplace from overcrowding, excessive heat or cold and harmful radiations, or exposure to infectious agents or biohazardous material. Employers must also ensure that there is sufficient ventilation, lighting, floor drainage and sanitary conveniences at the workplace.

*Regulation of use of certain equipment*

Under the WSH General Regulations, hoists or lifts, lifting gears and lifting appliances and lifting machines are, among other things, required to be tested and examined by an authorised examiner before they can be used and thereafter, thoroughly examined by an authorised examiner at specified intervals. Upon examination, the authorised examiner will issue and sign a certificate of test and examination, specifying the safe working load of the equipment. Such certificate of test and examination must be kept available for inspection. As at 31 December 2025, all hoists and lifts, lifting gears and lifting appliances and lifting machines have been issued a certificate of test and examination.

The occupier of the workplace is also required to keep a register containing particulars with respect to lifting gears, lifting appliances and lifting machines.

The owner of a pressure vessel used in any workplace that contains any hazardous substance must ensure that it is of good construction, sound material and adequate strength, free from patent defects, properly maintained and inspected by a competent person before use and thereafter within such period as the commissioner may specify. The owner of a pressure vessel also has to maintain a record of the inspection and keep such record available for inspection by an inspector. As at 31 December 2025, all pressure vessels used by the Group have been issued a Registration of Statutory Equipment recording inspections.

Under the WSHA and the Workplace Safety and Health (Workplace Safety and Health Officers) Regulations 2007 ("**WSHO Regulations**"), certain prescribed workplaces as set out in the Second Schedule of the WSHO Regulations are required to appoint a workplace safety and health officer. Further, under the WSHA and the Workplace Safety and Health (Workplace Safety and Health Committee) Regulations 2008 ("**WSHC Regulations**"), certain prescribed workplaces as set out in Section 3 of the WSHC Regulations are required to appoint a workplace safety and health committee.

*Noise*

The Workplace Safety and Health (Noise) Regulations 2011 ("**WSH Noise Regulations**") set out the duties of employers in respect of workplaces where a person is exposed or is likely to be exposed to excessive noise caused by any machinery or equipment used in the workplace, or any process, operation or work carried out in the workplace.

Under Section 4(1) of the WSH Noise Regulations, the occupier of such workplace has a duty to take, so far as is reasonably practicable, such measures to reduce or control the noise from any machinery or equipment used, so that no person at work in the workplace is exposed or is likely to be exposed to excessive noise. Under Section 4(4) of the WSH Noise Regulations, where it is not practicable to reduce the noise, the occupier of such workplace has a duty to limit the duration of time persons at work in the workplace are exposed to the noise so that such persons are not exposed to excessive noise. Further, under Section 8(1) of the WSH Noise Regulations, the employer has a duty to provide suitable hearing protectors to every person in the workplace who is exposed or is likely to be exposed to excessive noise.

Under Section 7(1) of the WSH Noise Regulations, where there are 10 or more persons (who are exposed or are likely to be exposed to excessive noise) employed or working in a workplace, it shall be the duty of the occupier of the workplace to cause noise monitoring to be carried out at least once every 3 years. Under Section 5(1) of the WSH Noise Regulations, where there are 50 or more persons (who are exposed or are likely to be exposed to excessive noise) employed or working in a workplace, it shall be the duty of the occupier of the workplace to appoint a competent person to advise on all proper noise control measures.

Further, the Environmental Protection and Management (Boundary Noise Limits for Factory Premises) Regulations prescribe the maximum permissible noise level for factory premises. "Factory premises" means inter alia, any premises used for any industrial or manufacturing purposes and includes any repair or processing workshop, and warehouse.

*Shipbuilding and Ship-Repairing*

The Workplace Safety and Health (Shipbuilding and Ship-Repairing) Regulations 2008 ("**WSH SSR**") applies to any work carried out in a shipyard or on board a ship in a harbour in connection with (a) the construction, re-construction, repair, refitting, fitting, painting, finishing, furnishing or breaking up of a ship; (b) the scaling, scurfing or cleaning of boilers (including combustion chambers and smoke boxes) in a ship; (c) the cleaning of any tank, bilges or holds in a ship; and (d) the survey or inspection of a ship or its contents (where such survey or inspection is not carried out by the crew of the ship).

Under Regulation 6(1) of the WSH SSR, it shall be the duty of the employer of any person who carries out hazardous work in a shipyard or on board a ship in a harbour; or the principal under whose direction any person carries out hazardous work in a shipyard or on board a ship in a harbour, to ensure that the person does not carry out any hazardous work unless he has undergone a safety and health training course approved by the Commissioner. Under Regulation 7(1) of the WSH SSR, it shall be the duty of (a) in the case of a ship in a shipyard, the occupier of the shipyard; and (b) in the case of a ship in a harbour, the master, owner or agent of the ship, to appoint a ship repair manager to take charge of and co-ordinate all activities relating to the construction or repair of the ship. Under Regulation 8 of the WSH SSR, it shall be the duty of the master, owner, agent or crew of a ship in a shipyard or in a harbour not to carry out any work on the ship without the approval of the ship repair manager.

Under Regulation 38 of the WSH SSR, where any person uses any equipment in a shipyard or on board a ship in a harbour for the purpose of any work to which the WSH SSR apply, it shall be the duty of (a) the employer of the person; or (b) the principal under whose direction the person carries out the work, to ensure that the equipment is (i) of good construction, sound material and adequate strength; (ii) free from defects; and (iii) appropriate for the work for which it is to be used.

***Work Injury Compensation Act 2019***

Work injury compensation is governed by the Work Injury Compensation Act 2019 ("**WICA**"). The WICA applies to employees in respect of injuries suffered by them arising out of and in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the methods of calculating such compensation. The WICA provides, subject to certain prescribed exceptions, that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation shall be computed in accordance with the First Schedule of the WICA, subject to a maximum and minimum limit, taking into account factors such as the severity and permanence of the personal injury suffered.

Further, Section 13 of the WICA provides that where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the contractor) for the execution by the contractor of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the Commissioner for Labour may direct the principal to fulfil the obligations of the employer under the WICA in relation to any employee of the contractor employed in the execution of the work. Where such a direction has been made, the principal shall be liable to pay to any employee of the contractor employed in the execution of the work any compensation which he would have been liable to pay under the WICA if that employee had been immediately employed by the principal, except that the amount of compensation is to be calculated with reference to the earnings of the employee under the contractor.

Every employer is required to maintain work injury compensation insurance for all employees. Failure to do so is an offence carrying a fine of up to S$10,000 and/or imprisonment of up to 12 months. Under the Work Injury Compensation (Insurance) Regulations 2020 ("**WICIR**"), every employer entering into a contract of insurance in accordance with the requirements of WICA shall be issued, by the insurer with whom he contracts, with a certificate of insurance which shall contain certain prescribed particulars. The WICIR further provides that such employer shall display a copy of the certificate of insurance at each place of business at which he employs any employee whose claims may be the subject of indemnity under the policy of insurance to which that certificate relates.

As at 31 December 2025, our Group has maintained the necessary insurance as required under the WICA.

***Employment Act 1968***

The Ministry of Manpower ("**MOM**") is the ministry of the Singapore Government responsible for all labour and workforce-related matters in Singapore. Divisions of the MOM include the occupational health and safety division, which promotes workplace safety and health; the work pass division, which oversees the employment of foreign nationals in Singapore; and the labour relations and workplaces division, which formulates policies on employment matters and industrial relations.

The Employment Act 1968 ("**Employment Act**") is administered by the MOM and sets out the basic terms and conditions at work for employees covered under the Employment Act, such as payment of salary, paid public holidays, sick leave and maternity leave. The Employment Act covers, amongst others, every employee who is under a contract of service with an employer and includes a workman.

Part 4 of the Employment Act sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S$4,500 a month and employees (other than workmen or persons employed in managerial or executive positions) who receive salaries not exceeding S$2,600 a month. Section 38(8) of the Employment Act provides that an employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, including, amongst others, where there is an accident, actual or threatened, where work is essential to the life of the community, where work is essential for defence or security, where urgent work is to be done to machinery or plant, or where an interruption of work which was impossible to foresee. In addition, Section 38(5) of the Employment Act limits the extent of overtime work that an employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour ("**CL**") for exemption if they require an employee or class of employees to work for more than 12 hours a day or more than 72 overtime hours a month. The CL may, after considering the operational needs of the employer and the health and safety of the employee or class of employees, by order in writing, exempt such employees from the overtime limits subject to such conditions as the CL thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

Under Section 53 of the Employment Act, an employer who breaches the provisions of Part 4 of the Employment Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000, and for a second or subsequent offence to a fine not exceeding S$10,000 and/or to imprisonment for a term not exceeding 12 months.

From 1 April 2016, employers are required to implement enhanced administrative requirements for employees covered under the Employment Act. Employers are also required to provide itemised pay slips to all employees, provide employees with written key employment terms and keep detailed employment records for each employee.

***Employment of Foreign Manpower Act 1990***

The policies and regulations relating to the employment of foreign employees and manpower are set out, amongst others, under the Employment of Foreign Manpower Act 1990 of Singapore ("**EFMA**") and relevant government gazettes to regulate the availability and cost of foreign employees.

Under Section 5(1) of the EFMA, no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass. Any person who contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall be liable on conviction to a fine at least S$5,000 and not more than S$30,000 or to imprisonment for a term not exceeding 12 months or to both; and on a second or subsequent conviction: (i) in the case of an individual, be punished with a fine of at least S$10,000 and not more than S$30,000 and with imprisonment for a term of not less than one (1) month and not more than twelve (12) months; or (ii) in any other case, be punished with a fine of at least S$20,000 and not more than S$60,000.

A work pass includes, amongst others: (a) employment pass, for foreign professionals, managers and executives earning at least S$5,000 per month in all sectors (except financial services) for renewals of employment passes expiring from 1 January 2025 to 31 December 2025, and at least S$5,600 per month for new applications of employment passes from 1 January 2025 and for renewals of employment passes expiring from 1 January 2026, and at least S$5,500 per month for financial services sector for renewals of employment passes expiring from 1 January 2025 to 31 December 2025, and at least S$6,200 per month for new applications of employment passes from 1 January 2025 and for renewals of employment passes expiring from 1 January 2026, and who have passed the points-based complementary assessment framework (unless otherwise exempted), and with effect from 1 January 2027 for new applications, the minimum qualifying salary will increase from S$5,600 to S$6,000 (and for the financial services sector, from S$6,200 to S$6,600), and for renewals, these revised qualifying salaries will apply from 1 January 2028; (b) S Pass, for mid-level skilled workers who earn at least S$3,150 per month in all sectors (except financial services), and at least S$3,650 per month for financial services sector, which is benchmarked against the top one-third of the local associate professionals and technicians salaries by age, and for new applications from 1 September 2025 and for renewals from 1 September 2026, at least S$3,300 for all sectors (except financial services) and at least S$3,800 for financial services sector, and with effect from 1 January 2027 for new applications, the minimum qualifying salary will increase from S$3,300 to S$3,600 (and from S$3,800 to S$4,000 for the financial services sector), and for renewals, these revised qualifying salaries will apply from 1 January 2028; and (c) work permit for skilled and semi-skilled migrant workers in the construction, manufacturing, marine shipyard, process or services sectors.

Under MOM's foreign worker quota framework, employers hiring foreign workers must maintain a minimum number of local employees paid at least the Local Qualifying Salary ("**LQS**"). The LQS for full-time local employees will increase from S$1,600 to S$1,800 per month with effect from 1 July

2026. The number of local employees who meet the LQS determines the employer's entitlement to employ foreign workers under the Dependency Ratio Ceiling ("**DRC**") framework. The DRC limits the maximum proportion of foreign workers an employer may hire relative to its local workforce.

Under the First Schedule and Fourth Schedule of the Employment of Foreign Manpower (Work Passes) Regulations 2012 ("**EFMA(R)**"), employers of work permit holders are required, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage in certain instances);
- provide safe working conditions and take such measures as are necessary to ensure the safety and health of the foreign employee;
- provide acceptable accommodation consistent with any law or governmental regulations;
- purchase and maintain medical insurance with prescribed coverage for inpatient care and day surgery, for each 12-month period (or for such shorter period where the foreign employee's period of employment is less than 12 months); and
- (compulsory only for work permit holders who are residents of a licensed dormitory or an unregulated dormitory and/or whose work permit specifies that they are employed in the construction sector, marine shipyard sector or process sector) purchase and maintain a primary care plan (where a medical provider provides basic healthcare services and enrol the foreign worker as a member of the plan).

Under the Second Schedule and Fifth Schedule of the EFMA(R), employers of S Pass holders are required, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage in certain instances);
- purchase and maintain medical insurance with prescribed coverage for inpatient care and day surgery, for each 12-month period (or for such shorter period where the foreign employee's period of employment is less than 12 months); and
- (compulsory only for S Pass holders who are residents of a licensed dormitory or an unregulated dormitory and/or whose S Pass specifies that they are employed in the work in construction sector, marine shipyard sector or process sector) purchase and maintain a primary care plan (where a medical provider provides basic healthcare services and enrol the foreign worker as a member of the plan).

As at 31 December 2025 we have 134 foreign employees, of which 107 employees are work permit holders, 26 employees are S Pass holders, nil employees are Employment Pass holders and one is a foreign intern. As at 31 December 2025, our Group is in compliance with the laws and regulations governing the employment of foreign manpower in Singapore, including all applicable work pass requirements.

*Fire Safety Act 1993 and Fire Safety (Building and Pipeline Fire Safety) Regulations*

The Fire Safety Act 1993 ("**FSA**")) was enacted to ensure the fire safety of buildings in Singapore. The FSA empowers the Singapore Civil Defence Force ("**SCDF**") to set out fire safety requirements for buildings; gives SCDF legislative levers to maintain oversight of stakeholders in the building industry and take enforcement action against fire safety infringements; and sets out the statutory functions of SCDF in these areas.

Under Section 35(2) of the FSA, a person must not occupy or use a building or permit a building owned or managed by the person to be occupied or used, unless there is a fire certificate authorising the occupation or use. Under Section 35(4) of the FSA, any person who contravenes subsection (2) shall be guilty of an offence.

Under Section 60 of the FSA, any person for whom any fire safety works had been carried out and completed must apply to the commissioner and obtain a fire safety certificate in respect of the completed fire safety works. "Fire safety works" means any fire protection works, the installation, provision or removal of, or addition or alteration to, any fire safety measure, any relevant pipeline works or any relevant works, and "relevant works" means (a) the erection, extension, alteration, addition or repair of a building (i) that involves the use of combustible materials; or (ii) that affects the means of escape from the building or the effectiveness of fire safety measures; (b) the provision, extension or alteration of any air-conditioning service or ventilating system in or in connection with a building; or (c) the provision, extension or alteration of any system for the delivery of liquefied petroleum gas from a cylinder to the point of use, in or in connection with any building that is used for a non-residential purpose.

Under Section 78 of the FSA, a person must not store or keep, or cause to be stored or kept, any class of petroleum or any flammable material except (a) in or on licensed premises; (b) in such quantities and in such manner and in accordance with requirements prescribed in relation to such petroleum or flammable material; and (c) under the authority of and in accordance with the provisions of a storage licence from the Commissioner and every condition specified therein. Under Section 88(6) of the FSA, a person who contravenes any of the conditions of a licence granted under Part 6 shall be guilty of an offence.

Under Section 89(1) of the FSA, if (a) at any time it appears to the Commissioner (i) that any premises in respect of which a licence or permit has been granted, has become unfit for the purpose for which it was licensed by reason of the increase of building or of population in its neighbourhood; or (ii) that from any other cause, any licence or permit should for the public safety be cancelled; or (b) the person to whom the licence or permit was granted contravenes any of the conditions of the licence or permit, the Commissioner may by order cancel the licence.

Under Regulation 25(1) of the Fire Safety (Building and Pipeline Fire Safety) Regulations ("**Fire Safety Regulations**"), an application for the issue or renewal of the fire certificate under section 35 of the FSA shall be made to the Commissioner in such form as may be provided by the Commissioner and shall be accompanied by (a) the prescribed fees; (b) such certifications as the Commissioner may require from the relevant qualified persons that they have examined the building or part thereof and that the fire safety works in the building are in good working condition and in conformity with the Act and the regulations made thereunder; and (c) such other information that the Commissioner may require. Under Regulation 25(2) of the Fire Safety Regulations, an application for the renewal of a fire certificate under paragraph (1) shall be made at least 2 months before the expiry of the fire certificate.

Under Regulation 27 of the Fire Safety Regulations, the Commissioner may revoke any fire certificate where there is (a) a breach of any of the terms and conditions of the certificate; (b) any misrepresentation of a material fact in the application for the fire certificate or accompanying plans or documents upon the basis of which the certificate was issued or renewed; or (c) knowledge that the fire hazards within the building or part thereof, for which the fire certificate was issued or renewed, have increased without adequate fire safety measures being taken to the satisfaction of the Commissioner.

As at 31 December 2025, our Group has obtained the relevant fire safety certificates in respect of carrying out relevant fire safety works at our premises as well as the relevant petroleum and flammable materials storage license.

***Central Provident Fund Act 1953***

The Central Provident Fund ("**CPF**") Act 1953 ("**CPF Act**") governs the contributions made by employers and employees into the CPF. The CPF Act is administered by the CPF Board. The CPF system is a mandatory social security savings scheme funded by contributions from employers and employees.

Section 7(1) of the CPF Act provides that subject to certain exemptions and regulations, every employer of an employee shall pay to the CPF monthly in respect of each employee contributions at the appropriate rates set out in the First Schedule of the CPF Act. Pursuant to Section 7(2) of the CPF Act, notwithstanding the provisions of any written law or any contract to the contrary, an employer is entitled to recover from the monthly wages of an employee the amount shown in the First Schedule of the CPF Act as so recoverable from the employee.

***Goods and Services Tax Act 1993***

The Goods and Services Tax Act 1993 ("**GST Act**") governs the imposition, charge, and administration of GST in Singapore. It sets out the rules for determining when supplies are standard-rated (taxed at the prevailing GST rate) or zero-rated (taxable at 0%), as well as the conditions for input tax recovery, registration, invoicing requirements, and reporting obligations. The GST Act provides the statutory framework within which the Company must assess and account for GST on its business activities.

Under Section 21B of the GST Act, the sale or letting on hire of goods for a prescribed purpose made by any taxable person to a taxable person in the shipping or marine industry who is approved by the Comptroller of Goods and Services Tax is permitted to be zero-rated. A supply that is zero-rated is still treated as a taxable supply despite no tax being charged on the supply.

Examples of the Group's supplies that are zero-rated include chandlering for export/foreign-going vessels and boat chartering on an OPL basis. Otherwise, standard-rated GST applies.

***Inspection By Classification Societies***

Every seagoing vessel must be "classed" by a classification society. The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society.

Each vessel is inspected by a surveyor of the classification society in three surveys of varying frequency and thoroughness: every year for annual surveys, every two to three years for intermediate surveys and every five years for special surveys. If any defects are found, the classification surveyor will issue a "condition of class" or a "requirement" for appropriate repairs that have to be made by the shipowner within the time limit prescribed.

***Merchant Shipping (Registration of Ships) Regulations***

Under Regulation 4 of the Merchant Shipping (Registration of Ships) Regulations ("**MS(RS)R**"), the registry of a tug or a barge, or a ship of less than 1,600 gross tons and owned wholly or partly by a local company shall be closed if all or a majority of the shares in the company or its holding company, if any, are; or a citizen of Singapore shall be closed if any share in the tug or barge or ship is, transferred to a person who is not a citizen of Singapore or another local company.

Under the MS(RS)R, "local company" means a company in which all or a majority of the shares are owned by persons who are (a) citizens of Singapore; or (b) companies in which, or which have holding companies in which, all or a majority of the shares are owned by persons who are citizens of Singapore or local companies.

**Conclusion**

As at 31 December 2025 and to the best of our Directors' knowledge, we are in compliance with all applicable laws and regulations in Singapore which are material to our business operations and we have all the necessary material business licences and permits for our business operations in Singapore.

## REGULATIONS IN RELATION TO THE TRIAL MEASURES PROMULGATED BY THE CSRC

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》(the "**Trial Measures**"), promulgated by the CSRC, if an issuer both meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed to constitute an indirect overseas offering and listing subject to the filing procedure set forth under the Trial Measures: (i) 50% or more of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic enterprises (the "**Financial Threshold Test**"); and (ii) the main parts of the issuer's business activities are conducted in the PRC or its principal place of business is located in the PRC, or the senior management personnel in charge of the issuer's business operation and management are mostly Chinese citizens or domiciled in the PRC (the "**Operational and Management Test**").

As advised by our PRC Legal Advisers, both the Financial Threshold Test and the Operational and Management Test are not satisfied, for the following considerations: (a) our Company does not, directly or indirectly, own or control any entity or subsidiaries established in the PRC, nor has it established any variable interest entity structure or entered into any contractual arrangement or similar mechanism to control any PRC entity; (b) our Group does not generate any revenue or profit through any PRC entity; (c) our Group does not hold or control any assets within the PRC and does not currently maintain any business activities, operations or any revenue-generating activities within the PRC, nor is its principal place of business located in the PRC. Despite the fact that we provide shipping agency services (and ancillary services thereto) to PRC-based customers when they are in Singapore, all aspects of such services are performed entirely outside the PRC, and only approximately 21.7% of our Group's revenue was derived from such PRC-based customers for FY2025 (approximately 33.4% and 29.9% for FY2023 and FY2024 respectively); and (d) none of the directors or senior management personnel responsible for our Group's business operations and management is a PRC citizen or domiciled in the PRC.

Accordingly, as advised by our PRC Legal Advisers, our Company is not required to complete any filing procedures with the CSRC in connection with the **[REDACTED]**.

## OVERVIEW

Before **[REDACTED]**, our Group operated a family business delivering integrated services encompassing (i) boatbuilding and workboat chartering; (ii) shipping agency services; and (iii) chandelling and sales of machinery and spare parts, in particular the sale of certain Supplier A marine engines, generators and spare parts in Singapore under our distribution agreements with Supplier A.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2026. Pursuant to the Reorganisation as more particularly described in the paragraph headed "Reorganisation" in this section, our Company has become the holding company of our Group for the purpose of the **[REDACTED]**.

The history of our Group can be traced back to the establishment of Pinnacle Marine on 7 December 2009 by Mr. Chua TK, our founder, our current chairman of the Board, executive Director, and one of our Controlling Shareholders, together with his family members. Leveraging Mr. Chua TK's expertise and industry knowledge in the shipping agency field accumulated from his 13 years in the industry prior to the establishment of Pinnacle Marine, Mr. Chua TK led the operations, management, and expansion of our Group. For more details of the experience and qualifications of Mr. Chua TK, please refer to the section headed "Directors and Senior Management" in this document.

Since its establishment, our Group has evolved through several key growth phases. Our business began with chandelling operations in Singapore. As the chandelling business expanded, in September 2011, Prestige Ocean was established to operate our Group's own fleet. Our Group entered the boat building business in 2018, building and delivering our first International Association of Classification Societies ("**IACS**") class 15-meter aluminium boat for commercial sale in four months. In April 2019, P Group was formed to provide regional shipping agency hub services and our Group exited our warehouse holdings to focus on boat building and workboat chartering by the end of 2020. In June 2021, the business expanded into marine product distribution through a partnership with Supplier A securing a distributorship of their marine engine and marine generator products in Singapore.

Our business and corporate milestones are set out below. Please refer to the section headed "Business" in this document for further details of our business operation.

## MILESTONES

The following table sets forth key milestones of our business and corporate developments:

| Year | Milestone |
|---|---|
| 2009 | Pinnacle Marine was established in Singapore, an indirect wholly-owned subsidiary of our Company, which focused on the provision of chandelling services. |
| 2010 | Our business continued to grow to a rented warehouse. |
| 2011 | Prestige Ocean, an indirect wholly-owned subsidiary of our Company, was established in Singapore to operate our Group's own fleet. |

| Year | Milestone |
|---|---|
| 2012 | Primus Shipping, an indirect wholly-owned subsidiary of our Company, was established in Singapore to act as the agent for ship owners calling into the Port of Singapore. |
| 2014 | Our Group purchased its first warehouse. |
| 2016 | Our Group continued its expansion with the acquisition of two warehouses with a total area of approximately 5,424 sq. ft.. |
| 2017 | Pinnacle Marine launched its first IACS class 20-meter utility boat. |
| 2018 | To overcome prolonged overseas delivery times, our Group initiated its boatbuilding business and established its own boatbuilding capability. Our Group constructed its first locally built IACS-class 15-metre aluminium utility boat, "Sun Ace" in just four months.<br><br>Prestige Ocean started to pursue government and offshore agriculture contracts, successfully securing its first tender from a Singapore Statutory Board for the provision of passenger ferry services. |
| 2019 | P-Group, an indirect wholly-owned subsidiary of our Company, was established in Singapore as a regional hub agency, to offer remote port agency solutions to vessels calling at ports outside of Singapore.<br><br>Pinnacle Marine launched an IACS class 20-meter specialised crane boat, the 'President Six'. |
| 2020 | Pinnacle Marine deployed the 'President Six' for her first successful operation at St. John, one of Singapore's offshore islands, in January and was featured in the local newspaper for its aquaculture efforts.<br><br>Prestige Ocean commenced its first boat charter contract leasing the 'President Five' to a local commercial diving company.<br><br>To channel all resources into the growing boat building business, we sold all our then existing warehouses and secured a space in the 8th floor of a commercial building to continue our ship construction.<br><br>Our new operation premises comprised of an approximately 662m$^2$ sheltered warehouse and an approximately 717.8m$^2$ fabrication area. Despite spatial constraints, we optimised operations to deliver six to eight high-quality vessels annually. |

| Year | Milestone |
|---|---|
| 2021 | Our Group ventured into the marine products distribution business and signed an agreement with Supplier A, a leading government-owned marine engine and machinery manufacturer in the PRC, to become a non-exclusive distributor of their marine products in Singapore.<br><br>Our Group expanded into engineering, repair and maintenance. |
| 2022 | Our Group signed an exclusive distributorship agreement with Supplier A.<br><br>Our Group sold its last fiberglass boat and fully converted its fleet to IACS class aluminium boats capable of extended voyages outside port limits.<br><br>Our Group was awarded a charter contract by a leading towage and pilotage services provider in Singapore for straits pilot services. |
| 2023 | Our Group launched and delivered two survey launches and one work launch using B20 biodiesel to a statutory board of the Singapore government.<br><br>In February, Abo Shoten, a Japanese shipowner, invested S$5 million in Pinnacle Marine and subscribed 16,680 shares of Pinnacle Marine, representing approximately 7.70% equity stake in Pinnacle Marine upon completion of capital increase.<br><br>With a solid track record and sufficient manpower in place, we passed the government assessment, received Singaporean regulatory approval, and acquired a leasehold land parcel for use as our shipyard. This acquisition was a major milestone that mitigated our dependency on rented land and reduces the spatial constraints that had limited our boatbuilding capacity.<br><br>We launched our latest 16-meter utility boat design, the Mazu series in September. |
| 2024 | We expanded our clientele by supplying three boats to a subsidiary and an agent for Middle East clients.<br><br>We secured a 3-year boat services contract by a leading provider in fuel retail stations.<br><br>We were appointed as a designed shipping agency by one of the biggest chemical tanker owners in the PRC to handle ship callings into Singapore.<br><br>We advanced our sustainability efforts through collaborations, including publishing our first sustainability report assisted by the American Bureau of Shipping in August, and participating in a 1000-hour sea trial of a full B100 biodiesel research vessel with Nanyang Technological University, Supplier A and China Classification Society Singapore Branch. |

| Year | Milestone |
|---|---|
| 2025 | We were awarded 20th position (out of 50 award winners) for the 30th Enterprise 50 awards by KPMG and the Business Times.<br><br>We were awarded a contract by a leading towage and pilotage services provider in Singapore to charter a boat for use as a pilot boat.<br><br>We were featured in the Business Times Singapore for our green approach in vessels building.<br><br>We launched Singapore's first full B100 biodiesel work boat as part of the research collaboration with Nanyang Technological University, Supplier A and China Classification Society, marking the 50th boat built by our Group since 2018.<br><br>We launched our fastest boat built which took less than two months from keel laying to launch.<br><br>By December, our Group built a total of 15 boats during FY2025, achieving a milestone record of boats built in a year. |

## OUR MAJOR SUBSIDIARIES

We primarily operate our business through our four wholly-owned operating subsidiaries, namely Pinnacle Marine, Primus Shipping, Prestige Ocean and P-Group.

The following table sets out the information of our major subsidiaries which made a material contribution to our results of operation during the Track Record Period:

| Name of subsidiary | Place of incorporation/ establishment | Date of incorporation/ establishment | Equity interest attributable to our Group | Principal business activities |
|---|---|---|---|---|
| Pinnacle Marine | Singapore | 7 December 2009 | 100% | Providing boatbuilding, repair, maintenance and chandelling and sales of machinery and spare parts |
| Prestige Ocean | Singapore | 26 September 2011 | 100% | Providing workboat chartering, crew manning and related logistics services including land transport and storage services |
| Primus Shipping | Singapore | 14 December 2012 | 100% | Providing shipping agency services to vessels calling at ports in Singapore |
| P Group | Singapore | 1 April 2019 | 100% | Providing regional hub agency services to vessels calling at ports in Malaysia and Indonesia |

**Pinnacle Marine**

Pinnacle Marine was incorporated as a private limited company in Singapore on 7 December 2009 with an issued and paid-up share capital of S$2.0 divided into 2 shares. The shareholding structure of Pinnacle Marine as of the date of its incorporation was as follows:

| **Shareholders** | **Number of shares subscribed for** | **Approximate corresponding equity interest** *(%)* |
|---|---|---|
| Ms. Lim SC | 1 | 50.00 |
| Ms. Chua GC | 1 | 50.00 |
| **Total** | **2** | **100.00** |

On 28 September 2016, Pinnacle Marine underwent its first capital increase, upon completion of which our share capital was increased to S$200,002, among which, S$100,001 was subscribed by Ms. Lim SC and S$100,001 was subscribed by Ms. Chua GC. Upon completion of the capital increase, the shareholding structure of Pinnacle Marine was as follows:

| **Shareholders** | **Number of shares held** | **Approximate corresponding equity interest** *(%)* |
|---|---|---|
| Ms. Lim SC | 100,001 | 50.00 |
| Ms. Chua GC | 100,001 | 50.00 |
| **Total** | **200,002** | **100.00** |

On 27 August 2020, the then shareholders of Pinnacle Marine entered into a series of equity transfers to transfer certain equity interest to other family members involved in the operations of Pinnacle Marine. This transfer served as a recognition of their contributions to our Group. The allocation of equity was determined based on each family member's historical and ongoing contributions, including but not limited to: initial capital injection at incorporation, operational involvement and leadership, strategic input, business development, and alignment with long-term governance and succession planning. Ms. Lim SC transferred 70,001 shares to Mr. Chua TK at a consideration of S$1.0. Further, Ms. Chua GC transferred 8,001 shares to Mr. Lim CP, 30,000 shares to Mr. Chua TS, and 32,000 shares

to Mr. Chua TK, respectively, at a consideration of S$1.0 for each transfer. Upon completion of the aforesaid equity transfers, the shareholding structure of Pinnacle Marine was as follows:

| Shareholders | Number of shares held | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TK | 102,001 | 51.00 |
| Ms. Lim SC | 30,000 | 15.00 |
| Ms. Chua GC | 30,000 | 15.00 |
| Mr. Chua TS | 30,000 | 15.00 |
| Mr. Lim CP | 8,001 | 4.00 |
| **Total** | **200,002** | **100.00** |

On 29 April 2022, Ms. Lim SC transferred 10,000 shares to Mr. Chua TK at a consideration of S$1.0, and on the same day, Mr. Chua TS transferred 16,000 shares to Mr. Chua TK at a consideration of S$1.0. Further, Ms. Chua GC further transferred 2,000 shares to Mr. Lim CP, and 8,000 shares to Mr. Chua TK, respectively, at a consideration of S$1.0 for each transfer. The transfer represented an internal shareholding restructuring between family members and the nominal consideration reflects the internal nature of the transaction. Upon completion of the aforesaid equity transfers, the shareholding structure of Pinnacle Marine was as follows:

| Shareholders | Number of shares held | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TK | 136,001 | 68.00 |
| Ms. Lim SC | 20,000 | 10.00 |
| Mr. Chua TS | 14,000 | 7.00 |
| Mr. Lim CP | 10,001 | 5.00 |
| Ms. Chua GC | 20,000 | 10.00 |
| **Total** | **200,002** | **100.00** |

On 25 February 2023, the share capital of Pinnacle Marine was increased from S$200,002 to S$5,200,002, and Abo Shoten agreed to subscribe for, and was allotted, 16,680 shares at an issue price of S$5,000,000 (representing approximately 7.70% equity interest in Pinnacle Marine upon completion of the capital increase). Abo Shoten is our **[REDACTED]** Investor. For further details, please refer to the section headed "— **[REDACTED]** Investment" below.

Upon completion of the aforesaid capital increase, and immediately prior to the Reorganisation, the shareholding structure of Pinnacle Marine was as follows:

| Shareholders | Number of shares held | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TK | 136,001 | 62.77 |
| Ms. Lim SC | 20,000 | 9.22 |
| Ms. Chua GC | 20,000 | 9.23 |
| Abo Shoten | 16,680 | 7.70 |
| Mr. Chua TS | 14,000 | 6.46 |
| Mr. Lim CP | 10,001 | 4.62 |
| **Total** | **216,682** | **100.00** |

Please refer to the paragraph headed "Reorganisation" in this section for details of the restructuring steps undertaken by our Group that involved shareholding change at the level of Pinnacle Marine.

**Prestige Ocean**

Prestige Ocean was incorporated as a private limited company in Singapore on 26 September 2011 with an issued and paid-up share capital of S$2.0 divided into 2 shares. The shareholding structure of Prestige Ocean as of the date of its incorporation was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Ms. Juliany *(Note 1)* | 2 | 100.00 |
| **Total** | **2** | **100.00** |

*Note:*

1. Ms. Juliany is spouse of Mr. Chua TS.

On 20 November 2015, the share capital of Prestige Ocean was increased from S$2.0 to S$100,002, and the additional share capital was subscribed for in full by Mr. Chua TS. Upon completion of the capital increase, the shareholding structure of Prestige Ocean was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TS | 100,000 | 99.998 |
| Ms. Juliany | 2 | 0.002 |
| **Total** | **100,002** | **100.00** |

On 3 July 2018, the share capital of Prestige Ocean was further increased from S$100,002 to S$1,500,002, and the additional share capital was subscribed for in full by Mr. Chua TK. Upon completion of the capital increase, the shareholding structure of Prestige Ocean was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TK | 1,400,000 | 93.3332 |
| Mr. Chua TS | 100,000 | 6.6667 |
| Ms. Juliany | 2 | 0.0001 |
| **Total** | **1,500,002** | **100.00** |

On 1 August 2020, the then shareholders of Prestige Ocean entered into a series of equity transfers to transfer certain equity interest to Pinnacle Marine for the purpose of Group restructuring with an aim to streamline operations with ownership consolidated under a single entity, enhance transparency and position our Group for scalable growth across the industry value chain. Pinnacle Marine was transferred 2 shares at a consideration of S$3.0 from Ms. Juliany, 100,000 shares at a consideration of S$144,430 from Mr. Chua TS, and 1,400,000 shares from Mr. Chua TK at a consideration of S$2,022,015, respectively.

Upon completion of the above equity transfers, Prestige Ocean became a wholly-owned subsidiary of Pinnacle Marine, and the shareholding structure of Prestige Ocean was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Pinnacle Marine | 1,500,002 | 100.00 |
| **Total** | **1,500,002** | **100.00** |

On 4 June 2021, the share capital of Prestige Ocean was increased from S$1,500,002 to S$2,500,002, and the additional share capital was subscribed for in full by Pinnacle Marine. Upon completion of the capital increase, and as of the Latest Practicable Date, the shareholding structure of Prestige Ocean was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Pinnacle Marine | 2,500,002 | 100.00 |
| **Total** | **2,500,002** | **100.00** |

**Primus Shipping**

Primus Shipping was incorporated as a private limited company in Singapore on 14 December 2012 with an issued and paid-up share capital of S$5.0 divided into 5 shares. The shareholding structure of Primus Shipping as of the date of its incorporation was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TK | 4 | 80.00 |
| Mr. Lim CP | 1 | 20.00 |
| **Total** | **5** | **100.00** |

On 13 July 2015, the share capital of Primus Shipping was increased from S$5.0 to S$200,005, and the additional share capital was subscribed for in full by Mr. Chua TK. Upon completion of the capital increase, the shareholding structure of Primus Shipping was as follows:

| Shareholders | Number of shares held | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TK | 200,004 | 99.9995 |
| Mr. Lim CP | 1 | 0.0005 |
| **Total** | **200,005** | **100.00** |

On 1 August 2020, the then shareholders of Primus Shipping entered into a series of equity transfers to transfer certain equity interest to Pinnacle Marine for the purpose of Group restructuring with an aim to streamline operations with ownership consolidated under a single entity, enhance transparency and position our Group for scalable growth across the industry value chain. Pinnacle Marine was transferred 200,004 shares at a consideration of S$200,004 from Mr. Chua TK, and 1 share at a consideration of S$1.0 from Mr. Lim CP. Upon completion of the equity transfers, Primus Shipping became a wholly-owned subsidiary of Pinnacle Marine and as of the Latest Practicable Date, the shareholding structure of Primus Shipping was as follows:

| Shareholders | Number of shares held | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Pinnacle Marine | 200,005 | 100.00 |
| **Total** | **200,005** | **100.00** |

**P Group**

P Group was incorporated as a private limited company in Singapore on 1 April 2019 with an issued and paid-up share capital of S$1.0 divided into 1 share. The shareholding structure of P Group as of the date of its incorporation was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Mr. Chua TK | 1 | 100.00 |
| **Total** | **1** | **100.00** |

On 1 August 2020, Mr. Chua TK transferred 1 share to Pinnacle Marine at a consideration of S$2.0 for the purpose of Group restructuring with an aim to streamline operations with ownership consolidated under a single entity, enhance transparency and position our Group for scalable growth across the industry value chain. Upon completion of the equity transfer, P Group became a wholly-owned subsidiary of Pinnacle Marine, and the shareholding structure of P Group as of the Latest Practicable Date, was as follows:

| Shareholders | Number of shares subscribed for | Approximate corresponding equity interest *(%)* |
|---|---|---|
| Pinnacle Marine | 1 | 100.00 |
| **Total** | **1** | **100.00** |

**[REDACTED] INVESTMENT**

Abo Shoten, a Japanese ship owner with over of 60 years of history, recognised our Group's capabilities and our expansion plans, including our sustainability efforts, and saw an alignment between both goals and vision. On 4 February 2023, Abo Shoten took an approximately 7.70% stake in the company with an investment of S$5,000,000 in order to facilitate our Group's expansion in purchasing a local waterfront shipyard. The investment was completed on 15 February 2023.

Details of the **[REDACTED]** Investment related to the Group from Abo Shoten are set forth below.

| | |
|---|---|
| **Date of the initial investment agreement** | 4 February 2023 |
| **Number of Shares subscribed for** | 16,680 |

| | |
|---|---|
| **Total amount of consideration paid** | S$5,000,000 |
| **Date on which the investment was fully settled by the [REDACTED]** Investor[(1)] | 15/02/2023 |
| **Cost per Share[(2)]** *(approximation)* | S$299.7602 |
| **Discount to the [REDACTED][(3)]** *(approximation)* | **[REDACTED]** |
| **Implied post-money valuation of the Company[(4)]** | S$64,952,637.9 |
| **Basis of determination of the consideration** | The consideration for the **[REDACTED]** Investment was determined based on arm's length negotiation between the relevant parties, after taking into consideration the timing of the investments and the status of our business operations. |
| **Strategic benefits of the [REDACTED]** Investor | At the time of the **[REDACTED]** Investment, our Directors were of the view that the **[REDACTED]** Investment would provide our Group with both capital and valuable industry expertise. The investment enabled us to acquire essential fixed assets and upgrade infrastructure at our then newly acquired shipyard, enhancing our operational capacity and readiness for future growth. |
| **Special Rights and arrangements with the [REDACTED]** Investor | All special rights granted to the **[REDACTED]** Investor have ceased to have effect upon the completion of the Reorganisation. There were no lock-up arrangements in place as part of the investment terms. |
| **Use of proceeds** | Proceeds from the **[REDACTED]** Investments received by our Company have been utilised for Pinnacle Marine's expansion in purchasing a local waterfront shipyard, as well as utilised as general working capital of our Group. As of the Latest Practicable Date, 100% of the net proceeds from the **[REDACTED]** Investment had been utilised. |

*Notes:*

(1) Being the date of last payment of consideration made by the **[REDACTED]** Investor.

(2) Calculated based on the amount of consideration paid by the **[REDACTED]** Investor divided by the equity interests in Pinnacle Marine as converted into Shares of our Company upon completion of the Reorganisation.

(3) Calculated based on the currency translation of S$1.00 to HK$6.10 and on the basis of the **[REDACTED]** of HK$**[REDACTED]** (being the mid-point of the **[REDACTED]**).

(4) Calculated based on the number of total issued shares of Pinnacle Marine multiplied by the cost per Share.

### Information about the [REDACTED] Investor

Abo Shoten is a joint stock company established in Japan with over 60 years of history and principally engaged in the provision of shipping services and ship chartering services. To the best information of the Directors, Abo Shoten is held as to approximately 92.57%, 5.19% and 2.24% by Daisuke Abo, Ren Wada and Takashi Abo, respectively, all of whom are Japanese Citizen and Merchants, and Independent Third Parties. Daisuke Abo and Takashi Abo are brothers, and Ren Wada are their cousin. Save for being a **[REDACTED]** Investor, neither Abo Shoten or its beneficial owner has any relationship with our Group or any connected person of our Company, and is an Independent Third Party.

Given our reputation in the industry and the growth of the market in which we operate, Abo Shoten invested in our Company to facilitate our Group's expansion in purchasing for a local waterfront shipyard as they believe the market in which our Group serves has great potential and that the investment in our Group would be worthwhile. This investment provided capital for our Group's expansion and through, Abo Shoten's industry experience, delivers industry insight, commercial alignment and potential synergies for our Group's long-term growth.

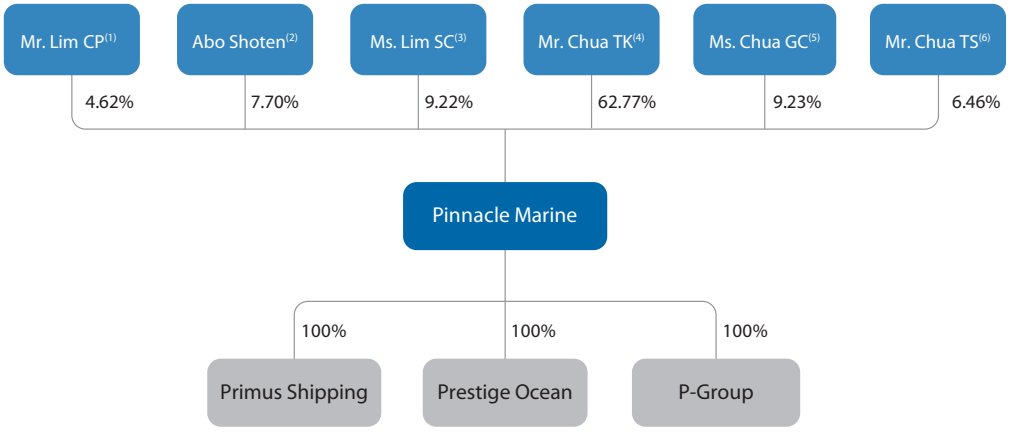
### Sole Sponsor's Confirmation

On the basis that (i) the consideration for the **[REDACTED]** Investment was irrevocably settled more than 28 clear days before the date of first filing of the **[REDACTED]** to the Stock Exchange; and (ii) the special rights granted to Abo Shoten had ceased to have effect prior to the submission of the **[REDACTED]**, the Sole Sponsor confirms that the **[REDACTED]** Investment is in compliance with the **[REDACTED]** Investment Guidance (as defined in Chapter 4.2 under the Guide for New Listing Applicants published by the Stock Exchange).

## REORGANISATION

### Corporate Structure Prior to the Reorganisation

The following chart sets forth the corporate structure of our Group immediately prior to the Reorganisation:




*Notes:*

(1) Mr. Lim CP is our Chief Executive Officer and executive Director. He is the brother-in-law of Mr. Chua TK and the brother of Ms. Lim SC. For more details of the experience and qualifications of Mr. Lim CP, please refer to the section headed "Directors and Senior Management" in this document.

(2) Abo Shoten was established in Japan, and to the best information of the Directors, is held as to approximately 92.57%, 5.19% and 2.24% by Daisuke Abo, Ren Wada and Takashi Abo, respectively, who are Independent Third Parties.

(3) Ms. Lim SC is one of our Controlling Shareholders, and the spouse of Mr. Chua TK and the sister of Mr. Lim CP.

(4) Mr. Chua TK is our founder, chairman of the Board, executive Director, and one of our Controlling Shareholders. He is the spouse of Ms. Lim SC, the brother of Ms. Chua GC and Mr. Chua TS. For more details of the experience and qualifications of Mr. Chua TK, please refer to the section headed "Directors and Senior Management" in this document.

(5) Ms. Chua GC is the sister of Mr. Chua TK and Mr. Chua TS.

(6) Mr. Chua TS is the brother of Mr. Chua TK and Ms. Chua GC.

In preparation for the **[REDACTED]**, our Group underwent the Reorganisation which involved the following steps:

**Incorporation of our Company**

On 2 January 2026, our Company was incorporated to act as the ultimate holding company of our Group upon completion of the Reorganisation. The authorised share capital of our Company was US$50,000 divided into 5,000,000,000 shares of a par value of US$0.00001 each. Upon incorporation of our Company, one subscriber Share of a par value of US$0.00001 was issued as fully paid to an initial subscriber, being an Independent Third Party, which, on the same day transferred the one (1) subscriber Share to Prompt Venture at nominal value.

| **Name of the shareholder** | **Number of Shares** | **Percentage of shareholding** *(%)* |
|---|---|---|
| Prompt Venture[(1)] | 1 | 100.00 |
| **Total** | **1** | **100.00** |

*Note:*

(1) Prompt Venture is the shareholding vehicle owned by Ms. Lim SC and Mr. Chua TK as to 12.78% and 87.22%, respectively, and one of our Controlling Shareholders.

**Incorporation of PMS Group**

PMS Group was incorporated on 19 January 2026 as our wholly-owned subsidiary to act as the intermediate holding company of our Group following the Reorganisation. On the date of its incorporation, PMS Group was authorised to issue a maximum of 50,000 ordinary shares of a single class with no par value.

On its incorporation, one ordinary share was allotted and issued as fully-paid to the Company at par value. Upon completion of such allotment and issuance, the issued share capital of PMS Group became wholly-owned by the Company.

### Transfer of Pinnacle Marine to PMS Group

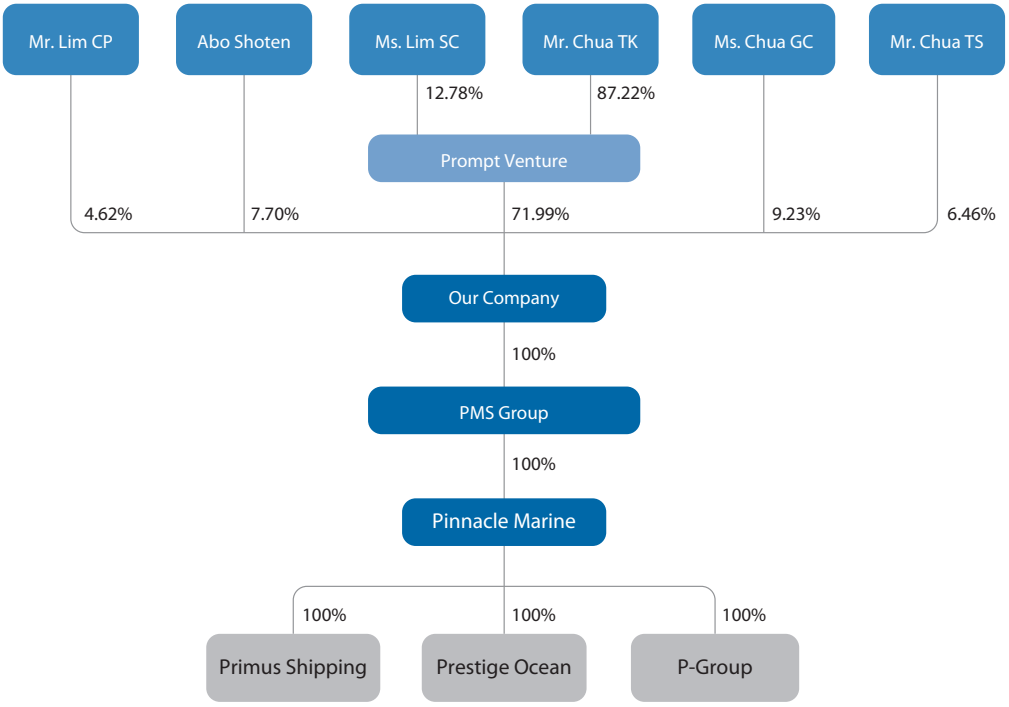
Prior to the Reorganisation, Pinnacle Marine was owned as to approximately 4.62%, 7.70%, 9.22%, 62.77%, 9.23% and 6.46% by Mr. Lim CP, Abo Shoten, Ms. Lim SC, Mr. Chua TK, Ms. Chua GC and Mr. Chua TS, respectively.

On 30 January 2026, Mr. Lim CP, Abo Shoten, Ms. Lim SC, Mr. Chua TK, Ms. Chua GC and Mr. Chua TS transferred their respective shares in the registered capital of Pinnacle Marine, being 10,001 shares, 16,680 shares, 20,000 shares, 136,001 shares, 20,000 shares and 14,000 shares respectively, to PMS Group in consideration of the Company allotting and issuing, credited as fully paid, 10,001 Shares, 16,680 Shares, 156,001 Shares (comprising of 20,000 Shares and 136,001 Shares), 20,000 Shares and 14,000 Shares to Mr. Lim CP, Abo Shoten, Prompt Venture (the shareholding vehicle owned by Ms. Lim SC and Mr. Chua TK as to 12.78% and 87.22% respectively), Ms. Chua GC and Mr. Chua TS, respectively. On the same day, Prompt Venture surrendered the one subscriber Share which was then canceled on surrender by the Company accordingly.

The above steps were completed on 30 January 2026. The entire issued share capital of our Company was owned by Mr. Lim CP, Abo Shoten, Prompt Venture, Ms. Chua GC and Mr. Chua TS as to approximately 4.62%, 7.70%, 71.97%, 9.23% and 6.46%, respectively. As a result, Pinnacle Marine became an indirect wholly-owned subsidiary of the Company through PMS Group.

### Corporate Structure After the Reorganisation

The following chart sets forth the shareholding and corporate structure of our Company upon completion of the Reorganisation but immediately prior to the **[REDACTED]** and the **[REDACTED]**:



### Singapore Regulatory Requirements

Our Singapore Legal Adviser has confirmed that (i) the Singapore companies in our Group as described in this section have been duly established, (ii) all necessary regulatory approvals and registrations in respect of the establishment, equity transfers and capital changes of the Singapore companies in our Group have been obtained in accordance with Singaporean laws in all material respects, (iii) all equity transfers and capital changes of the Singaporean companies in our Group have been properly and legally completed and have complied with all applicable Singaporean laws in all material respects, and (iv) the transfer of shares of Pinnacle Marine under the Reorganisation complied with the relevant Singapore laws and regulations.

## MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Save as disclosed below, we had not conducted any acquisitions, disposals or mergers that we consider material to us during the Track Record Period and up to the Latest Practicable Date.

## PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing does not exceed HK$6,000,000,000, the minimum prescribed percentage is 25%.

Based on (i) the **[REDACTED]** of HK$**[REDACTED]**, HK$**[REDACTED]** or HK$$**[REDACTED]**, being the low end, midpoint and high end of the **[REDACTED]**, and (ii) **[REDACTED]** Shares which are expected to be in issue immediately upon completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED] [REDACTED]** is not exercised), it is expected that the market value of the Shares at the time of the **[REDACTED]** will be HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]**, respectively. Accordingly, at least 25% of the total number of issued Shares must be held by the public at the time of **[REDACTED]**. Upon completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the shares held by our Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. These include the Controlling Shareholders and Mr. Lim CP.

Shares held by Shareholders other than as set out above will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules as they will not be core connected persons of our Company upon **[REDACTED]**, are not accustomed to take instructions from core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares, and their acquisition of Shares were not financed directly or indirectly by core connected persons.

Based on the above, it is expected that immediately following the completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED] [REDACTED]** is not exercised), approximately 25.00% of our Company's total issued Shares will be held by the public in accordance with Rule 8.08 of the Listing Rules.

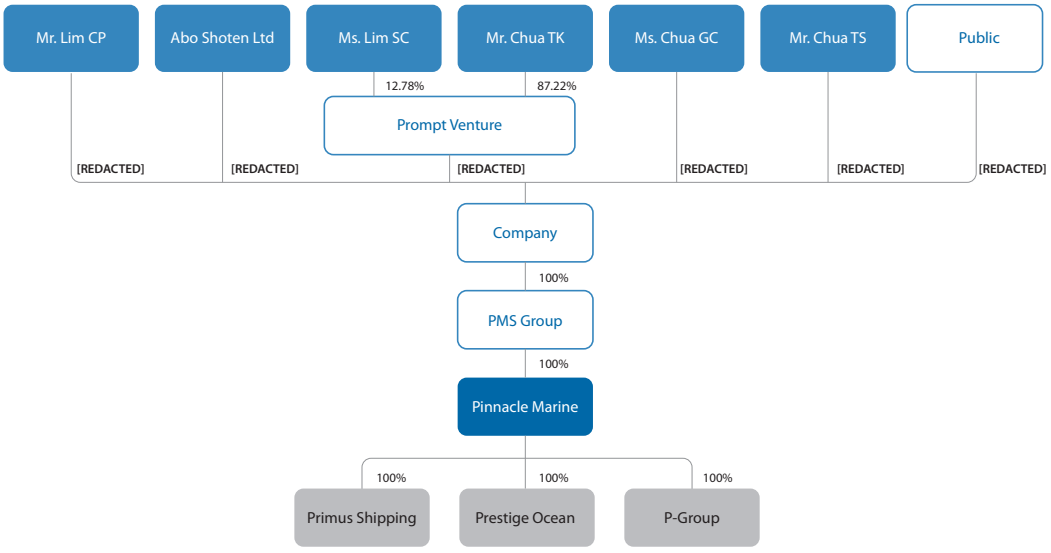
## FREE FLOAT

Based on the **[REDACTED]** Shares to be **[REDACTED]** pursuant to the **[REDACTED]**, representing **[REDACTED]**% of our total issued share capital immediately following the completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** **[REDACTED]** is not exercised), which will be held by the public and not subject to any disposal restriction, and the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low-end of the **[REDACTED]**), we will be able to satisfy the free float requirement under Rule 8.08A of the Listing Rules.

## CORPORATE STRUCTURE

### Corporate Structure Immediately After the [REDACTED] and the [REDACTED]

The following chart sets forth our corporate and shareholding structure immediately after the completion of the **[REDACTED]** and the **[REDACTED]**, assuming the **[REDACTED]** **[REDACTED]** is not exercised:



## OVERVIEW

We are a Singapore-based marine services provider established in 2009. We operate three interconnected service lines: (i) aluminium workboat construction, workboat chartering, crew manning and logistics support; (ii) shipping agency services; and (iii) chandelling and sales of machinery and spare parts. Workboats are harbour craft used primarily for support operations within port limits and surrounding waters. Vessel traffic and throughput at the Port of Singapore drive demand for our services.

We began with chandelling in 2009, acquired our first supply vessel and commenced chartering in 2011, and established shipping agency services in Singapore in 2012, initially serving overseas chemical tanker operators. We commenced boatbuilding in 2018, completing a 15-metre aluminium workboat under Bureau Veritas classification, and expanded agency coverage to Malaysia and Indonesia through third-party local agents in 2019.

Our 153,000 sq. ft. leasehold waterfront facility in Singapore accommodates boatbuilding, repair, maintenance, retrofitting operations, warehousing and logistics. Fully commissioned in January 2024, the facility increased our concurrent boatbuilding capacity from two workboats up to five workboats, depending on the size at any given time. Based on our current construction cycles of approximately two months per aluminium workboat, this supports an annual output of up to approximately 15 workboats in 2025.

Since 2018 and up to the Latest Practicable Date, we delivered 67 workboats, of which 48 workboats were sold to customers and 19 IACS-classed aluminium workboats deployed primarily for chartering, and certain shipping agency services. In addition, our chandelling and sales of machinery and spare parts business includes the sale of certain marine engines, generators and spare parts supplied by Supplier A. These products are mainly supplied for newbuild workboats, and for repair or servicing.

According to the JWA Report, most companies in Singapore's maritime services sector specialise in one or two maritime services. Our Group offers a comprehensive suite of services spanning boatbuilding and chartering, shipping agency services, chandelling and sales of machinery and spare parts; and ranked third among aluminium workboat builders in Singapore based on the number of vessels delivered in 2025.

The following table sets forth the breakdown of our revenue by service line for the years indicated:

| | **FY2023** | | **FY2024** | | **FY2025** | | **5M2025** | | **5M2026** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000) (Unaudited)* | *%* | *(S$'000)* | *%* |
| Boatbuilding and workboat chartering services | | | | | | | | | | |
| (a) Boatbuilding services | 3,743 | 10.7 | 7,781 | 19.0 | 14,267 | 30.8 | 5,083 | 26.4 | 5,935 | 30.6 |
| (b) Workboat chartering, crew manning and logistics support services | 8,066 | 23.1 | 9,255 | 22.6 | 9,814 | 21.1 | 4,094 | 21.2 | 4,771 | 24.5 |
| **Subtotal:** | 11,809 | 33.8 | 17,036 | 41.6 | 24,081 | 51.9 | 9,177 | 47.6 | 10,706 | 55.1 |
| Shipping agency services | 18,785 | 53.9 | 20,320 | 49.7 | 19,579 | 42.2 | 8,878 | 46.0 | 7,338 | 37.8 |
| Chandelling and sales of machinery and spare parts | 4,310 | 12.3 | 3,553 | 8.7 | 2,757 | 5.9 | 1,237 | 6.4 | 1,372 | 7.1 |
| **Total revenue:** | 34,904 | 100.0 | 40,909 | 100.0 | 46,417 | 100.0 | 19,292 | 100.0 | 19,416 | 100.0 |

Our customers base varies across our service lines, including ship owners, operators, government-linked entities, charterers and ship management and logistics companies calling at the Port of Singapore. Shipping agency customers typically include overseas chemical tanker operators. For chandelling and sales of machinery and spare parts, our customers are primarily ship owners and operators requiring recurring supplies and maintenance support for their vessels calling at the Port of Singapore, including purchasers of newbuild workboats equipped with Supplier A's marine engines, and generators and operators requiring replacement parts.

## COMPETITIVE STRENGTHS

We believe our Group possesses the following competitive strengths:

### Integrated boatbuilding and port support services platform

Our Group combines boatbuilding capabilities with workboat chartering, shipping agency services, chandelling and sales of machinery and spare parts. These complementary service lines enable us to coordinate customers' port-call requirements through a single point of contact, from arranging port services to transporting personnel, supplies and equipment to vessels at berth or anchorage.

Our boatbuilding capabilities support the provision of workboats for our port support operations. Our in-house aluminium workboats serve our chartering, shipping agency and chandelling operations by carrying crew, technicians, provisions and spare parts, cargo and urgent operational support for vessels at berth or anchorage. Coordination between our service teams and workboat operations allows us to arrange delivery and transport according to vessel schedules and operational requirements.

This integrated platform reduces our reliance on external providers and intermediaries and supports consistent service, coordinated scheduling and timely responses. We believe that meeting customers' requirements promptly can help avoid delays and shorten port stays, thereby reducing time-related costs. Providing complementary services through a single point of contact also allows us to develop customer relationships across our service lines and encourages repeat business.

### In-house boatbuilding and repair expertise enhancing fleet reliability and customer convenience

We construct aluminium workboats certified by recognised classification societies for third-party customers and deployment in our workboat chartering fleet, shipping agency and chandelling businesses. Since 2018 and up to the Latest Practicable Date, we have delivered 67 workboats, including those integrated into our own fleet. Our in-house capabilities provide control over design specifications, build quality and maintenance standards, supporting consistent fleet performance and operational reliability.

We specialise in the construction of IACS-classed aluminium workboats, which offer durability, corrosion resistance and lighter weight than steel vessels. We also construct specialised crane workboats for offshore aquaculture operations, facilitating cargo transfer in shallow waters with limited or no jetty infrastructure.

We also provide repair and maintenance services for our fleet and those of our third-party customers, contributing to higher workboat utilisation and operational continuity. During the Track Record Period, we completed several notable projects, including retrofitting of aluminium patrol craft services for a government entity in Singapore principally engaged in maritime law enforcement, demonstrating our engineering capabilities and familiarity with public sector operational standards.

Our Directors believe that Singapore-based customers generally prefer local repair and maintenance services to avoid the longer downtime, scheduling uncertainty, and logistical complexity associated with overseas repairs.

Our combined capabilities therefore support fleet availability and customer convenience and strengthen our overall competitive position in Singapore's maritime services sector.

**Strategically located waterfront facility enhancing efficiency, capacity and service integration**

Our leasehold waterfront facility in Singapore houses our boatbuilding, repair, chandelling and warehousing operations. Located between Penjuru Terminal, West Coast Pier, Marina South Wharf and Marina South Pier, which are key infrastructure points supporting immigration clearance, launch and ferry services, as well as loading and landing operations for workboats serving the Port of Singapore, it provides direct access to key port infrastructure, anchorage zones and shipping routes, reducing travel time and costs when servicing customers' vessels offshore.

Fully commissioned in January 2024, the facility expanded our concurrent boatbuilding capacity from two workboats up to five workboats. Typical construction cycles of approximately two months per aluminium workboat supports an annual output of up to approximately 15 workboats. We can also build workboats of different specifications concurrently, such as two 20-metre workboats and three 13-metre workboats in the same production cycle.

On-site berths, workshops and stocks of spare parts, engines and critical components support routine maintenance and emergency repairs, reducing reliance on third-party shipyards. These integrated facilities shorten repair turnaround, minimise downtime for our fleet and customers' vessels, and support consistent workmanship and compliance with regulatory standards.

**Commitment to environmental and social sustainability**

We integrate environmental and social sustainability into our operations, with reference to the IMO's decarbonisation objectives under "IMO 2050" and national initiatives such as the Singapore Green Plan 2030. Leveraging our in-house engineering capabilities, we constructed *President 100*, an aluminium workboat powered fully by B100 biodiesel, for Singapore's first 1,000-hour sea trial of a pure-biodiesel vessel. Conducted jointly with the China Classification Society, Supplier A and Nanyang Technological University and completed in January 2026, the trial generated data on performance, efficiency, emissions and overall feasibility of biofuels, contribute to developing sustainable and environmentally friendly solutions for maritime operations. In July 2026, we received the Harbour Craft Decarbonisation Excellence Award, for promoting the use of B100 biofuel and the adoption of B100-capable harbour craft in Singapore.

In response to growing regulatory and commercial demand for cleaner maritime solutions in Singapore, we are developing a new "*Eco-Green*" series of aluminium workboats designed to operate fully on renewable biodiesel and to deliver improved fuel efficiency, lower greenhouse gas emissions and extended service lifespan.

Our workforce prioritise local employment and gradually reducing reliance on foreign labour.Through participating in Singapore's "Yellow Ribbon Project", we have hired ex-offenders as crew members and provided them with on-the-job training. We also support talent development initiatives, including youth mentorship programmes organised by the Association of Singapore Maritime Industries since 2024 and internship collaborations with Singapore Polytechnic, with the objective of promoting maritime career pathways and supporting future graduates entering the sector.

**We maintain long-term business relationships with our major customers and suppliers**

For FY2023, FY2024, FY2025 and 5M2026, a majority of our five largest customers had maintained business relationships with us for at least four years. We attribute these relationships to (i) our in-house boatbuilding capability, which ensures workboat availability; (ii) the reliability and versatility of our workboat fleet; (iii) our stringent operational and safety standards across all service

lines; (iv) our ability to coordinate complex port-call logistics efficiently; (v) our timely execution of workboat chartering, shipping agency, and logistics services; and (vi) our responsive and proactive communication with customers. We believe that with this stable customer base, we are well-positioned to secure recurring contracts and support our business growth.

During the same years/period, a significant portion of our five largest suppliers had also worked with us for at least six years. We have collaborated with our largest supplier, Supplier A, for over three years under distribution agreements securing the supply of certain marine engines and generators. This relationship supports reliable supply of these core components for our boatbuilding, repair, and chandelling operations.

**We have experienced management team**

Our management team has extensive experience across boatbuilding, logistics, shipping agency and chandelling services. Our executive Director and chairman, Mr. Chua TK, has over 28 years of shipping industry experience and has led our development from a chandelling company into an integrated provider of workboat chartering, shipping agency and chandelling services. Under his direction, we established our boatbuilding business in 2018, expanded agency services into Malaysia and Indonesia in 2019, and developed our waterfront facility into a multi-functional hub in 2024.

We believe that the experience and industry knowledge of our management team provide us with strong strategic and operational capabilities. In addition to Mr. Chua TK, other members of our management team's experience covers vessel construction and engineering, international logistics, port call management, agency operations and marine equipment distribution. The team's industry knowledge supports project execution, regional expansion and long-standing customer and supplier relationships. It is responsible for strategy, daily operations, customer and supplier management, and compliance with regulatory and industry standards.

We believe that the experience and track record of our management team provide us with the strategic insight and operational capability to drive our sustainable development and future growth. For detailed biographical information, please refer to the section headed "Directors and senior management" in this document.

## BUSINESS STRATEGIES

Our Group's objective is to strengthen our position as a leading integrated services provider in Singapore and the surrounding region. To achieve this, we intend to allocate a respective portion of the **[REDACTED]** from the **[REDACTED]** for the following purposes. For further details on the allocation of the **[REDACTED]**, please refer to the section headed "Future Plans and Use of **[REDACTED]**" in this document:

### I. Expanding our boatbuilding capacity

Our core expansion plan is to acquire and develop additional land to increase our boatbuilding capacity, with a focus on standardised aluminium workboats. Our existing waterfront facility has limited space to accommodate higher production volumes and provide covered working areas required for construction activities. The construction of aluminium workboats requires fabrication and assembly to be carried out under cover to protect materials and welding processes from rain and other adverse weather condition, which is critical to ensuring structural integrity and product quality. Therefore, securing additional land for the establishment of a new facility is essential to the execution of our expansion plan.

*Acquisition and development of new land:* To meet this need, we intend to acquire a leasehold land under a government lease in close proximity to our existing facility to establish a new facility. As of the Latest Practicable Date, we have identified a potential industrial plot of land, that is suitable for our

intended use for boatbuilding, repair and maintenance operations. A substantial portion of the **[REDACTED]** will be allocated to this land acquisition and its subsequent development. If the intended acquisition of the plot of land does not succeed, we will pursue an alternative plan to secure additional operational space. For further details on the alternative plan, please refer to the section headed "Future Plans and Use of **[REDACTED]**" in this document.

Concurrently, we also intend to extend and upgrade our existing waterfront facility. Our current office and support facilities are operating near capacity, and the proposed upgrade is necessary to accommodate planned headcount growth and support increasingly complex operational and management requirements arising from our expansion. For further details on allocation of the **[REDACTED]**, please refer to the section headed "Future Plans and Use of **[REDACTED]**" in this document.

*Proposed timeline and projected capacity increase.* For establishing the new facility, we anticipate a phased implementation timeline. The initial phase will involve participating in relevant government land tenders, subject to availability and official schedules. The subsequent phase will encompass site development and infrastructure works on such land, including preparatory and enabling works necessary to render the land suitable for operational use and to house additional boatbuilding, repair and maintenance activities.

We project that the new land and structures will be operational and contributing to production output in the first half of 2028, subject to land availability and tender timetable set by the relevant authorities. This strategic land and infrastructure development is critical to scaling production of our standardised and specialised workboats, shortening lead times, and capturing growing market demand.

Based on our internal assessment and current market demand for aluminium workboats, we expect the proposed capital investment in land and essential infrastructure to increase our overall capacity for boatbuilding, repair and maintenance by approximately 60%. The new facility, with an estimated site area of approximately 91,970 sq.ft., will materially expand our production capability compared to our existing facility.

In addition, our aluminium workboats generally have a relatively short production cycle of approximately two months per workboat, and our boatbuilding contracts typically provide for milestone or progress payments during the construction period. Taking into account the increased production capacity of the new facility, the short construction cycle and the cash flow profile of our boatbuilding arrangements, we expect the facility to generate sufficient operating income to cover its operating costs within the first year of full operations.

Based on our current capital expenditure plan and expected operational ramp-up, we estimate that the initial capital investment will be recovered in approximately four years from the commencement of full operations. These expectations are subject to, among other factors, prevailing market conditions, successful land acquisition, timely completion of development works and the achievement of targeted utilisation rates.

### II. Expanding our workboat chartering operations

In parallel, we plan to expand our workboat chartering business by growing our self-owned fleet through phased construction of new workboats for chartering operations, regardless of the land acquisition timeline.

Our fleet expansion will strategically prioritise standardised aluminium with selective investment in specialised crane workboats to capture charter contracts in offshore aquaculture and nearshore cargo handling.

Aluminium has become the preferred workboat material in Singapore and the region due to its durability, lightweight characteristics, corrosion resistance, recyclability, compared with wooden or fibreglass vessels. It is also lighter than steel, contributing to better fuel efficiency, improved operational safety and a longer service life.

Demand is further supported by regulatory developments. The MPA is progressively phasing out wooden harbour craft through restrictions on licence renewals and ownership transfers. Under the *"Maritime Decarbonisation Blueprint: Working Towards 2050"* (March 2022), new harbour craft will be required to adopt low-carbon energy solutions by 2030 and achieve net-zero emissions by 2050, accelerating demand for IACS-classed aluminium workboats that can be adapted to low-carbon or alternative fuel systems.

To capture this shift, we plan to scale up production of our standardised 13-metre, 16-metre and 20-metre models, which supports repeatable designs and streamlined processes, improving cost control, shortening build times and ensuring consistent quality. We believe this positions us to serve the fleet renewal cycle of wooden and ageing harbour craft in Singapore and the region and support the broader transition to lower-carbon, higher-efficiency commercial workboats.

### III. Strategic investments and/or acquisitions

Our growth strategy includes pursuing strategic investments and acquisitions to broaden our service offering; particularly within our shipping agency service line, by adding complementary marine service capabilities especially, underwater marine services, such as underwater ship husbandry, marine engineering or other port and husbandry-related services activities.

During the Track Record Period, we did not provide such services in-house and primarily rely on third-party service providers. Acquiring an established underwater services business would strengthen our integrated service offering to harbour and offshore customers within our shipping agency service line, enhance operational control and reduce reliance on external providers.

As such, a portion of the **[REDACTED]** are earmarked for strategic investments and/or acquisitions of businesses or assets that complement our existing shipping agency operations. This will provide us with greater flexibility to accelerate growth, expand into new markets and acquire strategic capabilities.

### IV. Strengthening our sustainability initiative

We are strengthening our sustainability initiative by aligning our workboat design and construction and operational practices with both international and local decarbonisation pathways set by the IMO and the MPA, as part of the wider transition toward low- and zero-carbon harbour craft. In line with this commitment, a dedicated portion of the **[REDACTED]** will be allocated to research and development (R&D) aimed at improving workboat performance and environmental sustainability, including key initiatives relating to ESG considerations.

At the global level, the IMO's revised greenhouse gas strategy published in July 2023 calls for net-zero emissions from international shipping by or around 2050, with interim reductions of at least 20% by 2030 and 70% by 2040 compared with 2008 levels. Locally, Singapore's regulatory framework continues to promote the adoption of lower-carbon harbour craft through policy measures, incentives and technical standards such as the MPA's "*Maritime Decarbonisation Blueprint: Working Towards 2050*" (March 2022) and the Green Craft Programme and established technical standards for charging and

battery-swapping infrastructure under Technical Reference 136 issued jointly with Enterprise Singapore in March 2025. These developments reinforce demand for workboats that can be progressively adapted to alternative fuels as regulatory requirements evolve.

While full electrification is emerging as a solution for short-distance, nearshore vessels, current battery technology is generally not suitable for many of our operational requirements, which include supporting at-sea transfers of crew and equipment, often requiring continuous operations of up to 24 hours without access to charging infrastructure. Given these constraints, we consider biofuel-compatible propulsion to be the most practical and immediately deployable decarbonisation pathway for workboats in Singapore waters.

A key focus of our R&D initiative is our "*Eco-Green*" aluminium workboat, the *President 100*, which successfully completed Singapore's first 1,000-hour sea trial for a B100-powered workboat in January 2025. Conducted in collaboration with the China Classification Society, Supplier A and Nanyang Technological University, the trial generated real world data on performance, efficiency, emissions and overall feasibility of biofuels, validating the commercial and technical viability of pure biodiesel propulsion for harbour craft.

By embedding sustainability considerations into workboat design, boatbuilding capability and long-term product planning, we believe our Group is well positioned to support fleet decarbonisation, reduce regulatory transition risks for customers and capture increasing demand for environmentally responsible maritime solutions.

## OUR CORE BUSINESS

Our core business comprises boatbuilding, workboat chartering, shipping agency and chandelling, with operations are centred on the Port of Singapore and supported by our waterfront facility. We construct aluminium workboats for deployment in our chartering fleet and sale to third-party operators, and maintain our fleet, at the facility. Our in-house workboats provide crew transfer and intra-port transfer of personnel, provisions, spare parts and cargo, supporting our shipping agency and chandelling services for vessels calling at or anchored within the Port of Singapore. Together, our waterfront facility and in-house fleet connect these complementary activities, enabling us to coordinate boatbuilding, workboat chartering, shipping agency and chandelling activities according to customers' operational requirements.

## 1. BOATBUILDING AND WORKBOAT CHARTERING SERVICES

### 1.1 BOATBUILDING SERVICES

We commenced construction of workboats in 2018, adopting a series production approach to enhance quality consistency, workflow efficiency and scalability. Since inception and up to the Latest Practicable Date, we have delivered a total of 67 aluminium workboats certified by recognised classification societies, comprising 48 workboats sold to external customers and 19 workboats deployed within our own operational fleet. Our boatbuilding services encompass both the construction of workboats and provision of repair and maintenance services for our own workboats as well as those of our customers.

The table below sets forth a breakdown of our revenue for our boatbuilding services during the Track Record Period:

| | FY2023 *(S$'000)* | FY2024 *(S$'000)* | FY2025 *(S$'000)* | 5M2025 *(S$'000) (Unaudited)* | 5M2026 *(S$'000)* |
|---|---|---|---|---|---|
| Boatbuilding services | 3,335 | 6,212 | 12,692 | 4,452 | 5,298 |
| Repair and maintenance services | 408 | 1,569 | 1,575 | 631 | 637 |
| Total | 3,743 | 7,781 | 14,267 | 5,083 | 5,935 |

The table below sets forth the revenue generated from boatbuilding services attributable to customers originating from the following geographical locations during the Track Record Period:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000) (Unaudited)* | *%* | *(S$'000)* | *%* |
| Singapore | 3,743 | 100.0 | 6,869 | 88.3 | 14,194 | 99.5 | 5,048 | 99.3 | 5,905 | 99.5 |
| The PRC | — | — | 11 | 0.1 | 55 | 0.4 | 24 | 0.5 | 23 | 0.4 |
| Indonesia | — | — | 11 | 0.1 | 18 | 0.1 | 11 | 0.2 | — | — |
| The United Arab Emirates | — | — | 890 | 11.5 | — | — | — | — | — | — |
| Others | — | — | — | — | — | — | — | — | 7 | 0.1 |
| Total | 3,743 | 100.0 | 7,781 | 100.0 | 14,267 | 100.0 | 5,083 | 100.0 | 5,935 | 100.0 |

**(a) Construction of aluminium workboats**

We specialise in the construction of aluminium workboats designed for harbour support, crew transfer, coastal logistics and offshore aquaculture operations within Singapore's port and nearshore environments.

Since entering boatbuilding, we have developed three primary workboat series namely "*President*" series, "*Mazu*" series and "*Eco-Green*" series, reflecting the progressive enhancement of our technical capabilities. Our first series, the "*President*" series, commenced with the completion of our first 15-metre aluminium workboat under the Singapore flag and with Bureau Veritas classification, constructed in compliance with stringent international standards of member societies of IACS.

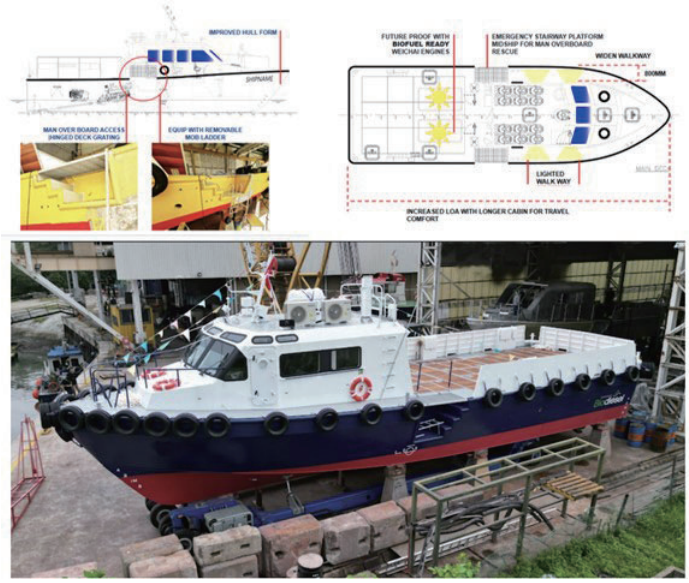
Based on the "*President*" series platform, we also developed specialised crane workboats designed for offshore aquaculture and shallow-water cargo handling, incorporating deck cranes and reinforced structures to support safe and efficient loading and unloading where port infrastructure is limited or unavailable.

The photograph below illustrates our specialised crane workboat constructed during this phase.

Specialised crane workboat, named the *President Six*

Building on operational insights and customer feedback, in 2023, we introduced the more advanced "*Mazu*" series, offered workboats with 13-metre, 16-metre, and 20-metre lengths. It incorporates enhanced safety and operability features (including wider illuminated walkways, a man-overboard recovery recess, improved wheelhouse visibility and reinforced bow railings), a streamlined hull with a propeller tunnel for improved speed and fuel efficiency, and engines capable of operating on biodiesel blends to support sustainability objectives. These refinements reflect our focus on enhancing both performance and crew welfare across a range of harbour and nearshore applications. In line with this product evolution, we have gradually phased out the construction of workboats under our "*President*" series.

The photographs below illustrate examples of our "*Mazu*" series workboats constructed during this period.

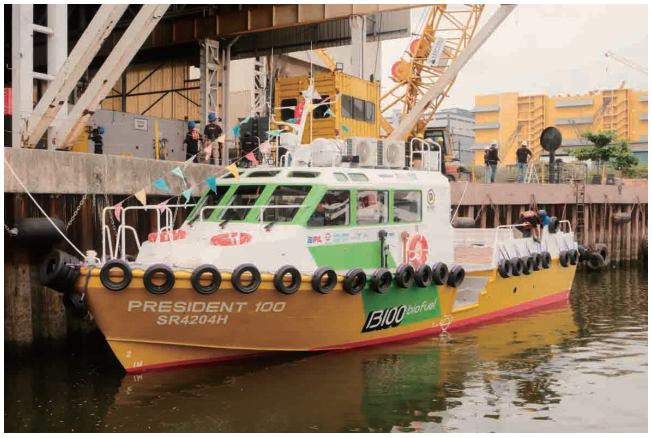



"*Mazu*" series workboat

Building on the design platform and technical advancements of our "*Mazu*" series, and in alignment with Singapore's decarbonisation transition, we have also commenced the development of our "*Eco-Green*" workboats, engineered for compatibility with pure B100 biodiesel propulsion systems to reduce

emissions and support Singapore's transition toward low-carbon harbour craft. These workboats are intended to provide lower-emission operating solutions and align our product offering with Singapore's long-term decarbonisation objectives and the broader shift toward greener harbour craft in the region.

The photograph below illustrates the "*Eco-Green*" workboat constructed during this period for research and trial purposes pursuant to our research cooperation agreement with China Classification Society, Supplier A and the Nanyang Technological University to conduct Singapore's first long-duration sea trial of a B100-biodiesel-powered workboat. This workboat, named *President 100*, was deployed as part of the testing and validation of alternative fuel applications in harbour craft operations.

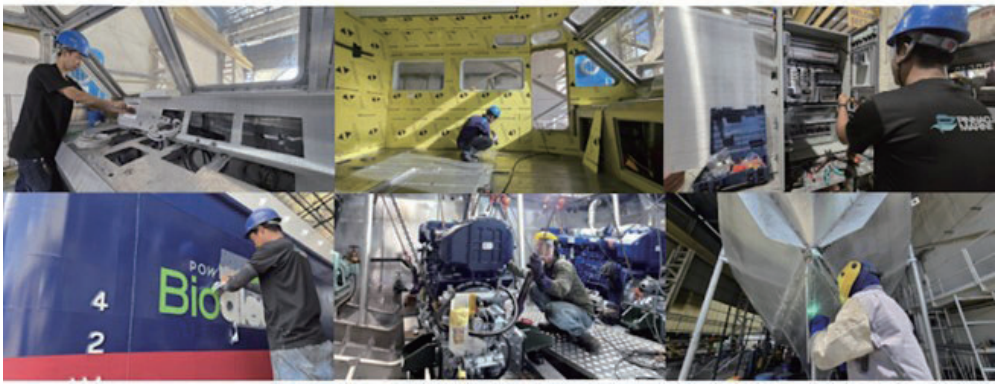



"*Eco-Green*" workboat, the *President 100*

While standardised design workboats of 13 metres, 16 metres and 20 metres in length form the core of our production, we maintain the capability to design and construct customised workboats tailored to customers' operational profiles, including offshore aquaculture support, shallow-water logistics and other niche maritime applications.

Our boatbuilding operations are underpinned by three strategic factors:

1. Integrated in-house production supported by skilled personnel including markers, fitters, welders, engineers, painters and electricians, and robust scheduling to coordinate newbuild, repair and maintenance projects.



The above photographs illustrate the boatbuilding, repair and maintenance services we provide.

2. Self-reliance achieved through the use of machinery to improve efficiency, and quality, reduce reliance on manual process, and strengthen overall delivery reliability.

The above photographs illustrate certain stages of our construction process for boatbuilding.

3. Innovation and decarbonisation through modular construction (including parallel fabrication of decks and bow sections) and the integration of low carbon emission engines to support sustainability.

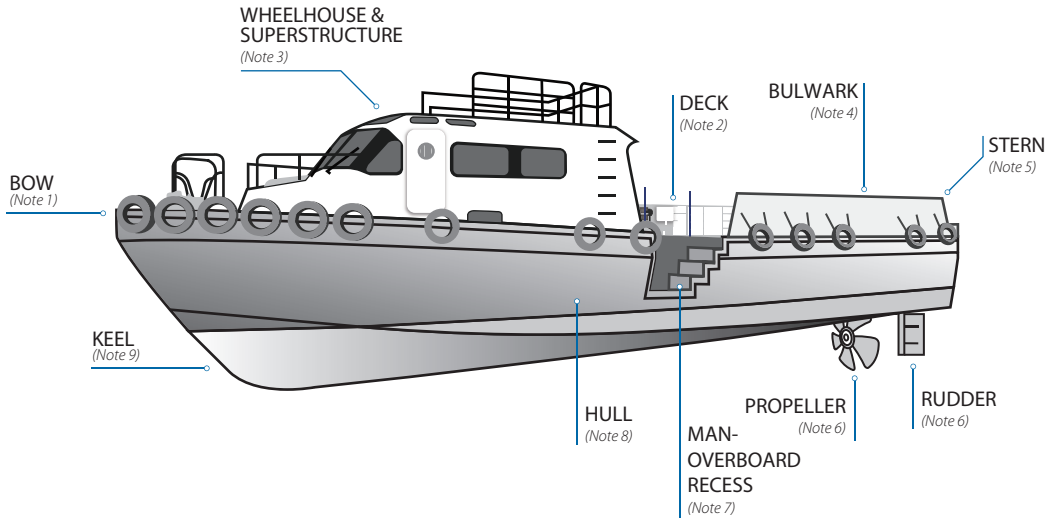
The above photographs illustrate the innovation in project and production planning whereby we construct workboats using modular and parallel production processes which allow us to achieve completion in approximately two months.

These strategic factors allow us to achieve an average workboat build timeline of approximately two months to support vessel or workboat owners throughout the asset lifecycle and maintain high service reliability for our own workboat chartering activities.

As at the Latest Practicable Date, our aluminium workboat portfolio comprises: (i) aluminium workboats under our "*Mazu*" series, (ii) specialised crane workboats for offshore cargo-handling, and (iii) "*Eco-Green*" workboats powered by B100 biodiesel.

***Workflow in the manufacture of aluminium workboats***

We specialise in the construction of compact aluminium workboats typically used in harbour operations. For illustration purpose, the diagram below sets out the salient components of our typical aluminium workboat under our "*Mazu*" series:




*Notes:*

1. **Bow:** Front of the hull of a workboat.

2. **Deck:** Permanent platform covering the hull of a workboat.

3. **Wheelhouse and superstructure:** The wheelhouse is the control cabin which houses navigation equipment (like radar and steering). The superstructure all structures above the main deck, including the wheelhouse.

4. **Bulwark:** Protective side wall/rail on the upper deck to prevent falls and shield from spray.

5. **Stern:** The rear of a workboat.

6. **Propeller and rudder:** Propellers help workboats move forward. A workboat's propeller can have different levels of pitch and anywhere from three to six blades. The workboat's rudder allows the workboat to steer itself to the left and right when in operation.

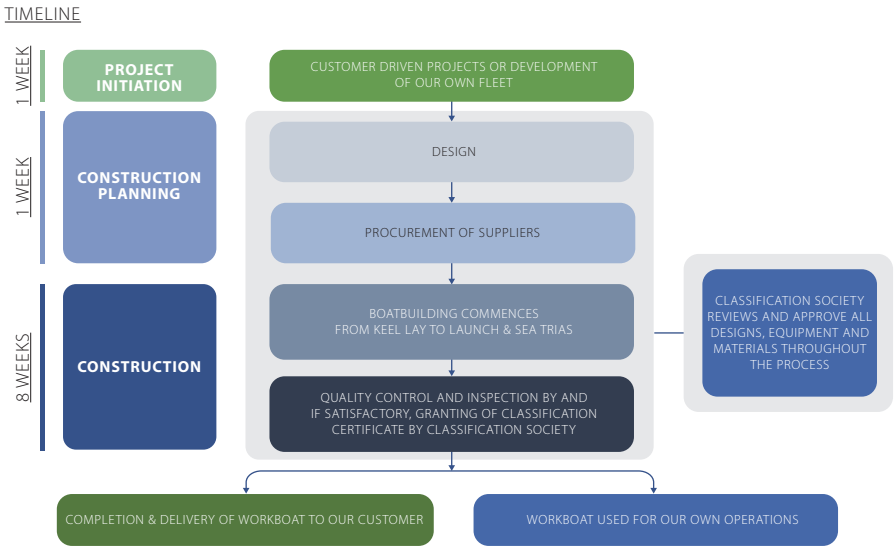
7. **Man-overboard recess:** This is purpose-built with a removable ladder to support efficient retrieval of personnel in man-overboard situations. Its low-waterline position also makes it suitable for use as a diving platform on dive support workboats.

8. **Hull:** The main body of the vessel that forms the watertight structure and keeps water out.

9. **Keel:** The main structural "spine" along the bottom of the vessel that provides stability and supports tracking/steering.

***Boatbuilding process***

Key operational procedures in relation to the manufacture of our aluminium workboats are outlined in the following flow chart for illustration purpose:




*a. Project initiation*

We solicit boatbuilding orders solely through direct negotiation with shipowners and operators, supported by our existing customer relationships, industry reputation and referrals. Projects originate from customer enquiries or our fleet renewal programme. For standard aluminium workboats, our sales team issues a quotation specifying the workboat type, indicative price, and delivery terms and provide supporting documentation such as class certification details, technical drawings and material specifications upon customers' request.

For customised workboats, our sales and technical teams work with the customer's requirements before design, taking into account: (a) the intended use of the workboat (cargo utility, diving utility or passenger ferry); (b) engine requirements; (c) delivery timeline; (d) specifications; and (e) any classification requirements. Our sales and technical teams then prepare a quotation based on the agreed specifications.

Upon acceptance of the quotation by the customer, our shipyard director issues a contract specifying the scope of work, quantity, price and amount. The project is then handed over to the production planning team to schedule fabrication, allocate manpower, and coordinate procurement of materials and components.

*b. Construction planning*

Key milestones are set for keel laying, hull assembly, superstructure installation, outfitting, and testing. These milestones are monitored by our project department, with progress reported to management on a regular basis. We coordinate design, procurement, and production schedules by using our project management system to improve efficiency and ensure on-time delivery.

All project documentation, including approved drawings, material lists, and class correspondence, is centrally recorded in our internal tracking system to facilitate traceability and compliance with classification and regulatory requirements.

(i) Design

We confirm the design structure and material requirements with customers before engaging an external naval architecture firm to prepare the fully engineered designs and drawings under supervision by our project managers. These drawings are submitted to an IACS-member classification society for review and approval before construction begins. Our project department coordinates with the classification society throughout the approval process and liaises with the external naval architecture firm to address any requests.

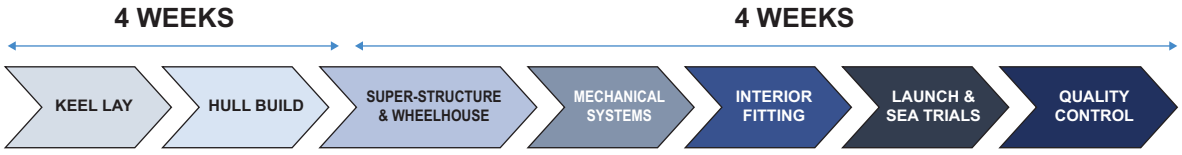
(ii) Procurement of raw materials

Upon contract signing, our project department oversees project execution and works with our production planning team to source materials and commence construction. Aluminium plates, structural materials and other key raw inputs are typically taken from warehouse stock.

Similarly, engines, generators and other major equipment supplied under our authorised distribution arrangement with Supplier A are also primarily drawn from our existing inventory. We typically maintain approximately three months of Supplier A's machinery inventory to support timely installation, product compatibility and consistent warranty and after-sales servicing across our fleet. All procurement is handled by our production planning team, which maintains an approved supplier list and inspects incoming materials upon delivery.

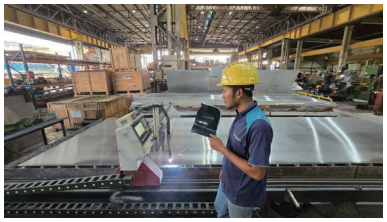
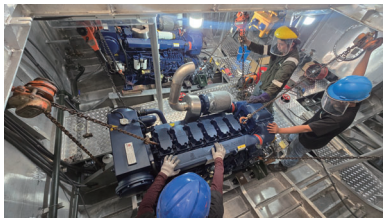
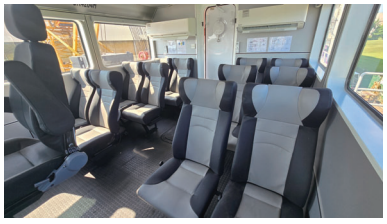
*c. Construction*

All workboat construction activities are carried out at our waterfront facility in Singapore which consolidates fabrication, assembly, and outfitting operations within a single integrated yard. Construction is overseen by our production planning team, with daily supervision by our shipyard director and quality control checks by our quality control department. The diagram below sets forth the standard production cycle for our workboats:




We generally follow the procedures set out in the table below in performing works:

| | Steps | Description of works carried out by our Group | |
|---|---|---|---|
| 1. | Keel laying | The process begins with the laying of the keel, which forms the structural backbone of the workboat that ensures stability and steering integrity. | |

| | Steps | Description of works carried out by our Group | |
|---|---|---|---|
| 2. | Hull production | Aluminium hull plates are cut, fitted and welded into the hull structure in accordance with class-approved designs. Each weld is visually inspected and, where required, tested by classification surveyors. |  |
| 3. | Superstructure and wheelhouse | The above-deck structure and wheelhouse are fabricated and installed. | |
| 4. | Mechanical systems | Install the mechanical systems including the electrical panel, wiring, engines and generators generally including two engines and two generators from Supplier A. |  |
| 5. | Interior fitting | Including flooring, windows, fabricating and furbishing the cabin interiors and installing the navigation and safety equipment. |  |
| 6. | Launch and sea trials | After inspection, the workboat is launched and transferred to the water. During this stage, we conduct preliminary testing of main and auxiliary workboat equipment and machinery systems to verify proper functionality and integration. Sea trials are conducted under the supervision of classification society surveyors and, where contractually required, attended by the customer or their representatives. | |
| 7. | Delivery or own deployment | After final inspection, the workboat will either be delivered to our customers or deployed for our operations. For customer deliveries, our project department coordinates the handover of all required documentation (including class certificates), and our finance department issues the final invoice in accordance to the sales contract. | |

| Steps | Description of works carried out by our Group |
|---|---|
| In general throughout the construction process | • We will closely monitor progress and quality control<br>• The appointed classification society conducts progressive surveys throughout construction |

In FY2023, FY2024, FY2025 and 5M2026, we delivered and sold a total of 4, 9, 14 and 7 workboats at an average sales price of S$593,000, S$820,000, S$793,000 and S$909,000 respectively. Although FY2025 recorded a higher number of workboats sold, our average sales price per workboat was lower than FY2024 as it included several 13-meter workboats priced at approximately S$400,000-S$450,000 whereas FY2024 sales focused on 16–20 meter workboats, with price ranging from S$620,000 to S$1,105,000 each. All such workboats were designed and built in Singapore and delivered at our waterfront facility, where titles passed to customers upon delivery.

From January 2026 to 31 August 2026, we have delivered and sold 9 workboats for a total contract value of approximately S$6.4 million. As at 31 August 2026, our Group had three on-going workboat construction works with total outstanding contract value of approximately S$1.2 million, which are expected to be recognised as revenue between October and November in 2026.

Set out below is the movement of the workboat backlog in terms of number of workboat orders during the Track Record Period and up to 31 August 2026:

| | FY2023 | FY2024 | FY2025 | 5M2026 | After 5M2026 and up to August 2026 |
|---|---|---|---|---|---|
| Opening number of orders | 1 | 2 | 8 | 3 | 1 |
| Add: Number of new orders awarded | 5 | 15 | 9 | 5 | 4 |
| Less: Number of orders completed | (4) | (9) | (14) | (7) | (2) |
| Ending number of orders *(Note)* | 2 | 8 | 3 | 1 | 3 |

*Note:* The backlog figures represent workboat orders from external customers under our boatbuilding segment and do not include workboats constructed for internal deployment under our chartering business. As at 31 August 2026, we had three workboat construction orders for two buyers.

Set out below is the movement of the workboat backlog in terms of contract value during the Track Record Period and up to 31 August 2026:

| | FY2023 | FY2024 | FY2025 | 5M2026 | After 5M2026 and up to August 2026 |
|---|---|---|---|---|---|
| Opening value of backlog as at the beginning of the relevant year/period | 283 | 533 | 5,839 | 997 | 259 |
| Add: Total value of contract works awarded during the relevant year/period | 3,585 | 11,518 | 7,850 | 4,560 | 4,000 |
| Less: Total boatbuilding services revenue recognised during the relevant year/period | (3,335) | (6,212) | (12,692) | (5,298) | (3,010) |
| Ending value of backlog | 533 | 5,839 | 997 | 259 | 1,249 |

***Classification and Flag State Requirements***

Our aluminium workboats are constructed in accordance with the applicable rules and technical standards of recognised classification societies, including Bureau Veritas and China Classification Society. The relevant classification society typically participates in the review and approval of design drawings and technical specifications prior to construction, and conducts surveys and inspections at various stages of the construction process to verify compliance with its safety and construction standards before issuance of the relevant class certificates.

In addition to classification requirements, each workboat is built to comply with the statutory and regulatory requirements of its intended flag state. For workboats registered in Singapore, this includes compliance with the MPA's harbour craft licensing and certification framework.

Throughout this process, our project department coordinates with the classification society for drawing approvals and surveys and ensuring that construction complies with class and flag state requirements at each stage.

***Sales contracts for our newbuild workboats***

Our workboat sales are governed by contracts that define the technical specifications, delivery schedule, payment milestones, and warranty coverage. The salient terms of our sales contract with our customers are summarised below:

***Salient terms***

| | |
|---|---|
| Delivery date: | A typical sales contract contains a delivery date set on the next available slot after signing. |
| Price and payment terms: | Payments of the price are generally divided into several instalments, made on key milestones such as (i) the signing of contract, (ii) upon keel laying, (iii) commencement of wheelhouse construction, and (iv) prior to launching and sea trials. On occasions, we will provide customers with balance payments in multiple instalments following delivery of the workboat.<br><br>Payments are typically made on bank transfer or cash deposit and are settled in S$. |
| Place of delivery: | Our waterfront facility in Singapore |
| Technical specifications and other particulars of the workboat: | The contract will generally contain particulars of the workboat such as flag, class certification, length, and the specific types of engines and generators provided by Supplier A. |
| Warranty: | We provide a three-month warranty period to all newbuild workboats following the launch of the workboat for workmanship and construction defects (excluding replacement of items due to wear and tear).<br><br>We also provide a 12-month warranty period on Supplier A's engines and generators following commissioning (excluding filters). Supplier A's spare parts are generally covered for three months. Please refer to the paragraph headed "Business — Engines, generators and spare parts procurement" for details of the agreements we have with Supplier A. |
| Termination: | The sales contract does not contain a specific termination clause. According to our Singapore Legal Advisers, where a contract does not contain an express termination clause, termination prior to performance may generally occur by mutual agreement of the parties, where one party commits a breach of contract of a nature that permits the other party to treat the contract as terminated, or where a supervening event occurring after the formation of the contract renders a contractual obligation radically or fundamentally different from that originally agreed. |

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, there was no material breach of our sales contracts.

***Pricing policy for boatbuilding services***

Our pricing policy is based primarily on a cost-plus approach, taking into account direct material and labour costs, production overheads and an appropriate margin. In determining pricing, we also consider the level of workboat size and technical complexity, delivery schedule, prevailing market conditions and competitor pricing. We regularly monitor aluminium costs and adjust margins where necessary.

Our boatbuilding revenue is derived from fixed-price contracts based on workboat specifications. During the Track Record Period, the contract price per vessel ranged from approximately S$400,000 to S$1,105,000, depending on factors such as vessel size, engine configuration, and onboard equipment.

Our contracts generally do not allow customers to terminate unilaterally once construction has commenced. As at the Latest Practicable Date, we had not experienced any contract cancellations, and no disputes or arbitration had arisen in relation to workboat sales during the Track Record Period and up to the Latest Practicable Date.

***After-sales services***

In addition to warranty coverage, we provide after-sales support on a case-by-case basis, including responding to customer enquiries, supplying spare parts and dispatching engineers for inspections and repairs when requested. We maintain records of warranty and after-sales service. Our Directors believe that the absence of disputes during the Track Record Period reflected the effectiveness of our quality control system. Our Directors also believe that our ability to provide reliable after-sales service and to fulfil warranty obligations have contributed to strong customer retention and, in some cases, repeat orders. During the Track Record Period, we did not incur any material warranty expenses.

***Workboat construction works completed and launched during the Track Record Period and up to the Latest Practicable Date***

During the Track Record Period and as at the Latest Practicable Date, we had completed and launched 41 workboats with the total original contract value of these completed works amounted to approximately S$32.7 million. The table below sets forth details of our newbuild workboats for customers completed and launched during the Track Record Period and up to the Latest Practicable Date.

| No. | Workboat Type | Workboat Name | Commencement of construction *(Note 1)* | Launch date *(Note 2)* |
|---|---|---|---|---|
| 1. | 15m aluminium workboat | Mazu 02 | November 2022 | March 2023 |
| 2. | 15m aluminium workboat | Helios S1 | December 2022 | March 2023 |
| 3. | 15m aluminium workboat | Nereus Green 1 | March 2023 | June 2023 |
| 4. | 15m aluminium workboat | Sea Lion | April 2023 | June 2023 |
| 5. | 16m aluminium workboat | Mazu 03 | June 2023 | September 2023 |
| 6. | 16m aluminium workboat | Mazu 05 | June 2023 | October 2023 |
| 7. | 16m aluminium workboat | Mazu 06 | July 2023 | December 2023 |
| 8. | 16m aluminium workboat | Galaxy 7 | August 2023 | January 2024 |
| 9. | 20m aluminium workboat | Mazu 08 | October 2023 | April 2024 |
| 10. | 20m aluminium workboat | Nereus Green | October 2023 | February 2024 |
| 11. | 20m aluminium workboat | Hiro 18 | March 2024 | June 2024 |
| 12. | 16m aluminium workboat | Mazu 10 | January 2024 | July 2024 |
| 13. | 20m aluminium workboat | Mazu 12 | July 2024 | September 2024 |
| 14. | 16m aluminium workboat | Baraka-2 | January 2024 | May 2024 |
| 15. | 16m aluminium workboat | Hiro 28 | August 2024 | November 2024 |
| 16. | 20m aluminium workboat | Sea Gull | September 2024 | December 2024 |
| 17. | 20m aluminium workboat | Five Ocean 8 | June 2024 | September 2024 |
| 18. | 20m aluminium workboat | Dolphin 6 | July 2024 | November 2024 |
| 19. | 20m aluminium workboat | Dolphin 7 | November 2024 | January 2025 |
| 20. | 20m aluminium workboat | Dolphin 8 | January 2025 | March 2025 |
| 21. | 13m aluminium workboat | Neptune Aura | January 2025 | May 2025 |
| 22. | 13m aluminium workboat | Cast Confidence | December 2024 | February 2025 |
| 23. | 20m aluminium workboat | Star 6 | March 2025 | May 2025 |
| 24. | 20m aluminium workboat | Star 7 | March 2025 | June 2025 |
| 25. | 13m aluminium workboat | Helios Ops 1 | January 2025 | April 2025 |
| 26. | 20m aluminium workboat | Helios S5 | May 2025 | August 2025 |
| 27. | 20m aluminium workboat | Hiro 38 | June 2025 | August 2025 |
| 28. | 20m aluminium workboat | Ariel | July 2025 | September 2025 |
| 29. | 20m aluminium workboat | Blue Anchor 1 | July 2025 | October 2025 |
| 30. | 20m aluminium workboat | Blue Anchor 2 | August 2025 | October 2025 |
| 31. | 20m aluminium workboat | Blue Anchor 3 | September 2025 | November 2025 |
| 32. | 20m aluminium workboat | Keshkay 1 | October 2025 | December 2025 |
| 33. | 20m aluminium workboat | Galaxy 8 | November 2025 | January 2026 |
| 34. | 16m aluminium workboat | Moana | October 2025 | January 2026 |
| 35. | 20m aluminium workboat | Blue Anchor 5 | December 2025 | March 2026 |
| 36. | 20m aluminium workboat | Keshkay 2 | January 2026 | March 2026 |
| 37. | 20m aluminium workboat | Noah Ocean 1 | February 2026 | April 2026 |
| 38. | 20m aluminium workboat | Horse 6 | March 2026 | May 2026 |
| 39. | 20m aluminium workboat | Horse 8 | March 2026 | May 2026 |
| 40. | 20m aluminium workboat | Jupiter III | April 2026 | June 2026 |
| 41. | 20m aluminium workboat | Sea Horizon | May 2026 | October 2026 |

*Notes:*

1. Unless otherwise specified, this refers to the date of keel laying.

2. Unless otherwise specified, this refers to the date of launch of boat onto the sea waters.

***Workboats construction works as at the Latest Practicable Date***

As at the Latest Practicable Date, our Group had three workboat construction contracts, with an outstanding contract value of approximately S$3.0 million. The following table sets out the details of our workboats construction works for our customers as at the Latest Practicable Date:

| No. | Workboat Type | Workboat Name | Commencement of construction *(Note 1)* | Estimated launch date *(Note 2)* |
|---|---|---|---|---|
| 1. | 20m aluminium workboat | Yacht Star | June 2026 | October 2026 |
| 2. | 20m aluminium workboat | Yacht Prime | July 2026 | October 2026 |
| 3. | 20m aluminium workboat | Baraka-9 | July 2026 | October 2026 |

*Notes:*

1. Unless otherwise specified, this refers to the date or estimated date of keel laying.

2. Unless otherwise specified, the estimated completion date refer to the date which is based on our Directors' best estimation the date of launch of boat onto the sea waters and is subject to change depending on the status and progress of the project and the terms of the contract.

***Quality control***

We maintain a quality assurance framework that covers the full construction cycle from design approvals to final trials. Drawings produced by external naval architects are reviewed by our internal team and, if applicable, submitted to an IACS-member classification society for approval before construction commences. All raw materials and major components are sourced from approved suppliers and inspected upon delivery.

During construction, our project managers and quality control personnel conduct regular inspections covering key works, including welding, hull fabrication and electrical installation. Classification society surveyors attend our waterfront facility across key stages, from keel laying through hull and superstructure installation, to confirm compliance with approved drawings, specifications, and applicable class and safety standards. Our quality control department maintains inspection records for each project, documenting all inspections conducted by internal personnel and external surveyors. Where applicable, customers or their representatives may also attend inspection.

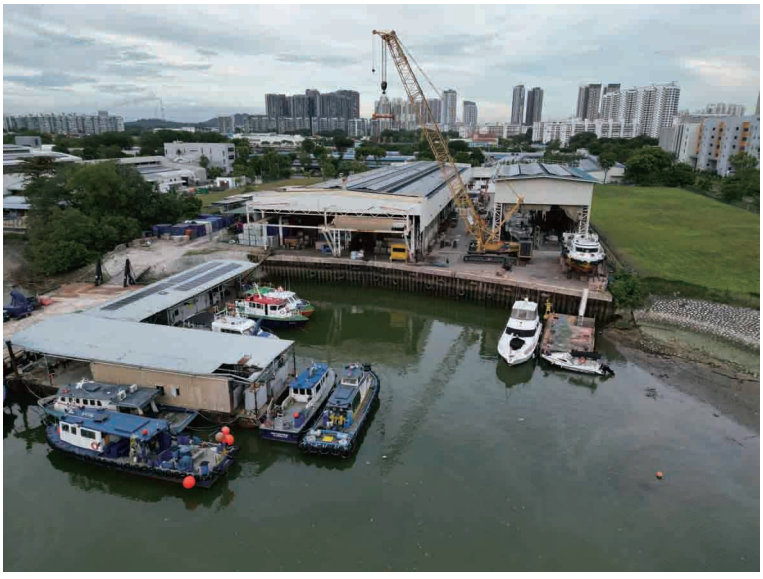
Upon completion, each workboat undergoes commissioning tests, including a launch trial at our facility and sea trials in open waters under the supervision of class surveyors and, where applicable, the customer.

***Our waterfront facility***

Before our waterfront facility became operational, we did not have a dedicated production site. In 2021, we carried out boatbuilding activities on a single floor of an industrial building and relied on third-party shipyards for certain processes. We could construct only two modular workboats of up to 15 metres in length concurrently, with offsite transport for assembly and launching, thereby driving up logistics costs, lengthening cycles, and constraining annual output. To address these constraints, we secured our leasehold waterfront facility in July 2023, strategically located near Singapore's principal anchorages between West Coast Pier and Marina South Pier. Fully operational by January 2024, the

waterfront facility expanded concurrent workboat construction capacity to five workboats, shortening transit times for workboat deliveries and crew transfers, and improving access to Singapore's port infrastructure.

As at the Latest Practicable Date, the waterfront facility houses our boatbuilding operations, equipment and materials storage, workboat mooring, and administrative offices. Our Directors confirm that all material licences, permits and regulatory approvals have been obtained for the operation of the waterfront facility.



The above photograph illustrates our waterfront facility.

***Production capacity and utilisation***

Our waterfront facility is designed to construct workboats of up to 40 metres in length although our production strategy focuses on our core aluminium workboats to maintain quality, efficiency and time delivery. Construction takes place under a covered shelter to support welding quality and structural integrity. To optimise throughput, we configure the facility to build multiple workboats concurrently, for example, two 20-metre workboats and three 13-metre workboats within a single production cycle.

We measure production utilisation by comparing actual output against theoretical maximum capacity under our single-shift operating model. The table below sets forth the production capacity, actual production output and utilization rate of our shipyards in our waterfront facility during the Track Record Period:

| Year | Capacity (slot-equivalent per year) | Actual output (slot-equivalent per year) | Utilisation rate |
|---|---|---|---|
| **FY2023 *** | 3.81 | 2.8 | 74% |
| **FY2024** | 10.31 | 10.0 | 97% |
| **FY2025** | 13.76 | 13.4 | 97% |

* *Production in our Group's waterfront facility only started in July 2023*

The waterfront facility's capacity is measured in "20-metre slot equivalents", reflecting the facility's current production configuration, which accommodates three 20-metre workboats under covered shelter concurrently. This standardised unit is adopted as a benchmark for measuring spatial utilisation and production loading. During the Track Record Period, we constructed 13-metre, 16-metre and 20-metre workboats. As these vessel types differ in size and space requirements, all are converted into 20-metre slot equivalents to ensure consistency and comparability in capacity planning and reporting. As at the Latest Practicable Date, all workboats under construction are all 20-metre vessels, which align with the base reference unit used in the capacity model.

As part of our business strategy to expand our boatbuilding capacity, the proposed acquisition of additional leasehold land would positively impact our financial performance. As disclosed above, our existing facility has a production capacity of approximately 13.76 slot-equivalent workboats in FY2025, with an average production cycle of approximately 2.62 months per workboat. The gross profit margin for our boatbuilding services was approximately 50.1% in FY2025, representing gross profit of approximately S$7.1 million. The acquisition of additional leasehold land and development of a new facility is expected to increase our overall capacity for boatbuilding services by approximately 60% when the new facility becomes operational in the first half of 2028.

Assuming comparable utilisation rates, production efficiency and cost structure as our existing waterfront facility, we expect that boatbuilding revenue and gross profit could increase broadly in line with the additional capacity over time, while gross profit margin remain similar to FY2025. However, actual margin will depend on various factors, including the final cost, leasehold terms, prevailing market prices for workboat development, and raw material costs. The initial capital investment, including the acquisition of leasehold land and development costs, is estimated to be recovered in approximately four years after full operations commence.

*Single-shift operating model*

Our waterfront facility operates on a single-shift basis, with normal working hours of approximately 8:00 a.m. to 5:00 p.m., Monday to Friday, and 8:00 a.m. to 12:00 p.m. on Saturday. Core activities include aluminium welding, vessel assembly, engine installation, quality inspections and sea trials, which are generally conducted during daylight hours. Night or overtime work is limited to non-fabrication activities, such as planning, inventory management and equipment maintenance. According to the JWA Report, single-shift operations are consistent with industry practice for boatbuilding, reflecting safety considerations and lighting requirements for fabrication and inspection.

Our Industry Consultant has confirmed that the bases and parameters used in calculating production infrastructure utilisation rates, including the use of slot-equivalent units, normalisation of different vessel sizes, and the derivation of capacity from actual build cycles, are in accordance with standard industry practice.

Based on the above, our Directors believe that our single-shift operating model and the associated utilisation rate parameters are appropriate, consistent with industry practice, and provide a fair basis for assessing the operational efficiency of our waterfront facility.

*(i) Capacity assumptions*

Our capacity model assumes the concurrent construction of three 20-metre workboats under covered shelter. We use the 20-metre vessel as the reference unit to measure space requirements, workflow allocation and manpower deployment consistently across different

vessel sizes. Although the sheltered area could accommodate up to five 13-metre to 16-metre workboats, all workboats are converted into 20-metre slot equivalents to provide a uniform basis for calculating annual throughput.

Based on the average actual construction cycle per workboat (4.33 months in FY2023, 3.49 months in FY2024 and 2.62 months in FY2025), the estimated annual capacity was approximately 3.81, 10.31 and 13.76 slot-equivalent vessels, respectively. The lower capacity in FY2023 was attributable to our relocation to the current yard in July FY2023, during which production was not fully utilised. In FY2024 and FY2025, shorter production cycle times were achieved as efficiency improved following the addition of equipment (such as computer-controlled aluminium sheet cutting machines) and initiatives to streamline production processes.

*(ii) Utilisation of the waterfront facility*

Based on the actual average build cycle for each year, the yard was capable of delivering approximately 3.8 slot-equivalent workboats in FY2023, 10.3 in FY2024 and 13.8 in FY2025, representing the utilization rate of approximately 74%, 97%, 97% for FY2023, FY2024 and FY2025 respectively, indicating the yard is operating close to full capacity at current cycle times.

***Production machinery and equipment***

We procure our production machinery and equipment predominantly from suppliers in Singapore, ensuring access to reliable servicing and spare parts. Our machinery fleet covers all major aspects of the boatbuilding process, including cutting, welding, assembly, lifting and finishing operations.

The table below sets out information on our major machinery and equipment used in our boatbuilding services:

| **Type of machinery and equipment** | **Principal use** | **Number of units owned** | **Expected useful life** *(years)* | **Average age** *(years)* | **Net asset value as at 31 May 2026** *S$'000 approximately* |
|---|---|---|---|---|---|
| Crawler Crane | Shipyard Operation | 1 | 10 | 2 | 638 |
| Mobile Cradle | Shipyard Operation | 1 | 10 | 2 | 277 |
| Telehandler | Shipyard Operation | 1 | 10 | 1 | 136 |
| Cutting, Bending, Grinding Machines | Boatbuilding | 9 | 10 | 3 | 122 |
| Lathe Machine | Boatbuilding | 1 | 10 | 3 | 92 |
| Welding Machine | Boatbuilding | 25 | 10 | 4 | 79 |

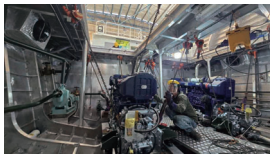
Throughout the Track Record Period and up to the Latest Practicable Date, our Group did not experience any material interruption of business or prolonged suspension of manufacturing operations due to machine failures or breakdowns. This operational reliability is attributable to our disciplined maintenance procedures and our practice of maintaining contingency capacity to absorb unexpected downtime without significant disruption.

### (b) Repair and maintenance services

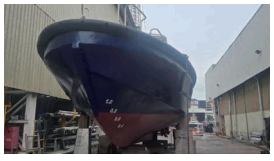
In addition to newbuild construction, we provide repair and maintenance services for third-party vessel operators, government agencies as well as for our own workboat chartering fleet. Our services include routine maintenance, dry-docking, supply and retrofitting works, which help extend the useful life of existing workboats, reduce disposal requirements and offer customers a more cost-effective alternative to newbuild workboats. We secure repair and maintenance orders through competitive tenders and direct negotiation with existing customers.. During the Track Record Period and as at the Latest Practicable Date, we submitted and were awarded three tenders for provision of repair and maintenance services. For direct negotiations, these engagements typically arise from established customer relationships following prior newbuild or repair work.

Machining and Shaft Repairs

Propeller Repairs Fabrications



Engine Installation and Repairs



Fibre Boat Repair Works

Upon receiving an order, our project department assesses the scope of work and allocates resources. Our production and shipyard team performs the required repairs or maintenance, while our quality control personnel conducts inspections to ensure workmanship standards. Upon completion, our finance department issues the invoice based on the agreed scope and pricing. Under our contracts and fee quotations, the scope of work is typically defined, with pricing generally based on agreed rates for labour, materials, and equipment.

Our technical capabilities are comprehensive, encompassing hull, mechanical, and electrical (HM&E) works, including propulsion systems, navigational electronics, HVAC, pumps, and piping, as well as internal compartment and equipment refurbishment, such as chemical cleaning and overhauls of plumbing, sewage, and heating/cooling equipment.

By integrating our boatbuilding capabilities with lifecycle maintenance expertise under a single operational platform, we help customers sustain the long-term performance, safety and reliability of their fleets, while strengthening recurring engagement and customer retention.

## 1.2 WORKBOAT CHARTERING, CREW MANNING AND LOGISTICS SUPPORT SERVICES

Our workboat chartering business generates revenue through the deployment of our fleet to provide harbour-based operational services within the Port of Singapore and surrounding waters. These services primarily comprise crew transfer and the delivery of provisions and spare parts between shore and vessels at anchorage. Demand for our workboat chartering services is closely linked to vessel call volumes, anchorage activity and overall port throughput in Singapore.

As at the Latest Practicable Date, our workboat chartering and logistic operations were supported by a fleet of 19 aluminium workboats, eight trucks and four passenger vehicles.

*Workboat chartering services:* We lease our workboats to customers either on a trip-based charter for individual trips or voyages, typically for up to one year, or under longer-term time charters with a minimum commitment of one year.

*Crew manning services:* We provide certified captains and crew to customers who own workboats but require trained personnel to operate them. Our crew are trained to established standards and can be deployed to customers, enhancing the operational flexibility.

*Logistics services:* To ensure seamless service delivery, we offer (i) land transportation services: 24/7 transport of equipment and provisions between suppliers, warehouses and port terminals, supported by a fleet of eight trucks (of which seven are certified to carry hazardous materials) and four passenger vehicles; and (ii) cargo storage services: secure warehousing at our waterfront facility for both short-term staging and long-term inventory holding pending deployment offshore.

The following table sets forth a breakdown of our revenue during the Track Record Period derived from our workboat chartering, crew manning and logistic services:

| | **FY2023** | | **FY2024** | | **FY2025** | | **5M2025** | | **5M2026** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* |
| Workboat chartering services | | | | | | | | | | |
| — Trip based charters | 4,946 | 61.3 | 6,762 | 73.1 | 6,912 | 70.4 | 2,945 | 72.0 | 3,656 | 76.6 |
| — Time charters | 1,504 | 18.7 | 691 | 7.4 | 864 | 8.8 | 169 | 4.1 | 160 | 3.4 |
| Subtotal | 6,450 | 80.0 | 7,453 | 80.5 | 7,776 | 79.2 | 3,114 | 76.1 | 3,816 | 80.0 |
| Crew manning services | 551 | 6.8 | 576 | 6.2 | 711 | 7.2 | 495 | 12.1 | 348 | 7.3 |
| Land transportation services | 1,029 | 12.8 | 1,092 | 11.8 | 1,162 | 11.9 | 448 | 10.9 | 593 | 12.4 |
| Cargo storage and packing services | 36 | 0.4 | 134 | 1.5 | 165 | 1.7 | 36 | 0.9 | 15 | 0.3 |
| **Total** | 8,066 | 100.0 | 9,255 | 100.0 | 9,814 | 100.0 | 4,094 | 100.0 | 4,771 | 100.0 |

*Sale, leaseback and buy-back arrangement*

During the Track Record Period, we sold five workboats namely, Mazu 03, Mazu 05, Mazu 06, Mazu 08 and Mazu 12 to an independent third party and these workboats were subsequently leased back to our Group to meet operational demand and were repurchased by our Group in January 2025.

Separately, in October 2022 (outside the Track Record Period), we sold one workboat, Mazu 01, which was leased back to our Group until 30 September 2023. Thereafter, the independent third party sold Mazu 01 to another operator and the workboat was not repurchased by our Group.

The table below sets forth the movement of the number of workboats we owned and leased back during the Track Record Period and up to the Latest Practicable Date.

Number of workboats under our workboat chartering service line:

| | FY2023 | FY2024 | FY2025 | 5M2026 | As at the Latest Practicable Date |
|---|---|---|---|---|---|
| Beginning of the year/period | 20 | 19 | 20 | 20 | 19 |
| Movement during the relevant year/period | | | | | |
| Workboats leased back: | | | | | |
| — *Leased back from third party (note 1)*: | 2 | 3 | — | — | — |
| — *Lease termination from third party* | (1) | — | (5) | — | — |
| Additions *(note 2)*: | — | — | 6 | — | 1 |
| Disposals *(note 3)*: | (2) | (2) | (1) | (1) | (1) |
| End of the year/period | 19 | 20 | 20 | 19 | 19 |

*Notes:*

1. For statistical purpose, the movement of leaseback counted only those workboats which were physically available during the year. The sale and leaseback contract we entered in December 2023 for one workboat which started to launch in January 2024 was counted in FY2024 while the leaseback accounting treatment was recorded in FY2023.

2. Additions during the Track Record Period primarily comprise buy-backs of workboats previously leased from the independent third party, with the addition in FY2025 also including one workboat constructed by the Group and retained for research and cooperation activities, namely, the *President 100*.

3. Disposal of our Group's own workboats under our workboat chartering service line due to age

*Reason for the sale and leaseback arrangement*

During FY2023, our Group was awarded a time charter contracts with Customer B, pursuant to which three of our workboats were committed to long-term deployment. In FY2024 and FY2025, our Group secured two additional time charter contracts, each with a term ranging from two to three years, thereby committing a further two workboats within our fleet to long-term deployment. In addition to these time charter commitments, we continued to operate trip-based charters that require flexible, on-demand workboat availability to cater for trip-based charters which range from a few hours to several days or months depending on operational requirements. To satisfy increasing operational demand for both time charters and trip-based charters, the management determined that it was necessary to lease back the abovementioned workboats from the abovementioned third party to maintain sufficient fleet capacity and operational flexibility. There were no pre-arranged agreements or intention at the time of the sale for the subsequent leaseback of the workboats. In addition, the leaseback arrangement was conducted on an arm's-length basis with terms no less favourable than those available from other independent third parties.

*Reason for the buy-back of workboats*

In January 2025, we terminated all leaseback arrangements mentioned above and repurchased Mazu 03, Mazu 05, Mazu 06, Mazu 08 and Mazu 12 from the abovementioned third party for an aggregate amount of approximately S$3.8 million, representing approximately 5% above the total consideration for which these workboats were previously sold. The purchase price were independently negotiated based on prevailing market condition at the material time.

The repurchase of the workboats in January 2025 was funded partly by drawing down the S$2.5 million revolving credit facility granted by a Singapore bank, with the balance paid from operating cash flow.

We repurchased the workboats from leasing as these workboats formed part of our core operating fleet supporting our time charter and trip-based charter operations. Our management determined that, over the medium to long term, ownership would be more cost-effective than continued leasing and would provide greater operational certainty and control over deployment and maintenance. The repurchase was made after our cash flow position had been strengthened and financing became available, enabling completion without materially affecting our working capital.

**Workflow of Our Workboat Chartering, Crew Manning and Logistics support Services**

Our workboat chartering, crew manning and logistics support services follow a structured five-staged workflow:

*(1)* *Business identification:* We secure engagements through public tenders, direct quotation requests, and referrals from business partners. The trip-based charter or time charter agreements are reviewed and executed by our directors, with input from our operations department to ensure operational feasibility.

*(2)* *Feasibility assessment and quotation/tender submission:*Our management team evaluates the technical and commercial viability of each engagement, taking into account fleet and crew availability, cost structure and scheduling before submitting proposals.

*(3)* *Contract formalisation:* Agreements are executed to define services scope, pricing, duration and performance standards. Our success rate for competitive tenders in the chartering segment was approximately 50%, 75%, 100% and nil in FY2023, FY2024, FY2025 and 5M2026, respectively. The majority of our chartering revenue, however, is derived from recurring engagements with existing customers rather than competitive tenders.

*(4)* *Service deployment and supervision:* Our workboats and crew are dispatched in accordance with customer schedules. Our operations department monitors daily activities and coordinates port and offshore logistics, while our quality control department ensures safety and regulatory compliance throughout the service period.

(5) Completion and after-service arrangements

Upon service completion, our operations department conduct closing inspections, finalise service documentation and address follow-up requirements from customers. For recurring engagements, the workboats and crew are placed on standby or redeployed for subsequent service assignments.

**(A) Workboat Chartering Services**

Our workboat chartering services cater to a range of customers, including statutory authorities, government agencies, port operators, and marine service providers. These customers require workboats for essential maritime operations such as transporting cargo and personnel, conducting surveys and facilitating pilot transfers and port logistics within the Port of Singapore and surrounding waters.

We provide two primary types of workboat chartering arrangements: trip-based charters and time charters:

***(i) Trip-based charter***

Under our trip-based charter arrangements, we lease our workboats to customers for specific voyages ranging from a few hours to several days or months with certain engagements extending up to approximately one year, depending on operational requirements.

Trip-based charters typically involve a single voyage between designated shore locations or to vessels at terminals or anchorages. Acting in accordance with our customers' instructions, we direct the workboat captain to carry out the assigned voyage and to ensure safe and timely transportation of the designated cargo or passengers. The service is considered complete upon the completion of loading operation or passenger embarkation or disembarkation, as applicable.

During the charter period, we bear both operating costs and voyage costs of the workboat. During trip-based charters, our operations department monitors vessel position and progress, while our finance department tracks voyage completion for timely invoicing. Operating costs generally include crew wages and related expenses, management fees, workboat insurance, and repair and maintenance costs while voyage costs generally include bunker fuel expenses and port charges.

***(ii) Time charters***

Under our time charter arrangements, we lease our workboats to customers for a defined service period, typically pursuant to tender-awarded contracts with a minimum duration of approximately one year.

At commencement, we deliver the workboat to the customer at a designated location as specified in the charterparty agreement. During the charter period, the customer directs the deployment of the workboat, including the voyage routes and schedules, subject to any agreed geographical or operational restrictions.

We generally bear the workboat's operating costs, which primarily comprise crew wages, management fees, workboat insurance, and repair and maintenance costs while the customers are responsible for the vessel's voyage costs, such as bunker fuel expenses and port charges.

Our operations department monitor our workboats using web-based tracking and daily status reports. If a workboat is out of service, we arrange a suitable replacement workboat of comparable specifications and notify the customer as soon as practicable.

Upon expiry of the charter period, the workboat is redelivered to us at a designated location and we issue a final invoice for outstanding hire charges, expenses or adjustments. Upon redelivery, our maintenance department inspects the workboat, and depending on terms of the agreement, our finance department issues the final invoice. Any extension of the charter period is subject to mutual agreement and documented through a supplemental charter agreement.

***Submission of tenders or quotations for charter arrangements***

Where our Directors approve a proposed engagement as commercially and operationally viable, we submit tenders for government contracts involving trip-based charters and time charters or quotations or direct engagement for contracts with private customers upon invitation, in accordance with the customer's requirements. Tenders, fee quotations and direct engagements are prepared by our sales and project teams with technical inputs from our operations department.

The number of tenders submitted and the number of successful tenders secured by us during the Track Record Period are summarised in the table below:

| | FY2023 | FY2024 | FY2025 | 5M2026 |
|---|---|---|---|---|
| Number of tenders submitted | 2 | 4 | 3 | 2 |
| Number of successful tenders | 1 | 3 | 3 | — |
| Success rate (approximately) *(%) (Note)* | 50 | 75 | 100 | — |

*Note: Tender success rate is calculated by dividing the number of quotations awarded during the year by the number of quotations submitted for the same year.*

**Salient terms of the charter contracts with our customers**

Upon selection through tenders, quotations or direct engagements, we enter into agreements with our customers, in the form of charter contract entered directly with the customer.

While the specific terms of our contracts with customers vary depending on the nature of the engagement, the following table summarises the salient terms of our (i) trip-based charter and (ii) time charter arrangements:

| | Trip-based charter | Time charter |
|---|---|---|
| **Charter period and renewal:** | • Our trip-based charters are chartered out for a specific voyage. | • Our time charters have a fixed period with a minimum duration of one year.<br>• We may also provide an optional period to the customers to extend the charter period and re-negotiate the charter hire. |
| **Charter hire, fees and payment terms:** | • The charter price is based on agreed tariffs with customer.<br>• Payment is typically due in full within 30 days upon issuance of invoice. | • We charge our customers charter hire which is generally calculated on a monthly basis. Payment of charter hire is based on contract. |

| | Trip-based charter | Time charter |
|---|---|---|
| **Termination:** | • Upon redelivery, our maintenance department inspects the workboat, and our finance department issues the final invoice. Trip-based charters do not contain a specific termination clause because they are defined by a specific voyage or job scope, and the contract is automatically discharged upon completion of the agreed services. | • For time charter agreements, it is generally not terminable before charter hire expires. |

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, there was no material breach of our Group's charter agreements.

The following table sets out the details of our existing self-owned workboats for provision of workboat chartering services as at the Latest Practicable Date:

| | Name of workboat | Year of build | Age of workboat *(years)* | Expected useful life *(years)* | Remaining useful life *(years)* | Classification society *(note 2)* | Flag state | Business use |
|---|---|---|---|---|---|---|---|---|
| *Workboats* | | | | | | | | |
| 1. | President Six | 2019 | 6 | 20 | 14 | ABS | Singapore | Trip-based charter |
| 2. | President Seven | 2019 | 6 | 20 | 14 | ABS | Singapore | Trip-based charter |
| 3. | President Nine | 2020 | 5 | 20 | 14 | ABS | Singapore | Trip-based charter |
| 4. | President Ten | 2020 | 5 | 20 | 15 | ABS | Singapore | Trip-based charter |
| 5. | President Eleven | 2020 | 5 | 20 | 15 | ABS | Singapore | Trip-based charter |
| 6. | President Twelve | 2020 | 5 | 20 | 15 | ABS | Singapore | Trip-based charter |
| 7. | President Thirteen | 2021 | 4 | 20 | 15 | ABS | Singapore | Trip-based charter |
| 8. | President Sixteen | 2021 | 4 | 20 | 16 | ABS | Singapore | Trip-based charter |
| 9. | President Seventeen | 2021 | 4 | 20 | 16 | ABS | Singapore | Trip-based charter |
| 10. | President Eighteen | 2022 | 3 | 20 | 17 | ABS | Singapore | Trip-based charter |
| 11. | President 100 | 2025 | 1 | 20 | 19 | CCS | Singapore | Trip-based charter |
| 12. | Mazu 03 | 2023 | 2 | 19 | 19 | CCS | Singapore | Trip-based charter |
| 13. | Mazu 05 | 2023 | 2 | 19 | 19 | CCS | Singapore | Trip-based charter |
| 14. | Mazu 06 | 2023 | 2 | 19 | 19 | CCS | Singapore | Trip-based charter |
| 15. | Mazu 12 | 2024 | 1 | 20 | 19 | CCS | Singapore | Trip-based charter |
| 16. | Mazu 18 | 2026 | 0 | 20 | 20 | CCS | Singapore | Trip-based charter |
| 17. | Discovery | 2021 | 4 | 20 | 16 | ABS | Singapore | Time charter *(Note)* |
| 18. | Illuminator | 2022 | 3 | 20 | 17 | ABS | Singapore | Time charter *(Note)* |
| 19. | Investigator | 2022 | 3 | 20 | 17 | ABS | Singapore | Time charter *(Note)* |

*Notes:*

1. As part of our chartering operations, three of our Group's workboats are contracted under a time charter arrangement with Customer B. The charter period commenced on January 2023 and is scheduled to end in December 2027.

2. We engage different classification societies for our workboats as part of our operational and commercial strategy. We adopt a multi-classification approach to maintain flexibility and avoid reliance on a single classification society, enabling us to respond to varying customer requirements and project specifications.

In addition to the workboats disclosed above, our Group also owns three barges, which are primarily used for ancillary purposes such as storage and logistical support. These barges are not deployed in our core operations, do not generate material revenue and are not considered material to our business, financial condition or results of operations.

**Chartered-in vessel fleet**

To maintain operational flexibility and meet customer demand during peak periods or where specialised capacity is required, we may charter-in additional workboats on a short-term basis. This allows us to supplement our owned fleet without incurring substantial upfront capital expenditure, respond promptly to fluctuations in market demand and capture new service opportunities.

Chartered-in vessels are typically operated under our direct control, with our crew responsible for navigation and service delivery. This allows us to maintain consistent safety and service standards across both owned and chartered-in vessels.

We enter into charter arrangements either through fee quotations (on a per-voyage or destination basis), or short-term charter contracts, generally with charter periods up to two months. Our Directors believe that keeping charter-in tenures relatively short provide flexibility in managing utilisation and limit exposure to prolonged unfavourable charter rates amid market volatility.

The following table sets forth a breakdown of our revenue derived from our workboat chartering services by our own workboats and chartered-in vessels during the Track Record Period:

| | Year ended 31 December | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 5M2025 | | 5M2026 | |
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* |
| Own workboats | 5,975 | 92.6 | 5,050 | 67.8 | 7,308 | 94.0 | 2,905 | 93.3 | 3,439 | 90.1 |
| Chartered-in vessels | 475 | 7.4 | 2,403 | 32.2 | 468 | 6.0 | 209 | 6.7 | 377 | 9.9 |
| **Total** | 6,450 | 100.0 | 7,453 | 100.0 | 7,776 | 100.0 | 3,114 | 100.0 | 3,816 | 100.0 |

According to the JWA Report, the use of chartered-in workboats for the provision of workboat chartering services is consistent with industry practice. It is not uncommon for companies to supplement their owned fleet with chartered-in workboats to fulfil charter contracts. This practice allows service providers to maintain operational flexibility, manage fluctuations in demand and optimise fleet utilisation without incurring significant capital expenditure associated with workboat ownership. Industry participants typically rely on a combination of owned and chartered-in vessels to respond to peak demand periods, project-specific requirements or temporary capacity constraints such as during maintenance or repair of owned vessels.

**The utilisation rate of workboats utilised in workboat chartering services**

During the Track Record Period, our Group's fleet maintained a relatively high utilisation rate ranging from 95% to 100%, reflecting sustained demand for our workboat chartering services, supported by our integrated operating model. Our Directors believe that this high level of utilisation reflects the effectiveness of our fleet renewal strategy, under which older workboats are progressively replaced with newer and more efficient aluminium workboats models. The following

table sets forth the utilisation rate of each workboat utilised for our workboat chartering operations during the Track Record Period:

| | | Utilisation rate *(Note)* | | | | |
|---|---|---|---|---|---|---|
| | **Name of workboat** | **FY2023** *(%)* | **FY2024** *(%)* | **FY2025** *(%)* | **5M2026** *(%)* | **As at the Latest Practicable Date** *(%)* |
| 1. | President One | 95 | — | — | — | — |
| 2. | President Two | 95 | 95 | — | — | — |
| 3. | President Five | 95 | 95 | 95 | — | — |
| 4. | President Six | 95 | 95 | 95 | 95 | 95 |
| 5. | President Seven | 95 | 95 | 95 | 95 | 95 |
| 6. | President Eight | 95 | — | — | — | — |
| 7. | President Nine | 95 | 95 | 95 | 95 | 95 |
| 8. | President Ten | 95 | 95 | 95 | 95 | 95 |
| 9. | President Eleven | 95 | 95 | 95 | 95 | 95 |
| 10. | President Twelve | 95 | 95 | 95 | 95 | 95 |
| 11. | President Thirteen | 95 | 95 | 95 | 95 | 95 |
| 12. | President Sixteen | 95 | 95 | 95 | 95 | 95 |
| 13. | President Seventeen | 95 | 95 | 95 | 95 | 95 |
| 14. | President Eighteen | 95 | 95 | 95 | 95 | 95 |
| 15. | President 100 | — | — | 95 | 95 | 95 |
| 16. | Mazu 03 | 95 | 95 | 95 | 95 | 95 |
| 17. | Mazu 05 | 95 | 95 | 95 | 95 | 95 |
| 18. | Mazu 06 | — | 95 | 95 | 95 | 95 |
| 19. | Mazu 08 | — | 95 | 95 | 95 | — |
| 20. | Mazu 12 | — | 95 | 95 | 95 | 95 |
| 21. | Mazu 18 | — | — | — | — | 100 |
| 22. | Discovery | 100 | 100 | 100 | 100 | 100 |
| 23. | Investigator | 100 | 100 | 100 | 100 | 100 |
| 24. | Illuminator | 100 | 100 | 100 | 100 | 100 |
| | **Total** | **19** | **20** | **20** | **19** | **19** |

*Note:*

The utilisation rate for each workboat is calculated based on the actual number of days on which the workboat was chartered during the year/period, divided by the total number of days in the year/period, excluding the number of off-hire days due to dry-docking or repair and maintenance required under inspection survey by the classification society.

Our workboats achieved relatively high utilisation rates during the Track Record Period primarily because (i) our fleet comprised newer workboats, resulting in reduced downtime for repair and maintenance; (ii) many of our time charters were of extended duration, during which the workboats were generally continuously deployed; and (iii) voyages under our trip-based charters and time charters were generally scheduled back-to-back, with minimal idle time between voyages.

**Repair and maintenance of our own fleet**

We carry out repair and routine maintenance for our own workboats to ensure seaworthiness, safety and reliable operational performance for our workboat chartering operations. Daily and scheduled maintenance is conducted by our crew and monitored by our technical team, while more complex works are performed at our waterfront facility by experienced shipyard technicians.

Maintenance covers key components such as hull condition, propulsion systems, engines, electrical and navigation equipment. When repairs involve class-related or safety-critical systems, the works are undertaken in accordance with the requirements of the relevant classification society.

By aligning planned maintenance with workboat deployment schedules, we minimise downtime, maintain high fleet utilisation and support long-term operating efficiency under our workboat chartering and crew management operations. We maintain detailed maintenance records for each workboat to ensure traceability and regulatory compliance.

**Compliance with classification and certification requirements for the provision of workboat chartering services**

In providing workboat chartering services in Singapore, our workboats are required to maintain valid classification and certification in accordance with applicable maritime laws and regulatory requirements.

Following initial classification at the construction stage, our workboats are subject to ongoing annual, intermediate and renewal surveys conducted by surveyors appointed by the relevant classification society to confirm continued compliance with applicable standards. These surveys assess, among other things, the workboat's structural condition including the hull, machinery and safety equipment. We align our maintenance and dry-docking schedules with intermediate surveys (typically every two to three years) and renewal surveys (typically every five years) to minimise operational disruption and off-hire time. Additional surveys may be required following major repairs, modifications or marine incidents.

In addition, our workboats are registered with the relevant flag state authority and hold the necessary certificates for lawful operation in Singapore waters. Maintaining valid class status and certification is essential for regulatory compliance, insurability and the continued provision of our workboat chartering services.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material difficulty in renewing or maintaining the classification status, registration or statutory certification of our workboats.

**Our fleet renewal strategy**

We adopt a fleet renewal strategy to keep our workboats safe, cost-efficient and aligned with Singapore's transition toward cleaner maritime operations. In the Singapore maritime industry, fleet management and renewal form an integral part of our business model across both boatbuilding and chartering operations. Our principal business includes the ownership, operation and chartering of workboats, and the quality, reliability and efficiency of our vessels directly affect customer satisfaction and our competitiveness.

Workboats have finite operational and regulatory lifespans. As workboats age, they typically consume more fuel, require more frequent repairs and may eventually fall short of evolving operational or regulatory standards. The Singapore maritime industry is progressively introducing stricter emissions requirements as part of its transition towards cleaner harbour craft operations, and our customers consistently demand reliable, well-maintained and fuel-efficient vessels. Older workboats with higher fuel consumption or frequent breakdowns are less desirable to charter customers and may attract lower charter rates or face extended idle periods.

It is therefore our established policy to sell older workboats, particularly those which are more than five years old, in order to maintain a young and competitive chartering fleet, reduce maintenance costs and enhance energy efficiency. This policy is driven by evolving environmental

regulations, the need to manage and reduce maintenance costs, and our objective of preserving fuel and operational efficiency. Disposing of workboats at an appropriate stage allows us to achieve three key objectives: (i) to maximise sale proceeds above net book value before further significant depreciation from wear and tear occurs; (ii) to maintain the competitiveness of our chartering business by offering newer workboats that are preferred by customers; and (iii) to reduce operating costs through lower fuel and maintenance expenses.

The workboats disposed of by our Group were operating assets previously used in our chartering operations, and the disposals therefore arise directly from our ongoing management of our principal chartering fleet. By disposing of workboats when they reach an appropriate stage for replacement or renewal, we are able to realise residual value and recycle capital into our fleet renewal and operating requirements. This recurring cycle of disposal and reinvestment is central to our business operations, enabling us to continuously upgrade our fleet, maintain high utilisation rates and meet evolving customer and regulatory expectations.

During the Track Record Period, we implemented this strategy by disposing of our aging workboats and reinvesting the proceeds into fleet modernisation. We sold two, two, one and one older workboats, generating approximately S$1.1 million, S$1.0 million, S$0.7 million and S$0.4 million in proceeds for FY2023, FY2024, FY2025 and 5M2026, respectively, which supported the expansion and renewal of our operational fleet.

We operate a fleet of workboats with staggered ages, and as these workboats are subject to normal wear and tear from continuous deployment, a portion of the fleet will periodically reach a stage where replacement or disposal becomes commercially appropriate. According to our Industry Consultant, the regular disposal of older workboats is an established industry practice in fleet management within the boatbuilding and chartering sector.

Our renewal approach optimises fleet performance and lowers operating costs, while supporting Singapore's green harbour craft transition and deliver reliable services to our customers.

**(B) Crew Manning**

We provide certified captains and crew for third-party vessels, offering a flexible alternative to the administrative and financial burdens of staffing. Our personnel are compliant with maritime safety standards and possess specialized expertise in the Port of Singapore and offshore environments. By providing on-demand manpower and operational expertise, we enable customers to optimize fleet utilization and ensure regulatory compliance through rapid mobilization.

**Salient terms of crew manning contracts**

The salient terms of our crew manning contracts with customers generally include, among others, the following:

| | |
|---|---|
| Scope of services | Provision of certified captains and crew to customers |
| Duration | Up to two years |
| Qualifications and training | Crew members supplied are appropriately trained, certified and experienced for harbour craft and offshore operations |

| | |
|---|---|
| Fees and payment terms | Fees are generally charged on a monthly basis and are determinable with reference to prevailing market conditions and our pricing policy. The monthly fees typically include statutory levies, insurance coverage, bonuses and provision allowances |
| Deployment and substitution | Crew are deployed on a flexible basis according to customers' operational requirements, and we may arrange for replacement personnel where necessary to ensure continuity of operations |
| Termination: | The crew manning contract does not contain a specific termination clause. According to our Singapore Legal Advisers, where a contract does not contain an express termination clause, termination prior to performance may generally occur by mutual agreement of the parties, where one party commits a breach of contract of a nature that permits the other party to treat the contract as terminated, or where a supervening event occurring after the formation of the contract renders a contractual obligation radically or fundamentally different from that originally agreed. |

**(C) Logistics Services**

To complement our core workboat chartering services, we provide land transportation and cargo storage solutions as part of our integrated logistics solution.

***(i) Land transportation***

We provide seamless cargo transfer from our waterfront facility or customer warehouses to port terminals and jetties. Utilizing our own fleet or approved third-party operators, we ensure efficient delivery to anchorages, offshore installations, and other maritime points.

As at the Latest Practicable Date, our workboat fleet comprised eight delivery trucks, of which seven are certified to carry hazardous materials, supported by a team of truck drivers.

***(ii) Cargo storage***

Our cargo storage services are supported by a secure warehouse facility located within our waterfront facility, which provides both short-term staging for in-transit cargo and long-term storage options.

Customers may elect to include these land transportation and cargo storage provisions in their service agreements as needed, with terms tailored to the specific requirements and scale of each project.

**Pricing policy for workboat chartering, crew manning and logistics support services**

Our pricing for workboat chartering, crew manning and logistics support services is determined on an engagement-by-engagement basis taking into account the scope of work, voyage characteristics, operational requirements, workboat specifications and prevailing market conditions.

For workboat chartering services, hire rates differ depending on whether the arrangement is structured as a trip-based charter or a time charter, the charter period and the distance travelled by the workboat. For workboat chartering services, hire rates differ depending on whether the

arrangement is structured as a trip-based charter or a time charter. During the Track Record Period, the daily charter rate ranged from approximately S$500 to S$600 for trip-based charters, while time charters were typically negotiated at monthly rates between S$8,000 and S$31,000, depending on the charter period, distance travelled and size of the workboat.

Crew manning fees reflect crew composition, qualification levels, duty duration and regulatory compliance requirements. During the Track Record Period, crew manning fees for a standard crew (comprising two crew members) were approximately S$5,000 per month for trip-based assignments. Land transportation and cargo storage charges are typically assessed per trip, per load and/or by storage duration, having regard to urgency and standard industry tariff benchmarks. Land transportation charges generally ranged from approximately S$80 to S$160 per trip, while cargo storage charges ranged from approximately S$30 to S$120 per cubic metre per month, depending on whether the storage was non-sheltered, sheltered or for chemical cargo.

Our pricing strategy is reviewed periodically by our senior management to remain competitive and aligned with fluctuations in bunker prices, workboat operating costs and regional demand.

**Quality control on our workboat chartering, crew manning and logistics support services**

We maintain a comprehensive quality control framework across our workboat chartering, crew manning and land logistics operations to ensure safe, reliable and compliant service delivery at all times.

For workboat chartering services, each workboat undergoes routine maintenance and safety inspections in accordance with classification society requirements and flag requirements. Before each trip, the crew members conduct pre-departure checks including inspection of the hull, engine and safety gear. Any deficiencies are escalated to our operations team for rectification before sailing.

For crew manning services, personnel deployed to customers' vessels must hold valid licences, certifications and where required specialised navigational or safety qualifications. We verify certificates and monitor their expiry dates through our internal compliance register.

For land logistics, our truck fleet is subject to scheduled maintenance and safety inspections with cargo verified against orders before dispatch and strict adherence to loading protocols.

Across all service lines, we implement incident reporting and service review procedures. Any operational delays, equipment issues or customer concerns are investigated by the operations manager, with corrective and preventive measures recorded. Customer feedback is periodically reviewed as part of ongoing service improvement.

**Measures to prevent illegal or unauthorised uses of our workboats by charterers in our workboat chartering business**

In conducting our workboat chartering business, there is a risk that we may be unable to identify, deter or prevent all unlawful activities or misconduct by a charterer in a timely manner or at all, details of which are set out in the paragraphs headed "Risk Factors — Risks relating to our business — There may be legal consequences to our Group in the event that a charterer uses our Group's workboats for illegal activities". To mitigate such risk, our Group has implemented the following measures:

(i) prior to entering into any agreement for workboat chartering services, our Group conducts customer due diligence, including know-your-customer (KYC) checks to verify the identity, business profile and intended use of the workboat by the prospective charterer;

(ii) under both trip-based charters and time charters, our Group typically provides crew for the operation of the workboats, who will remain on board and be responsible for safe operation of the workboats. The on-board presence of our own crew facilitates the operational oversight over each voyage; and

(iii) our Group further monitors our workboats using surveillance cameras, web-based tracking systems and daily status reports, enabling our operations team to identify and respond to any deviation from expected routes or activities.

## 2. SHIPPING AGENCY SERVICES

We commenced our shipping agency business in Singapore in 2012, serving shipowners, charterers and regional vessel operators calling at the Port of Singapore. Given port congestion and stringent regulatory requirements, timely port turnaround is essential to many vessel operators. Leveraging our chairman, Mr. Chua TK's prior operational experience, we established Primus Shipping as a local port agent.

*Port call management.* As local agent in Singapore, we coordinate port-call activities for vessels calling at Singapore. Our services typically include coordinating port entry formalities and operational arrangements including pre-arrival documentation, arranging berthing and departure, liaising with port, customs and other relevant authorities, checking import and export documentation, coordinating crew transfers and crew-related arrangements, and coordinating third-party suppliers to provide services such as pilotage, tugboat services, bunkering, provisioning and the delivery of spare parts and consumables, etc..

To support compliance and service reliability, we maintain standard operating procedures for port call coordination covering documentation checks, monitoring vessel status during port calls, and post-call reporting to customers with ongoing review of customer feedback for continuous improvements.

*Regional expansion and centralised coordination*. Since 2019, we have expanded to selected ports in Malaysia and Indonesia, through P-Group Agencies, which coordinates a network of third-party local agents in Malaysia and Indonesia. This enables customers to coordinate port calls across multiple ports through a single point of contact, streamlines administration and supports centralised oversight of disbursements and payments, reducing customers' need to remit funds to multiple unfamiliar counterparties.

*Integrated service delivery*. Our shipping agency operations are supported by our in-house workboat chartering, crew manning and chandelling capabilities, creating a comprehensive support ecosystem for vessels calling at the Port of Singapore. Each service, while capable of being offered independently, is strategically linked to enhance operational efficiency and customer convenience.

As a shipping agent for foreign vessels in Singapore, we manage port entry formalities and operational arrangements, including pre-arrival documentation, berth allocation, departure clearance, cargo loading and unloading coordination, crew transfers and supply replenishment. Many vessels calling at the Port of Singapore require crew changes between offshore and onshore locations, and our in-house workboat chartering and crew manning services provide the necessary workboats and trained personnel to facilitate these transfers, ensuring reliability and timeliness while maintaining operational

control. In addition, vessels require the delivery of food, water and other essential supplies during their port stay, and our chandelling operations utilise our self-owned workboats and crew to transport these supplies directly to customer vessels.

While these services could be outsourced individually to third parties, shipping agency customers, particularly foreign shipowners, often prefer a single point of contact. By deploying our own workboats to handle sea logistics, including the delivery of supplies, provisions and personnel, we enhance coordination and service consistency. This strategic approach offers several key benefits: (i) coordinated and reliable service across multiple operational touchpoints; (ii) reduced dependence on third-party vendors, lowering operational risks; and (iii) stronger customer relationships through a seamless service experience. The consolidation of port call services under a single agent can also improve turnaround efficiency, particularly for chemical tanker operators, which are subject to strict safety and time requirements.

Our boatbuilding, shipping agency, workboat chartering, crew manning and chandelling services are therefore operationally and commercially interconnected. This strategic linkage enhances efficiency, reliability and customer satisfaction, and provides a coherent basis for the presentation of our service categories and revenue segments throughout this document.

The table below sets forth the revenue generated from our shipping agency services by geographical location of our customers during the Track Record Period:

| | **FY2023** | | **FY2024** | | **FY2025** | | **5M2025** | | **5M2026** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* *(Unaudited)* | *%* | *(S$'000)* | *%* |
| Singapore | 2,210 | 11.8 | 2,580 | 12.7 | 2,044 | 10.4 | 977 | 11.0 | 891 | 12.1 |
| The PRC | 11,240 | 59.8 | 12,054 | 59.3 | 9,857 | 50.3 | 4,936 | 55.6 | 3,755 | 51.2 |
| South Korea | 2,193 | 11.7 | 1,649 | 8.1 | 2,732 | 14.0 | 1,056 | 11.9 | 983 | 13.4 |
| The United Arab Emirates | 1,294 | 6.9 | 1,438 | 7.1 | 1,265 | 6.5 | 524 | 5.9 | 404 | 5.5 |
| Others | 1,848 | 9.8 | 2,599 | 12.8 | 3,681 | 18.8 | 1,385 | 15.6 | 1,305 | 17.8 |
| Total | 18,785 | 100.0 | 20,320 | 100.0 | 19,579 | 100.0 | 8,878 | 100.0 | 7,338 | 100.0 |

*Note:* Others include India, Japan, Malaysia and United States of America.

The table below sets forth the revenue generated from our shipping agency services rendered inside and outside the Port of Singapore during the Track Record Period:

| | **FY2023** | | **FY2024** | | **FY2025** | | **5M2025** | | **5M2026** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* *(Unaudited)* | *%* | *(S$'000)* | *%* |
| Singapore | 15,163 | 80.7 | 18,617 | 91.6 | 18,446 | 94.2 | 8,465 | 95.3 | 6,855 | 93.4 |
| Outside of Singapore | 3,622 | 19.3 | 1,703 | 8.4 | 1,133 | 5.8 | 413 | 4.7 | 483 | 6.6 |
| | 18,785 | 100.0 | 20,320 | 100.0 | 19,579 | 100.0 | 8,878 | 100.0 | 7,338 | 100.0 |

## A. Shipping agency services rendered in the Port of Singapore

Set forth below are an illustration of our workflow and key steps for our shipping agency services in Singapore:

***Fee quotation.*** Quotations are generally initiated by requests from existing customers or referrals. We solicit shipping agency orders solely through direct negotiation, leveraging our established relationships and industry reputation. For time-sensitive port calls, initial orders are often placed by telephone, followed by written confirmation (via email and/or other communication platforms) for clarity and record purposes.

***EPDA issuance and agency fee.*** Upon appointment as local agent, we prepare and issue an EPDA setting out the anticipated agency fee for the standard scope of agency services for the first 48 hours after the vessel's arrival. For port stays exceeding 48 hours, agency fees are charged hourly based on our prevailing tariff.

***Other Services.*** Where pilotage, tug assistance, bunkering or other additional services, as well as overseas port arrangements in Malaysia and Indonesia are required, customers may engage service providers directly or request us to arrange such services on their behalf. Upon request, we coordinate with third-party service providers to deliver these services to our customers at an agreed rate on a case-by-case basis, without long-term contractual commitments.

Throughout the process, we maintain ongoing communication with customers and provide updates where material changes arise (for example, changes in berth schedules or service requirements). Each quotation and EPDA clearly specifies terms, offering customers cost visibility and operational transparency from initial request through completion of services. The EPDA is prepared by our operations team and reviewed by our director before issuance to the customer. Any variations to the scope of services are approved by the general manager and communicated to the customer in writing.

***Scope of services***

As the appointed shipping agent, we are responsible for the following core services during a vessel's port call:

| | | |
|---|---|---|
| **Pre-arrival documentation and port clearance** | : | We act on behalf of our customers to support timely port entry and compliance with the MPA regulations. Upon receipt of vessel details and ETA, we submit the required documentation via MPA's online portal, (including vessel information, certificates, crew and passenger manifests, and health declarations) and coordinate berth allocation and arrange essential services such as pilotage, tug assistance and bunkering. |
| **Berth arrangement coordination** | : | We coordinate berth allocation and berthing arrangements, maintaining ongoing contact with terminal operators to monitor availability, congestion levels, and potential scheduling conflicts. We provide customers and terminals with updates on the vessel's ETA and readiness to berth.<br><br>We coordinate settlement of dockage fees, issue receipts where applicable, and include supporting details in the PDA and final invoicing. |

In addition to our core scope of services, we arrange and coordinate, on behalf of our customers, various port-related services provided by third-party service providers during a vessel's stay on a back-to-back basis. Where pilotage or tug assistance at the Port of Singapore is required, such services are provided by licensed operators regulated by the MPA. Charges imposed by these licensed operators are passed through strictly at cost without mark-up.

For other services such as bunkering, port and husbandry services or overseas, customers may appoint service providers directly or request us to coordinate such services on their behalf at an agreed rate.

**Pilotage services** : As vessels approach and enter Singapore's territorial waters, we coordinate the provision of mandatory marine pilotage services, generally engaging certified pilots familiar with local conditions. These pilots guide vessels through congested channels and anchorages to ensure safe transit to terminals.

We coordinate operational communications with the vessels, pilot service providers and terminal, and coordinate updates from vessel arrival till departure in port, minimising delays and optimising turnaround.

**Tugboat services coordination** : We coordinate tugboat support for safe berthing and unberthing, particularly for large vessels, or those with limited manoeuvrability. Tug requirements are determined by vessel tonnage, berth configuration, prevailing weather and sea conditions, and applicable port and terminal requirements.

Our coordination generally includes booking, confirmation of tug attendance and real-time monitoring of vessel movements. Estimated tug charges are included in the EPDA, with final tug charges reflected in the PDA and supporting documentation provided where applicable.

**Bunkering coordination** : Where requested by customers, we facilitate bunkering arrangements by liaising with licensed bunker suppliers to support timely refueling during a vessel's port stay. Our role is limited to coordinating delivery schedule and information flow among the vessel, terminal and bunker supplier. We do not supply bunkers. All bunker purchases are contracted directly between the customer (or the vessel) and the bunker supplier, with costs borne by the customer.

**Port and husbandry services** : We coordinate husbandry services to support vessel operations and crew welfare, including crew changes, accommodation, medical assistance, vessel maintenance, inspections, and other operational needs.

Through our in-house divisions, we are able to directly provide certain port-related services such as workboat chartering, land transportation using our own fleet of workboats and trucks, cargo storage, and chandelling. Otherwise, we coordinate third-party providers selected by the customer at an agreed rate.

***Departure formalities and clearance services***

As vessels prepare to depart Singapore, we coordinate port clearance by submitting required documentation (such as updated crew lists) and confirm clearance approval with the MPA prior to departure. Where required, we coordinate and arrange settlement of outstanding port dues and other port-related charges, which are documented in the final port disbursement account (FPDA), with supporting records.

If additional services are required prior to departure (such as bunkering, provisioning or spare-part deliveries), we coordinate the scheduling of such services to align with the vessel's departure plan and where requested, these services may be arranged through our Group or through third-party service providers at an agreed rate.

Throughout the clearance process, we provide customers with timely updates on vessel status and key timelines until the vessel departs Singapore waters.

**B. Shipping agency services rendered outside of the Port of Singapore**

Beyond our Singapore operations, we facilitate shipping agency solutions in selected ports in Malaysia and Indonesia through our regional hub, P-Group Agencies, which was established in 2019 specifically to coordinate integrated regional shipping agency services. Under this model, our Singapore-based team serves as a central point of coordination for customers with multiple ports operations, working with a network of third-party local agents in Indonesia and Malaysia, details are as follows:

- Malaysia — We generally work with three non-exclusive specialised agencies to support customers' port calls, which allows flexibility in agent selection based on port, vessel profile and operational requirements.

- Indonesia — Given the diversity of port requirements, we work with several non-exclusive regional agents, selected based on their familiarity with local procedures and operating conditions, and coordinate port calls across different regions through our central team.

This single-point coordination arrangement allows customers to coordinate port calls across multiple locations through a single point of contact, thereby reducing administrative complexity compared with engaging multiple local agents on a standalone basis. Our Singapore headquarters provides centralised operational oversight of vessel movements and port-call arrangements across the region, including coordination of communications, documentation flows and disbursement tracking.

***Workflow***

Our regional operations team, which also manages shipping agency services in Singapore, follows a structured workflow to support coordination at overseas ports:

- *Pre-arrival preparation* — Before the vessel's arrival at the overseas port, we confirm with the local agent and the customer the timing and scope of services and provide detailed ETA schedule to local agent, to support execution in accordance with the customer's requirements.

- *Real-time monitoring* — We maintain timely oversight of overseas port operations through ongoing communication with the appointed local agents, using instant messaging platforms such as WhatsApp and scheduled calls to manage changes, updates or emergencies, and to support timely transparent coordination and minimise delays. Leveraging Singapore's central time zone, our team bridges regional differences and provide 24/7 operational coverage for vessels in transit.

- *Pre-departure coordination* — Upon customer request, and prior to the vessel's departure from their departing port, we engage the designated local agent to coordinate the required arrangements, such as port clearance, and transportation services.

- *Financial management* — We operate on a back-to-back payment basis whereby we typically collect full payment in US dollars from the customer before disbursing funds to the third-party local agents. This supports cash flow discipline, reduces funding exposure and enhances accounting transparency.

## C. Pricing policy for shipping agency services

Our shipping agency services are determined on a case-by-case basis, taking into account the vessel profile and the scope of services requested. Key pricing considerations typically include the complexity and urgency of the port call, the expected duration of the vessel's stay and prevailing market practices in Singapore and neighbouring ports. Charges generally comprise (i) agency fees for our services and if applicable, an agreed fee for additional services provided by third-party service providers and coordinated by us; and (ii) reimbursement of disbursements incurred on the customer's behalf.

Our agency fees are assessed based on the scope of coordination required, ranging from documentation and clearance coordination to port call coordination and the expected duration of the vessel's stay. During the Track Record Period, our agency fees for shipping agency services ranged from approximately S$400 to S$1,500 per port call, depending on the complexity and scope of services required. Disbursements, such as port charges, customs and immigration clearance fees, pilotage, towage, are generally charged at cost, based on invoices issued by relevant providers or port authorities whereas additional services such as bunkering coordination and husbandry services provided by third-party service providers are charged at an agreed rate.

Depending in contractual terms, customers are generally required to settle disbursements in advance or promptly upon invoicing.

Pricing is reviewed periodically by our management to reflect changes in operating costs, labour expenses, regulatory charges and market conditions. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes with customers relating to agency fees or disbursements.

***Quality control on our shipping agency services***

Our shipping agency operations are governed by standardised procedures to ensure reliable and consistent service delivery. This structured approach spans the entire port-call cycle. Prior to a vessel's arrival, we prepare a checklist for the verification and submission of required documentation such as customs declarations, port clearances, and crew manifests (where applicable). During the port stay, our team actively coordinates and liaises with the customers, authorities and the vessel, while holding progress meetings to promptly address any operational issues.

Through this structured approach, from on-site supervision, internal coordination and post-call review, we seek to meet customers' expectations while complying with applicable regulatory standards. Our Directors believe that these procedures, together with the integration of our shipping agency operations with our in-house workboat chartering and chandelling capabilities, enhance service consistency and accountability compared with operators that outsource these functions.

## 3. CHANDELLING AND SALES OF MACHINERY AND SPARE PARTS

Our origin can be traced to 2009, when we commenced operations as a chandelling service provider supplying provisions and consumables to vessels calling at the Port of Singapore. Since then, we have progressively expanded the scope and scale of our operations. While shipping agents manage regulatory coordination and harbour craft provide ship-to-shore connectivity, chandlers ensure vessels are supplied with provisions, consumables and technical stores during port calls. As at the Latest Practicable Date, our chandelling services primarily support our shipping agency and workboat chartering customers by delivering a wide range of essential items, including food, beverages, detergents, bottled water and other daily necessities, as well as spare parts, tools and technical equipment required during port calls or at anchorage.

In addition to chandelling activities, we also sell certain engines, generators and spare components sourced from Supplier A, of which we are an authorised distributor in Singapore. The products we sourced from Supplier A are mainly supplied to (i) customers purchasing newbuild workboats equipped with Supplier A's engines and generators, and (ii) existing operators requiring replacement parts for repair or servicing.

While revenue from our chandelling and sales of machinery and spare parts amounted to approximately S$4.3 million, S$3.6 million, S$2.8 million, S$1.2 million and S$1.4 million in FY2023, FY2024, FY2025 and for 5M2025 and 5M2026, respectively, representing approximately 12.3%, 8.7%, 5.9%, 6.4% and 7.1% of total revenue for the respective years and periods, the table below sets out a breakdown of revenue derived from these service lines:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000) (Unaudited)* | *%* | *(S$'000)* | *%* |
| Chandelling services | 2,251 | 52.2 | 1,630 | 45.9 | 1,023 | 37.1 | 419 | 33.9 | 423 | 30.8 |
| Sales of machinery and spare parts | 2,059 | 47.8 | 1,923 | 54.1 | 1,734 | 62.9 | 818 | 66.1 | 949 | 69.2 |
| **Total** | 4,310 | 100.0 | 3,553 | 100.0 | 2,757 | 100.0 | 1,237 | 100.0 | 1,372 | 100.0 |

The combination of our chandelling services and sales of machinery and spare parts enables us to support customers throughout the lifecycle of their vessels. Our chandelling services address day-to-day operational needs of vessels calling at the Port of Singapore. In parallel, our sales of machinery and spare parts are mainly driven by our boatbuilding operations, as these components are typically installed on our newbuild workboats. External sales of spare parts occur on an as-needed basis, most commonly when vessel operators require replacements during repair or maintenance.

Through our distribution arrangements with Supplier A, we can timely procure critical components such as marine engines and generators for installation on our waterfront facility, reducing reliance on intermediaries and minimising the risk of supply chain disruptions. Furthermore, as an authorised distributor of Supplier A's original manufacturer parts, we are able to support warranty coverage and provide integrated after-sales support to customers purchasing newbuild workboats or engaging us for repair and maintenance services. This integrated model enables us to provide customers with a complete package of workboat construction, chandelling supplies, spare parts distribution and after-sales maintenance.

For details about the distribution arrangement between our Group and Supplier A, please refer to the paragraph headed "Business — Suppliers and procurements — Selection of suppliers" in this document.

### Pricing policy for chandelling and sales of machinery and spare parts

Our chandelling services are priced primarily on a cost-plus basis, taking into account purchase costs of supplies, with an additional surcharge for urgent requests to reflect expedited logistics. During the Track Record Period, chandelling charges ranged from approximately S$35 to S$16,000 per order, depending on the type and volume of products supplied, from daily necessities (such as food, beverages, bottled water and detergents) to spare parts, tools and technical equipment required during port calls or at anchorage. All pricing is subject to customer acceptance prior to order fulfillment and pricing may be adjusted with reference to prevailing market conditions.

For the sale of marine engines, generators and spare parts under our authorised distributor arrangement with Supplier A, pricing is determined on a cost-plus basis, comprising Supplier A's invoice costs plus an appropriate markup. During the Track Record Period, the selling prices ranged from approximately S$16 to S$175,000, depending on the type, specification and quantity purchased, with lower-value items typically comprising small spare parts and consumables, and higher-value items comprising marine engines and generators.

Our pricing policy is reviewed periodically by our management to reflect changes in supplier costs, logistics expenses and market competition. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes with customers relating to chandelling, machinery and spare parts prices.

Our Directors believe that this pricing policy, which balances supplier pricing frameworks with cost recovery and margin considerations, supports our competitiveness as an authorised distributor while enabling us to meet manufacturer requirements.

### Quality control for chandelling and sales of machinery and spare parts

We maintain quality control procedures to support the delivery of supplies, provisions, equipment and spare parts are delivered in accordance with contractual specifications, applicable regulatory requirements and industry standards.

For chandelling operations, food, beverages and consumables are sourced from approved suppliers. Goods are checked upon receipt to verify condition and conformity with purchase orders and are re-checked and properly packed prior to dispatch to customers.

For machinery and spare parts supplied under our authorised distributor arrangement with Supplier A, we adhere to Supplier A's prescribed quality and handling standards. Our logistics staff verify details before dispatch to ensure authenticity and to prevent substitution with unauthorised components.

## CUSTOMERS

During the Track Record Period, our customers mainly included shipowners, charterers and shipping and logistics companies.

### Major customers

The revenue attributable to our largest customer in each year/period during the Track Record Period accounted for approximately 25.6%, 20.0%, 11.0% and 9.1% of our total revenue for the respective years and 5M2026, while the revenue attributable to our five largest customers, in aggregate, in each year/period during the Track Record Period accounted for approximately 40.2%, 33.3%, 29.8% and 32.7% of our total revenue for the respective years and 5M2026.

Set out below is a breakdown of our revenue by our five largest customers in each year during the Track Record Period and their respective background:

## For FY2023

| | Customer | Major services provided by our Group | Credit term *approximate days* | Payment method | Commencement year of business relationship | Revenue generated from the customer *S$'000 approximately* | As a percentage of our total revenue *% approximately* |
|---|---|---|---|---|---|---|---|
| 1. | Focus Shipping Co. Ltd *(note 2)* | Shipping agency services | 30 | by telegraphic transfer | 2021 | 8,946 | 25.6 |
| 2. | Heung-A Shipping Co. Ltd *(note 3)* | Shipping agency services | 30 | by telegraphic transfer | 2021 | 1,621 | 4.6 |
| 3. | Customer A *(note 4)* | Shipping agency services | 30 | by telegraphic transfer | 2022 | 1,264 | 3.6 |
| 4. | Gewinner Logistics Pte Ltd *(note 5)* | Boatbuilding services | on demand | by telegraphic transfer | 2022 | 1,169 | 3.3 |
| 5. | Customer B *(note 6)* | Workboat chartering services | 30 | by telegraphic transfer | 2019 | 1,096 | 3.1 |
| | **Total** | | | | | 14,096 | 40.2 |

## For FY2024

| | Customer | Major services provided by our Group | Credit term *approximate days* | Payment method | Commencement year of business relationship | Revenue generated from the customer *S$'000 approximately* | As a percentage of our total revenue *% approximately* |
|---|---|---|---|---|---|---|---|
| 1. | Focus Shipping Co. Ltd | Shipping agency services | 30 | by telegraphic transfer | 2021 | 8,202 | 20.0 |
| 2. | Customer C *(note 7)* | Boatbuilding services | on demand | by telegraphic transfer | 2024 | 1,555 | 3.8 |
| 3. | Heung-A Shipping Co. Ltd | Shipping agency services | 30 | by telegraphic transfer | 2021 | 1,350 | 3.3 |
| 4. | Customer A | Shipping agency services | 30 | by telegraphic transfer | 2022 | 1,342 | 3.3 |
| 5. | Customer D *(note 8)* | Shipping agency services | 30 | by telegraphic transfer | 2023 | 1,179 | 2.9 |
| | **Total** | | | | | 13,628 | 33.3 |

## For FY2025

| | Customer | Major services provided by our Group | Credit term *approximate days* | Payment method | Commencement year of business relationship | Revenue generated from the customer *S$'000 approximately* | As a percentage of our total revenue *% approximately* |
|---|---|---|---|---|---|---|---|
| 1. | Focus Shipping Co. Ltd | Shipping agency services | 30 | by telegraphic transfer | 2021 | 5,100 | 11.0 |
| 2. | Thames Bay Shipping Pte Ltd *(note 9)* | Boatbuilding services | on demand | by telegraphic transfer | 2025 | 3,206 | 6.9 |
| 3. | Heung-A Shipping Co. Ltd | Shipping agency services | 30 | by telegraphic transfer | 2021 | 2,179 | 4.7 |
| 4. | Golden Sands Shipping Pte. Ltd. *(note 10)* | Boatbuilding services | on demand | by telegraphic transfer | 2025 | 1,680 | 3.6 |
| 5. | Dolphin Shipping Pte. Ltd. *(note 11)* | Boatbuilding services | on demand | by telegraphic transfer | 2024 | 1,680 | 3.6 |
| | **Total** | | | | | 13,845 | 29.8 |

**5M2026**

| | Customer | Major services provided by our Group | Credit term *approximate days* | Payment method | Commencement year of business relationship | Revenue generated from the customer *S$'000 approximately* | As a percentage of our total revenue *% approximately* |
|---|---|---|---|---|---|---|---|
| 1. | Customer E *(note 12)* | Boatbuilding services | on demand | by telegraphic transfer | 2026 | 1,760 | 9.1 |
| 2. | Focus Shipping Co. Ltd. | Shipping agency services | 30 | by telegraphic transfer | 2021 | 1,455 | 7.5 |
| 3. | Oceancrest Pte. Ltd. *(note 13)* | Boatbuilding services | on demand | by telegraphic transfer | 2025 | 1,158 | 6.0 |
| 4. | Noah Wave Pte. Ltd. *(note 14)* | Boatbuilding services | on demand | by telegraphic transfer | 2026 | 1,035 | 5.3 |
| 5. | Customer F *(note 15)* | Shipping agency services | 30 | by telegraphic transfer | 2015 | 941 | 4.8 |
| | **Total** | | | | | 6,349 | 32.7 |

*Notes:*

(1) Figures may not add up due to rounding.

(2) Focus Shipping Co. Ltd is a private company in Hong Kong principally engaged in marine transportation, warehousing and marine cargo handling. It owned eight vessels as at the Latest Practicable Date.

(3) Heung-A Shipping Co. Ltd is a Korean-based company principally engaged in marine cargo transportation business including container liner and chemical tanker services. It is a public company listed on the Korean Exchange with more than 300 employees in aggregate.

(4) Customer A is a private company in Singapore principally engaged in shipping business including chartering of ships and boats with crew, with a paid up amount of US$76,857,678.

(5) Gewinner Logistics Pte. Ltd. is a private company in Singapore principally engaged in freight transport by road and ship chandlers, with a paid up capital of S$1,000,000.

(6) Customer B and Supplier C are the same entity. It is a statutory board under Singapore Ministry of Transport, which takes on multiple roles as Singapore's maritime and port regulator and planner, international maritime centre champion, national maritime representative, and champion of maritime digitalisation and decarbonisation efforts.

(7) Customer C is a private company in Singapore principally engaged in building and repairing of ships, tankers and other ocean-going vessels and operating and chartering of barges, tugboats and bumboats, with a paid up capital of S$100,000.

(8) Customer D is a Singapore subsidiary of a Swiss Company the shares of which are listed on London Stock Exchange, which is principally engaged in shipping and logistics services, with a paid up capital of S$50,000,000.

(9) Thames Bay Shipping Pte Ltd. is a private company in Singapore principally engaged in shipping business including chartering of ships and boats with crew and ship management services. It owned seven vessels as at the Latest Practicable Date.

(10) Golden Sands Shipping Pte. Ltd. is a private company in Singapore principally engaged in shipping business including chartering of ships and boats with crew, with a paid up capital of S$100,000.

(11) Dolphin Shipping Pte. Ltd. is a private company in Singapore principally engaged in shipping business including chartering of ships and boats with crew, with a paid up capital of S$100,000.

(12) Customer E is a private company in Singapore principally engaged in shipping companies and chartering of boats with crew, with a paid up amount of S$100,000.

(13) Oceancrest Pte. Ltd. is a private company in Singapore principally engaged in chartering of barges, tugboats and bumboats, with a paid up amount of S$400,000. It is beneficially owned as to 50% by an individual, who also holds 50% shareholding in Noah Wave Pte. Ltd.

(14) Noah Wave Pte. Ltd. is a private company in Singapore principally engaged in chartering of barges, tugboats and bumboats, with a paid up amount of S$100,000. It is beneficially owned as to 50% by an individual, who also holds 50% shareholding in Oceancrest Pte. Ltd..

(15) Customer F is a company established in the PRC principally engaged in shipping, ship management, maritime support services, materials trading, and consultancy, with a registered capital of RMB330 million.

**Challenges in maintaining long-term relationships with major customers**

The changes in the composition of our five largest customers in each year during the Track Record Period reflect a combination of (i) structural characteristics inherent to our business model, and (ii) our capacity expansion following the commissioning of the new waterfront facility, as follows:

(a) *Project-based revenue model without long-term volume commitments.* Our boatbuilding services, which contributed approximately 30.8% of our total revenue in FY2025, are project-based. As at the Latest Practicable Date, we have not entered into any multi-year framework agreements or minimum volume commitments with our boatbuilding customers. Each project is contracted separately, and customers are under no obligation to place repeat orders.

Upon delivery of a vessel, there is no ongoing contractual relationship unless and until the customer initiates a new project. The absence of long-term framework agreements means that we cannot rely on any contractual right to future orders from past customers. Each project requires us to compete afresh for the customer's order, whether through direct quotation or negotiation. This challenges our ability to demonstrate guaranteed revenue continuity from any particular customer across multiple years, even where the underlying commercial relationship remains positive and we receive repeat orders over time.

(b) *Customer procurement cycles.* Our customers' purchasing decisions are driven by their own operational and capital expenditure cycles, which may not align with our financial reporting periods. A customer may have no procurement needs for extended periods, during which no revenue is generated from that customer regardless of our relationship.

Customer procurement cycles can also be influenced by external factors such as changes in freight rates, regulatory deadlines, or economic conditions. These factors are outside our control and can cause a customer to accelerate, delay, or cancel procurement plans, affecting the continuity of revenue from that customer from one year to the next.

(c) *Transactional nature of shipping agency services.* Shipping agency services are rendered on a per-vessel, per-port-call basis. A vessel owner or operator may use our agency services for a particular port call but may choose a different agent for the next call based on price, relationships at other ports, or operational convenience. There are no long-term exclusivity arrangements, and switching costs are minimal. Additionally, a customer's vessel traffic through the Port of Singapore may vary significantly from year to year depending on trading routes, charter party arrangements, or market conditions, affecting the continuity of revenue from that customer.

(d) *Finite duration of charter contracts.* Our chartering contracts are typically trip-based or time charters. While we may have long-standing relationships with charterers, each charter contract is separately negotiated. A customer that has been chartering from us for years may decide to purchase its own workboat (potentially from us or another boatbuilder), reducing or eliminating its need for chartering services. Conversely, a customer that owns its own fleet may temporarily require additional chartered vessels only during peak periods, creating a fluctuating revenue stream from that customer from year to year.

### Credit policy and payment methods

Given the diversity of our service lines, our credit policy is tailored to reflect the characteristics of our services and the profile of our customers. The following summarises our credit arrangements by service line:

***(i) Boatbuilding services***

For boatbuilding contracts, our customers are typically vessel owners, operators and statutory authorities. Payment terms are contract-specific rather than based on standard credit periods. Progress payments for boatbuilding are usually structured around agreed construction milestones, such as completion of keel laying and commencement of wheelhouse construction. The balance is generally payable before launching of the workboat. In certain cases, instalment payments after delivery may be allowed in accordance with the contract terms. These contractual arrangements form the basis of our credit exposure in this service line.

***(ii) Shipping agency and workboat chartering services***

For shipping agency and workboat chartering services, our customers are primarily vessel operators, charterers, ship management and logistics companies that call at the Port of Singapore. Credit term in this service line is generally 30 days. For customers with limited payment track record or higher perceived credit risks, we may require cash settlement and/or shorter credit periods.

***(iii) Chandelling and sales of machinery and spare parts***

For chandelling and sales of machinery and spare parts customers are primarily shipowners and operators requiring timely replenishment. Settlement for these transactions is generally required to be made on delivery.

### Monitoring and collection

Our finance team monitors outstanding balances and ageing reports on a regular basis. We actively follow up with customers to ensure settlement and may, where appropriate, suspend further services until overdue balances are cleared.

### Payment methods and historical collection record

Across all service lines, customers generally settle payments by telegraphic transfer directly to our designated accounts. During the Track Record Period and up to the Latest Practicable Date, our Group did not encounter material difficulties in collecting payments that caused significant adverse impact on our operations, which our Directors believe, reflect the effectiveness of our credit control policies.

## SUPPLIERS AND PROCUREMENT

### Major suppliers

Our suppliers mainly include (i) marine goods suppliers such as spare parts, (ii) pilotage and towage service providers, (iii) government-linked entities, and (iv) marine gasoil supplier. The cost of sales payable to our Group's five largest suppliers in each year/period during the Track Record Period amounted to approximately S$9.4 million, S$11.2 million, S$10.7 million and S$4.8 million for the respective years and 5M2026, representing approximately 38.4%, 43.5%, 39.2% and 43.7% of our cost of sales for the respective years and 5M2026. The cost of sales payable to our largest supplier in each

year/period during the Track Record Period amounted to approximately S$2.4 million, S$2.6 million, S$2.6 million and S$1.6 million for the respective years and 5M2026, representing approximately 9.8%, 10.2%, 9.7% and 14.2% of our cost of sales for the respective years and 5M2026.

Set out below are details of our five largest suppliers for each year/period of the Track Record Period:

**For FY2023**

| | Supplier | Major type of purchases from the supplier | Credit term *approximate days* | Payment method | Commencement year of business relationship | Total purchase from the supplier *S$'000 approximately* | As a percentage of our total purchase *% approximately* |
|---|---|---|---|---|---|---|---|
| 1 | Supplier A | Supply of marine engines, generators, and spare parts | 90 | by cheque or telegraphic transfer | 2022 | 2,385 | 9.8 |
| 2 | Supplier B *(note 2)* | Pilotage and towage services | 30 | by telegraphic transfer | 2021 | 2,179 | 8.9 |
| 3 | KST Maritime Pte Ltd *(note 3)* | Towage services | 60 | by telegraphic transfer | 2023 | 1,854 | 7.6 |
| 4 | Supplier C *(note 4)* | Port dues | 30 | by telegraphic transfer | 2019 | 1,751 | 7.2 |
| 5 | Victory Petroleum Trading Pte Ltd *(note 5)* | Supply of marine gasoil | 30 | by telegraphic transfer | 2021 | 1,193 | 4.9 |
| | **Total** | | | | | 9,362 | 38.4 |

**For FY2024**

| | Supplier | Major type of purchases from the supplier | Credit term *approximate days* | Payment method | Commencement year of business relationship | Total purchase from the supplier *S$'000 approximately* | As a percentage of our total purchase *% approximately* |
|---|---|---|---|---|---|---|---|
| 1 | Supplier B *(note 2)* | Pilotage and towage services | 30 | by telegraphic transfer | 2021 | 2,630 | 10.2 |
| 2 | KST Maritime Pte Ltd *(note 3)* | Towage services | 60 | by telegraphic transfer | 2023 | 2,345 | 9.1 |
| 3 | Supplier C *(note 4)* | Port dues | 30 | by telegraphic transfer | 2019 | 2,242 | 8.7 |
| 4 | Supplier A | Supply of marine engines, generators, and spare parts | 90 | by cheque or telegraphic transfer | 2022 | 2,075 | 8.1 |
| 5 | Victory Petroleum Trading Pte Ltd *(note 5)* | Supply of marine gasoil | 30 | by telegraphic transfer | 2021 | 1,913 | 7.4 |
| | **Total** | | | | | 11,205 | 43.5 |

## For FY2025

| | Supplier | Major type of purchases from the supplier | Credit term *approximate days* | Payment method | Commencement year of business relationship | Total purchase from the supplier *S$'000 approximately* | As a percentage of our total purchase *% approximately* |
|---|---|---|---|---|---|---|---|
| 1 | Supplier A | Supply of marine engines, generators, and spare parts | 90 | by cheque or telegraphic transfer | 2022 | 2,649 | 9.7 |
| 2 | Supplier B *(note 2)* | Pilotage and towage services | 30 | by telegraphic transfer | 2021 | 2,263 | 8.3 |
| 3 | KST Maritime Pte Ltd *(note 3)* | Towage services | 60 | by telegraphic transfer | 2023 | 2,228 | 8.2 |
| 4 | Supplier C *(note 4)* | Port dues | 30 | by telegraphic transfer | 2019 | 1,859 | 6.8 |
| 5 | Victory Petroleum Trading Pte Ltd *(note 5)* | Supply of marine gasoil | 30 | by telegraphic transfer | 2021 | 1,673 | 6.2 |
| | **Total** | | | | | 10,672 | 39.2 |

## 5M2026

| | Supplier | Major type of purchases from the supplier | Credit term *approximate days* | Payment method | Commencement year of business relationship | Total purchase from the supplier *S$'000 approximately* | As a percentage of our total purchase *% approximately* |
|---|---|---|---|---|---|---|---|
| 1 | Supplier A | Supply of marine engines, generators, and spare parts | 90 | by cheque or telegraphic transfer | 2022 | 1,575 | 14.2 |
| 2 | KST Maritime Pte. Ltd. | Towage services | 60 | by telegraphic transfer | 2023 | 906 | 8.2 |
| 3 | Supplier B | Pilotage and towage services | 30 | by telegraphic transfer | 2021 | 902 | 8.2 |
| 4 | Supplier C | Port dues | 30 | by telegraphic transfer | 2019 | 851 | 7.7 |
| 5 | Victory Petroleum Trading Pte. Ltd. | Supply of marine gasoil | 30 | by telegraphic transfer | 2021 | 600 | 5.4 |
| | **Total** | | | | | 4,834 | 43.7 |

*Notes:*

(1) Figures may not add up due to rounding.

(2) Supplier B is a company ultimately owned by the Singapore Ministry for Finance. Supplier B is principally engaged in marine service including pilotage and towage, with more than 2,000 employees in aggregate.

(3) KST Maritime Pte Ltd is private company in Singapore principally engaged in operating and chartering of tugboats, which owned 26 vessels as at the Latest Practicable Date.

(4) Customer B and Supplier C are the same entity. It is a statutory board under Singapore Ministry of Transport, which takes on multiple roles as Singapore's maritime and port regulator and planner, international maritime centre champion, national maritime representative, and champion of maritime digitalisation and decarbonisation efforts.

(5) Victory Petroleum Trading Pte Ltd is a private company in Singapore principally engaged in ship bunkering business, with a paid up capital of S$2,000,000.

All of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective close associates or any of the Shareholders who owned more than 5% of the issued share capital of our Company as at the Latest Practicable Date had any direct or indirect interest in any of our five largest suppliers in each year/period during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulty in sourcing materials nor have we experienced any shortage or delay in the supply of materials during the same period.

**Selection of suppliers**

We maintain an established process for selecting and approving suppliers to support our operations. Procurement is generally made from suppliers in our approved supplier list, which comprises only those meeting our prescribed standards.

As at the Latest Practicable Date, we had over 450 approved suppliers, providing flexibility and diversified sourcing options. Admission to the approved list is subject to an evaluation process that consider, among others, (i) the supplier's years of experience and operational history; (ii) resources and capabilities; (iii) timeliness of delivery; and (iv) pricing competitiveness. The approved list is reviewed and updated periodically. During the Track Record Period, no supplier was removed from the approved list due to material quality issues. The majority of our suppliers are based in Singapore.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material cost fluctuations, supply shortage or services delay that had a material impact on our business, financial condition or results of operations. Our Directors consider the risk of material supply disruption is low given the availability of alternative suppliers in the market and the nature of the materials and services required for our operations.

*Engines, generators and spare parts procurement*

Our key costs include procurement of engines, generators and spare parts.

Mechanical components, including marine engines, generators and spare parts, generally constitute a key component of our cost of sales for boatbuilding operations. Our expenses for mechanical components amounted to approximately S$3.3 million, S$5.1 million, S$7.6 million and S$3.0 million for FY2023, FY2024, FY2025 and 5M2026, representing approximately 13.6%, 19.7%, 28.0% and 26.9% of our total cost of sales for the respective years and 5M2026. During the Track Record Period, we generally sourced our marine engines and generators from Supplier A pursuant to our distribution agreements, which provide favourable pricing and logistical efficiency for delivery to our Singapore operations. Our payments to Supplier A were mainly made in US dollars during the Track Record Period. Expenses for the mechanical components purchased from Supplier A accounted for approximately S$2.4 million, S$2.1 million, S$2.6 million and S$1.6 million, or approximately 9.8%, 8.1%, 9.7% and 14.2% of our total cost of sales for FY2023, FY2024, FY2025 and 5M2026, respectively.

Supplier A's engines are competitively priced, allowing us to offer cost-effective vessels to our customers. Consequently, Supplier A has been our preferred partner throughout the period, and our strong working relationship remains a key commercial advantage for our boatbuilding business.

Nevertheless, we are not operationally dependent on Supplier A as our sole source of supply. Marine engines and generators are standardized commodities within the industry, and the market offers a range of alternatives. Our procurement team continuously monitors the market and evaluates alternative vendors to preserve sourcing flexibility. According to the JWA Report, there are more than three

suppliers of marine engines and marine generator sets in the PRC pursuant to the CCS approved supplier list. As a boatbuilder, our core competency lies in vessel construction and integration, and we have the capability to source and install engines from different manufacturers should the need arise. The choice of engine is ultimately driven by customer requirements and commercial competitiveness. Accordingly, in the unlikely event that our agreements with Supplier A are terminated or if we face a material disruption in supply, our Directors believe that we would be able to engage alternative suppliers without significant impact on our operations.

Our Directors consider that our relationship with Supplier A is one of mutual strategic cooperation. Supplier A provides us with preferential pricing that enhances the cost competitiveness of our boatbuilding offerings, technical specifications and installation support that reduce our workboat integration time, and after-sales training for our engineering team. In return, our Directors believe that we are one of a limited number of buyers in Singapore capable of purchasing Supplier A's products on a continuous basis, thereby providing Supplier A with stable and consistent sales volumes. To the best of our Directors' knowledge, Supplier A seeks to partner with distributors who can generate significant and consistent sales volumes in key markets, while we benefit from its established product quality, competitive pricing and supply reliability. Our Directors consider this mutually beneficial dynamic commercially justifiable and are committed to maintaining and deepening this long-term partnership. In this context, although we did not meet certain stipulated annual sales targets for marine engines and generators under the distribution agreement during the Track Record Period, Supplier A did not exercise its contractual right to terminate the arrangement.

With respect to engine specifications, the majority of our boatbuilding customers specify performance parameters only, such as power output, fuel efficiency or emissions compliance, without mandating any particular brand, giving us full flexibility to switch to alternative suppliers. Certain customers provide no specification at all, leaving the choice of engine entirely to us. A smaller portion of our boatbuilding customers explicitly require Supplier A by brand, and for these contracts we would need customer consent to substitute an alternative brand.

In the event we were required to switch to alternative engine suppliers, our Directors have estimated the associated one-time re-engineering and switching costs. We would need to modify vessel design drawings, engine mounting configurations, cooling system interfaces, exhaust routing, and control system integration for each vessel type. Our engineering team would require one-time training on installation and maintenance of alternative engines.

Our Directors believe that these one-time costs, while not immaterial, would be manageable and would not have a material adverse effect on our financial condition or operations. Furthermore, there are other PRC-based CCS-approved suppliers whose products are similar to Supplier A in terms of quality and price, and switching to such suppliers would not result in a material cost increase beyond these one-time re-engineering expenses.

During the Track Record Period, Supplier A accounted for approximately 9.8%, 8.1%, 9.7% and 14.2% of our total cost of sales for FY2023, FY2024, FY2025 and 5M2026 respectively, representing S$2.4 million, S$2.1 million, S$2.6 million and S$1.6 million in expenses for marine engines and generators sourced under our distribution agreements. The fluctuation in percentage terms was primarily attributable to changes in our total purchase volume driven by increased boatbuilding activity following the commissioning of our new waterfront facility in January 2024, rather than any change in our relationship with Supplier A.

The salient terms of our agreements with Supplier A are summarised below:

| | Distribution Agreement | After-sales Service Agreement | Spare Parts Agreement |
|---|---|---|---|
| **Term:** | Three years from 1 January 2025 to 31 December 2027 | 1 January 2025 to 31 December 2026, renewable unless any party requests to terminate it prior to the expiry date | 1 January 2026 to 31 December 2026 |
| **Products to be sold (the "Products")/ services to be rendered:** | Marine engines and marine generator sets | After-sales service for Products supplied by Supplier A | Spare parts of engines and generator sets |
| **Territory:** | We are the exclusive distributor of the Products in Singapore, and we are not allowed to sell the Products outside Singapore. | We are an overseas service centre in Singapore and we have the right to sell the engines and parts of Supplier A for service use in Singapore. | We are the dealer of the Products in Singapore and all parts purchased from Supplier A shall be sold within Singapore. |
| **Sales target:** | Supplier A sets annual sales targets for us and if we fail to achieve such target, it may terminate the agreement or our exclusive distribution rights *(Note)*. | Not applicable | Supplier A sets annual sales targets for us and if we fail to achieve such target, it may cancel our dealer authorisation. |
| **Termination:** | Supplier A reserves the rights to terminate the agreement in certain circumstances such as substantial changes in our management team. | Supplier A may terminate the agreement in the event of fraud, serious damage to its interests, image or reputation, or non-compliance with any applicable export control and economic sanctions laws and regulations by us. | Each party may terminate the agreement by an application to the other party 60 days before the expiration date. |

*Note:* During the Track Record Period, we did not meet the annual sales targets set out in our distribution agreement with Supplier A. We have since confirmed with Supplier A that it is aware of these shortfalls and has no objection to the continuation of our distribution agreement on existing terms. Our Directors confirmed that, save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, there was no material breach of our agreements with Supplier A.

*Purchase price and procurement process*

The purchase price of raw materials and consumables is one of the important factors in determining pricing of our workboats and related services. Once the production schedule is finalised, our procurement staff checks existing inventory levels and places purchase orders with approved suppliers to address any shortfalls. Upon delivery, our quality control team inspects incoming raw materials and consumables before they are categorised and stored at our waterfront facility.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not encountered any quality issues, significant delays or shortages in respect of the raw materials we use for production, which would otherwise adversely affect our manufacturing process.

**Geopolitical tensions**

Armed conflict in the Middle East commenced in February 2026, which has resulted in the effective closure of the Strait of Hormuz and the Red Sea, a critical waterway for global energy and commodity trade respectively. In response, shipping lines have diverted vessels around the Cape of Good Hope, with many calling at the Port of Singapore for refuelling, supplies and temporary container staging.

For our chartering operations, fuel price fluctuations impact only our trip-based charter business, where fuel costs are borne by us. In contrast, for our time charters, fuel costs are borne by the customers. In response to rising fuel costs, we have implemented mitigation measures. Riding on the industry-wide notice issued by the Singapore Association of Ship Suppliers and Services (SASS), our Group implemented the first "Temporary US & Iran Tension Surcharge (TUIT)" in early March 2026. This surcharge is designed to mitigate the increase in bunker prices and will be adjusted or removed depending on market conditions. The surcharge applies to our trip-based chartering services where fuel costs are borne by us, helping to offset the impact of fuel price volatility on our operating margins.

Despite the ongoing geopolitical tensions in the Middle East as at the Latest Practicable Date, including the closure of the Strait of Hormuz, we do not currently expect a material adverse impact on our chartering operations. We continue to monitor global developments closely and will adjust our operational strategies, including the use of biodiesel instead of marine fuel oil in our chartering operations, as appropriate to mitigate any potential disruptions.

**Trade policy considerations**

The majority of our aluminium suppliers are based in the PRC, and there are no tariff policies imposed between the PRC and Singapore under the ASEAN-China Free Trade Area (ACFTA), which has been in effect since 2010. Accordingly, US tariffs on aluminium imports do not directly affect our procurement costs, and we do not expect them to have a material impact on our boatbuilding operations or financial performance.

For our boatbuilding operations, aluminium is a key raw material. We employ several measures to further mitigate any potential exposure. Our relatively short production cycle of approximately two months per workboat limits the period of exposure to price volatility between raw material procurement and final pricing. In addition, we maintain existing warehouse capacity that allows us to procure and stockpile raw materials when prices are relatively lower. We also maintain close relationships with our approved suppliers, which enables us to secure favourable pricing and timely delivery. As at the Latest Practicable Date, we have not experienced any material supply disruptions or quality issues in respect of aluminium procurement.

## INVENTORY MANAGEMENT

We monitor inventory levels to balance cost efficiency, quality control and timely fulfillment. Our objective is to maintain sufficient inventory to meet customer demand while managing our working capital prudently. As at 31 December 2023, 2024, 2025 and 31 May 2026, our inventories amounted to approximately S$1.2 million, S$1.4 million, S$1.2 million and S$1.1 million, respectively, representing approximately 8.2%, 9.5%, 7.8% and 7.5% of our total current assets for the respective years.

We monitor inventory levels through periodic physical stock counts and track inventory against established minimum and maximum thresholds for key raw materials and components. This information is reviewed by senior management to support procurement planning and ensure that stock levels and funding remain aligned with operational needs and customer orders.

We regard inventory turnover as an important indicator of working capital efficiency. Our finance team reviews inventory turnover ratios periodically as part of our internal financial monitoring process. During the Track Record Period, our inventory turnover days were 13.9, 18.2, 17.7 and 16.3 days, respectively. This monitoring supports procurement planning, production scheduling and help us manage customer delivery timelines, optimise cash flow and reduce the risk of excessive inventory build-up.

Our Directors believe that our inventory management practices, supported by ongoing monitoring and established control procedures, are appropriate for a company of our scale and consistent with industry practice.

**Inventory risks**

Despite our inventory monitoring procedures, our operations remain subject to certain inventory-related risks:

- *Price volatility of raw materials:* Aluminium, our important raw material, is subject to market price fluctuations, which may affect our cost of sales and margins. While bulk purchasing may mitigate short-term volatility, we cannot fully eliminate exposure to material price volatility.

- *Obsolescence and slow-moving stock:* Certain mechanical components and spare parts may become obsolete or slow-moving due to technological changes in specifications or shifting customer preferences. We manage this risk by aligning procurement closely with customer orders and workboat production schedules. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material obsolescence or write-downs of our inventory.

- *Storage and quality risks:* Inventory stored at our waterfront facility may be exposed to risks of damage, deterioration or loss. We manage these risks through appropriate storage conditions, handling procedures and quality control measures under our quality management system.

## OVERLAP OF CUSTOMER AND SUPPLIER

We may, from time to time, have overlapping suppliers and customers. According to the JWA Report, such overlap may arise in the ordinary course of business given a company's integrated operations across multiple business verticals and the inter-connected nature of the maritime supply chain, where it is fairly commonplace to procure services from one another whilst simultaneously supplying goods or services in return. Such reciprocal and mutually beneficial arrangements are common, in accordance with prevailing established market practice.

For FY2023, FY2024, FY2025 and 5M2026, we had 22, 26, 24 and 11 overlapping customers/suppliers (i.e. those who were both our customers and suppliers during the Track Record Period). For FY2023, FY2024, FY2025 and 5M2026, the aggregated revenue generated from such overlapping customers/suppliers were approximately S$3.2 million, S$4.1 million, S$6.3 million and S$2.1 million, respectively, accounting for approximately 9.1%, 10.0%, 13.6% and 10.4%, respectively, of our total revenue for the same years/period.

For FY2023, FY2024, FY2025 and 5M2026, the aggregated purchases from such overlapping customers/suppliers were approximately S$5.1 million, S$5.7 million, S$4.9 million and S$1.9 million, respectively, accounting for approximately 21.1%, 22.0%, 18.1% and 19.9%, respectively, of our total purchases for the same years/period.

During the Track Record Period, the services we provided to these overlapping customers and suppliers primarily included boatbuilding and workboat chartering services, while these overlapping customers and suppliers mainly provided services such as pilotage and towage services to us.

**Five largest customers and suppliers who had also been our overlapping customers/suppliers**

During the Track Record Period, some of our five largest customers and suppliers had also been our overlapping customers/suppliers. The following tables set forth the five largest customers and suppliers who had also been our overlapping customers/suppliers, for the years/period indicated:

**Five largest customers who were also our suppliers during the Track Record Period**

| Five largest customers | Revenue generated *(S$'000)* | % of revenue generated *(%)* | Primary services/ product sold/provided by our Group | Purchasing amount *(S$'000)* | % of purchasing amount *(%)* | Primary services/ products purchased/provided to our Group |
|---|---|---|---|---|---|---|
| ***FY2023*** | | | | | | |
| Customer B *(Note 1)* | 1,096 | 3.1 | Workboat chartering services | 1,751 | 7.2 | Port dues |
| ***FY2024*** | | | | | | |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ***FY2025*** | | | | | | |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ***5M2026*** | | | | | | |
| Oceancrest Pte. Ltd. | 1,158 | 6.0 | Boatbuilding services and crew manning services | 137 | 1.2 | Transportation |

**Five largest suppliers who were also our customers during the Track Record Period**

| Five largest suppliers | Revenue generated *(S$'000)* | % of revenue generated *(%)* | Primary services/ product sold/provided by our Group | Purchasing amount *(S$'000)* | % of purchasing amount *(%)* | Primary services/ products purchased/provided to our Group |
|---|---|---|---|---|---|---|
| ***FY2023*** | | | | | | |
| Supplier B *(Note 2)* | 391 | 1.1 | Boatbuilding and workboat chartering services | 2,179 | 8.9 | Pilotage and towage services |
| Supplier C *(Note 1)* | 1,096 | 3.1 | Workboat chartering services | 1,751 | 7.2 | Port dues |
| ***FY2024*** | | | | | | |
| Supplier B *(Note 2)* | 655 | 1.6 | Boatbuilding and workboat chartering services | 2,630 | 10.2 | Pilotage and towage services |
| Supplier C *(Note 1)* | 792 | 1.9 | Workboat chartering services | 2,242 | 8.7 | Port dues |
| ***FY2025*** | | | | | | |
| Supplier B *(Note 2)* | 1,132 | 2.4 | Marine construction services, workboat chartering services | 2,263 | 8.3 | Pilotage and towage services |
| Supplier C *(Note 1)* | 756 | 1.6 | Workboat chartering services | 1,859 | 6.8 | Port dues |
| ***5M2026*** | | | | | | |
| Supplier B *(Note 2)* | 317 | 1.6 | Marine construction services, workboat chartering services | 902 | 8.2 | Pilotage and towage services |
| Supplier C *(Note 1)* | 355 | 1.8 | Workboat chartering services | 851 | 7.7 | Port dues |

*Notes:*

1. Customer B and Supplier C are the same entity. It is a statutory board under Singapore Ministry of Transport, which takes on multiple roles as Singapore's maritime and port regulator and planner, international maritime centre champion, national maritime representative, and champion of maritime digitalisation and decarbonisation efforts. During the Track Record Period, our fees paid to Customer B/Supplier C mainly consisted of port dues charged to ocean-going vessels calling to Singapore, and Customer B/Supplier C mainly procured time charter services from us, including for vessels used for sea survey.

2. Supplier B is a company ultimately owned by the Singapore Ministry for Finance. Supplier B is principally engaged in marine service including pilotage and towage. During the Track Record Period, Supplier B mainly provided pilotage and towage services which we mainly arranged for our shipping agency customers, and we mainly provided boatbuilding and workboat chartering services to Supplier B.

As confirmed by our Directors, (i) the terms of our sales to and purchases from the overlapping customers/suppliers were negotiated independently on a transaction-by-transaction basis and were neither inter-dependent nor conditional upon one another; and (ii) the major terms of transactions with these overlapping customers/suppliers were comparable to those offered to or obtained from other customers and suppliers and were in line with normal commercial terms.

## SALES AND MARKETING

During the Track Record Period, business opportunities and marketing efforts of our respective service lines are as follows:

- *Boatbuilding services* — Projects are generally secured through public tenders or direct invitations. Our marketing efforts focus on showcasing our technical capabilities, quality control, experience in building aluminium workboats, and ability to deliver customised solutions.

- *Shipping agency and workboat chartering services* — Business is mainly driven by repeat engagements, referrals and our reputation. Marketing efforts focus on providing responsive customer service, competitive pricing, and operational coordination of port calls. Our agency staff maintain regular contact with customers and relevant vessel representatives to support recurring assignments.

- *Chandelling and sales of machinery and spare parts* — Marketing and sales are driven primarily by our long-standing relationships with shipowners and operators. For our authorised distribution of Supplier A's engines, generators and spare parts, we conduct technical presentations, engage shipyards and repair contractors, and provide after-sales support to our customers promote product reliability and authenticity. These efforts are aimed at securing recurring orders and expanding our customer base within the regional maritime services market.

We also generate leads through word-of-mouth referrals, industry reputation, operational reliability, and participation in exhibitions, where we promote both our workboats offerings and our service capabilities.

During the Track Record Period, our major marketing initiatives included:

- *Industry exhibitions* — Participation in exhibitions, conventions, forums and large-scale events in the maritime services and shipping industries in Singapore and the PRC to enhance our brand visibility and engage potential customers and suppliers.

- *Marketing and online promotion* — Publication of marketing and publicity materials such as articles on online platforms, media outlets and industry newsletters from time to time, as well as maintaining a presence on professional networking and social media platforms such as LinkedIn to share updates and industry participation. Our Directors consider these activities to be an effective means of keeping industry participants informed of our developments, attracting the attention of potential customers, and reinforcing our brand profile.

Our sales and marketing activities are conducted primarily by our in-house team, which works closely with operational staff and management to understand customer requirements, prepare proposals and quotations, and follow up on enquiries. We generally do not rely on external distributors or sales agents, except in cases where events are organised by third-party organisers.

## SEASONALITY

Our Group's business operations are not subject to significant seasonal fluctuations. There is perennial demand for workboat construction services and the delivery of workboat chartering services, which remain in demand regardless of the time of year. As a major international maritime hub with a port that operates on a round-the-clock basis, Singapore generates consistent activity for our shipping agency business, as vessels continuously arrive and depart. Accordingly, we do not experience material seasonality across our integrated portfolio of maritime services.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE MEASURES

We are committed to embedding ESG principles into our strategy and operations, supporting the global maritime transition towards sustainability, in line with the IMO's Revised Greenhouse Gas ("**GHG**") Strategy and Singapore's Maritime Decarbonization Blueprint 2050. Our focus includes the design and deployment of biodiesel-ready and potentially electrification-compatible workboats, as well as workforce localisation and skills development in Singapore.

### Governance

Strong governance underpins our ESG framework. We have established a clear governance structure to oversee and implement its ESG strategy, with defined roles at both the Board and management levels.

*Board Oversight*

The Board sets our ESG direction and oversees ESG-related risks and opportunities, including climate-related matters. ESG considerations are integrated into our risk management and strategic planning processes. The Board monitors key priorities such as green workboat deployment, decarbonisation initiatives, workforce development and resource efficiency, and ensures appropriate policies, internal controls and reporting frameworks are in place. Directors receive relevant training to stay abreast of evolving ESG and disclosure requirements, particularly given our commitment to align with the Appendix C2 to the Listing Rules and international frameworks such as IFRS S1 and S2.

*Management Oversight*

Our management is responsible for implementing the ESG strategy approved by the Board. A Sustainability Task Force, led by Mr. Lee Meng Joo Ken, our Chief Operating Officer and comprising management and operational representatives, oversees day-to-day ESG initiatives.

The Task Force identifies and assesses ESG risks and opportunities, executes sustainability initiatives (including workboat design improvements, fuel transition strategies and workforce development), monitors compliance matters and oversees data collection and internal reviews to support sustainability reporting. The Task Force reports regularly to the Board on ESG performance, climate-related targets and relevant regulatory or market developments, and supports the preparation of our annual sustainability disclosures following **[REDACTED]**.

*Internal Controls and ESG Integration*

We continue to strengthen internal processes to enhance ESG integration across departments. ESG-related internal controls are aligned with our broader compliance and audit frameworks, with ongoing improvements in data collection, internal reviews, and future assurance options are being explored to enhance the credibility of ESG disclosures.

### Strategy, and Metrics and Targets

Our ESG strategy focuses on the environmental and social issues most material to our operations and stakeholders. These priorities guide the setting of measurable targets and performance indicators to track progress and drive continuous improvement. Through this structured approach, we aim to support sustainable operations, enhance stakeholder confidence and promote long-term value creation.

## Environmental Protection

*Climate Change and GHG Management*

In accordance with the "*Guidance on Climate Disclosures*" and "*the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework*" published by the Stock Exchange, we systematically identify and assess the impact of climate change on our business and take steps to address these risks and opportunities.

*Climate Related Risks*

We recognise that the maritime services sector is transitioning towards decarbonization, amid evolving regulatory standards, technological innovation, and stakeholder expectations. Our operations may be exposed to potential physical and transition risks, including:

| Risk Type | Description | Mitigation Measures |
|---|---|---|
| Acute physical Risk | Increased frequency and intensity of storms and squalls affect vessel safety and operating schedules. | Regular weather monitoring through real-time weather apps, MET services, and port advisories to adjust sailing plans. |
| | Heavy rainfall and flash floods may affect berthing locations, shipyard access, and logistics. | Established operation guidelines for vessel operation during high winds, thunderstorms, or poor visibility. |
| | High wind events during monsoon seasons affect underway operations and mooring stability. | Schedule maintenance or slowdowns during peak monsoon periods and enhance vessel features to withstand strong waves, currents, as well as robust bilge and drainage systems capable of managing heavier rainfall. Mooring lines, fenders, and berthing facilities are also periodically inspected to ensure resilience against severe weather events. |
| Chronic physical Risk | Higher average temperatures lead to equipment degradation (e.g., engine cooling systems, electronics) and to crew heat stress. | Installation of ventilation and air-conditioning systems to cope with rising ambient temperatures and to safeguard engines and electronic components from heat-related stress. |
| | | Rotating shifts (if required), hydration requirements, and limiting outdoor work during peak temperatures. |
| | Changing monsoon patterns create unpredictable sea states and uncertainty in planning. | Monitoring of government climate policies and coastal protection initiatives (e.g., Singapore's coastal protection masterplan). |
| | | Progressively renew our fleet under our fleet renewal policy to maintain asset resilience and operational reliability. |

| Risk Type | Description | Mitigation Measures |
|---|---|---|
| Regulatory Risk | Stricter emissions and energy-efficiency requirements, such as those under the IMO GHG Strategy and Singapore's Maritime Decarbonization Blueprint 2050, may increase compliance costs or restrict the deployment of non-compliant vessels. | We are developing biodiesel-ready workboats, engaging regulators and research partners, and progressively enhanced our climate-related disclosures in line with international standards. |
| Technology Risk | A delay in adopting viable low or zero-emission technologies may impair our Group's competitiveness, especially as customers and partners increasingly seek environmentally advanced maritime solutions. | We monitor technological developments and asset fleet upgrades to remain aligned with market expectations. |
| Reputation Risk | Growing stakeholder expectations for climate action may pose reputational risks if our Group is perceived as lacking a credible sustainability strategy or as failing to respond promptly to climate-related issues. | We seek to address this through transparent disclosure, measurable targets and ongoing sustainability initiatives. |

*Climate Related Opportunities*

We recognise that transitioning to a low-carbon maritime sector presents meaningful opportunities for innovation, market growth, and stakeholder engagement. Key climate-related opportunities include:

| Opportunity Type | Description | Strategies |
|---|---|---|
| Growing Demand for Low-Emission Harbour Craft | Regulatory developments and industry decarbonization initiatives are driving demand for low and zero-emission vessels. Our Group is well-positioned to capture this demand by developing and commercially deploying biodiesel-ready workboats aligned with IMO and MPA targets. | By proactively aligning our strategy with the global maritime decarbonization agenda, we intend to allocate resources for ESG initiatives, including research and development. These investments will focus on green vessels with net-zero emissions, and green-vessel trials. Through these efforts, we aim to strengthen our market position, advance the low-carbon transition, and create long-term value for our stakeholders. |
| Strategic Expansion to Sustainable Marine Logistics | Customers are seeking lower-carbon logistics solutions to decarbonize their supply chains. We intend to expand our sustainable support and transport vessel portfolio to meet this growing demand for green marine logistics services. | |
| Enhanced Stakeholder Confidence and Investor Appeal | Customers, financiers, and regulators increasingly value strong ESG performance and climate transparency. By strengthening our sustainability disclosures, setting measurable emissions targets, and aligning with recognized reporting frameworks, we aim to enhance our access to green capital, improve stakeholder trust, and support long-term value creation. | |

The following topics have been identified as our material environmental topics, reflecting the environmental aspects that are most relevant to its operations and stakeholders.

*Energy Management*

Energy consumption primarily arises from our workboat operations, boatbuilding processes, and facility use. We have implemented various energy-efficiency initiatives, including installing solar photovoltaic systems across our fabrication yard, workshops, and floating barges in our waterfront facility. As part of our transition strategy, we also electrify portions of our land fleet and support equipment. Energy consumption will be monitored regularly, and further investments in renewable and low-carbon energy infrastructure are planned.

*Greenhouse Gas Emissions Management*

We are actively working to decarbonize our fleet by developing and deploying next-generation harbour craft compatible with B20 and B100 biodiesel. Our emission control strategies also ensure compliance with IMO Tier II standards, MARPOL Annex VI, and local maritime emission regulations. During the Track Record Period, our Group had not commenced the tracking of our Scope 3 greenhouse gas emissions. Our Group intends to establish appropriate systems and methodologies to commence the tracking in Quarter 4 of 2026 and disclosure of the relevant Scope 3 emissions for FY2027.

*Water Conservation*

Rainwater harvesting systems are installed to support non-potable uses such as cleaning and irrigation. Water-saving fixtures are used across facilities, and further initiatives will be explored as part of our environmental management plan.

*Waste Management*

We adopt a structured waste segregation and disposal system across our waterfront facility operations. Waste streams, including scrap metal and aluminium, are collected separately and processed in accordance with regulatory standards, supporting circularity in construction processes.

The following table presents our environmental-related indicators for FY2023, FY2024 and FY2025.

| **Descriptions** | *Unit* | **FY2023** | **FY2024** | **FY2025** |
|---|---|---|---|---|
| **Energy** | | | | |
| Total Purchase Electricity Consumption (within our Group) | *kWh* | 180,072 | 176,892 | 273,875 |
| Total Renewable Energy Consumption (within our Group) | *kWh* | 243,655 | 296,725 | 373,895 |
| Total Fuel Consumption | *GJ* | 123,894 | 196,913 | 187,995 |
| Total Energy Consumption Intensity | *GJ/S$ $1 Million Revenue* | 3,550 | 4,813 | 4,050 |
| **Greenhouse Gas Emissions** | | | | |
| Scope 1 Emissions (Emissions from sources owned or controlled by our Group)[1] | *$tCO_2e$* | 9,099 | 14,514 | 13,805 |
| Scope 2 Emissions (Emissions generation of purchased electricity consumed by our Group) | *tCO2e* | 74 | 71 | 110 |
| Total Emissions Intensity | *$tCO_2e$/S$ $1 Million Revenue* | 263 | 357 | 300 |
| **Water** | | | | |
| Total Water Consumption | *$m^3$* | 5,182 | 7,870 | 6,275 |
| Total Water Intensity | *$m^3$/S$ $1 Million Revenue* | 148 | 192 | 135 |
| **Waste** | | | | |
| Total Recyclable Waste | *kg* | —[2] | 50,325 | 64,978 |
| Total Recyclable Waste Intensity | *kg/S$ $1 Million Revenue* | — | 1,230 | 1,400 |

We have compared our resource intensity for energy consumption, greenhouse gas emissions, water consumption and recyclable waste with those of our industry peers and noted that they are significantly lower than the average of the disclosed data. Based on publicly available information, the average

resource intensity of industry peers for energy consumption, greenhouse gas emissions, water consumption, and recyclable waste are approximately 42.7 million GJ per million revenue, 4.9 million $tCO_2e$ per million revenue, 24.8 $m^3$ per million revenue, and 26,400 kg per million revenue, respectively.

With reference to the data of the industry peers and our own operating conditions, our environmental targets are as follows:

- To reduce our electrical consumption intensity by 1% to 2%, by 2030, as measured by GJ per million revenue.
- To reduce our fuel consumption intensity by 1% to 2%, by 2030, as measured by GJ per million revenue.
- To reduce our greenhouse gas emissions intensity by 1% to 2%, by 2030, as measured by $tCO_2e$ per million revenue.
- To reduce our water intensity by 1% to 2%, by 2030, as measured by $m^3$ per million revenue.
- To increase our recyclable waste intensity by 1% to 2%, by 2030, as measured by kg per million revenue.

**Social Responsibility**

***Workforce Management***

We recognise our employees as key to our long-term success and are committed to fair, diverse, and inclusive employment practices. As of 31 May 2026, we employed 227 employees, with approximately 15.4% female and 84.6% male. We respect diversity across gender, age and cultural backgrounds, and promote an inclusive work environment that supports employee development and growth.

We support workforce reintegration and talent development initiatives, including hiring ex-offenders through the Yellow Ribbon Project and partnering with local institutions to offer maritime internships and career pathways. Equal opportunity hiring, competitive remuneration, and fair labour practices will also be applied across all subsidiaries.

The information about our workforce and turnover rate by different categories are set out in the table below:

| **Workforce indicators** | | **FY2023** | | **FY2024** | | **FY2025** | | **5M2026** | |
|---|---|---|---|---|---|---|---|---|---|
| | | *Number of employees* | *Approximate % of total number of employees* | *Number of employees* | *Approximate % of total number of employees* | *Number of employees* | *Approximate % of total number of employees* | *Number of employees* | *Approximate % of total number of employees* |
| By gender | Male | 147 | 84.5 | 160 | 85.1 | 188 | 85.5 | 192 | 84.6 |
| | Female | 27 | 15.5 | 28 | 14.9 | 32 | 14.5 | 35 | 15.4 |
| By age group | Below 30 years old | 32 | 18.4 | 46 | 24.5 | 48 | 21.8 | 47 | 20.7 |
| | 30 to 50 years old | 110 | 63.2 | 108 | 57.4 | 133 | 60.5 | 137 | 60.4 |
| | Over 50 years old | 32 | 18.4 | 34 | 18.1 | 39 | 17.7 | 43 | 18.9 |

*Community Impact*

We are committed to contributing positively to the community through corporate giving and inclusive employment initiatives. In times of need, we have supported humanitarian causes through donations. Going forward, we intend to deepen community engagement through local partnerships and skills-based volunteering initiatives.

***Occupational Health and Safety***

Ensuring the health and safety of our employees and contractors, including their on-site personnel, is a top priority for us. We adhere to strict workplace safety protocols in line with ISO 9001:2015, BizSafe Level 3 certification, and applicable maritime regulations. Regular safety drills, inspections, and incident response planning are conducted across our waterfront facility and workboat operations. Safety performance is monitored and reported to senior management and the Board.

*Safety monitoring and training*

We have also reinforced our safety monitoring regime. Workplace Safety and Health ("**WSH**") personnel conduct daily safety inspections to ensure compliance with the Workplace Safety and Health Act, with any unsafe activities immediately rectified. Foremen inspect worksites before and during operations to maintain safe working conditions, while the WSH Committee conducts formal monthly inspections with findings reported to management to support continuous improvement of our safety management system. These measures were further enhanced following certain workplace safety incidents during the Track Record Period. For further details of these incidents, please refer to the paragraphs headed "Business — Occupational Health and Safety — Workplace safety records and remedial measures" in this document below.

We place strong emphasis on training and competency management to ensure that all personnel are suitably qualified, trained, and medically fit to perform their duties safely. Employees undergo safety orientation before commencing to work, covering workplace hazards, past incidents or near misses, and applicable safety procedures. Employees assigned to operate industrial equipment or perform safety-critical tasks must complete the required formal training, including courses recognized by MOM, before deployment. Training and competency records are maintained to support compliance and oversight.

We reinforce a strong safety culture through regular safety meetings, including Vessel Safety Co-ordination Committee, Workplace Safety and Health Committee and toolbox meetings, to facilitate communication between management, employees and contractors. Safety briefings and awareness initiatives are also conducted to promote safe work practices. Appropriate safety equipment is maintained onboard vessels and at worksites, and personnel are provided with suitable personal protective equipment (PPE) and trained in its proper use, in compliance with statutory and port authority requirements.

*Safety awareness campaigns*

We annually hold group-wide safety campaigns to reinforce the importance of safe work practices. In November 2025, we launched our inaugural Finger and Hand Safety Campaign under the theme "Never put yourself and others at risk" serving as a strong reminder that safety begins with awareness and personal responsibility. This event featured safety talks, practical demonstrations, and workshops focused on personal responsibility, proper procedure adherence, and accident prevention. In July 2026, we supported Jurong Port and SASS Singapore in hosting the inaugural Safety Campaign Kick-Off Briefing Ceremony, which featured safety presentations, and an official unveiling ceremony, bringing together industry stakeholders to reaffirm their commitment to maritime safety in Singapore.

*Workplace safety records and remedial measures*

| **Descriptions** | *Unit* | **FY2023** | **FY2024** | **FY2025** | **5M2026** |
|---|---|---|---|---|---|
| **Workplace Safety and Health Compliance** | | | | | |
| No. of cases in which fines were incurred | *No.* | — | 1 | — | — |
| The total value of the monetary fine occurred | *S$* | — | 2,000 | — | — |

We incurred a composition fine of S$2,000 in December 2024 pursuant to Section 11(a) of the Workplace Safety and Health Act. The penalty arose from a lapse in implementing reasonably practicable measures to ensure a safe and risk-free workplace. Specifically, access to forklift ignition keys was not adequately controlled, resulting in the possibility of untrained personnel operating the forklifts and thereby posing a risk to individuals within the premises.

Following the incident, we had implemented corrective and preventive measures, including strengthening access controls, tightening supervision procedures, and reinforcing employee training on equipment handling. We remain committed to maintaining a safe working environment and will continue to enhance our safety management practices to prevent recurrence.

Following the Track Record Period, Prestige Ocean was fined S$140,000 on 24 September 2026 in connection with the workplace incident on 30 July 2023. The fine was paid in full. Details of the workplace safety incident and the remedial measures are set out below, while the related proceedings are described under "Business — Litigation and compliance — Workplace Safety and Health Proceedings related to the July 2023 Incident".

The following table sets forth our social-related indicators during the Track Record Period.

| **Descriptions** | *Unit* | **FY2023** | **FY2024** | **FY2025** | **5M2026** |
|---|---|---|---|---|---|
| **Workforce Management** | | | | | |
| Employee Hiring Rate[1] | % | 52 | 27 | 42 | 13 |
| Employee Turnover Rate[2] | % | 26 | 20 | 25 | 10 |
| **Occupational Health and Safety** | | | | | |
| Recordable Injuries | *No.* | 1 | 4 | 5 | 1 |
| Compensation to the employee by the insurance company | *S$* | 144,513 | 30,952 | — | — |
| No. of lost days | *No.* | 150 | 64 | 69 | 14 |

[1] The hiring rate is calculated using the total number of new hires during the year divided by average headcount of the staff during the entire year.

[2] The turnover rate is calculated using the total number of resigned employees during the year divided by average headcount of the staff during the entire year.

During the Track Record Period, we recorded several workplace safety incidents involving employees and contractors during operational hours. Details of the major workplace incidents of our Group during the Track Record Period are set out below:

**Workplace incident on 30 July 2023 (the "July 2023 Incident")**

On 30 July 2023, a crew member was injured during preparations to cast off from a bunker barge. While handling a mooring rope, he attempted to clear slack that had become caught on the workboat. The rope was drawn into the propeller and became entangled around his ankle, resulting in an injury requiring a right below-knee amputation. The operation was carried out on our workboat under our operational supervision. Compensation of approximately S$144,513 was paid to the injured crew member.

Following the incident, MOM brought a workplace safety charge against Prestige Ocean. The agreed statement of facts admitted in court (the "**Statement of Facts**") identified deficiencies in the assessment and control of specific mooring hazards, procedures for responding to rope entanglement, and crew briefings and verification of their understanding of the applicable procedures. Prestige Ocean accepted responsibility for these deficiencies, cooperated with MOM's investigation and pleaded guilty on 24 September 2026. The court imposed a fine of S$140,000, which Prestige Ocean paid in full.

Mr. Lim CP accepted MOM's offer to resolve the specified offence by payment of a composition sum of S$5,000 on 25 September 2026. On 1 October 2026, the court granted him a discharge amounting to an acquittal, without a conviction. Further details of the proceedings and their implications are set out under "Business — Litigation and compliance — Workplace Safety and Health Proceedings related to the July 2023 Incident".

**Remedial measures and continuing oversight**

Following the incident, we reviewed and enhanced our safety procedures and training arrangements to address the identified deficiencies. The principal measures included:

(a) revising the mooring and unmooring risk assessment ("**RA**") and safe work procedure ("**SWP**") to address fouled ropes, propeller entanglement, line-of-fire and snapback hazards, strong-current conditions and emergency stop requirements;

(b) reinforcing controls over rope selection and handling, including rope type, length and diameter, to reduce excessive slack and the risk of propeller entanglement;

(c) providing refresher training and practical briefings for Masters, Engineers and able-bodied seamen on safe mooring and unmooring, communication signals, line-of-fire awareness and handling trapped ropes; and

(d) strengthening safety induction, task-specific briefings and training verification, supported by measures to help crew members understand the applicable requirements.

Refresher training was conducted on 5 August 2023, with attendance recorded. Since January 2024, safety induction has been mandatory for new workers deployed on high-risk activities. For those foreign workers we hire from Burma, our training arrangements include a Burmese translation of the HSE Induction Training Manual, a Burmese voiceover in the Safety Induction Training Manual and the physical presence of a translator at training sessions. Relevant workers also attend courses conducted by MOM-approved training providers, which incorporate competency assessments.

Our management reporting arrangements provide for investigation reports to be reviewed and signed off by the Chief Operating Officer and separately brought to the Chief Executive Officer's attention. Monthly HSE performance and relevant inspection findings are also communicated to senior management to support review and follow-up.

**Workplace incident on 23 March 2024**

On 23 March 2024, a worker sustained injuries to his right hand while polishing a rotating shaft with sandpaper on a workshop lathe at our waterfront facility. His little and ring fingers became trapped between the sandpaper and the shaft, resulting in bruises. The work was carried out under our operational supervision. Compensation of S$13,830 was paid to the worker.

The incident investigation identified the absence of a dedicated safe work procedure for shaft polishing and insufficient training and supervision on safe lathe operation. Following the incident, we reinforced safety briefings on rotating machinery and shaft cleaning and polishing, strengthened supervision of polishing and maintenance activities, and reviewed the relevant risk assessment and safe work procedures. A toolbox briefing was conducted on 26 March 2024 for the Engineer involved, with attendance sign-off recorded. We subsequently established SWP-18 (Operation of Workshop Lathe Machine), covering machine operation, shaft polishing, cleaning and maintenance.

The IC Consultant reviewed the identified causes and corresponding corrective actions, verified that the agreed measures had been implemented and considered the remediation adequate. Further details of its review are set out under ''Independent review of workplace safety controls'' below.

***Settlement of compensation and remedial measures***

We reported the incidents described above to the MOM in accordance with regulatory requirements.

As at the Latest Practicable Date, all compensation obligations arising from these incidents were fully settled. The majority of the compensation was paid by our insurer under the relevant insurance policy, and thus there was no material financial impact on our Group.

In addition to the incident-specific measures described above, we strengthened our safety management measures by:

- Enhancing our risk assessment framework to identify hazards associated with specific activities and the corresponding control measures, with particular focus on the activities that led to the incidents.

- Revising our daily inspection checklists to include task-specific hazards identified from the incidents to ensure that similar risks are identified and timely addressed before work commences.

- Introducing mandatory additional safety briefings before employees undertake the relevant high-risk activities.

Our Directors have reviewed the enhanced safety management measures described above and have considered the following factors in forming their view: (i) since the implementation of these enhanced measures, there have been no further workplace safety incidents of a similar nature; (ii) regular safety audits conducted by our internal WSH Committee have consistently reported improved compliance with safety protocols; (iii) the enhanced measures are aligned with MOM's recommended practices for workplace safety in the marine industry; and (iv) our Group has not received any notice of non-compliance from MOM following the implementation of these measures.

Based on the foregoing, our Directors are of the view that the enhanced internal control measures are effective and adequate in preventing recurrence of similar workplace safety incidents.

Our social targets are as follows:

- To reduce turnover rate below 10%
- To achieve zero recordable injuries

**Independent review of workplace safety controls**

We also engaged Ascentium Business Advisory Pte. Ltd. (formerly known as In.Corp Business Advisory Pte. Ltd.) (the "**IC Consultant**") to review our Group's Health, Safety and Environment ("**HSE**") internal controls, particularly its workplace safety and health ("**WSH**") procedures. The review covered safety governance, risk assessments ("**RAs**") and safe work procedures ("**SWPs**"), incident management, training and management reporting, through document examination, interviews with responsible personnel and selected testing of supporting records.

The IC Consultant considered the enhanced mooring and unmooring RA and SWP adequate to address the relevant risks, including those arising from the July 2023 Incident. These procedures address line-of-fire and snapback hazards, fouled ropes, propeller entanglement, strong-current conditions and emergency stop requirements, and prescribe a defined mooring and unmooring sequence. Having verified the updated procedures, training certifications and attendance records, the IC Consultant assessed the related procedures and training arrangements as fully implemented and considered the remediation relating to the July 2023 Incident closed.

The IC Consultant also considered the safety documentation and training verification arrangements satisfactory. These include mandatory induction for new workers deployed on high-risk activities, Burmese-language training materials and voiceover, and a translator present at training sessions. Relevant courses conducted by MOM-approved training providers incorporate competency assessments, supporting verification of workers' knowledge beyond attendance alone. The certifications of the workers sampled remained valid as at 24 September 2026.

In relation to management oversight, the IC Consultant verified that investigation reports were reviewed and signed off by the Chief Operating Officer and separately brought to the Chief Executive Officer's attention. It also verified that monthly HSE performance and relevant inspection findings were communicated to senior management, including the Chief Executive Officer, supporting management review and follow-up of safety matters.

The IC Consultant's review included detailed testing of four incidents selected from ten recorded during the Track Record Period with the remaining six incidents were not selected as they were relatively minor in terms of injury outcome and not involved mooring or rope-handling operations. These comprised the July 2023 Incident, a workshop lathe incident in March 2024, a mooring-rope handling injury in December 2025 and a cargo-transfer incident in January 2026. The IC Consultant verified implementation of the agreed corrective actions for all four sampled incidents and considered their remediation adequate. These actions included a dedicated SWP for lathe operations and relevant toolbox briefings, refresher training and safety induction retraining.

Taken together, these findings provide independent support for the adequacy and implementation of the enhanced safety procedures, training verification and management reporting arrangements within the scope reviewed. Having considered the IC Consultant's findings, the measures implemented and continuing safety monitoring, our Directors believe that the enhanced controls address the identified deficiencies and provide a sound basis for our Group's ongoing management of workplace safety risks.

Having considered the remedial measures, the IC Consultant's findings and the continuing inspection, training and management reporting arrangements, our Directors believe that the enhanced controls adequately address the identified deficiencies and provide a sound basis for managing workplace safety risks and reducing the risk of recurrence. We will continue to monitor safety performance and review the relevant procedures following incidents or changes in operations.

## Corporate Governance

*Ethical Business Conduct*

We are committed to conducting our business with integrity and in compliance with applicable law. Our governance framework includes policies in Know Your Customer ("**KYC**") and Anti-Money Laundering Policy ("**AML**"), supplier due diligence and anti-bribery procedures, and the whistle-blowing policy. These policies collectively guide ethical conduct, regulatory compliance across our operations.

Under our KYC and AML policy, appropriate due diligence is conducted on customers and business partners to verify their identities, assess potential risks, and ensure compliance with applicable anti-money-laundering and counterterrorism-finance regulations. This includes screening procedures, ongoing monitoring of transactions, and escalation of any suspicious activities to the designated compliance lead.

To safeguard against bribery, corruption, and unethical behavior, we implement supplier due diligence and anti-bribery procedures during procurement and vendor onboarding. These measures ensure that third-party engagements align with our ethical standards, with periodic reviews and documentation maintained to support compliance monitoring. There have been no violation or anomaly in supervision identified during the annual self-assessment conducted during the Track Record Period.

Our whistle-blowing policy provides employees and external parties with a confidential and accessible channel to report suspected misconduct, fraud, corruption, or breaches of internal policies without fear of retaliation. Reported matters are reviewed and, where necessary, investigated in accordance with established procedures.

We have also obtained relevant certifications, including ISO 9001:2015, to strengthen our internal control environment. These policies are overseen by our management team, with clear departmental responsibilities to ensure compliance and uphold high standard of integrity and transparency.

*Supply Chain and Procurement*

We engage vendors who meet safety, environmental, and quality standards. Procurement policies are guided by transparency, cost-effectiveness, and risk mitigation. We prioritize local and regional sourcing where possible to reduce transport emissions, support local economies, and enhance supply chain resilience and reliability.

The following table sets forth our governance-related indicators during the Track Record Period.

| **Descriptions** | *Unit* | **For the year end 31 December 2023** | **For the year end 31 December 2024** | **For the year end 31 December 2025** |
|---|---|---|---|---|
| **Corporate Governance** | | | | |
| No. of reported incidents of non-compliance | *No.* | — | — | — |
| No. of reported incidents of bribery and corruption | *No.* | — | — | — |
| Local procurement spending | % | 88 | 90 | 92 |

Our governance targets are as follows:

- Maintain zero reported incidents of non-compliance, bribery, and corruption cases.
- Continuous enhancement of ESG data governance processes, including consideration of independent assurance.
- Maintain ISO 9001:2015 and BizSafe 3 certifications across all key operating subsidiaries.
- Maintain 90% of our Group procurement spending on local vendors and suppliers.

**Risk Management**

The Board oversees our risk governances supported by senior management and department heads. Our risk management framework covers risk identification, evaluation, and mitigation, using qualitative and quantitative approaches to prioritize material financial, operational, and reputational risks, with internal control procedures progressively integrated into operational and corporate functions to strengthen timely risk detection and response.

While ESG-related risks have not yet been fully integrated into our enterprise risk management ("**ERM**") system, we acknowledge their importance and are enhancing our approach. A structured framework is being developed to identify, assess, and manage material ESG risks. The Task Force, chaired by the COO, identifies climate and social risks, escalates material issues to the Board, and leads the implementation and monitoring of ESG initiatives and targets under Board oversight.

The effectiveness of internal controls and risk management measures will be reviewed regularly. We will continue refining ESG-related risk controls in line with evolving regulatory standards, including the Listing Rules and IFRS S2 and may engage external experts where necessary to assess emerging ESG-related risks and their financial impact.

**Assessing the ESG practices of suppliers**

We emphasize the integration of ESG factors into supplier selection criteria. Preference will be given to suppliers that demonstrate a strong commitment to ESG factors, such as labour rights, occupational health and safety, and environmental compliance.

## LICENSES, PERMITS AND APPROVALS

The maritime services industry is highly regulated, and vessel operation is subject to international conventions and codes, as well as regulations imposed by the relevant flag and port state and the rules of classification societies. Further details of the regulatory framework applicable to our operations are set out in the paragraph headed "Regulatory overview — General laws relating to our business" in this document.

During the Track Record Period and up to the Latest Practicable Date, all of our owned workboats operated under the flag of Singapore. Seagoing vessels are generally required to be classified by a recognised classification society. Every new vessel is assigned a class designation based on its design, construction, testing and operation. Class certificates are typically valid for five years, subject to annual surveys and renewal. Please refer to the paragraph headed "Business — Our core business — 1.2 Workboat chartering, crew manning and logistics support services — Compliance with classification and flag requirements for the provision of workboat chartering services" in this document for further details regarding the classification and survey requirements applicable to our fleet.

Set out below are the details of the validity period of the latest certificate of class issued by the classification society of each of our own workboats as at the Latest Practicable Date.

| No. | Workboat name | Classification society | Date of issuance of latest class certificate | Date of expiration of the latest class certificate |
|---|---|---|---|---|
| 1 | President Six | ABS | 22/05/2025 | 01/01/2030 |
| 2 | President Seven | ABS | 23/04/2025 | 19/01/2030 |
| 3 | President Nine | ABS | 23/10/2025 | 15/07/2030 |
| 4 | President Ten | ABS | 01/10/2025 | 06/10/2030 |
| 5 | President Eleven | ABS | 19/03/2026 | 01/01/2031 |
| 6 | President Twelve | ABS | 06/03/2026 | 11/03/2031 |
| 7 | President Thirteen | ABS | 26/06/2026 | 23/06/2031 |
| 8 | President Sixteen | ABS | 23/04/2025 | 05/01/2027 |
| 9 | President Seventeen | ABS | 22/05/2025 | 14/03/2027 |
| 10 | President Eighteen | ABS | 18/09/2025 | 04/08/2027 |
| 11 | Discovery | ABS | 14/08/2026 | 26/08/2031 |
| 12 | Investigator | ABS | 19/06/2025 | 03/01/2028 |
| 13 | Illuminator | ABS | 20/06/2024 | 03/01/2028 |
| 14 | Mazu 03 | CCS | 04/11/2025 | 06/11/2028 |
| 15 | Mazu 05 | CCS | 12/11/2025 | 14/11/2028 |
| 16 | Mazu 06 | CCS | 22/01/2026 | 23/01/2029 |
| 17 | Mazu 12 | CCS | 25/09/2024 | 24/09/2029 |
| 18 | Mazu 18 | CCS | 18/09/2026 | 17/09/2031 |
| 19 | President 100 | CCS | 21/09/2025 | 20/09/2030 |

In addition to the certificates of class issued by the classification societies, the material requisite licences, approvals and permits required for, and obtained in connection with, our Group's operations include:

(i) ***Specification as Shipyard Facility for the Purposes of Port Dues:*** issued by the Maritime and Port Authority of Singapore on 26 December 2023 which will expire on 31 December 2026, which is a specification for a shipyard facility for the purposes of payment of port dues;

(ii) ***Specification as Offshore Marine Facility for the Purposes of Port Dues:*** issued by the Maritime and Port Authority of Singapore on 26 December 2023 which will expire on 31 December 2026, which is a specification for an offshore marine facility for the purposes of payment of port dues;

(iii) ***Certificate of Factory Registration:*** issued by the Ministry of Manpower of Singapore on 21 July 2023 (without stated expiry date), the purpose of which is to duly register the factory at 182 Pandan Loop, Singapore, pursuant to the Workplace Safety and Health (Registration of Factories) Regulations 2008;

(iv) ***Harbour craft licences:*** issued by the Maritime and Port Authority of Singapore, which authorise the operation of vessels within the Port of Singapore. As at the Latest Practicable Date, all of our workboats held a valid harbour craft licence (with a nominal expiry date in year 2999);

(v) ***Petroleum and Flammable Materials Storage Licence:*** issued by the Singapore Civil Defence Force and valid from 1 April 2026 to 31 March 2027, which is a licence to store petroleum and flammable materials;

(vi) ***License to Operate a Foreign Employee Dormitory:*** issued by the Ministry of Manpower of Singapore on 15 May 2025 which will expire on 14 May 2028, which is a license to operate a foreign employee dormitory located at 182 Pandan Loop, Singapore;

(vii) ***Registration to Import Processed Food Products and Food Appliances:*** issued by the Singapore Food Agency on 31 July 2024 which will expire on 30 June 2027, which is a licence to import processed food and food appliances; and

(viii) ***Fire Certificate:*** issued by the Singapore Civil Defence Force on 28 November 2025 which will expire on 28 January 2027, pursuant to section 35 of the Fire Safety Act 1993 whereby the owner or occupier of any public buildings and private residential buildings is required to apply and obtain a Fire Certificate.

Our Directors confirm that as at the Latest Practicable Date, we have obtained all the above requisite licences, permits and approvals that are material to our business operations from the relevant governmental authorities and they remained in effect. As advised by our Singapore Legal Advisers, as at the Latest Practicable Date, nothing has come to their attention to suggest that there are any legal impediments to the renewal of any of the above licences, approvals, permits or certificates which are due to expire in 2026, but such renewals remain subject to the discretion of the relevant government authorities in Singapore.

Our management regularly reviews our business operations, practices and internal controls to ensure compliance with all licensing requirements and conditions as well as the successful renewal of our licences, permits and approvals. Our Directors confirm that we did not experience any material difficulty in obtaining or renewing our required permits and licences for our business operations during the Track Record Period and up to the Latest Practicable Date, and we do not expect any material impediment in renewing our material permits and licences as and when they expire in the future.

## LITIGATION AND COMPLIANCE

### Workplace Safety and Health Proceedings related to the July 2023 Incident

*Incident and outcome of the proceedings*

On 30 July 2023, a crew member was injured during unmooring operations on a workboat operated by Prestige Ocean, alongside a bunker barge for refuelling. A mooring rope became entangled with the workboat's propeller and caught around the crew member's ankle, resulting in an injury requiring a right below-knee amputation. Prestige Ocean paid compensation of S$144,513 to the injured crew member, and the related civil claim was fully settled. Details of the incident, compensation and insurance coverage are set out under "Business — Environmental, social and governance measures — Social Responsibility — Occupational Health and Safety".

On 19 May 2026, MOM brought charges against Prestige Ocean and Mr. Lim CP, a Director of our Company, under the Workplace Safety and Health Act 2006 of Singapore ("**WSHA**"). The charges concerned the adequacy of risk assessment and safe work procedures for mooring and unmooring operations, and the provision of instructions, information and training to employees.

On 24 September 2026, Prestige Ocean pleaded guilty and admitted the agreed statement of facts presented in court (the "**Statement of Facts**"). These identified deficiencies in the assessment and control of specific mooring hazards, procedures for responding to rope entanglement, and crew briefings and verification of their understanding of the applicable procedures. The court imposed a fine of S$140,000, which Prestige Ocean paid in full. Its case was disposed of on 28 September 2026.

MOM issued a notice dated 25 September 2026 offering to resolve the specified offence concerning Mr. Lim CP by payment of a composition sum of S$5,000. He accepted the offer and paid the sum on the same day. Following completion of the composition arrangement, the Prosecution withdrew his charge, and on 1 October 2026 the State Courts of Singapore granted him a discharge amounting to an acquittal. The court outcome is recorded in its certificate dated 1 October 2026, and no conviction was recorded against him.

***Legal advice and financial consequences***

We engaged a Singapore legal counsel ("**Singapore Counsel**") to advise on the nature and outcome of the proceedings and their consequences under Singapore law. Singapore Counsel has advised that the charges concern workplace safety responsibilities and that the relevant prosecution materials contain no allegation of fraud, dishonesty, corruption, misappropriation or improper personal benefit on Mr. Lim CP's part. No disqualification order was sought or imposed against him.

As at 31 May 2026, the Group had recognised a provision of S$280,000 in respect of the charge against Prestige Ocean, based on management's assessment at that time, with reference to the applicable sentencing framework and advice from the Singapore Counsel. Please refer to Notes 26 and 37 of the Accountants' Report set out in Appendix I to this document for further details. The fine ultimately imposed on Prestige Ocean was S$140,000, which was lower than the provision recognised as at 31 May 2026. In the opinion of our Directors, such difference is not expected to have a material impact on the Group's financial performance or financial position and, accordingly, no adjustment has been made to the provision recognised as at 31 May 2026. As at the Latest Practicable Date, the Group was not aware of any further material liability arising from the above charges.

The S$5,000 composition sum was paid personally by Mr. Lim CP and was not borne by our Group. Having considered the fine, compensation, insurance recoveries, legal fees and remedial costs, our Directors consider that the aggregate financial consequences do not have a material adverse effect on our Group's financial position or continuing operations.

***Management responsibilities and remedial measures***

At the time of the incident, day-to-day oversight and implementation of Prestige Ocean's safety procedures rested primarily with its then Chief Operating Officer, while the Master commanded the workboat and supervised the onboard operation. Mr. Lim CP participated in preparing and reviewing the risk assessments and safe work procedures at management level. He was ashore and did not directly participate in the operation during which the incident occurred. These respective roles provide context for assessing his conduct and continuing management and oversight responsibilities.

Prestige Ocean and Mr. Lim CP cooperated with MOM's investigation and the proceedings. Following the incident, our Group enhanced its mooring and unmooring procedures, rope-handling controls, crew training and verification of understanding, and management reporting and follow-up arrangements.

We also engaged the IC Consultant to review its workplace safety controls. The IC Consultant considered the enhanced mooring and unmooring procedures adequate to address the relevant risks and assessed the related procedures and training arrangements as fully implemented. It also verified implementation of the agreed corrective actions for the four incidents sampled and considered their remediation adequate. Further details of the measures and independent review are set out under "Business — Environmental, social and governance measures — Social Responsibility — Occupational Health and Safety" in this document.

***Continuing operations and suitability assessments***

We have continued our operations following the incident. No stop-work order, suspension or other restriction preventing continuation of its maritime operations was imposed in connection with the incident or proceedings.

Our Singapore Counsel has confirmed that the outcomes of the charges do not result in suspension or revocation of our Group's material operating licences or permits or disqualify Mr. Lim CP from acting as a director under Singapore law. Our Directors confirmed that no material contract has been terminated, suspended or materially reduced as a result of the incident or proceedings.

Mr. Lim CP has received training on his duties as a director of a listed company in Hong Kong, including his responsibilities under the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance. He has confirmed that he will continue to exercise due diligence in discharging his duties and will ensure the Group's compliance with all applicable laws and regulations.

In assessing Mr. Lim CP's suitability, our Directors other than Mr. Lim CP have considered his actual responsibilities and conduct, including his involvement in the deficient arrangements, cooperation with MOM, response to the incident and oversight of the remedial measures. They have considered the court outcome together with the underlying circumstances, rather than treating the absence of a conviction as determinative. Having also considered his experience, director training and the enhanced safety oversight arrangements, they consider that he remains suitable to act as a director under Rules 3.08 and 3.09 of the Listing Rules. The Sponsor concurs with our Directors' views.

The Sponsor has also considered the circumstances and seriousness of the incident, the admitted deficiencies, the concluded proceedings, the implemented remedial measures, the IC Consultant's findings, the subsequent safety record and the operational and financial consequences. On the basis of that assessment, the Sponsor considers that the matter does not materially impair the Group's continuing business or preclude the Company and its business from being suitable for **[REDACTED]** under Rule 8.04.

***Other litigation and compliance matters***

Save as disclosed above and under "Occupational Health and Safety", during the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any material claims or litigation. Our Directors, having made all reasonable enquiries, are not aware of any current, pending or threatened proceedings against our Group that could have a material adverse effect on its financial condition or results of operations.

Save for the matters disclosed in this document, during the Track Record Period and up to the Latest Practicable Date, our Group complied in all material respects with applicable Singapore laws and regulations and obtained the approvals, permits, licences and certificates material to its operations.

## INSURANCE

During the Track Record Period and up to the Latest Practicable Date, we maintained hull and machinery insurance and war risk insurance for our fleet of workboats, covering physical damage to a vessel's hull and machinery, maritime perils and war-related risks. We also maintained protection and indemnity insurance to cover shipowners' legal and statutory liabilities in connection with shipping operations. The third-party liabilities covered generally include expenses arising from the injury or death of passengers, crew and other third parties, cargo loss or damage, claims arising from vessel collisions, damage to third-party property, pollution caused by oil or other substances and the clean-up of such pollution, towing and related costs, including wreck removal. In addition, we maintained third-party liability insurance for the use of our trucks and other vehicles.

For FY2023, FY2024, FY2025 and 5M2026, our insurance expenses amounted to approximately S$0.2 million, S$0.3 million, S$0.3 million and S$0.1 million, respectively. Our Directors consider our existing insurance coverage to be adequate for a company of our size and nature and consistent with prevailing industry norms and practices. During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims and did not encounter any material difficulties in renewing our insurance policies.

Our Directors confirm that, as at the Latest Practicable Date, we had obtained all insurance policies required under Singapore law for the operation of our workboats and business activities, and such policies were valid and subsisting. While we believe that our current insurance coverage is consistent with industry practices, such coverage may not be sufficient to cover all potential losses or liabilities arising from our operations. In addition, certain risks, such as those arising from wilful misconduct, terrorism or other uninsurable events, may not be covered under our existing policies. Our insurance is underwritten by reputable insurers and protection and indemnity clubs commonly engaged in the maritime services industry.

For further details of risks relating to the sufficiency of our insurance coverage, please refer to the paragraph headed ''Risk Factors — Risks relating to our business — ''Our insurance coverage may be insufficient to cover losses arising from operational accidents, marine casualties or other events beyond our control'''' in this document.

## EMPLOYEES

As at 31 December 2023, 2024, 2025 and 31 May 2026 and as at the Latest Practicable Date, we had 174, 188, 220, 227 and 231 employees. The following table shows a breakdown of our employees by division or function as at the Latest Practicable Date:

| | **Number of employees** |
|---|---|
| Directors and general management | 4 |
| Marine operations and technical support | 47 |
| Crew management and ship operations | 124 |
| Procurement | 7 |
| Drivers | 13 |
| Accounting and finance | 17 |
| Administrative, human resources and legal | 19 |
| Total | 231 |

As at the Latest Practicable Date, among our 231 employees, 91 of them were local workers and 140 were foreign workers.

We have complied with all statutory requirements that are currently applicable for hiring foreign workers. Our Directors confirm that all the passports and work permits of our current foreign employees are valid and have not expired as at the Latest Practicable Date.

### Recruitment Policies

We generally recruit our Singapore employees from the open market by placing recruitment advertisements. As to our foreign workers, we mostly recruit them through referrals who would provide their résumés upon our request.

Our Group values human resources and assesses the available human resources on a continuous basis to determine whether additional personnel are required to cope with our business operations and developments. Newly recruited employees are required to undergo a probation period after which they will become our full-time employees, provided that we are satisfied with their performance during the probation period.

All employees enter into written employment contracts in accordance with statutory requirements, and the Pinnacle Group Employee Handbook, Human Resource Internal Guidelines, and our policies on Diversity and Anti-Discrimination and Fair Employment Practices further support our Group's obligations. These internal frameworks collectively provide a framework for recruitment, performance management, and employee conduct.

We also adopt a merit-based and non-discriminatory recruitment process to ensure equal access to employment opportunities for all candidates. Hiring decisions are based solely on qualifications, experience, and job-related criteria, consistent with the Tripartite Guidelines on Fair Employment Practices and our Group's Diversity and Anti-Discrimination Policy. Recruitment procedures are conducted in a transparent and compliant manner, with appropriate documentation and oversight.

**Employee's Remuneration and Benefits**

We are committed to employee welfare and maintaining a safe and inclusive working environment. Employee benefits, leave entitlements, workplace guidelines are detailed in the Employee Handbook. Where required, we provide reasonable accommodation and flexible arrangements in accordance with operational requirements.

Our continued growth depends on our ability to recruit, develop and retain experienced and skilled personnel. We offer remuneration package to our employees, comprising basic salaries, allowances and discretionary bonuses. The basic salaries are generally determined by an employee's seniority, position, qualification, working experience and performance. Discretionary bonuses may be awarded annually, depending on the performance of individual staff and the overall financial results of our Group for the relevant year. We review our remuneration policies and packages annually to ensure alignment with market conditions and business needs. During the Track Record Period, our employee benefit expenses (including directors' remuneration) amounted to approximately S$6.7 million, S$8.2 million, S$8.6 million and S$3.7 million, respectively.

As part of our corporate governance mechanism, we also monitor organisation behaviours and work culture to maintain a healthy, friendly and productive working environment.

**Training and development**

We recognise that employee development is essential to maintaining operational effectiveness and long-term competitiveness. We provide structured training across boatbuilding, workboat operations, logistics and support services to equip employees with the necessary technical and operational competencies.

All newly recruited employees undergo onboarding and on-the-job training to ensure they are adequately prepared to perform their duties. Such training covers technical skills, workplace safety requirements, ethical compliance and anti-fraud awareness. We also provide periodic safety training and updated work guidelines to ensure continued alignment with industry standards and regulatory requirements, and to reinforce compliance with our internal policies and procedures.

In addition, high-potential employees are identified for leadership development programmes, and we support employees in upgrading their professional and academic qualifications to promote career progression and long-term growth within our Group.

### Labour Dispute and Labour Unions

Our Directors confirm that our Group maintained a stable relationship with our employees during the Track Record Period and up to the Latest Practicable Date. Our Directors believe that our management policies, working environment, career development opportunities and benefits have contributed to building and reinforcing good employee relations and loyalty. During the Track Record Period and up to the Latest Practicable Date, our Group had not experienced any significant labour disputes, and no labour union was established by our employees.

## PROPERTIES

According to our Singapore Legal Advisers, industrial land in Singapore is predominantly owned by the Singapore government and is made available to users primarily through leasehold arrangements. Accordingly, companies operating in Singapore typically do not acquire freehold title to industrial land, but instead hold leasehold interests granted by the relevant government authorities for a specified lease term, subject to compliance with the applicable lease conditions and prevailing government policies.

Accordingly, our property interests in Singapore are held in the form of leasehold interests, rather than freehold ownership of land. Such leasehold interests are recognised proprietary interests under Singapore law and are commonly held by industrial and maritime operators in Singapore.

### Leasehold Property

In July 2023, we acquired a leasehold interest in the property located at 182 Pandan Loop, Singapore, from a government entity at the consideration of S$6.0 million. The lease in respect of this property commenced in September 2009 and has a lease duration of 27 years, expiring in September 2036. The property is used as our principal operational facility in Singapore.

The following table summarises information relating to the property held by us as at the Latest Practicable Date, which is held under a leasehold interest granted by the Singapore government:

| No. | Location | Gross floor area (sq. ft.) *(Approximately)* | Usage |
|---|---|---|---|
| 1. | 182 Pandan Loop | 71,500 | Own operations |
| 2. | 182 Pandan Loop | 1,160 | Leased *(Note 1)* |
| 3. | 182 Pandan Loop | 1,420 | Leased *(Note 2)* |
| 4. | 182 Pandan Loop | 5,000 | Leased *(Note 3)* |
| 5. | 182 Pandan Loop | 9,290 | Leased *(Note 4)* |

*Notes:*

1. We currently leased the premises to an independent third party, for a permitted sub-lease period from March 2024 to March 2026. The leased space is used primarily for the repair, maintenance and storage of engines, pumps and tools.

2. We currently leased the premises to an independent third party, for a permitted sub-lease period from June 2025 to June 2027. The leased space is used as a workshop area and office space, with shared access to overhead cranes within the leased area.

3. We currently leased the premises to an independent third party, for a permitted sub-lease period from October 2023 to October 2026. The leased space is used for metal fabrication activities, including the fabrication of beam platforms and structural blocks, as well as steel cutting, grinding and welding works.

4. We currently leased the premises to an independent third party, for a permitted sub-lease period from October 2023 to October 2026. The leased space is used for the servicing and repair of turbines, cryogenic systems for vessels, as well as assembly and storage activities.

To optimise the utilisation of our existing waterfront facility, we have leased small portions (with a gross floor area of approximately 16,870 sq. ft. out of a total gross floor area of approximately 88,370 sq. ft.) of the premises to a limited number of third-party tenants. These leased areas are not required for our current boatbuilding operations and represent only a minor proportion of the total gross floor area of the facility. The leasing arrangement allows us to generate ancillary rental income, which contributes to offsetting our financing costs and improving overall asset utilisation.

Tenants are carefully chosen, primarily comprising marine-related service providers whose activities are complementary to our operations. This arrangement supports operational synergies and contributes to a collaborative working environment within the waterfront facility, without affecting our core business activities.

**Lease expiry and renewal arrangements**

Upon expiry of the lease term in September 2036, the leasehold interest in the property will lapse unless it is renewed or re-issued by the Singapore government. In accordance with prevailing practice in Singapore, renewal or re-leasing of industrial land is not automatic and is subject to, among other things, government policies in force at the relevant time, land use planning considerations, compliance with existing lease conditions, and the lessee's proposed use of the land.

Prior to the expiry of the lease, we intend to apply to the relevant government authorities for a renewal or re-lease of the property, subject to applicable regulations and requirements. There can be no assurance that such application will be approved, or that any renewal or re-lease, if granted, will be on terms that are commercially acceptable to us.

In the event that the lease is not renewed or re-issued, we may be required to vacate the property upon lease expiry. In such circumstances, we would seek to secure alternative operational premises, which may include participating in government land tenders for other suitable sites or leasing alternative facilities, in order to maintain continuity of our operations. We believe that such arrangements are consistent with industry practice in Singapore and would not be expected to materially disrupt our operations, although relocation may involve additional costs and operational adjustments.

## INTELLECTUAL PROPERTY

As at the Latest Practicable Date, our Group has registered a domain name and applied for a trademark in Hong Kong. Please refer to the paragraph headed "Statutory and General Information — B. Further information about our business — 2. Intellectual property rights" in Appendix V to this document for further details of our intellectual property rights.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any dispute or claim concerning any infringement of our intellectual property; and (ii) we had not received any infringement claims nor had we filed any infringement claims against any third parties.

## RESEARCH AND DEVELOPMENT

We undertake research and development initiatives primarily through industry collaborations, academic partnerships and participation in sector-wide, sustainability programmes, with a focus on technological advancement, decarbonisation and workforce development within the maritime services industry.

### Industry and academic collaboration

We collaborate with institutions of higher learning and industry bodies to support skills development and innovation in marine engineering and boatbuilding. For example, we host interns from Singapore Polytechnic's Marine Engineering programme, providing practical training while contributing to industry talent development. Since 2024, we have also participated in the Association of Marine and Offshore Energy Industries' Youth Mentorship Programme, offering mentorship and industry exposure to tertiary students.

### Professional and industry engagement

We collaborate with professional bodies to facilitate technical exchange and industry engagement. In collaboration with the Society of Naval Architects and Marine Engineers (SNAMES), we host technical visits at our waterfront facility. In December 2025, we welcomed delegates from the Hong Kong Institute of Marine Technology, the Hong Kong Institution of Engineers, and the Hong Kong Joint Branch of RINA & IMarEST, who toured our facilities to gain insights into our integrated one-stop boatbuilding solutions and innovations.

Following the launch of Singapore's first B100 biofuel-powered workboat, we were invited to join the Harbour Craft Decarbonisation Task Force established by the MPA and the Singapore Shipping Association in September 2025. Through this task force, we contribute operational insights to Singapore's harbour craft decarbonisation roadmap.

### Research cooperation and sustainability initiatives

- *Research Cooperation Agreement dated 15 October 2024*

On 15 October 2024, we entered into a research cooperation agreement with China Classification Society, Supplier A, and Nanyang Technological University to conduct a 1,000-hour sea trial of a harbour craft powered entirely by B100 biodiesel, with the objective of evaluating performance, efficiency, emissions and overall feasibility of biofuels for sustainable energy applications. The 1,000-hour sea trial was completed in January 2026. The agreement was signed on 15 October 2024 and became effective on 1 December 2024. The research cooperation period commenced on the effective date and continued until 31 March 2026.

The salient terms of the research cooperation agreement are summarised below:

| Salient terms | Description |
|---|---|
| Responsibilities: | Under the research cooperation agreement, our Group and Supplier A were, among others, responsible for providing a suitable aluminium workboat equipped with two engines and two generators for the duration of the project. Our Group also provided the fuel required and conducted fuel analysis reports, and together with CCS, sought regulatory, classification society and insurance clearances. Supplier A conducted engine assessments during and after the sea trial, and supplied any required spare parts. CCS provided classification and statutory guidance for operating the harbour craft. Nanyang Technological University was mainly responsible for retrieving and processing operational data from the vessel, and analysing the energy and emissions performance of the harbour craft and the quality of the biodiesel fuel. |

| | |
|---|---|
| Cost and resource sharing arrangement: | Each party is responsible for its own costs and contributions to the project as set out in the agreement. The parties agreed to share the project costs and resources on a mutually agreed basis, with each party bearing its own expenses in connection with its respective roles and responsibilities under the agreement. There is no profit-sharing arrangement under the research cooperation agreement, as the project was non-commercial in nature and focused on research and sustainability. |
| Ownership of intellectual property rights: | The project involved cost- and resource-sharing among the parties, with intellectual property rights allocated on a first-to-generate basis, in which any intellectual property first generated, conceived, produced, or developed in the course of the project belongs solely to the party that generated it. Where intellectual property is created jointly by two or more parties, it is jointly owned by the relevant parties in equal undivided shares, with commercialisation to be governed by a separate written agreement. |
| Confidentiality: | Each party must use the other party's confidential information solely for the research project and protect it with at least the same degree of care it uses for its own confidential information. Confidential information may only be disclosed to authorised representatives who need access for the project. The confidentiality obligations do not apply to information that is publicly available, was known to the recipient prior to the disclosure, is independently developed by the recipient, or is disclosed with the other party's written consent. Disclosure may be made if required by a court or regulatory authority (including the Stock Exchange). |

The trial workboat, *President 100*, operated by our Group, is among the first harbour craft in Singapore to complete an extended operational trial using B100 biodiesel derived from renewable feedstock. The successful completion of the trial demonstrated the technical feasibility of B100 as an alternative fuel source for harbour craft operations.

The achievement was the result of close collaboration among the project partners. Supplier A provided the biodiesel-compatible propulsion engine used throughout the trial, Nanyang Technological University conducted research oversight and performance assessment to generate empirical data for industry reference, and CCS provided guidance on classification, safety and regulatory compliance. The photograph below shows the completion ceremony held in connection with the successful conclusion of the 1,000-hour sea trial.

- *Memorandum of Understanding dated 25 March 2025*

On 25 March 2025, we entered into a memorandum of understanding with a leading shipping company in Asia, focused on core business of container shipping, to support the long-term B100 biodiesel sea trial. The memorandum was signed on 25 March 2025 and became effective on the same date. It commenced on the effective date and continued until terminated in accordance with the memorandum, being the earlier of nine months from the effective date or by mutual agreement or by giving 30 days advance notice.

The salient terms of the memorandum of understanding are summarised below:

| **Salient terms** | **Description** |
|---|---|
| Information sharing: | Research results, reports, tests and information arising from the research cooperation agreement dated 15 October 2024 may be shared with the partner, subject to prior approval from all parties to the research cooperation agreement. |
| Financial contribution: | Our partner provides subsidies for biodiesel costs incurred in connection with the sea trials. |
| Intellectual property: | No intellectual property rights are transferred or licensed under the memorandum. |
| Confidentiality: | Confidential information includes operations, know-how, trade secrets, business practices, analysis data, and the existence and content of the memorandum. Each party must keep such information strictly confidential, use it only for the collaboration, and disclose it only to authorised representatives on a need-to-know basis. Disclosure may be made if required by law, subject to prior notice to the disclosing party. Upon termination or request, all confidential information must be destroyed or returned. No intellectual property rights are granted to the receiving party. |

- *Collaboration on marine coatings testing*

In 2025, Pinnacle Marine collaborated with a leading global paint and coatings supplier to conduct static immersion tests of vessel hulls in its shipyard waters. The supplier, which has produced marine coatings since the 1880s and is among the world's largest coatings companies, supported this collaboration to advance the development of environmentally responsible antifouling technologies. These tests provide valuable insight into the biofouling resistance and durability of Nippon Paint Marine's coatings under warm water conditions, which is an essential factor in delivering long-term performance and sustainability at sea while supporting environmental protection at the same time.

**Research and development expenditure**

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not carry out any other material research and development activities. In FY2023, FY2024, FY2025 and 5M2026, we incurred research and development expenses of nil, nil, approximately S$0.1 million and nil, respectively.

The primary research and development activities undertaken by the Company during the Track Record Period consisted of sourcing the fuel and participating in a research cooperation by operating the workboat on B100 biodiesel and sending tested samples to Nanyang Technological University. The Company's role was primarily operational (providing the workboat and operating it on B100 biodiesel), while the core research activities were conducted by Nanyang Technological University as the research lead. Accordingly, the Company's research and development expenditure during the Track Record Period was minimal.

## RISK MANAGEMENT AND INTERNAL CONTROLS

We have established internal guidelines, written policies and procedures to monitor and mitigate risks arising from our daily operations. Our Directors and senior management are responsible for overseeing the implementation and effectiveness of our internal control and risk management systems to ensure ongoing compliance with applicable laws, regulations and corporate governance requirements, and to minimise the risk of non-compliance.

In preparation for the **[REDACTED]**, we engaged an independent internal control consultant (the "**Internal Control Consultant**") to conduct internal control reviews of our Group from May to June 2025. Following identification of certain findings and recommendations, we implemented remedial measures. Subsequent follow-up conducted between July and August 2025 and between December 2025 and January 2026 confirmed that the major internal control measures as recommended had been implemented. As of the Latest Practicable Date, there was no material issue remaining in relation to the internal controls of our Group. Our Directors believe that our internal control systems and current procedures are adequate and effective.

**Financial Reporting**

We have adopted accounting and financial management policies to manage financial reporting risk, including financial reporting management, internal audit, investment management and budget management, supported by established procedures, and oversight by our finance department. Regular training is provided to finance staff to ensure proper application of these policies.

We [have also established] an audit committee comprising all independent non-executive Directors, with written terms of reference in compliance with the Listing Rules. The audit committee oversees our financial reporting process, internal control and risk management systems, and ensuring compliance with the Listing Rules and other relevant legal requirements.

### Operational Risk Management

Operational risk arises mainly from inadequate internal controls, human error, system failures or external events. While such risks are inherent in our business, we seek to mitigate them through established policies, procedures and oversight. Further details are set out in the section headed "Risk Factors" in this document.

Our Directors and senior management oversee our overall control environment and conduct periodic reviews of the effectiveness of our internal control systems and operational risk management procedures. Key measures to identify, assess, monitor, control and mitigate operational risks, and to strengthen our operational risk management framework:

- maintaining clear corporate governance structure with defined responsibilities for the Board, senior management, operational management committee and other departments;
- maintaining a risk management system to ensure the independence of departments and committees in performing their risk management duties;
- maintaining and continuously improving our operational procedures and internal control system, and utilising our IT systems to monitor and control procedural performance;
- providing staff training to enhance awareness and prevent non-compliance;
- reviewing, assessing and adjusting internal control procedures and risk management systems annually in response to business development and regulatory requirements;
- adopting and enforcing a code of conduct with consistent disciplinary measures for employee misconduct; and
- providing a reporting channel for violations, abnormal conduct or incidents.

### Regulatory Risk Management

Following the **[REDACTED]**, we may be exposed to risks of non-compliance with the Listing Rules. As required under the Listing Rules, we have engaged Alliance Capital Partners Limited as our compliance adviser. We also intend to seek legal advice from time to time, as our management considers appropriate. Our Directors and employees are required to acknowledge, at least annually, their understanding of the staff handbook, internal control manual and compliance manual. In addition, we will retain a Hong Kong legal adviser to advise us on compliance with applicable Hong Kong laws and regulations where necessary.

Based on the above, our Directors are of the view that our Group has taken reasonable steps to establish an internal control system and procedures that enhance the control environment at both working and management levels, and that the internal control measures currently in place are adequate and effective for our business operations. Our risk management and internal control systems are complemented by our corporate governance framework, including the Board and its committees, which collectively oversee compliance, internal audit, and risk management functions.

### Dividends

We have adopted a general annual dividend policy of declaring and paying dividends on an annual basis of no less than 40% of our profit attributable to Shareholders of the Company for the relevant year. The dividends will be distributed to Shareholders based on a payment proposal by the Board, after taking into consideration compliance with any applicable financial covenants and, if any, further financial needs of the Company. For further details on our dividend policy, please refer to the paragraph headed "Financial Information — Dividend" in this document.

## OVERVIEW

Our Board comprises five Directors, including two executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of the Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of our Group's business.

## BOARD OF DIRECTORS

The following table sets out certain information regarding the members of our Board:

| Name | Age | Position | Time of joining our Group | Date of appointment as a Director | Responsibility | Relationship with other Directors and senior management |
|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | |
| Mr. CHUA Teck Keong | 50 | Chairman of the Board and executive Director | December 2009 | 12 January 2026 | Responsible for overseeing the overall management of our business | Mr. Chua TK is the brother in law of Mr. Lim CP. |
| Mr. LIM Chin Pei | 47 | Chief executive officer and executive Director | December 2009 | 12 January 2026 | Responsible for overseeing the business strategy of our Group, supervising our business products and participating in the decision-making of overall operation and management of our Group | Mr. Lim CP is the brother in-law of Mr. Chua TK. |
| **Independent Non-executive Directors** | | | | | | |
| Ms. Ayako YAMADA | 51 | Independent non-executive Director | [●] | [●] | Responsible for providing independent advice on the operations and management of our Group | N/A |
| Mr. KONG Kian Siong (江建祥) | 46 | Independent non-executive Director | [●] | [●] | Responsible for providing independent advice on the operations and management of our Group | N/A |
| Capt. WONG Kar Weng | 57 | Independent non-executive Director | [●] | [●] | Responsible for providing independent advice on the operations and management of our Group | N/A |

**Executive Directors**

**Mr. CHUA Teck Keong**, aged 50, is the founder of our Group, an executive Director and the chairman of the Board. He was re-designated as our executive Director on [●], which will come into effect upon the **[REDACTED]**. Since the establishment of Pinnacle Marine in December 2009, being the first Group Company incorporated, Mr. Chua TK has acted as chairman and primarily responsible for overseeing the overall management of our business. Mr. Chua TK is also a director of each of the following subsidiaries of our Company, namely, Pinnacle Marine, Prestige Ocean, Primus Shipping and P-Group.

Mr. Chua TK has over 28 years of experience in the shipping industry. Prior to founding our Group together with his family members in December 2009, Mr. Chua TK was a shipping agent with Unix Line Pte. Ltd. from August 1998 to December 2009, which was the ship management arm of the Shipping Group division of MOL Chemical Tankers Pte. Ltd. (formerly known as Tokyo Marine Co. Ltd.) where he was responsible for coordinating ship husbandry, bunkering and cargo operations. Mr. Chua TK is also the founder, and currently the president, of Harbour Craft and Port Services Association of Singapore (HAPSAS), established to represent the interest, promote and safeguard the interest of the harbour craft owners and operators. Mr. Chua TK completed his secondary school education in Singapore in 1994.

Mr. Chua TK was also a director of Pioneer Shipping (Singapore) Pte. Ltd., a shipping company incorporated in Singapore that provided chartering of ships and boats service, from November 2014 till the company's dissolution in July 2018. Mr. Chua TK confirmed that, to the best of his information, knowledge and belief, the company has dissolved as it has been inactive and dormant, and that the company was solvent at the time of its deregistration and as at the Latest Practicable Date, no claim had been made against him and he was not aware of any threatened and potential claim made against him and there are no outstanding claim and/or liabilities as a result of the dissolution of the company.

With a career founded on practical experience in the shipping industry, Mr. Chua TK provides strategic leadership and his perspective, shaped by years in the industry, is important to our Group's direction and governance.

**Mr. LIM Chin Pei**, aged 47, is an executive Director and the chief executive officer of our Group. Mr. Lim CP was re-designated as our executive Director on [●], which will come into effect upon the **[REDACTED]**. Mr. Lim CP is a founding member of our Group and is primarily responsible for overseeing the business strategy of our Group, supervising our business products and participating in the decision-making of overall operation and management of our Group. Mr. Lim CP joined our Group in December 2009 as a business manager and was subsequently promoted to General Manager in May 2011 where he was responsible for driving local and regional business development, expanding our Group's footprint, and establishing our renowned boat-building capability. Mr. Lim CP is currently also a director of each of the following subsidiaries of our Company, namely, Pinnacle Marine, Prestige Ocean, Primus Shipping and P-Group.

Mr. Lim CP has over 16 years of experience in business management and project execution. From February 2004 to April 2007, Mr. Lim CP was the art director of Berwin Creation where he was responsible for creating visuals for clients and overseeing the design team's work. From May 2007 to May 2025, Mr. Lim CP was also a partner of Royal Fly LLP, a limited liability partnership established in Singapore principally engaged in providing art and graphic design services. His work achievements included but not limited to the designing of Singapore's circulating coins and commemorative currencies for the nation's 50th anniversary in 2015 and various other milestone events. He was also a director of Pacific Disposal Services Pte. Ltd. from October 2011 to May 2013, a company incorporated in Singapore principally engaged in providing treatment and disposal of waste service. Mr. Lim CP

confirmed that, to the best of his information, knowledge and belief, each of Royal Fly LLP and Pacific Disposal Services Pte. Ltd. was dissolved May 2025 and May 2013, respectively, as these entities had subsequently been inactive with minimal business operation, and that these entities were solvent at the time of their dissolution and as at the Latest Practicable Date, no claim had been made against him and he was not aware of any threatened and potential claim made against him and there are no outstanding claim and/or liabilities as a result of the dissolution of such entities. In respect of Royal Fly LLP, there was gradually less business operation which led to its subsequent dissolution primarily due to Mr. Lim CP's decision to fully commit his time and efforts to the Group after joining in December 2009. As for Pacific Disposal Services Pte. Ltd., it was originally established to manage the garbage collected by Prestige Ocean's boats from merchant vessels in the port. These operations were later taken over directly by Prestige Ocean, resulting in the company's inactivity and subsequent dissolution in May 2013.

Mr. Lim CP obtained a bachelor's degree in built environment, majoring in industrial design from Queensland University of Technology (Australia) in December 2003. Mr. Lim CP obtained a Singapore harbour craft manning license in March 2014, attended the Bizsafe Workshop for company CEO or management in January 2018 and completed the Top Executive Workplace Safety and Health Programme organized by Singapore Ministry of Manpower through e-learning in January 2024.

**Independent Non-executive Directors**

**Ms. Ayako Yamada**, aged 51, was appointed as our independent non-executive Director on [●], which will come into effect upon the **[REDACTED]**. Ms. Yamada is primarily responsible for providing independent advice on the operations and management of our Company.

Ms. Yamada has over 25 years of experience in marketing and business management in particular in the shipping industry. From April 1998 to September 2000, she served as an operation clerk in the information and communication department of Orix Corporation. Ms. Yamada joined Tokyo Transworld Shipping Corporation since October 2000, a company primarily engaged in the business of maritime services, including land and sea crew manning, husbandry services, as well as the transportation and logistics activities. She joined Philippine Transworld Shipping Corporation in September 2017, a company primarily engaged in the business of ship manning, and is currently holding a position of administration marketing manager, where she assists in the overall administrative management and strategic marketing in the Philippines.

Ms. Yamada graduated with a Bachelor of Arts in Policy Management from Keio University, Japan in March 1998.

**Mr. KONG Kian Siong** (江建祥), aged 46, was appointed as our independent non-executive Director on [●], which will come into effect upon the **[REDACTED]**. Mr. Kong is primarily responsible for providing independent advice on the operations and management of our Company.

Mr. Kong has over 22 years of experience in auditing, accounting and management. From December 2004 to January 2010, he worked at KPMG Singapore with his last position as manager, where he was responsible for providing auditing services. He was an audit partner of K.S. Kong and Company from January 2010 to December 2010 and has joined Infinity Assurance LLP as an audit partner since January 2011. Mr. Kong is also a director of Vin's Holdings Ltd., an integrated automotive solution provider in Singapore incorporated in the Cayman Islands and the shares of which are listed on the Singapore Exchange (SGX: VIN), since February 2025.

Mr. Kong was awarded "Grassroots (Kembangan) 5-Year Appreciation Award" in 2023 by the People's Association.

Mr. Kong has been an associate of the Chartered Accountant of Singapore and Australia since December 2010 and January 2007, respectively. He obtained his bachelor of Commerce (Accounting) from the University of Adelaide in December 2001.

**Capt. WONG Kar Weng**, aged 57, was appointed as our independent non-executive Director on [●], which will come into effect upon the **[REDACTED]**. Capt. Wong is primarily responsible for providing independent advice on the operations and management of our Company.

Capt. Wong has over 22 years of experience in the maritime industry spanning seafaring, port management, regulatory oversight and sustainable maritime solution. From January 2003 to December 2021, he served in Maritime and Port Authority of Singapore, with his last position as the Port Master of Singapore where he was responsible for ensuring port safety, security, efficiency and resilience. From March 2022 to March 2023, Capt. Wong served as general manager for the group operations and sustainable development department at Penguin International Limited where he provided strategic leadership to integrate cross-functional operations, led innovation in vessel performance and sustainability and representing the company at industry dialogues and conferences on sustainable maritime solutions. From June 2023 to April 2025, Capt. Wong served at Sea Forrest Engineering Pte. Ltd., first as chief marketing officer and his last position being the chief operating officer, where he was responsible for strengthening brand and product visibility, building market presence on key industry and public platforms and led organisation strategy, process integration and safety/ISO compliance, and as the representative of the company at major industry conferences and committees that focus on decarbonisation, safety and sustainability initiatives. From April 2025 to October 2025, Capt. Wong served as a consultant to Yun Gang Marine which he was responsible for providing strategic guidance on market entry, enhancing brand positioning and fostering stakeholder engagement with an aim to strengthen the company's presence in the maritime sector. Since December 2025, Capt. Wong has been serving as the Chief Operating Officer of Golden Island Pte. Ltd., a Singapore-based company providing bunkering services, where he is responsible for overseeing ship management and the development of low-carbon marine fuels to support the company's strategic growth.

Capt. Wong obtained a Master of Science in Maritime Studies from Nanyang Technological University, Singapore, in June 2006. He also obtained a Class 1 Certificate of Competency as Master Mariner in April 2002.

## SENIOR MANAGEMENT

The following table sets out certain information regarding the members of senior management of our Company:

| Name | Age | Position | Time of joining our Group | Date of appointment as senior management | Responsibility | Relationship with other Directors and senior management |
|---|---|---|---|---|---|---|
| **Senior Management** | | | | | | |
| Mr. Chua TK | 50 | Chairman of the Board and executive Director | December 2009 | 7 December 2009 | Responsible for overseeing the overall management of our business | Mr. Chua TK is the brother in law of Mr. Lim CP. |

| Name | Age | Position | Time of joining our Group | Date of appointment as senior management | Responsibility | Relationship with other Directors and senior management |
|---|---|---|---|---|---|---|
| Mr. Lim CP | 47 | Chief executive officer and executive Director | December 2009 | 7 December 2009 | Responsible for overseeing the business strategy of our Group, supervising our business products and participating in the decision-making of overall operation and management of our Group | Mr. Lim CP is the brother in-law of Mr. Chua TK. |
| Mr. KOH Guan Kiat | 53 | Chief Financial Officer | March 2025 | 24 March 2025 | Responsible for our Group's financial strategy, governance, and capital structuring | N/A |
| Mr. LEE Meng Joo Ken | 40 | Chief Operating Officer | June 2021 | 1 April 2025 | Responsible for overseeing our Group's day to day operation, shipyard management, and sustainability initiatives | N/A |

**Mr. CHUA Teck Keong**, aged 49, our executive Director, is also a member of our senior management. For the biographical details of Mr. Chua TK, please refer to the paragraph headed "Board of Directors — Executive Directors" in this section above.

**Mr. LIM Chin Pei**, aged 46, our executive Director, is also a member of our senior management. For the biographical details of Mr. Lim CP, please refer to the paragraph headed "Board of Directors — Executive Directors" in this section above.

**Mr. KOH Guan Kiat**, aged 53, is our chief financial officer and is responsible for our Groups' financial strategy, governance, and capital structuring. He joined our group in March 2025.

Mr. Koh has over 20 years of cross-sector finance leadership experience across Singapore, South Africa, China, Thailand and the USA. Prior to joining our Group, he held senior finance roles in listed and multinational companies: (i) general manager of Chang Cheng Mee Wah Holdings Private Limited from May 2004 to August 2007; (ii) senior finance and admin manager at TT International Limited with his position as the chief financial officer of its South African subsidiary Akitron Pty Ltd. (South Africa), a joint venture of TT International Limited involved in trading and distributing consumer electronics and whitegoods, from October 2007 to March 2010 and during which he was seconded to South Africa; (iii) finance manager of GMG Global Ltd., an integrated natural rubber producer with plantations and

processing facilities across Africa and Asia previously listed on the Singapore Exchange, from October 2010 to February 2013 where he was responsible for managing treasury operations and was seconded to Thailand for post-acquisition integration; (iv) general manager of SRI Trang International Pte. Ltd., the Singapore trading arm of Sri Trang Agro-Industry Public Company Limited, an integrated natural rubber Company, dual-listed in Thailand and Singapore, with his last position being the chief financial officer, from February 2014 to March 2019 where he was responsible for overseeing Singapore Exchange reporting for the group's dual-listed operations; (v) senior manager in the finance division of Suntec Singapore International Convention & Exhibition Services Pte. Ltd, a company primarily engaged in hosting major international conferences and exhibitions, from February 2020 to April 2022 where he was responsible for finance and compliance functions; and (vi) finance manager of Element Construction Testing Pte. Ltd. and its group from June 2022 to September 2024.

Mr. Koh is a fellow of the Association of Chartered Certified Accountants (ACCA) since October 2007 and a Chartered Accountant of Singapore (CA Singapore) since July 2013. He obtained a degree of Master in Business Administration degree through distance learning from the University of Bradford (UK), delivered through Management Development institute of Singapore in 2007 and advanced diploma in financial trading and value investing from Singapore Management University in June 2022.

**Mr. LEE Meng Joo Ken**, aged 40, is our chief operations officer. He joined our Group in June 2021 and was appointed as the chief operating officer of our Company in April 2025. Mr. Lee is responsible for overseeing our Group's day to day operation, shipyard management, and sustainability initiatives. He leads the business development, project, and ESG teams, and is responsible for the planning and the implementation strategic initiative of our Group.

Prior to his appointment as the chief operating officer of our Company, Mr. Lee served as the business development manager of our Group and his primary duty was to expand our Group's market presence, secure exclusive distributors with, among others, marine machinery partnership. He was also responsible for maintaining investor relations, legal coordination and operational planning for our Group's shipyard and fleet.

Mr. Lee has over 19 years of experience in maritime operations, cartography and naval systems. Prior to joining our Group, he served full time in the Republic of Singapore Navy as a specialist handling navigation from 2006 to 2012. He then joined the Maritime and Port Authority of Singapore from October 2012 to October 2021 with his position being a senior technical executive (cartography). Mr. Lee is currently the secretary of Harbour Craft and Port Services Association of Singapore (HAPSAS).

Mr. Lee obtained a Diploma in Engineering Informatics from Nanyang Polytechnic in March 2006. He also completed professional certifications in Marine Geospatial Information (Category B) recognised by the FIG/IHO/ICA International Board on Standards of Competence for Hydrographic Surveyors and Nautical Cartographers, Mr. Lee also holds certifications in workplace safety and health supervision for marine work and in carbon accounting & GHG management from the UN Global Compact Network Singapore in February 2025.

Save as disclosed above, each of our Directors and senior management members confirms with respect to himself and herself that (1) he or she had no other relationship with any Director, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or overseas; and

(3) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

## COMPANY SECRETARIES

**Mr. Kwok Pak Shing** (郭柏成), aged 42, was appointed as our company secretary on 16 January 2026, which will come into effect upon the **[REDACTED]**. Mr. Kwok has over 20 years of experience in big four accounting firms and has worked for several companies listed on the Stock Exchange and have been a company secretary or corporate governor since 2013. Mr. Kwok is currently the Chief Financial Officer and Company Secretary of Nimble Holdings Company Limited, the shares of which are listed on Main Board of the Stock Exchange (stock code: 186), since January 2025.

Between July 2006 to June 2013, Mr. Kwok worked in KPMG and served as an accountant from 2006 to 2008, an audit assistant manager from 2008 to 2011, and an audit manager from 2011 to 2013, where he led audit engagement teams primarily focused on property development and consumer market. From June 2013 to June 2017, he worked in Central China Real Estate Limited (stock code: 832) and served as the financial controller and the company secretary responsible for handling financial reporting, corporate finance and governance, and market capitalisation. From July 2017 to July 2018, he worked in United Energy Group Limited (stock code: 467) and served as the financial controller responsible for managing the finance team handling financial reporting, corporate finance, international tax planning, merger and acquisition, compliance and governance. From July 2018 to September 2020, he worked in Zensun Enterprises Limited (stock code: 185) and served as the chief financial officer and the joint company secretary responsible for the finance and accounting departments and compliance team handling investments, market capitalisation, financial reporting, corporate finance, compliance and governance. From September 2020 to January 2025, he worked in Times Neighborhood Holdings Limited (stock code: 9928) and served as the chief financial officer of the group and general manager of the Hong Kong office responsible for market value management, investor relations, ESG matters, corporate finance, M&A, financial reporting, corporate governance functions and management of Hong Kong office. From March 2020 to May 2025, he was also appointed as an independent non-executive directors and appointed as the Chairman of the remuneration committee of A Metaverse Company, formerly known as Starrise Media Holdings Limited, (stock code: 1616).

Mr. Kwok graduated from Hong Kong Polytechnic University (香港理工大學) and obtained a bachelor's degree of arts in business studies in 2006. He has been a member of the Hong Kong Institute of Certified Public Accountants since 2010, a member of the Institute of Chartered Accountants in England and Wales ("**ICAEW**") since 2022, and was awarded the Sustainability Certificate issued by ICAEW in 2025.

## BOARD COMMITTEES

We have established three committees under our Board, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, with effect from the **[REDACTED]**, in accordance with the Listing Rules.

### Audit Committee

The Audit Committee will consist of three Directors, namely Ms. Ayako Yamada, Mr. Kong Kian Siong and Capt. Wong Kar Weng, with Mr. Kong Kian Siong serving as the chairman. Mr. Kong Kian Siong has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for making recommendations to our Board on the appointment and removal of external auditors, reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group, and has written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

### Remuneration Committee

The Remuneration Committee will consist of three Directors, namely Ms. Ayako Yamada, Mr. Kong Kian Siong, Capt. Wong Kar Weng, with Capt. Wong Kar Weng serving as the chairman. The Remuneration Committee is mainly responsible for evaluating the remuneration policies for and the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management of our Group and making recommendations thereon to our Board, and has written terms of reference in compliance with paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

### Nomination Committee

The Nomination Committee consists of three Directors, namely Ms. Ayako Yamada, Mr. Kong Kian Siong, Capt. Wong Kar Weng, with Ms. Ayako Yamada serving as the chairlady. The Nomination Committee is mainly responsible for identifying, screening and recommending to our Board qualified candidates to serve as the Directors and senior management, monitoring the procedures for evaluating the performance of our Board and evaluating our Board diversity policy, and has written terms of reference in compliance with paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

## DIVERSITY POLICY OF THE BOARD OF DIRECTORS

Our Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy provides a structured framework for the nomination and selection of candidates to our Board. Selection criteria include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting, law, as well as industry experience relevant to our Group's operations and business. Our Directors are of the view that our Board satisfies the Board Diversity Policy. In addition, our Board has a wide range of age, ranging from 45 years old to 56 years old. Our Board currently consists of one female Director. Our Board will continue to work towards enhancing gender diversity with reference to investors' expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of the Board. After **[REDACTED]**, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy periodically to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives established for implementing the Board Diversity Policy and the progress on achieving these objectives.

## CORPORATE GOVERNANCE

Our Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Our Company is committed to upholding high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To achieve this, our Company complies or is expected to comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the **[REDACTED]**.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation in the form of fees, salaries, contribution to pension schemes, allowances, benefits in kind and discretionary bonuses. We also reimburse them for expenses which are necessary and reasonably incurred in providing services to us or discharging their duties in relation to our operations. We regularly review and determine the remuneration and compensation packages of our Directors and members of our senior management taking into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group, the performance of our Group and desirability of performance-based remuneration.

We offer executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses and other benefits. Our independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amount of remuneration (including fees, salaries, wages and allowances, discretionary bonuses and employee's contribution to a retirement benefit scheme) paid to our Directors for the years ended 31 December 2023, 2024 and 2025, and for the five months ended 30 May 2026 were S$367,000, S$419,000, S$486,000 and S$220,000, respectively.

The aggregate amount of remuneration (including basic salaries and allowances, discretionary bonuses and retirement benefit scheme contributions) paid to the five highest paid individuals, excluding Directors and chief executive, for the years ended 31 December 2023, 2024 and 2025, and for the five months ended 30 May 2026 were S$524,000, S$537,000, S$529,000 and S$195,000, respectively.

It is estimated that remuneration equivalent to approximately [S$343,000] in aggregate will be paid to our Directors by our Company for the year ending 31 December 2026, based on the arrangements in force as of the date of this document.

No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

## COMPLIANCE ADVISER

We have appointed Alliance Capital Partners Limited as the compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, we shall seek advice from our compliance adviser on a timely basis in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares, the possible development of a false market in the Shares or any other matters.

The terms of the appointment of the compliance advisor will commence on the **[REDACTED]** and end on the date when we distribute the annual report of our financial results for the first full financial year commencing after the **[REDACTED]**.

## DIRECTORS' INTEREST

Except as disclosed in this section, each of the Directors and members of the senior management (i) had no other relationship with any of the other Directors and senior management as of the Latest Practicable Date; and (ii) did not hold any other directorship in listed companies in the three years prior to the Latest Practicable Date. For the Directors' interests in the Shares within the meaning of Part XV of the SFO, please refer to the paragraph headed "Appendix V — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders — 1. Disclosure of interests".

Save as disclosed in this section and the section headed "Statutory and General Information" as set out in Appendix V in this document, there are no other material matters relating to our Directors and the member of our senior management that need to be brought to the attention of our Shareholders.

## CONFIRMATION FROM OUR DIRECTORS

### Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as at the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

### Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 10 February 2026; and (2) understands his or her obligations as a director of a listed issuer under the Listing Rules.

**Rule 3.13 of the Listing Rules**

Each of the independent non-executive Directors confirms (1) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as at the Latest Practicable Date; and (3) that there are no other factors that may affect his/her independence at the time of his appointment.

## CONTROLLING SHAREHOLDERS OF OUR COMPANY

Immediately following completion of the **[REDACTED]** and the **[REDACTED]** (without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**), Prompt Venture will be entitled to exercise voting rights of approximately **[REDACTED]**% of the total issued share capital of our Company. Prompt Venture is owned as to 87.22% and 12.78% by Mr. Chua TK and Ms. Lim SC, respectively. Therefore, Mr. Chua TK, Ms. Lim SC and Prompt Venture will be our Controlling Shareholders as defined in the Listing Rules upon the **[REDACTED]** and the **[REDACTED]**. Given (i) the close familial relationships among Mr. Chua TK, Mr. Chua TS, Mr. Lim CP, Ms. Chua GC and Ms. Lim SC, and (ii) the Group operating as a family business before **[REDACTED]**, Mr. Chua TS, Mr. Lim CP, Ms. Chua GC and Ms. Lim SC are also deemed as our Controlling Shareholders and constitute a group of our Controlling Shareholders together with Mr. Chua TK, Ms. Lim SC and Prompt Venture.

Mr. Chua TK is our executive Director and chairman of our Board, and Mr. Lim CP is our executive Director and chief executive officer. For further background of Mr. Chua TK and Mr. Lim CP, please refer to the paragraph headed ''Directors and Senior Management — Board of Directors — Executive Directors'' in this document.

## INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the **[REDACTED]**, taking into consideration of the factors below.

### Management Independence

Our Board comprises two executive Directors and three independent non-executive Directors. Please refer to the section headed ''Directors and Senior Management'' in this document. Whilst Mr. Chua TK and Mr. Lim CP, both of whom are among our Controlling Shareholders, also serve as our executive Director and Chairman of the Board, and Chief Executive Officer, respectively, we believe that our Directors and senior management are able to perform their roles in our Company independently and that our Group is capable of managing our business independently from our Controlling Shareholders for the following reasons:

(i) each Director is aware of his/her fiduciary duties as a director which requires. among other things, that he/she acts for the benefit and in the best interests of our Company and that he/she does not allow any conflict between his/her duties as a Director and his/her interest;

(ii) our Board acts collectively by majority decisions in accordance with the Articles of Association and applicable laws, and no single Director is supposed to have any decision-making power unless otherwise authorised by our Board;

(iii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant meetings of our Board in respect of such transactions; and

(iv) our Board comprises of five Directors and three of them are independent non-executive Directors who represent not less than one-third of the members of our Board and a majority of our Board. This provides a balance between the number of executive Directors and independent non-executive Directors with a view to promoting the interests of our Company and our Shareholders as a whole. Our independent non-executive Directors will bring independent judgement to the decision-making process of our Board. This is also in line with the requirement as set out in the Listing Rules to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions.

Having considered the above factors, our Directors are satisfied that our Board as a whole, together with our senior management team, are able to make independent managerial decision in the best interest of our Company after the **[REDACTED]**.

**Operational Independence**

Although our Controlling Shareholders will retain a controlling interest in us after the **[REDACTED]**, we have full rights to make all decisions on, and to carry out, our own business operations independently. Our Company, through our subsidiaries, holds the licenses and qualifications necessary to carry on our current business, and has sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders. We have an established and complete organisation structure, comprising various separate departments each charged with specific responsibilities. We have access to third parties independently from and not connected to our Controlling Shareholders for sources of suppliers and customers. We have also established a set of internal control procedures and adopted corporate governance practices to facilitate the effective operation of our business. Please refer to the paragraph headed "Corporate Governance Measures" in this section for details.

Our Directors further confirm that, as at the Latest Practicable Date, we have not entered into any continuing connected transactions within the meaning ascribed to it under Chapter 14A of the Listing Rules with any of our Controlling Shareholders or their respective close associates which will be subject to reporting, announcement, circular and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules and will sustain after the **[REDACTED]**. We do not rely on our Controlling Shareholders in respect of our operation.

Based on the above, our Directors consider that our Group can operate independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

**Financial Independence**

Our Group has an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders or their close associates. We have made tax filings and paid tax independently from our Controlling Shareholders and their close associates pursuant to applicable laws and regulations. We have established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. We have adequate internal resources and credit profile to support our daily operations.

During the Track Record Period and as at the Latest Practicable Date, we had an aggregate of approximately S$8.1 million of bank facilities guaranteed by Mr. Chua TK, one of our Controlling Shareholders. Please refer to note 27 of the Accountants' Report as set out in Appendix I to this document for further details. Our Directors confirm that all guarantees provided by Mr. Chua TK will be fully released prior to the **[REDACTED]**.

Taking into account the financial resources available to us, including available cash and cash equivalents, bank facilities, cash flows generated from our operations and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient capital to operate our business independently and have a strong credit profile to support our daily operations. Further, our

Directors believe that, after the **[REDACTED]**, our Group is capable of obtaining financing from third parties without the support of our Controlling Shareholders. Therefore, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

## COMPETING BUSINESS

Our Controlling Shareholders confirmed that as at the Latest Practicable Date, none of them nor their respective close associate(s) have any interest in any business, apart from the business operated by our Group, that competes or is likely to compete, directly or indirectly, with the business of our Group that would require disclosure pursuant to Rule 8.10 of the Listing Rules.

## CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of incorporating elements of good corporate governance in management conducive to the protection of the interests of our Shareholders. In particular, the following corporate governance measures in relation to managing potential conflict of interest between our Controlling Shareholders and Directors on the one hand and our Group on the other hand will be taken:

(i) as part of our preparation for the **[REDACTED]**, we have conditionally adopted our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provides that, unless otherwise specified, a Director shall not vote (nor be counted in the quorum) on any resolution of the board of directors approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates is materially interested;

(ii) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(iii) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our Shareholders;

(iv) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(v) we have appointed Alliance Capital Partners Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflict of interest that may arise between our Group and our Controlling Shareholders and to protect our Shareholders' interests as a whole after the **[REDACTED]**.

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** and the **[REDACTED]**, the following persons are expected to have an interest and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 4 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

| | | **As at the Latest Practicable Date** | | **Immediately following the completion of the [REDACTED] and the [REDACTED]** (assuming that the **[REDACTED]** is not exercised) | |
|---|---|---|---|---|---|
| **Name** | **Capacity/ Nature of interest** | **Total number of Shares (L)**[*(Note 1)*] | **Approximate percentage of shareholding** | **Total number of Shares (L)**[*(Note 1)*] | **Approximate percentage of shareholding** |
| Prompt Venture | Beneficial Interest | 156,001 | 71.99% | **[REDACTED]** | **[REDACTED]** |
| Mr. Chua TK | Interest in controlled corporation[*(Note 2)*] | 156,001 | 71.99% | **[REDACTED]** | **[REDACTED]** |
| Ms. Lim SC | Spousal interest | 156,001 | 71.99% | **[REDACTED]** | **[REDACTED]** |

*Notes:*

(1) The letter (L) denotes the person's long position in the Shares.

(2) Prompt Venture is held as to 87.2% and 12.8% by Mr. Chua TK and Ms. Lim SC, respectively, and Mr. Chua TK is therefore deemed to be interested in the Shares held by Prompt Venture. Mr. Chua TK is the spouse of Ms. Lim SC and pursuant to a power of attorney dated 12 February 2026 executed by Ms. Lim SC and Mr. Chua TK, Ms. Lim SC has appointed Mr. Chua TK as her true and lawful attorney and proxy with respect to the shares of Prompt Venture held by her whereby Mr. Chua TK is authorised to exercise the voting rights attached thereto on behalf of Ms. Lim SC.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the **[REDACTED]** and the **[REDACTED]**, have interests and/or short positions in Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group.

## SHARE CAPITAL OF OUR COMPANY

The following is a description of the authorised and issued share capital of our Company as at the date of this document and shares issued or to be issued as fully paid or credited as fully paid immediately following the completion of the **[REDACTED]** and the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised):

| | | Approximate aggregate nominal value |
|---|---|---|
| **Authorised share capital:** | | *US$* |
| 5,000,000,000 | Shares of par value of US$0.00001 each as of the Latest Practicable Date | 50,000 |
| **Shares issued or to be issued, fully paid or credited as fully paid:** | | |
| 216,682 | Shares in issue as at the date of this document | 2.17 |
| **[REDACTED]** | Shares to be issued pursuant to the **[REDACTED]** | **[REDACTED]** |
| **[REDACTED]** | Shares to be issued under the **[REDACTED]** | **[REDACTED]** |
| **[REDACTED]** | **Total** | **[REDACTED]** |

### Assumptions

The above table assumes that the **[REDACTED]** becomes unconditional and the Shares are **[REDACTED]** pursuant to the **[REDACTED]**. The above stable does not take into account any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase as described below.

## RANKING

The **[REDACTED]** are ordinary shares in the share capital of the Company and will rank equally in all respects with all Shares in issue or to be issued as set forth in the above table, and will quality and rank in full for all dividends or other distribution declared, made or paid after the date of this document.

## CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Our Company will have only one class of Shares upon completion of the **[REDACTED]** and the **[REDACTED]**, namely ordinary shares, and each ranks *pari passu* with the other Shares. Pursuant to the Companies Act and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) divide its shares into several classes; (iv) subdivide its shares into shares of smaller amount; and (v) cancel any shares which have not been taken. In addition, our Company may subject to the provisions of the Companies Act reduce its share capital or capital redemption reserve by

our Shareholders passing a special resolution. Please refer to the paragraph headed "Summary of the Constitution of the Company and Cayman Islands Company Act — 2. Articles of Association — (a) Shares" in Appendix IV to this document for further details.

## GENERAL MANDATE TO ISSUE SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares and to make or grant offers, agreements or options which might require such Shares to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed the sum of:

- 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the **[REDACTED]** and the **[REDACTED]**; and
- the nominal amount of our share capital repurchased by our Company (if any) pursuant to the repurchase mandate (as mentioned below).

This mandate does not cover Shares to be allotted, issued or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders.

This mandate to issue Shares will remain in effect until:

- the conclusion of our next annual general meeting; or
- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or
- it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest.

Please refer to "Statutory and General Information — A. Further information about our group — 5. Resolution of our Shareholders" in Appendix V to this document for further details.

## GENERAL MANDATE TO REPURCHASE SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of our share capital in issue immediately following the **[REDACTED]** and the **[REDACTED]**.

This mandate relates to repurchases made on the Stock Exchange, or on any other stock exchange which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules.

This general mandate to repurchase Shares will remain in effect until:

- the conclusion of our next annual general meeting; or
- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or
- it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest.

Please refer to "Statutory and General Information — A. Further information about our group — 6. Repurchase of our own Securities" in Appendix V to this document for further details.

*You should read the following discussion and analysis in conjunction with our audited consolidated financial information as at and for the years ended 31 December 2023, 2024, 2025 and the five months ended 31 May 2026, included in the Accountants' Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.*

*For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended 31 December of such years. All references to "FY2023", "FY2024", "FY2025", "5M2025" and "5M2026", mean the financial years ended 31 December 2023, 31 December 2024, 31 December 2025, months ended 31 May 2025 and 31 May 2026 respectively. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.*

## OVERVIEW

Being a Singapore-based company since 2009, we are a marine services provider with a coordinated operating platform encompassing aluminium workboat construction, workboat chartering and logistics support, shipping agency services, chandelling and the sale of machinery and spare parts. We generate revenue from three main areas: (i) boatbuilding, workboat chartering, crew manning and logistics support services; (ii) shipping agency services; and (iii) chandelling and sales of marine machinery and spare parts.

Our revenue growth from FY2023 to FY2025 was mainly driven by boatbuilding services. Net profit increased from approximately S$3.8 million in FY2023 to S$6.1 million in FY2024 and S$9.7 million in FY2025. Revenue remained broadly stable in 5M2026, while net profit decreased from approximately S$4.3 million in 5M2025 to S$3.3 million in 5M2026. For FY2023, FY2024 and FY2025 and for 5M2025 and 5M2026, we sold 4, 9, 14, 6 and 7 workboats, respectively.

## BASIS OF PRESENTATION

Our Company is an exempted company incorporated in the Cayman Islands with limited liability on 2 January 2026. Following completion of the Reorganisation on 30 January 2026, our Company became the holding company of the companies now comprising our Group. For further details, please refer to the section headed "History, Reorganisation and Corporate Structure" of this document.

The companies now comprising our Group were under the control of Mr. Lim CP, Abo Shoten, Ms. Lim SC, Mr. Chua TK, Ms. Chua GC and Mr. Chua TS before and after the Reorganisation. Accordingly, the financial information for FY2023, FY2024 and FY2025 has been prepared on a consolidated basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Track Record Period.

The historical financial information has been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") under the historical cost conversion. All intra-group balances, transactions and unrealized gains/losses on intra-group transactions have been eliminated on combination.

## KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are, affected by the following factors, some of which could affect our results of operations:

### Our ability to scale capability and deliver integrated services

Our continued growth depends on our ability to scale production capacity and efficiently deliver integrated services across our business lines. This requires effective resource allocation, manpower planning and supply chain coordination to meet evolving customer demand.

We strengthened our production capabilities through investments in our waterfront facility and additional production machinery and equipment. The expanded capacity, operational since July 2023, supported growth in our boatbuilding revenue from approximately S$3.7 million in FY2023 to approximately S$7.8 million in FY2024 and further to approximately S$14.3 million in FY2025. We seek to improve efficiency and achieve economies of scale through further improvements in our operational processes, information technology systems and facilities.

### Operational efficiency

Our profitability depends on effective cost management and operational efficiency. Our cost of sales represented approximately 69.8%, 62.9%, 58.5% and 56.9% of revenue in FY2023, FY2024, FY2025 and 5M2026, respectively. We seek to control cost by streamlining our supply chain, selecting quality suppliers, and enhancing operation efficiency across our business lines.

Port-related charges, material cost and direct labour cost accounted for approximately 77.0%, 83.6%, 85.7% and 81.8% of our cost of sales for FY2023, FY2024, FY2025 and 5M2026, respectively.

#### *(A) Port-related charges*

Port-related charges arise from our shipping agency services and include tug charges, harbour dues for using port facilities, pilotage fee, cross harbour permit charges, mooring charges, and other cost for vessels entry, movement and operations in the port operations. These charges amounted to approximately S$9.6 million, S$11.6 million, S$10.8 million, and S$4.2 million in FY2023, FY2024, FY2025 and 5M2026 respectively, representing approximately 39.2%, 45.2%, 39.8%, and 38.0% of our cost of sales, respectively. Unexpected increases that cannot be recovered from customers could adversely affect our financial performance and profitability.

The following sensitivity analysis illustrates the impact of hypothetical changes of 10%, 20% and 30% in port-related charges on our profit before income tax during the Track Record Period, assuming all other variables remain unchanged. Our Directors consider these assumptions are reasonable for the purpose of the following sensitivity analysis:

**Impact of hypothetical fluctuations in port-related charges on our net profit before tax during the Track Record Period**

| | **+/-10%** *(S$'000)* | **+/-20%** *(S$'000)* | **+/-30%** *(S$'000)* |
|---|---|---|---|
| **Changes in our profit before tax** | | | |
| FY2023 | +/-956 | +/-1,912 | +/-2,868 |
| FY2024 | +/-1,162 | +/-2,325 | +/-3,487 |
| FY2025 | +/-1,083 | +/-2,165 | +/-3,248 |
| 5M2026 | +/-420 | +/-840 | +/-1,260 |

***(B) Material costs***

Material costs comprise aluminium alloy plates, marine engines, generators and spare parts used in boatbuilding and goods supplied through our chandelling and machinery and spare parts sales business. For FY2023, FY2024, FY2025 and 5M2026, these cost amounted to approximately S$5.3 million, S$5.9 million, S$8.2 million, and S$3.3 million respectively, representing approximately 21.6%, 22.9%, 30.3%, and 29.5% of our cost of sales, respectively for the corresponding years/period. Unexpected increases that cannot be recovered from customers could adversely affect our financial performance and profitability.

The following sensitivity analysis illustrates the impact of hypothetical changes of 10%, 20% and 30% in material costs on profit before tax during the Track Record Period, assuming all other variables remain unchanged. These assumption are based on the historical fluctuations of our Group during the Track Record Period.

**Impact of hypothetical fluctuations in our material costs on our net profit before tax during the Track Record Period**

| | **+/-10%** | **+/-20%** | **+/-30%** |
|---|---|---|---|
| | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| **Change in our profit before tax** | | | |
| FY2023 | +/-527 | +/-1,054 | +/-1,582 |
| FY2024 | +/-589 | +/-1,177 | +/-1,766 |
| FY2025 | +/-823 | +/-1,647 | +/-2,470 |
| 5M2026 | +/-326 | +/-653 | +/-979 |

***(C) Fuel costs***

Our fuel costs, arise from our workboat chartering services. For FY2023, FY2024, FY2025 and 5M2026, they amounted to approximately S$1.4 million, S$2.0 million, S$1.7 million, and S$0.9 million respectively, representing approximately 5.6%, 7.6%, 6.3%, and 8.4% of our cost of sales, respectively for the corresponding years/period. Oil price volatility arising from geopolitical events may lead to unexpected fuel cost increases that, if not recovered from customers, could adversely affect our financial performance and profitability.

The following sensitivity analysis illustrates the impact of hypothetical changes of 30%, 50% and 100% in fuel costs on profit before tax during the Track Record Period, assuming all other variables remain unchanged. These assumptions reflect historical fluctuations and potential adverse scenarios.

**Impact of hypothetical fluctuations in our fuel costs on our net profit before tax during the Track Record Period**

| | **+/-30%** | **+/-50%** | **+/-100%** |
|---|---|---|---|
| | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| **Change in our profit before tax** | | | |
| FY2023 | +/-413 | +/-688 | +/-1,376 |
| FY2024 | +/-588 | +/-980 | +/-1,960 |
| FY2025 | +/-510 | +/-851 | +/-1,701 |
| 5M2026 | +/-280 | +/-467 | +/-933 |

### *(D) Employee Costs*

Employee costs comprise direct labour included in cost of sales and employee remuneration included in selling and administrative expenses components. For FY2023, FY2024, FY2025 and 5M2026, we incurred direct labour costs of approximately S$4.0 million, S$4.0 million, S$4.2 million, and S$1.6 million respectively, representing approximately 16.2%, 15.5%, 15.6%, and 14.3% of our cost of sales, respectively. During the same years/period, employee remuneration included in selling and administrative expenses amounted to approximately S$2.7 million, S$4.2 million, S$4.3 million, and S$2.1 million respectively, representing approximately 43.1%, 49.7%, 50.7%, and 44.6% of our selling and administrative expenses, respectively. Unexpected increases that cannot be recovered from customers could adversely affect our financial performance and profitability.

For illustrative purpose only, the following sensitivity analysis illustrates the impact of hypothetical fluctuations of the employee costs on our profit before income tax during the Track Record Period assuming other variables remain unchanged for the dates indicated. Fluctuations in our staff costs are assumed to be 10%, 20% and 30% based on the historical fluctuations of our Group during the Track Record Period.

**Impact of hypothetical fluctuations in our staff costs on our net profit before tax during the Track Record Period**

| | **+/-10%** *(S$'000)* | **+/-20%** *(S$'000)* | **+/-30%** *(S$'000)* |
|---|---|---|---|
| **Change in our profit before tax** | | | |
| FY2023 | +/-669 | +/-1,338 | +/-2,008 |
| FY2024 | +/-823 | +/-1,646 | +/-2,468 |
| FY2025 | +/-857 | +/-1,714 | +/-2,571 |
| 5M2026 | +/-373 | +/-745 | +/-1,118 |

**Sales Mix**

Our business lines have different cost structure and margins, so changes in revenue mix affect, our results of operations and financial result. During the Track Record Period, our gross profit margins of boatbuilding and workboat chartering were approximately 28.6%, 38.5%, 44.4%, and 48.0%, compared with approximately 35.2%, 37.1%, 40.6%, and 38.0%, respectively for shipping agency services. Our gross profit margin may be affected if there is a shift in our product and services mix.

**Fluctuation in port activities in Singapore**

Our business primarily serves vessels calling at the Port of Singapore, and our financial performance is significantly affected by intra-Asian trade and shipping traffic. Increased vessel arrivals during the Track Record Period supported demand for our products and services. Red Sea disruptions in FY2024 and FY2025 also increased port congestion as vessels rerouted to avoid affected areas.

Geopolitical conflicts, trade disputes, pandemics and other factors beyond our control may disrupt supply chains and shipping traffic. Their effects on demand and our future financial performance are difficult to predict.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our consolidated financial information in accordance with IFRSs, which requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of the consolidated financial information and

the reported amounts of revenue and expenses during the financial reporting period. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Because the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. We will continuously assess our assumptions and estimates going forward. We consider the policies discussed below to be critical to an understanding of our consolidated financial information as their application places significant demands on our management's judgment.

For details of our material accounting policy information and estimates, see Note 4 and Note 5 to the Accountants' Report set out in Appendix I to this document.

**Revenue**

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which our Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes any related taxes and is after deduction of any trade discounts.

Revenue from boatbuilding services is recognised over time, using an input method to measure progress towards complete satisfaction of the service. The input method recognises revenue on the basis of progress towards complete satisfaction of performance obligation, which is measured based on our Group's effort or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended and cost incurred) relative to the total expected inputs to the satisfaction of that performance obligation.

Workboat chartering income is derived from various charter arrangements including trip-based charters and time-charters.

(i) For trip-based charter arrangement which does not contain a lease, revenue is recognised over time, which is determined on duration.

(ii) For time charter arrangement which contains a lease, our Group separately accounts for the rental income from lease components and shipping services income from non-lease components for the charter contracts. The revenue from shipping service income is recognised over time.

Crew manning income is derived from various arrangements including contracted manning supply and ad hoc manning supply. Contracted manning supply is recognised over time on the straight-line basis over the period of the contract. Ad hoc manning supply is recognised at point in time when the services have been rendered.

Shipping agency services and logistics support services are recognised at point in time when the services have been rendered.

Revenue from chandelling and sales of machinery and spare parts is recognised at point in time when the performance obligation is satisfied by transferring a promised goods and services to the customers. Control of the goods is transferred to the customers, generally on delivery of the goods and services.

Rental and sublease rental income is recognised on a straight-line basis over the lease term.

**Property, plant and equipment**

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

| | |
|---|---|
| Leasehold properties | Over the term of the lease |
| Leasehold properties improvements (included in leasehold properties) | 10 years |
| Workboats | 3–20 years |
| Motor vehicles | 3–10 years |
| Office equipment | 3 years |
| Equipment, machinery, and other assets | 1–10 years |

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress included in leasehold properties represents leasehold improvements under construction, and is stated as cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

**Trade and other receivables**

A receivable is recognised when our Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Our Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

**Inventories**

Inventories comprise raw material and finished goods, such as marine engines, generators and spare parts for boatbuilding, and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The costs of inventory includes all costs of purchase and

other costs incurred in bringing the inventories to their present location and condition and are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

**Taxation**

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Our Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which our Group recognises the right-of-use assets and the related lease liabilities, our Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Our Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and our Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

## DESCRIPTION OF KEY INCOME STATEMENTS ITEMS

The following table sets forth selected consolidated income statements items for the periods indicated:

| | FY2023 *(S$'000)* | FY2024 *(S$'000)* | FY2025 *(S$'000)* | 5M2025 *(S$'000) (Unaudited)* | 5M2026 *(S$'000)* |
|---|---|---|---|---|---|
| **Revenue** | 34,904 | 40,909 | 46,417 | 19,292 | 19,416 |
| Cost of sales | (24,374) | (25,732) | (27,171) | (11,771) | (11,051) |
| **Gross profit** | 10,530 | 15,177 | 19,246 | 7,521 | 8,365 |
| Other income | 256 | 797 | 1,144 | 422 | 537 |
| Other gains and losses — net | 982 | 588 | 945 | 720 | 42 |
| (Impairment losses)/reversal of impairment losses on trade receivables | (151) | (349) | 76 | (73) | 14 |
| Selling and administrative expenses | (6,348) | (8,508) | (8,555) | (3,424) | 4,262 |
| **Profit from operations** | 5,269 | 7,705 | 12,856 | 5,166 | 4,696 |
| Finance costs | (396) | (628) | (463) | (225) | (156) |
| **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** |
| **Profit before tax** | 4,873 | 7,077 | 11,623 | 4,678 | 3,979 |
| Income tax expense | (1,093) | (1,011) | (1,876) | (354) | (665) |
| **Profit for the year** | 3,780 | 6,066 | 9,747 | 4,324 | 3,314 |

### Non-IFRS Measure

To supplement our consolidated income statements which are presented in accordance with IFRS, we also presented the adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that the presentation of non-IFRS financial measures when shown in conjunction with the corresponding IFRS financial measures provides useful information to potential investors and management in facilitating a comparison of our operating performance from period to period. Such non-IFRS financial measures allow investors to consider matrices used by our management in evaluating our performance.

The use of non-IFRS financial measures have limitations as an analytical tool, and investors should not consider these in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

We adjusted for certain items as our non-IFRS financial measures, in order to provide potential investors with an overall and fair understanding of our financial performance, especially in making period-to-period comparisons of, and assessing the profile of, our operating and financial performance. **[REDACTED]** are mainly expenses related to the **[REDACTED]** and are added back because they were incurred for the purposes of **[REDACTED]**.

*Adjusted net profit (non-IFRS measure)*

We defined adjusted net profit (non-IFRS measure) as net profit for the year adjusted by adding back **[REDACTED]**. The table below sets forth the adjusted net profit (non-IFRS measure) and the adjusted net profit margin (non-IFRS measure) during the Track Record Period:

| | FY2023 *(S$'000)* | FY2024 *(S$'000)* | FY2025 *(S$'000)* | 5M2025 *(S$'000)* | 5M2026 *(S$'000)* |
|---|---|---|---|---|---|
| **Non-IFRS measure:** | | | | | |
| Profit for the year | 3,780 | 6,066 | 9,747 | 4,324 | 3,314 |
| Add: | | | | | |
| **[REDACTED]** | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Adjusted profit for the year (non-IFRS measure) | 3,780 | 6,066 | 10,517 | 4,587 | 3,875 |
| Adjusted profit margin for the year (non-IFRS measure) | 10.8% | 14.8% | 22.7% | 23.8% | 20.0% |

**Revenue**

We generate revenue from three principal business lines (i) boatbuilding, workboat chartering and associated services; (ii) shipping agency services; and (iii) chandelling and sales of marine machinery and spare parts. Our customers include international ship owners, charterers, harbour craft operators, and offshore aquaculture firms, as well as various commercial and governmental entities active within the Port of Singapore.

**Revenue by business lines**

Our revenue increased by approximately 17.2% in FY2024 and 13.5% in FY2025 and remained broadly stable in 5M2026. The table below provides a breakdown of our net revenue by service line during the Track Record Period:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* *(Unaudited)* | *%* | *(S$'000)* | *%* |
| Boatbuilding and workboat chartering services | | | | | | | | | | |
| (a) Boatbuilding services | 3,743 | 10.7 | 7,781 | 19.0 | 14,267 | 30.8 | 5,083 | 26.4 | 5,935 | 30.6 |
| (b) Workboat chartering, crew manning and logistics support services | 8,066 | 23.1 | 9,255 | 22.6 | 9,814 | 21.1 | 4,094 | 21.2 | 4,771 | 24.5 |
| **Subtotal:** | 11,809 | 33.8 | 17,036 | 41.6 | 24,081 | 51.9 | 9,177 | 47.6 | 10,706 | 55.1 |
| Shipping agency services | 18,785 | 53.9 | 20,320 | 49.7 | 19,579 | 42.2 | 8,878 | 46.0 | 7,338 | 37.8 |
| Chandelling and sales of machinery and spare parts | 4,310 | 12.3 | 3,553 | 8.7 | 2,757 | 5.9 | 1,237 | 6.4 | 1,372 | 7.1 |
| **Total revenue:** | 34,904 | 100.0 | 40,909 | 100.0 | 46,417 | 100.0 | 19,292 | 100.0 | 19,416 | 100.0 |

Revenue growth from FY2023 to FY2025 was mainly driven by boatbuilding services, whose revenue increased from approximately S$3.7 million to S$14.3 million, supported by expanded production capacity. In 5M2026, boatbuilding revenue increased by approximately S$0.8 million

compared with 5M2025. Together with growth in workboat chartering and associated services and chandelling and machinery sales, this largely offset lower shipping agency revenue, leaving total revenue broadly stable.

***Boatbuilding services***

Our boatbuilding business commenced in May 2018 with a focus on series production to support consistent quality, efficient workflows and scalable output. Our workboats serve in our own operations and customers primarily, supporting in Singapore harbour operations, crew transfers, coastal logistics and offshore aquaculture.

Revenue growth in boatbuilding services during the Track Record Period was mainly driven by increases in the number and aggregate length of workboats sold, from four totalling 60 metres in FY2023 to nine totalling 164 metres in FY2024 and 14 totalling 255 metres in FY2025. Sales also increased from six workboats totalling 99 metres in 5M2025 to seven totalling 136 metres in 5M2026.

The table below sets forth the number of workboats we sold during the respective year and period:

| | **Sold**[Note] | | | | **Total** |
|---|---|---|---|---|---|
| | **13m** | **15m** | **16m** | **20m** | |
| FY2023 | — | 4 | — | — | 4 |
| FY2024 | — | — | 4 | 5 | 9 |
| FY2025 | 3 | — | 1 | 10 | 14 |
| 5M2025 | 3 | — | — | 3 | 6 |
| 5M2026 | — | — | 1 | 6 | 7 |

*Note:* For statistics purpose, any boat completed over 90% and revenue can be recognised under input method is counted as sold.

The above figures excluded three and two workboats sold to a third-party buyer-lessor for FY2023 and FY2024, respectively under the sale and leaseback and recorded the gain arising from the transactions as gain on rights transfer arising from sale and leaseback. For details, please refer to "Other gains and losses, net" of Financial Information of this document.

We also provide repair and maintenance services for third-party vessel operators, government agencies as well as for our own workboat chartering fleet. Our revenue from the repair services, included in the boatbuilding business line, accounted for approximately 1.2%, 3.8%, 3.4%, 3.3% and 3.3% of total revenue for FY2023, FY2024, FY2025, and for 5M2025 and 5M2026, respectively.

***Workboat chartering, crew manning and logistics support services***

We provide workboat chartering, crew manning and related logistics services (such as land transport and storage services) for customers operating in and around the Port of Singapore. Our workboat chartering operations use our in-house constructed aluminium workboats, and maintained at our waterfront facility to support availability, reliability and safety performance. Revenue from these services increased from approximately S$8.1 million in FY2023 to S$9.3 million in FY2024 and S$9.8 million in FY2025, and from S$4.1 million in 5M2025 to S$4.8 million in 5M2026.

The following table sets forth a breakdown of our revenue during the respective year and period derived from our workboat chartering, crew manning and logistics support services:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* |
| Workboat chartering Services | | | | | | | | | | |
| — Trip based charters | 4,946 | 61.3 | 6,762 | 73.1 | 6,912 | 70.4 | 2,945 | 72.0 | 3,656 | 76.6 |
| — Time charters | 1,504 | 18.7 | 691 | 7.4 | 864 | 8.8 | 169 | 4.1 | 160 | 3.4 |
| Subtotal | 6,450 | 80.0 | 7,453 | 80.5 | 7,776 | 79.2 | 3,114 | 76.1 | 3,816 | 80.0 |
| Crew manning services | 551 | 6.8 | 576 | 6.2 | 711 | 7.2 | 495 | 12.1 | 348 | 7.3 |
| Land transportation services | 1,029 | 12.8 | 1,092 | 11.8 | 1,162 | 11.9 | 448 | 10.9 | 593 | 12.4 |
| Cargo storage and packing services | 36 | 0.4 | 134 | 1.5 | 165 | 1.7 | 37 | 0.9 | 15 | 0.3 |
| **Total** | 8,066 | 100.0 | 9,255 | 100.0 | 9,814 | 100.0 | 4,094 | 100.0 | 4,771 | 100.0 |

Revenue growth in chartering services in FY2024 was mainly driven by an approximately S$1.8 million increase in trip-based charter revenue, as four workboats became available for redeployment following charter expiry at the end of FY2023 and more chartered-in vessels were deployed to meet demand. This was partly offset by an approximately S$0.8 million decline in time-charter revenue following the expiry of four time charters without renewal, resulting in a net increase of approximately S$1.0 million in chartering revenue.

Chartering revenue further increased by approximately S$0.3 million in FY2025. Improved utilisation of our own workboats supported higher trip-based charter revenue with fewer chartered-in vessels, while time-charter revenue increased by approximately 25.0%, principally due to a monthly rate of approximately S$39,000 for one 16-metre workboat, compared with S$13,000 to S$23,800 in FY2024.

Revenue from workboat chartering, crew manning and logistics support services increased by approximately S$0.7 million to S$4.8 million in 5M2026, mainly driven by higher trip-based charter revenue as increased port activity in Singapore supported demand. Time-charter revenue remained broadly stable at approximately S$0.2 million in both periods.

As at 31 December 2023, 2024, 2025 and 31 May 2026, our fleet comprised 19, 20, 20, and 19 workboats (inclusive of our fleet and the fleet leased back to us under the sale and lease back arrangement). Apart from selling workboats to third parties, as at the Latest Practicable Date, our Group had 19 workboats of which three workboats are provided for time charter operations, and 16 workboats are provided for our trip-based charter operations and/or for provision of shipping agency services.

The following table sets forth a breakdown of our revenue derived from our workboat chartering services by our own workboats and chartered-in vessels during the Track Record Period:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* |
| Own workboats | 5,975 | 92.6 | 5,050 | 67.8 | 7,308 | 94.0 | 2,905 | 93.3 | 3,439 | 90.1 |
| Chartered-in vessels | 475 | 7.4 | 2,403 | 32.2 | 468 | 6.0 | 209 | 6.7 | 377 | 9.9 |
| **Total** | 6,450 | 100.0 | 7,453 | 100.0 | 7,776 | 100.0 | 3,114 | 100.0 | 3,816 | 100.0 |

During the Track Record Period, we manage to optimising our capability by deploying chartered-in vessels to meet the increase in demands from our customers.

***Shipping agency services***

We provide shipping agency business in Singapore to serve ship owners, charterers and regional vessel operators calling at the Port of Singapore.

The table below sets forth the revenue generated from our shipping agency services by geographical location of our customers during the Track Record Period:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* |
| Singapore | 2,210 | 11.8 | 2,580 | 12.7 | 2,044 | 10.4 | 977 | 11.0 | 891 | 12.1 |
| The PRC | 11,240 | 59.8 | 12,054 | 59.3 | 9,857 | 50.3 | 4,936 | 55.6 | 3,755 | 51.2 |
| South Korea | 2,193 | 11.7 | 1,649 | 8.1 | 2,732 | 14.0 | 1,056 | 11.9 | 983 | 13.4 |
| The United Arab Emirates | 1,294 | 6.9 | 1,438 | 7.1 | 1,265 | 6.5 | 524 | 5.9 | 404 | 5.5 |
| Others | 1,848 | 9.8 | 2,599 | 12.8 | 3,681 | 18.8 | 1,385 | 15.6 | 1,305 | 17.8 |
| Total | 18,785 | 100.0 | 20,320 | 100.0 | 19,579 | 100.0 | 8,878 | 100.0 | 7,338 | 100.0 |

*Note:* Others include India, Japan, Malaysia and United States of America.

Our revenue generated from the provision of shipping agency services increased from approximately S$18.8 million in FY2023 to approximately S$20.3 million in FY2024, representing a growth of approximately 8.2%. Such increase was mainly attributable to the increase of 146 port calls from 2,546 in FY2023 to 2,692 in FY2024, representing an increase of approximately 5.7% coupling with the increase in average spending from approximately S$7,378 for FY2023 to approximately S$7,548 for FY2024, representing an increase of approximately 2.3%. Among the increase in revenue, customers from the PRC increased by approximately S$0.8 million, representing an increase of approximately 7.2% comparing to FY2023.

Though we handled 2,862 port calls in FY2025, 170 more than that of FY2024, our revenue recorded a moderate decrease of approximately S$0.7 million from approximately S$20.3 million in FY2024 to approximately S$19.6 million in FY2025, representing a decrease of approximately 3.6%. Due to the gradual adoption of MPA's digital bunkering scheme since November 2023 with mandatory deadline on 1 April 2025, certain previously chargeable manual services such as boarding officer services of crew documentation were no longer chargeable. As such, the average spending per call decreased by approximately 9.4% from approximately S$7,548 for FY2024 to approximately S$6,841 for FY2025.

Our revenue generated from the provision of shipping agency services decreased from approximately S$8.9 million for 5M2025 to approximately S$7.3 million for 5M2026, representing a decrease of approximately 17.3% mainly due to the port calls decreased from 1,188 for 5M2025 to 1,023 for 5M2026. The impact of adoption of MPA's digital bunkering scheme remained in 5M2026 when comparing with the same period in 2025.

***Chandelling and sales of machinery and spare parts***

Our chandelling services remain primarily focused on supporting our shipping agency and workboat chartering customers by delivering a wide range of essential items, including food, beverages, detergents, bottled water and other daily necessities, as well as spare parts, tools and technical equipment required by vessels during port calls or while at anchorage. In addition to chandelling activities, we sell Supplier A's certain engines, generator sets and genuine spare components. For details of our distribution agreement with Supplier A, please refer to "Business — Suppliers and Procurement — Selection of suppliers".

For the years ended 31 December 2023, 2024, 2025 and for 5M2025 and 5M2026, our revenue generated from ship chandelling and sales of machinery and spare parts was approximately S$4.3 million, S$3.6 million, S$2.8 million, S$1.2 million and S$1.4 million, respectively, accounted for approximately 12.3%, 8.7%, 5.9%, 6.4% and 7.1% of our total revenue. Such decrease from FY2023 to FY2025 was primarily due to intensified competition in the chandelling market, which led to lower average selling prices. Our revenue generated from ship chandelling and sales of machinery and spare parts increased from approximately S$1.2 million for 5M2025 to approximately S$1.4 million mainly due to the increase in demand from customers resulting from the increasing port activities in Singapore comparing with same period last year.

**Cost of Sales**

Our cost of sales primarily comprise port-related charges for our shipping agency business, materials for boatbuilding, chandelling and machinery and spare parts sales, direct labour, fuel and gas oil for workboat chartering business, and others direct costs.

The cost of sales increased by approximately S$1.4 million or a 5.6% from approximately S$24.4 million in FY2023 to S$25.7 million in FY2024, mainly reflecting increases of S$2.1 million in port-related charges, approximately S$0.6 million in material costs and S$0.6 million in fuel costs, partially offset by a S$1.4 million reduction in third-party agency fees.

Our cost further increased by approximately S$1.4 million from approximately S$25.7 million for FY2024 to approximately S$27.2 million in FY2025 mainly due to S$2.3 million of higher material costs, partially offset by the decrease in port-related services fees of approximately S$0.8 million.

In 5M2026, cost of sales decreased by approximately 6.1% to S$11.1 million, mainly reflecting S$0.9 million of lower port-related charges, partly offset by S$0.2 million of higher fuel costs.

The following table sets forth the breakdown of cost of sales during the Track Record Period:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* | *%* | *(S$'000)* *(Unaudited)* | *%* | *(S$'000)* | *%* |
| Port-related charges | 9,559 | 39.2 | 11,623 | 45.2 | 10,826 | 39.8 | 5,086 | 43.2 | 4,199 | 38.0 |
| Material cost | 5,272 | 21.6 | 5,887 | 22.9 | 8,234 | 30.3 | 3,445 | 29.3 | 3,263 | 24.4 |
| Direct labour cost | 3,954 | 16.2 | 3,996 | 15.5 | 4,239 | 15.6 | 1,723 | 14.6 | 1,577 | 14.3 |
| Fuel cost | 1,376 | 5.6 | 1,960 | 7.6 | 1,701 | 6.3 | 776 | 6.6 | 933 | 8.4 |
| Third-party agency fees | 2,694 | 11.1 | 1,287 | 5.0 | 948 | 3.5 | 361 | 3.1 | 382 | 3.5 |
| Workboat and land transportation charges | 92 | 0.4 | 137 | 0.5 | 251 | 0.9 | 133 | 1.1 | 464 | 4.2 |
| Others | 1,427 | 5.9 | 842 | 3.3 | 972 | 3.6 | 247 | 2.1 | 233 | 2.1 |
| **Total** | 24,374 | 100.0 | 25,732 | 100.0 | 27,171 | 100.0 | 11,771 | 100.0 | 11,051 | 100.0 |

*Note:* Others mainly includes direct costs incurred from the daily operation and maintenance of shipyard and warehouse facilities.

*Port-related charges*

Our port-related charges arise from our shipping agency services and vary with the services required for each call. They include the tug fee, harbour dues for using port facilities, pilotage fee, administration fee for cross permit, mooring fee, and other cost for vessels entry, movement and operations in the port area. Our port-related charges increased from approximately S$9.6 million in FY2023 to approximately S$11.6 million in FY2024 as we handled more port calls, then decreased to

approximately S$10.8 million in FY2025, following the gradual adoption of MPA's digital bunkering scheme with certain manual services no longer chargeable. In 5M2026, they decreased by approximately S$0.9 million to S$4.2 million, in line with lower shipping agency revenue.

*Material cost*

Our material cost mainly comprise marine machinery and spare parts used in boatbuilding and supplies for chandelling customers. For the years ended 31 December 2023, 2024 and 2025, we incurred material cost of approximately S$5.3 million, S$5.9 million and S$8.2 million, respectively, which account for approximately 21.6%, 22.9%, 30.3% of the cost of sales, respectively. Such increases reflected higher raw materials and engine procurement costs, and growth in boatbuilding sales. Material costs decreased slightly from approximately S$3.4 million in 5M2025 to S$3.3 million in 5M2026, representing 29.3% and 29.5% of cost of sales, respectively. Despite more vessels being completed in 5M2026, most material costs for three of those vessels had been recognised in late FY2025 when construction commenced, leaving fewer costs to be recognised in 5M2026.

*Direct labour cost*

Our direct labour cost relates to the salaries, wages and staff benefit plan and benefits paid to our direct labour involves in operations of workboat chartering, crew manning and logistics support services as well as boatbuilding business. For the years ended 31 December 2023, 2024, 2025 and for 5M2025 and 5M2026, our direct labour cost was approximately S$4.0 million, S$4.0 million, S$4.2 million, S$1.7 million and S$1.6 million respectively, which remained stable respectively. We had a total number of operational staff of 139, 149, 169 and 182 as at 31 December 2023, 2024, 2025 and 31 May 2026, respectively.

*Fuel cost*

Our fuel costs are incurred in our workboat chartering services. For the years ended 31 December 2023, 2024, 2025 and for 5M2025 and 5M2026, our cost of fuel, petrol and diesel was approximately S$1.4 million, S$2.0 million, S$1.7 million and S$0.8 million and S$0.9 million, respectively, representing approximately 5.6%, 7.6%, 6.3% and 6.6% and 8.4% of our cost of sales, respectively. Such increase in the cost of fuel, petrol and diesel was in line with our usage of workboats and trucks from the workboat chartering services and the fluctuation in fuel costs amid the oil price surge in 5M2026.

*Third-party agency fees*

We incurred agency fee paid to our third party agencies to handle certain port calls. During the Track Record Period, our Group engaged fewer third-party agencies as it was the intention for the Group to internalise the provision of shipping agency services. Therefore, our Group hired more in-house staff to reduce the reliance to external third parties agency. For the years ended 31 December 2023, 2024, 2025 and for 5M2025 and 5M2026, we incurred agency fee for approximately S$2.7 million, S$1.3 million, S$0.9 million, S$0.4 million and S$0.4 million, respectively, which accounted for approximately 11.1%, 5.0%, 3.5%, 3.1% and 3.5% of our cost of sales, respectively.

*Workboat and land transportation charges*

Our workboat and land transportation charges mainly represent the costs associated with the use of operators for charter-in vessels and trucks for our operation in chartering services. For the years ended 31 December 2023, 2024, 2025 and the five months ended 2025 and 2026, we recorded costs used of approximately S$92,000, S$137,000, S$251,000, S$133,000 and S$464,000, respectively.

### Gross profit and gross profit margin

The following table sets forth the breakdown of our gross profit and gross profit margin by business segments for the years indicated.

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross profit | Gross profit margin in | Gross profit | Gross profit margin in | Gross profit | Gross profit margin in | Gross profit | Gross profit margin in | Gross profit | Gross profit margin in |
| | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* |
| | | | | | | | *(Unaudited)* | | | |
| **Segment gross profit** | | | | | | | | | | |
| Boatbuilding and workboat chartering services | | | | | | | | | | |
| (a) Boatbuilding services | 1,179 | 31.5 | 3,521 | 45.3 | 7,145 | 50.1 | 2,232 | 43.9 | 3,257 | 54.9 |
| (b) Workboat chartering, crew manning and logistics support services | 2,204 | 27.3 | 3,038 | 32.8 | 3,557 | 36.2 | 1,513 | 37.0 | 1,879 | 39.4 |
| **Subtotal** | 3,383 | 28.6 | 6,559 | 38.5 | 10,702 | 44.4 | 3,745 | 40.8 | 5,136 | 48.0 |
| Shipping agency services | 6,607 | 35.2 | 7,548 | 37.1 | 7,945 | 40.6 | 3,436 | 38.7 | 2,788 | 38.0 |
| Chandelling and sales of machinery and spare parts | 540 | 12.5 | 1,070 | 30.1 | 599 | 21.7 | 340 | 27.4 | 441 | 32.1 |
| **Total** | 10,530 | 30.2 | 15,177 | 37.1 | 19,246 | 41.5 | 7,521 | 39.0 | 8,365 | 43.1 |

Our gross profit increased by approximately 44.1% from approximately S$10.5 million in FY2023 to approximately S$15.2 million in FY2024, and further increased by approximately 26.8% to approximately S$19.2 million in FY2025. For 5M2026, the gross profit margin increased by approximately 11.2% from approximately S$7.5 million comparing with 5M2025. Our gross profit margin increased from approximately 30.2% in FY2023 to approximately 37.1% in FY2024, and further increased to approximately 41.5% in FY2025. Our gross profit margin improved from FY2023 to FY2025, which was mainly due to the acquisition of our current waterfront facility in FY2023, and it became fully operational in FY2024, allowing us to be more efficient in boatbuilding production planning, improved workflow and greater flexibility in resource deployment across different business segments. Our gross profit margin increased from approximately 39.0% for 5M2025 to approximately 43.1% for 5M2026 mainly due to the improvement in gross profit margin of boatbuilding from approximately 43.9% for 5M2025 to approximately 54.9% for 5M2026 resulting from a higher number of workboats with larger vessel size completed, increasing from six boats with total of 99 meters in 5M2025 to seven boats with total of 136 meters in 5M2026, as well as higher selling prices achieved during the period.

*Boatbuilding and workboat chartering services*

(i) Boatbuilding services

Our gross profit margin for boatbuilding services increased significantly from approximately 31.5% for FY2023 to approximately 45.3% for FY2024 and further increased to approximately 50.1% for FY2025. The cost of boatbuilding services mainly includes material cost for aluminium, marine machinery and spare parts. Material cost increased broadly in line with boatbuilding services revenue resulted from (i) upward trend of price of aluminium alloy sheets during the Track Record Period; and (ii) prevailing industry trends towards decarbonisation which accelerate fleet renewal as older diesel-powered vessels may face declining commercial viability, in which the proportion of material cost to our revenue from boatbuilding services remained relatively stable

during FY2023, FY2024 and FY2025. Material cost decreased from 5M2025 to 5M2026 was mainly due to timing of construction commencement, where despite completing seven vessels in 5M2026 compared to six in 5M2025, a majority of the material costs for three vessels completed in 5M2026 had already been recognised in late FY2025 when construction commenced, leaving a smaller proportion of material costs to be expensed during 5M2026, in which the proportion of material cost to our revenue from boatbuilding services decreased from approximately 50.1% to approximately 39.3%. The improvement in our gross profit margin for boatbuilding services was mainly because during the Track Record Period, (i) we shortened the workboat production period, in which the proportion of direct labour cost to our revenue from boatbuilding services decreased from approximately 8.6% for FY2023 to approximately 5.7% for FY2024 and further decreased to approximately 3.8% for FY2025. The proportion of direct labour cost to our revenue from boatbuilding services were kept at approximately 3.9% and 4.0% for 5M2025 and 5M2026, respectively; and (ii) the full operation of our waterfront facility by January 2024, in which the proportion of cost of daily operation and maintenance of shipyard and warehouse facilities to our revenue from boatbuilding services decreased from approximately 16.0% for FY2023 to approximately 5.1% for FY2024 and further decreased to approximately 3.5% for FY2025. The proportion of cost of daily operation and maintenance of shipyard and warehouse facilities to our revenue from boatbuilding services decreased from approximately 2.0% for 5M2025 to approximately 1.8% for 5M2026.

(ii) Workboat chartering, crew manning and logistics support services

Our gross profit margin for workboat chartering, crew manning and logistics support services increased steadily during the period from FY2023 to FY2025, which increased from approximately 27.3% for FY2023 to approximately 32.8% and further increased to approximately 36.2% for FY2025. Our gross profit margin for workboat chartering, crew manning and logistics support services increased steadily from approximately 37.0% for 5M2025 to approximately 39.4% for 5M2026. The cost of workboat chartering, crew manning and logistics support services mainly includes direct labour cost. The steady improvement in our gross profit margin was mainly because during the Track Record Period, (i) our workboat chartering services income expanded with the growth of our fleet size and higher workboat utilization, (ii) benefiting from the increase in vessel arrivals and port activities in the Port of Singapore which drove demand for workboat hiring; (iii) direct labour cost remained broadly stable in absolute terms, with the proportion of direct labour cost to our revenue from workboat chartering, crew manning and logistics support services decreased from approximately 45.0% for FY2023 to approximately 38.4% for FY2024 and further decreased to approximately 37.7% for FY2025. The proportion of direct labour cost to our revenue from workboat chartering, crew manning and logistics support services decreased from approximately 37.2% for 5M2025 to approximately 28.1% for 5M2026.

*Shipping agency services*

Our gross profit margin for shipping agency services increased steadily during the period from FY2023 to FY2025, which increased from approximately 35.2% for FY2023 to approximately 37.1% and further increased to approximately 40.6% for FY2025. The cost of shipping agency services mainly includes port-related charges and third-party agency fees. The steady improvement in our gross profit margin was mainly because during the period from FY2023 to FY2025, (i) we gradually reduced reliance on third-party agencies and deployed more dedicated manpower, in which the proportion of third-party agency fees to our revenue from shipping agency services decreased from approximately 14.3% for FY2023 to approximately 6.3% for FY2024 and further decreased to approximately 4.8% for FY2025; and (ii) port dues and permit charges increased in absolute terms in line with higher vessel activity but remained broadly in line with revenue, in which the proportion of port-related charges to our revenue from shipping agency services increased from approximately 49.5% for FY2023 to approximately 55.8% for FY2024 and decreased to approximately 53.9% for FY2025. As a result, the overall cost of shipping agency services grew at a slower pace than revenue in FY2024 and decreased

more than revenue in FY2025, leading to a steady improvement in our gross profit margin. Our gross profit margin for shipping agency services was kept stable at approximately 38.7% and 38.0% for 5M2025 and 5M2026, respectively. The drop of gross profit margin for 5M2026 of approximately 0.7% from 5M2025 was mainly due to the increase in use of third-party agencies to meet the change in demand reflected in the increase in the proportion of third-party agency fees to our revenue from shipping agency services from approximately 4.1% for 5M2025 to 5.2% for 5M2026.

*Chandelling and sales of machinery and spare parts*

Our gross profit margin for chandelling and sales of machinery and spare parts increased from approximately 12.5% for FY2023 to approximately 30.1% and decreased to approximately 21.7% for FY2025. The cost of chandelling and sales of machinery and spare parts mainly includes material cost for chandelling supplies and marine machineries and spare parts. Although both chandelling services and sales of machinery and spare parts decreased in absolute terms during the period from FY2023 to FY2025, the proportion of sales of machinery and spare parts to revenue increased from approximately 47.8% for FY2023 to approximately 54.1% and further increased to approximately 62.9% for FY2025. As sales of machinery and spare parts generally carry a higher margin compared to chandelling services, the shift in sales mix towards machinery, together with our focus on stringent merchandising cost control to preserve competitiveness, contributed to the improvement in our overall gross profit margin, which increased from approximately 12.5% for FY2023 to approximately 30.1% for FY2024. In FY2025, gross profit margin decreased to approximately 21.7% as revenue declined at a faster pace than costs, but the margin remained higher than FY2023, reflecting continued streamlining of operations and stringent cost control.

Our gross profit margin for chandelling and sales of machinery and spare parts increased from approximately 27.4% for 5M2025 to approximately 32.1% for 5M2026 resulting mainly from higher margin of sales of machinery and spare parts for the five months ended 31 May 2026 which was reflected in the increase in the proportion of sales of machinery and spare parts to revenue increased from approximately 66.1% for 5M2025 to approximately 69.2% for 5M2026.

**Other Income**

For FY2023, FY2024, FY2025, 5M2025 and 5M2026, we recorded other income of approximately S$0.3 million, S$0.8 million, and S$1.1 million, S$0.4 million and S$0.5 million, respectively. The table below sets forth our other income during the Track Record Period:

| | **FY2023** *S$'000* | **FY2024** *S$'000* | **FY2025** *S$'000* | **5M2025** *S$'000 (Unaudited)* | **5M2026** *S$'000* |
|---|---|---|---|---|---|
| Interest income | 51 | 8 | 8 | 8 | — |
| Government grants | 70 | 147 | 97 | 61 | 80 |
| Sublease rental income of workshops | 83 | 372 | 388 | 162 | 162 |
| Sundry income | 52 | 270 | 651 | 191 | 295 |
| **Total** | 256 | 797 | 1,144 | 422 | 537 |

*Note:* Sundry income included mainly storage income and insurance claims refund.

Interest income mainly refers to the interest income from fixed deposit. The decreased in interest income in FY2023 to in FY2024 was mainly due to the decreased in fixed deposit placed to financial institutions.

For FY2023, FY2024, FY2025 and for 5M2025 and 5M2026, our Group received relevant government subsidy amounted in total to approximately S$70,000, S$147,000, S$97,000, S$61,000 and S$80,000, respectively. These subsidies included various wage schemes of the Singaporean government in respect of wage support to employers in ensuring fair pay for low-income workers, and hiring, retaining and supporting senior workers, ex-offenders and employees with disabilities.

Rental income referred to the lease of facilities space with independent third parties during the Track Record Period. Rental income increased by approximately S$0.3 million mainly attributable to two workshops leased only for three months during FY2023 while these workshops were leased for twelve months for both FY2024 and FY2025. For details of the leases arrangement, please refer to the sub-section headed "Business — Properties" for details.

Sundry income increased from approximately S$52,000 for FY2023 to approximately S$0.3 million for FY2024 mainly due to the increase in storage income of approximately S$0.3 million. Our storage income and insurance claims income contributed an increase in income of approximately S$0.1 million and S$99,000, respectively, for FY2025. Sundry income increased from approximately S$191,000 for 5M2025 to approximately S$295,000 for 5M2026 mainly due to the increase in sundry income in respect of storage income and parking fee income of mooring slot of approximately S$56,000.

**Other gains and losses, net**

The table below sets out the breakdown of our other gains and losses during the Track Record Period:

| | **FY2023** *(S$'000)* | **FY2024** *(S$'000)* | **FY2025** *(S$'000)* | **5M2025** *(S$'000)* *(Unaudited)* | **5M2026** *(S$'000)* |
|---|---|---|---|---|---|
| Foreign exchange (losses)/gains | (103) | 88 | (212) | (169) | (53) |
| Gain on disposal of property, plant and equipment | 727 | 235 | 268 | — | 95 |
| Gain on lease modification | — | 15 | — | — | — |
| Gain on rights transfer arising from sale and leaseback transaction | 157 | 250 | — | — | — |
| Gain on termination of lease liabilities | 201 | — | 889 | 889 | — |
| **Total** | 982 | 588 | 945 | 720 | 42 |

Our foreign exchange(losses)/gains was mainly attributable to the fluctuation in USD-denominated trade receivables and trade payables, resulting from the depreciation/appreciation of the Singapore dollar against the U.S. dollar during the Track Report Period.

We are exposed to currency risks primarily through sales and purchases which give rise to receivables, payables and bank balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the entities to which the transactions relate. The foreign currencies giving rise to this risk are primarily USD.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

For the years ended 31 December 2023, 2024, 2025 and for 5M2025 and 5M2026, our Group recorded a gain of approximately S$0.7 million, S$0.2 million, S$0.3 million, nil and S$0.1 million, from disposal of two, three, one, nil and one old boat respectively.

The gain on rights transfer arising from sale and leaseback transaction which satisfies the requirements as a sale in accordance with IFRS 15 is recognised upon the transaction of sale of workboats to a third party and lease back the same subsequently from this third party. Such gain is calculated by deducting the net lease liabilities assumed by our Group arising from the leaseback (the amount of ships leaseback recognised under right-of-use assets less the lease liabilities assumed by our Group) from the gain on disposal upon the sale of workboats before the lease. During FY2023 and FY2024, our Group entered into sale and leaseback arrangements for three workboats and two workboats with a third-party buyer-lessor, respectively to meet new demands from workboat chartering without incurring additional capital expenditure. We believe such leaseback can optimize the operation efficiency and increase our flexibility of liquidity. These workboats, constructed by Pinnacle Marine, were sold to the third-party buyer-lessor and subsequently leased back to Prestige Ocean. The sale transaction was recorded as a sale arrangement under IFRS 15 while the leaseback was recognized as a right-of-use asset and a lease liability in accordance with IFRS 16. Our gain on rights transfer arising from sale and leaseback transaction in FY2024 increased by approximately S$93,000 comparing with FY2023 was mainly attributable to increase in gain on disposal of workboats before the lease of approximately S$122,000 (difference between the gain on disposal before the lease for FY2024 and FY2023 of approximately S$864,000 and S$742,000) which was offset by the increase of net lease liabilities assumed in FY2024 of approximately S$29,000 (difference between net lease liabilities for FY2024 and FY2023 of approximately S$614,000 and S$585,000). For details, please refer to note 28 of the Accountants' Report set out in Appendix 1 to this document.

Gain on termination of lease liabilities in FY2023 amounted to approximately S$0.2 million was mainly due to cessation of the lease agreement for the previous yard facilities following the relocation to new waterfront facilities in Pandan Loop. Gain on termination of lease liabilities for FY2025, amounted to approximately S$0.9 million, was mainly due to termination of five leases which resulted from the buyback of the five workboats.

There was no termination of lease liabilities and rights transfer arising from sale and leaseback transaction for 5M2026.

**Selling and administrative expenses**

The following table sets forth the breakdown of selling and administrative expenses during the Track Record Period:

| | FY2023 | | FY2024 | | FY2025 | | 5M2025 | | 5M2026 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *S$'000* | *%* | *S$'000* | *%* | *S$'000* | *%* | *S$'000* *(Unaudited)* | *%* | *S$'000* | *%* |
| Employee benefits expenses | 2,738 | 43.1 | 4,232 | 49.7 | 4,332 | 50.7 | 1,677 | 49.0 | 2,149 | 50.4 |
| Depreciation and amortisation | 1,561 | 24.6 | 2,630 | 30.9 | 2,403 | 28.1 | 1,038 | 30.3 | 969 | 22.7 |
| Upkeep expenses | 347 | 5.5 | 349 | 4.1 | 497 | 5.8 | 198 | 5.8 | 211 | 5.0 |
| Entertainment and travelling expenses | 295 | 4.6 | 293 | 3.5 | 257 | 3.0 | 104 | 3.0 | 140 | 3.3 |
| Professional fees | 293 | 4.6 | 118 | 1.4 | 157 | 1.8 | 70 | 2.0 | 81 | 1.9 |
| Office expenses | 243 | 3.8 | 151 | 1.8 | 169 | 2.0 | 80 | 2.3 | 93 | 2.2 |
| Insurance | 235 | 3.7 | 257 | 3.0 | 285 | 3.3 | 98 | 2.9 | 125 | 2.9 |
| Utilities | 50 | 0.8 | 95 | 1.1 | 140 | 1.6 | 31 | 1.0 | 39 | 0.9 |
| Property Tax | 49 | 0.8 | 109 | 1.3 | 116 | 1.4 | 46 | 1.3 | 54 | 1.3 |
| Provision for legal proceedings | — | — | — | — | — | — | — | — | 280 | 6.6 |
| Others[(Note)] | 537 | 8.5 | 274 | 3.2 | 199 | 2.3 | 82 | 2.4 | 121 | 2.8 |
| **Total** | 6,348 | 100.0 | 8,508 | 100.0 | 8,555 | 100.0 | 3,424 | 100.0 | 4,262 | 100.0 |

*Note:* Others includes bank charges, medical expenses for staff and other miscellaneous expenses.

Selling and administrative expenses primarily consist of (i) director and employee benefits expenses, (ii) depreciation and amortisation for the property, plant and machinery and the workboats, (iii) upkeep expenses, (iv) insurance and (v) other expenses.

For FY2023, FY2024, FY2025 and for 5M2025 and 5M2026, our selling and administrative expenses amounted to approximately S$6.3 million, S$8.5 million, S$8.6 million and S$3.4 million and S$4.3 million, respectively, which accounted for approximately 18.2%, 20.8%, 18.4% and 17.7% and 22.0%, respectively, of our total revenue. Our selling and administrative expenses increased from approximately S$6.3 million in FY2023 to approximately S$8.5 million in FY2024, which was mainly due to (i) the increase in employee benefits expenses of approximately S$1.5 million as a result of additional headcounts for our staff as well as the annual salary adjustment, and (ii) the increase in our depreciation and amortisation of approximately S$1.1 million in respect of the new waterfront facilities that we have relocated to in mid-2023. Our selling and administrative expenses was kept steady at approximately S$8.6 million for FY2025. Our selling and administrative expenses increased from approximately S$3.4 million in 5M2025 to approximately S$4.3 million in FY2026, which was mainly due to (i) the increase in employee benefits expenses of approximately S$0.5 million as a result of additional headcounts for our staff as well as the annual salary adjustment, and (ii) provision of S$280,000 recognised for 5M2026 on charges relate to alleged regulatory and procedural failures concerning a workplace injury incident that occurred on 30 July 2023. The Group expects that the resulting outflow required to settle this obligation will occur within one year, and no reimbursement is expected to be received in respect of this provision.

*Employee benefits expenses*

The largest component of our administrative expenses was our employees' remuneration, which amounted to approximately S$2.7 million, S$4.2 million, S$4.3 million and S$1.7 million and S$2.2 million, representing approximately 43.1%, 49.7%, 50.7% and 49.0% and 50.4% of our selling and administrative expenses for FY2023, FY2024, FY2025 and for 5M2025 and 5M2026, respectively. Our employees' remuneration under our selling and administrative expenses represent remuneration paid, contributions made to various benefit plans of and other staff benefits to our management and administrative staff. The increase in employee benefits expenses in FY2024 of approximately S$1.5 million was as a result of additional headcounts for our staff as well as the annual salary adjustment. Our employee benefits expenses was kept steady at approximately S$4.3 million for FY2025. Our employee benefit expenses increased from approximately S$1.7 million for 5M2025 to approximately S$2.2 million for 5M2026, which was mainly attributable to additional headcounts for our staff as well as the annual salary adjustment.

*Depreciation and amortisation*

Our depreciation and amortization comprise depreciation of property, plant and equipment (including owned assets and right-of-use assets representing our rights to use the leased assets) and amortization of intangible assets. The table below sets forth our depreciation and amortization during the Track Record Period:

| | **FY2023** *(S$'000)* | **FY2024** *(S$'000)* | **FY2025** *(S$'000)* | **5M2025** *(S$'000)* | **5M2026** *(S$'000)* |
|---|---|---|---|---|---|
| Expenses relating to: | | | | | |
| Depreciation of right-of-use assets | 573 | 1,094 | 669 | 334 | 235 |
| Depreciation of property, plant and equipment | 986 | 1,480 | 1,734 | 704 | 734 |
| Amortisation of intangible assets | 2 | 56 | — | — | — |
| **Total** | 1,561 | 2,630 | 2,403 | 1,038 | 969 |

During the Track Record Period, our Group leased properties, motor vehicles, boats and other assets. The depreciation of right-of-use assets increased from approximately S$0.6 million for FY2023 to approximately S$1.1 million for FY2024. Such increase was mainly arising from the leased properties in relation to the waterfront facility located in Pandan Loop since mid 2023. The waterfront facility is held under a lease from JTC Corporation. JTC Corporation is the registered lessor and revisionary owner of the property, while the Company is the registered lessee holding the leasehold interest therein, with the right to occupy and use the property in accordance with the terms and conditions of the lease. In such long-term lease, the Group, as lessee, recognizes a right-of-use asset and a corresponding lease liability on the balance sheet. The right-of-use asset is typically depreciated over the lease term on a straight line basis.

The depreciation of right-of-use assets decreased to approximately S$0.7 million for FY2025 mainly attributable to buy back of workboats previously leased from an independent third party resulting in a decrease of approximately S$0.4 million of depreciation.

Depreciation of property, plant and equipment for FY2023, FY2024, FY2025 and for 5M2025 and 5M2026 were approximately S$1.0 million, S$1.5 million, S$1.7 million, S$0.7 million and S$0.7 million, respectively. The increase in depreciation of property, plant and equipment for FY2024 was mainly due to the addition of new fixed assets such as leasehold properties and machinery and equipments following our relocation of shipyard to Pandan Loop. The depreciation of property, plant and equipment for FY2025 increased to approximately S$1.7 million mainly due to the increase in addition of boats resulting in the increase in depreciation of approximately S$0.3 million. There was only minor additions and disposal during the 5M2026, the depreciation of property, plant and equipment for 5M2025 and 5M2026 were kept stable at approximately S$0.7 million and S$0.7 million, respectively.

**Impairment losses/(reversal of impairment losses) on trade receivables**

The impairment losses/(reversal of impairment losses) on the trade receivables represented the movement of provision for impairment losses on trade receivables during the Track Record Period. The following table set forth the movement of the loss allowance for trade receivables during the Track Record Period:

| | **FY2023** | **FY2024** | **FY2025** | **For the five months ended 31 May FY2026** |
|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| At 1 January | 81 | 232 | 581 | 373 |
| Impairment losses charged/(reversed) for the year | 151 | 349 | (76) | (14) |
| Amounts written off during the year | — | — | (111) | — |
| Exchange difference | — | — | (21) | — |
| At 31 December | 232 | 581 | 373 | 359 |

Our net amount of impairment losses/(reversal of impairment losses) on the trade receivables for FY2023, FY2024, FY2025 and for 5M2026 were approximately S$0.2 million, S$0.3 million, S$0.1 million and S$14,000 respectively.

Our Group make assessments on the loss allowances for ECL on financial assets including trade receivables, other receivables and deposits, and contract assets, which are subject to impairment assessment under IFRS 9. Our Group applies simplified approach prescribed by IFRS 9 to measure ECL which uses a lifetime expected loss allowance for all of financial assets. The ECL on financial assets are based on assumptions about expected credit loss rates. The expected credit loss rates for financial assets

are estimated based on the default rates for the industries of the relevant debtors, the relevant debtor's creditworthiness (based on historical repayment pattern) and ageing of assets, and are adjusted with forward-looking information that is available without undue cost or effort.

As at 31 December 2023, 2024, 2025 and 31 May 2026, our expected credit loss rate for trade receivables were approximately 3.1%, 8.7%, 5.4% and 4.6%, respectively.

As at 31 December 2023, 2024, 2025 and 31 May 2026, no provision was made against the gross amount of contract assets because the contract assets are related to contracts which are still in progress and the payment is not due, the amount of ECL of contract assets is assessed to be minimal. Deposits and other receivables were mainly security deposits for vessels. The probability of default and the ECL rates of deposits and other receivables has been assessed with reference to the general economic conditions of the industry in which the debtors operate. The directors of the Company are of the opinion that there was no significant increase in credit risk and the ECL was limited to 12-month ECL. Therefore, ECL rate of the deposits and other receivables is assessed to be close to zero and no provision was made as at 31 December 2023, 2024, 2025 and 31 May 2026.

**Finance costs**

Our finance costs mainly consists of (i) interest expenses on lease liabilities in respect of IFRS 16 and (ii) interest expenses on bank loans.

The table below sets forth our finance cost during the Track Record Period:

| | **FY2023** *(S$'000)* | **FY2024** *(S$'000)* | **FY2025** *(S$'000)* | **5M2025** *(S$'000)* *(Unaudited)* | **5M2026** *(S$'000)* |
|---|---|---|---|---|---|
| Interest expenses on lease liabilities | 174 | 379 | 267 | 124 | 104 |
| Interest expenses on secured bank loan | 222 | 249 | 196 | 101 | 52 |
| **Total** | 396 | 628 | 463 | 225 | 156 |

Our finance costs amounted to approximately S$0.4 million, S$0.6 million, S$0.5 million, S$0.2 million and S$0.2 million for FY2023, FY2024, FY2025 and for 5M2025 and 5M2026, respectively.

The increase in interest expenses on the lease liabilities from S$0.2 million in FY2023 to S$0.4 million in FY2024 was mainly due to the recognition of lease liabilities in relation to the long term lease of our waterfront facility since mid 2023.

Interest expenses on secured bank loan remained stable at approximately S$0.2 million for FY2023 and FY2024. Our interest expenses decreased to approximately S$196,000 for FY2025 mainly due to the partial repayment of bank loan during the year. The interest expenses on secured bank loan decreased from approximately S$101,000 for 5M2025 to approximately S$52,000 for 5M2026 mainly due to the decrease in average borrowing balances resulting from repayment of loan of approximately S$1.8 million in early 5M2026 and drawdown of bank loan of approximately S$2.0 million by the end of 5M2026 coupling with a decrease in interest rates.

**Income tax expenses**

Our income tax consists of current tax and deferred tax. The table below sets forth our income tax during the Track Record Period:

| | FY2023 | FY2024 | FY2025 | 5M2025 | 5M2026 |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| **Current tax** | | | | | |
| Provision for the year | 844 | 1,068 | 1,718 | 354 | 665 |
| Under/(over)-provision in prior years | 118 | (57) | 158 | — | — |
| *Sub-total* | 962 | 1,011 | 1,876 | 354 | 665 |
| **Deferred tax** | 131 | — | — | — | — |
| **Total income tax expense** | 1,093 | 1,011 | 1,876 | 354 | 665 |

During the Track Record Period, we and our subsidiaries were subject to corporate income tax at the rate of 17%.

Under the revised partial tax exemption scheme in Singapore, the tax exemptions for qualifying companies are 75% exemption on the first S$10,000 of normal chargeable income and a further 50% exemption on the next S$190,000 of normal chargeable income.

In FY2023, FY2024, FY2025 and for 5M2025 and 5M2026, the income tax expenses incurred by us amounted to approximately S$1.1 million, S$1.0 million, S$1.9 million, S$0.4 million and S$0.7 million, respectively, and our effective tax rate was approximately 22.4%, 14.3%, 16.1% and 16.7%, respectively. The higher effective tax rate in FY2023 was mainly due to the tax effect of non-deductible expenses of approximately S$0.5 million.

Our effective tax rate decreased from 22.4% in FY2023 to 14.3% in FY2024, which was primarily attributable to the utilisation of capital allowance for tax purposes.

Our effective tax rate increased from approximately 14.3% in FY2024 to approximately 16.1% in FY2025 which was mainly attributable to the increase in the profit before tax which was offset by the non-recurring **[REDACTED]**. During the Track Record Period and up to the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no disputes or unresolved tax issues with relevant tax authorities that would materially and adversely affect our business.

***Profit for the Year***

As a result of the foregoing, our profit for the year increased by approximately S$2.3 million, or approximately 60.5%, from approximately S$3.8 million in FY2023 to approximately S$6.1 million in FY2024. Our net profit margin increased from approximately 10.8% in FY2023 to approximately 14.8% in FY2024. Our profit for the year increased by approximately S$3.7 million, or approximately 60.7%, from approximately S$6.1 million in FY2024 to approximately S$9.7 million in FY2025. Our net profit margin increased from approximately 14.8% in FY2024 to approximately 21.0% in FY2025. Our profit for 5M2026 decreased by approximately S$1.0 million, or approximately 23.4%, from approximately S$4.3 million in 5M2025 to approximately S$3.3 million in 5M2026. Our net profit margin decreased from approximately 22.4% in 5M2025 to approximately 17.1% in 5M2026.

## LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our capital expenditure and working capital requirements mainly through cash generated from operating activities, finance lease and bank borrowings. As at 31 December 2023, 2024, 2025 and 31 May 2026, we had cash and cash equivalents of approximately S$4.4 million, S$5.6 million, S$6.3 million and S$3.6 million, respectively.

### Working Capital Sufficiency

Our Directors are of the view that, taking into consideration the internal financial resources presently available to our Group, including our existing cash and cash balances, cash generated from our operations, the existing bank loans and other borrowings and the estimated **[REDACTED]** to be received by our Group from the **[REDACTED]**, our Group will have sufficient working capital for our present working capital requirements for at least the next 12 months commencing on the date of this document.

### Cash Flows

The table below sets forth a summary of our cash flows for the periods indicated:

| | **FY2023** *(S$'000)* | **FY2024** *(S$'000)* | **FY2025** *(S$'000)* | **5M2025** *(S$'000)* *(Unaudited)* | **5M2026** *(S$'000)* |
|---|---|---|---|---|---|
| Operating profit before working capital changes | 5,845 | 10,176 | 13,248 | 5,117 | 5,275 |
| Cash generated from operations | 5,567 | 9,449 | 12,082 | 2,069 | 1,674 |
| Income taxes paid | (1,042) | (829) | (977) | (394) | (960) |
| Net cash generated from operating activities | 4,525 | 8,620 | 11,105 | 1,675 | 714 |
| Net cash (used in)/generated from investing activities | (8,735) | (810) | (3,976) | (4,269) | 397 |
| Net cash generated from/(used in) financing activities | 6,593 | (6,574) | (6,251) | 797 | (3,795) |
| Net increase/(decrease) in cash and cash equivalents | 2,383 | 1,236 | 878 | (1,797) | (2,684) |
| Effect of foreign exchange rate changes | 5 | 35 | (199) | (192) | 8 |
| Cash and cash equivalents at 1 January | 1,983 | 4,371 | 5,642 | 5,642 | 6,321 |
| Cash and cash equivalents at 31 December | 4,371 | 5,642 | 6,321 | 3,653 | 3,645 |

For the years ended 31 December 2023, 2024, 2025 and the five months ended 2025 and 2026, we recorded net cash inflow from operating activities of approximately S$4.5 million, S$8.6 million, S$11.1 million, S$1.7 million and S$0.7 million, respectively. We recorded net cash outflow from investing activities of approximately S$8.7 million, S$0.8 million, S$4.0 million, S$4.3 million and inflow of approximately S$0.4 million, respectively. We generated cash inflow from financing activities of approximately S$6.6 million for FY2023 and cash outflow of approximately S$6.6 million, S$6.3 million, and cash inflow of approximately S$0.8 million, cash outflow of approximately S$3.8 million for FY2024, FY2025 and for 5M2025 and 5M2026, respectively.

Our cash and cash equivalents amounted to approximately S$5.6 million as at 31 December 2024, representing an increase of approximately S$1.2 million from approximately S$4.4 million as at 31 December 2023 mainly due to the increase in net cash inflow from operating activities outweighing the net cash outflow from investing activities and financing activities. Our cash and cash equivalents amounted to approximately S$6.3 million as at 31 December 2025, representing an increase of approximately S$0.7 million from approximately S$5.6 million as at 31 December 2024 mainly due to the increase in net cash inflow from operating activities which outweighed the net cash outflow from investing activities and financing activities. For the five months ended 31 May 2026, our cash and cash

equivalents amount to approximately S$3.6 million which declined sharply as compared to 31 December 2025 of approximately S$6.3 million. The significant decrease in cash and cash equivalents is mainly due to the cash outflow from financing activities of approximately S$3.8 million outweighing the net cash generated from operating activities and investing activities of approximately S$1.1 million for the five months ended 31 May 2026.

***Net cash generated from Operating Activities***

For FY2023, we had net cash inflow from operating activities of approximately S$4.5 million, primarily consisting of: (i) profit before tax of approximately S$4.9 million; (ii) positive adjustments before changes in working capital of approximately of S$1.0 million, which primarily reflected depreciation of property, plant and equipment and right-of use assets of approximately S$1.0 million and S$0.6 million, respectively, offset by gains on disposal of property, plant and equipment of approximately S$0.7 million; (iii) negative movement in working capital of approximately S$0.3 million, which primarily reflected a decrease of accruals and other payables of approximately S$3.0 million offset by an increase in contract liabilities of approximately S$1.7 million and an increase in trade payables of approximately of S$1.1 million.

For FY2024, we had net cash inflow from operating activities of approximately S$8.6 million, primarily consisting of: (i) profit before tax of approximately S$7.1 million; (ii) positive adjustments before changes in working capital of approximately of S$3.1 million, which primarily reflected depreciation of property, plant and equipment and right-of use assets of approximately S$1.5 million and S$1.1 million, respectively coupled with interest expenses of approximately S$0.6 million; (iii) negative movement in working capital of approximately S$0.7 million, which primarily reflected a decrease of contract liabilities, trade payables and accruals and other payables of approximately S$1.8 million, S$0.5 million and S$0.4 million, respectively offset by a decrease in trade receivables of approximately S$2.5 million.

For FY2025, we had net cash inflow from operating activities of approximately S$11.1 million, primarily consisting of: (i) profit before tax of approximately S$11.6 million; (ii) positive adjustments before changes in working capital of approximately of S$1.6 million, which primarily reflected depreciation of property, plant and equipment and right-of use assets of approximately S$1.7 million and S$0.7 million, respectively offset by gain on right termination of lease liabilities of approximately S$0.9 million; (iii) negative movement in working capital of approximately S$1.2 million, which primarily reflected a decrease of contract liabilities and trade payables of approximately S$0.8 million and S$0.6 million, respectively.

For the five months ended 31 May 2025, we had net cash inflow from operating activities of approximately S$1.7 million, primarily consisting of: (i) profit before tax of approximately of S$4.7 million; (ii) positive adjustments before changes in working capital of approximately S$0.4 million which primarily reflected depreciation of property, plant and equipment and right of use assets of approximately S$0.7 million and S$0.3 million respectively offset by gain on termination of lease liabilities of approximately S$0.9 million; (iii) negative movement in working capital of approximately S$3.1 million which primarily reflected a decrease of contract liabilities and trade receivables of approximately S$1.2 million and S$0.7 million, respectively.

For the five months ended 31 May 2026, we had net cash inflow from operating activities of approximately S$0.7 million, primarily consisting of: (i) profit before tax of approximately S$4.0 million; (ii) positive adjustments before changes in working capital of approximately of S$1.3 million, which primarily reflected depreciation of property, plant and equipment and right-of use assets of approximately S$0.7 million and S$0.2 million, respectively offset by gain on disposal of property, plant and equipment of approximately S$0.1 million; (iii) negative movement in working capital of approximately S$3.6 million, which primarily reflected an increase of trade receivables, contract assets

and prepayments, deposits and other receivables of approximately S$0.8 million, S$0.3 million and S$0.9 million, respectively coupled with a decrease in trade payables, contract liabilities and accruals and other payables of approximately S$0.4 million, S$0.4 million and S$0.8 million, respectively.

***Net cash (used in)/generated from Investing Activities***

For FY2023, our net cash outflow from investing activities amounted to approximately S$8.7 million, which was mainly attributable to the purchase of property, plant and equipment of approximately S$9.8 million offset by the proceeds from disposals of property, plant and equipment of approximately S$1.2 million.

For FY2024, our net cash outflow from investing activities amounted to approximately S$0.8 million, which was mainly attributable to the purchase of property, plant and equipment of approximately S$2.1 million offset by the proceeds from disposals of property, plant and equipment of approximately S$1.3 million.

For FY2025, our net cash outflow from investing activities amounted to approximately S$4.0 million, which was mainly attributable to the purchase of property, plant and equipment of approximately S$4.7 million offset by the proceeds from disposals of property, plant and equipment of approximately S$0.7 million.

For 5M2025, our net cash outflow from investing activities amounted to approximately S$4.0 million, which was mainly attributable to the purchase of property, plant and equipment of approximately S$4.3 million offset by the interest received of approximately S$8,000.

For 5M2026, our net cash inflow from investing activities amounted to approximately S$0.4 million, which was mainly attributable to the proceeds from disposals of property, plant and equipment of approximately S$0.4 million offset by the purchases of property, plant and equipment of approximately S$26,000.

***Net cash generated from/(used in) Financing Activities***

For FY2023, our net cash inflow from financing activities amounted to approximately S$6.6 million, which was mainly contributed by (i) proceeds from bank loans net of repayment of approximately S$2.5 million; (ii) proceeds from issue of shares of approximately S$5.0 million; and offsetting by (iii) interest paid and principal elements of lease payment of approximately S$0.4 million and S$0.5 million, respectively.

For FY2024, our net cash outflow from financing activities amounted to approximately S$6.6 million, which was mainly contributed by (i) repayment of amount due to the then shareholders of approximately S$2.3 million; (ii) repayment of borrowings of approximately S$2.5 million; (iii) principal elements of lease payment of approximately S$1.1 million; and (iv) interest paid of approximately S$0.6 million.

For FY2025, our net cash outflow from financing activities amounted to approximately S$6.3 million, which was mainly contributed by (i) dividend paid of approximately S$5.0 million; (ii) repayment of amount due to the then shareholders of approximately S$4.1 million; (iii) principal elements of lease payment of approximately S$0.6 million; and (iv) interest paid of approximately S$0.5 million and offset by (v) proceeds from bank loans net of repayment of approximately S$3.9 million;

For 5M2025, our net cash inflow from financing activities amounted to approximately S$0.8 million, which was mainly contributed by (i) proceeds from bank loans net of repayment of approximately S$1.3 million; and offset by (ii) principal elements of lease payment of approximately S$0.3 million; and (iii) interest paid of approximately S$0.2 million.

For 5M2026, our net cash outflow from financing activities amounted to approximately S$4.0 million, which was mainly contributed by (i) dividend paid of approximately S$3.7 million; (ii) interest paid of approximately S$0.2 million; (iii) principal elements of lease payment of approximately S$0.2 million; and offset by (iv) proceeds from bank loans net of repayment of approximately S$0.2 million;

## NET CURRENT ASSETS

The following table sets forth our current assets, current liabilities and net current assets as of the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| **Current assets** | | | | |
| Inventories | 1,167 | 1,402 | 1,232 | 1,135 |
| Trade receivables | 7,178 | 6,077 | 6,583 | 7,444 |
| Contract assets | 548 | 703 | 445 | 753 |
| Prepayments, deposits and other receivables | 882 | 936 | 1,201 | 2,119 |
| Bank and cash balances | 4,371 | 5,642 | 6,321 | 3,645 |
| | 14,146 | 14,760 | 15,782 | 15,096 |
| **Current liabilities** | | | | |
| Trade payables | 3,746 | 3,257 | 2,657 | 2,291 |
| Contract liabilities | 2,383 | 1,455 | 482 | 40 |
| Accruals and other payables | 8,940 | 6,148 | 2,583 | 2,057 |
| Borrowings | 2,773 | 1,167 | 5,642 | 6,133 |
| Lease liabilities | 1,204 | 1,355 | 342 | 394 |
| Current tax liabilities | 925 | 1,105 | 1,996 | 1,700 |
| | 19,971 | 14,487 | 13,702 | 12,615 |
| **Net current (liabilities)/assets** | (5,825) | 273 | 2,080 | 2,481 |

## CERTAIN BALANCE SHEET ITEMS

### Inventories

Our inventories consist of (i) raw materials and components for our production of boats; and (ii) finished goods, representing the goods such as marine engine for resale. The table below sets forth a breakdown of our inventories and advances on inventories as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| Raw materials | 551 | 933 | 758 | 655 |
| Finished goods | 616 | 469 | 474 | 480 |
| **Total** | 1,167 | 1,402 | 1,232 | 1,135 |

Our inventories increased by approximately S$0.2 million, or approximately 20.1%, from approximately S$1.2 million as at 31 December 2023 to approximately S$1.4 million as at 31 December 2024, due to increase in raw materials to meet our increasing orders of boatbuilding.

Our inventories decreased by approximately S$0.2 million, or approximately 12.1%, from approximately S$1.4 million as at 31 December 2024 to approximately S$1.2 million as at 31 December 2025, due to the continuous effort in shortening the production period and optimising inventory management.

Our inventories decreased by approximately S$0.1 million or approximately 7.8% from approximately S$1.2 million as at 31 December 2025 to approximately S$1.1 million as at 31 May 2026, due to the continuous effort in optimizing inventory management reflected in the proportion of raw materials to total inventories from 61.5% as at 31 December 2025 to 57.7% as at 31 May 2026.

The following table sets out an ageing analysis of our inventories as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| 0–30 days | 522 | 305 | 268 | 87 |
| 31–60 days | 21 | 431 | 187 | 208 |
| 61–90 days | 60 | 280 | 74 | 85 |
| 91–120 days | 234 | 1 | 87 | 89 |
| More than 120 days | 330 | 385 | 616 | 666 |
| Total | 1,167 | 1,402 | 1,232 | 1,135 |

The following table sets forth the average turnover days of inventories for the years/period indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Average turnover days of inventories *(Note 1)* | 13.9 | 18.2 | 17.7 | 16.3 |

*Note:*

(1) Average turnover days of inventories equal average inventories divided by cost of sales for the year/period and multiplied by 365 days or 151 days. Average inventories are calculated as inventories at the beginning of the year/period plus inventories at the end of the year/period, divided by two.

As at 31 August 2026, approximately S$5.0 million, or approximately 44.3%, of our inventories as at 31 May 2026 had been subsequently utilized. Inventories comprise raw materials and finished goods, such as marine engines, generators and spare parts for boatbuilding, and are stated at the lower of cost and net realisable value. As at 31 December 2023, 2024 and 2025 and 31 May 2026, we did not recognize any impairment loss on our inventories, primarily attributable to (i) our coordinated procurement and stringent inventory management; and (ii) inventories aged longer were mainly raw materials and finished goods held to meet boatbuilding, R&D and safety stock requirements, reflecting our practice of bulk purchasing to mitigate price volatility. These items are generally durable in nature and not exposed to material risks of stock obsolescence. Our Directors consider sufficient provision for inventories had been made.

**Trade receivables**

The table below sets forth a breakdown of our trade receivables as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| Trade receivables | 7,410 | 6,658 | 6,956 | 7,803 |
| Allowance for doubtful debts | (232) | (581) | (373) | (359) |
| **Total** | 7,178 | 6,077 | 6,583 | 7,444 |

Our accounts receivable from customers represent the outstanding amounts due from our customers in connection with our businesses. Typically we only grant credit of 30-day to selected customers with evaluated reliability and creditworthiness in connection with our other businesses. For our sales of boats, our customers are required to pay upfront and must pay all amounts due before we deliver or transfer the ownership of a boat to a customer. We do not believe there is any recoverability issue for our trade receivables and that adequate provisions had been made during the Track Record Period.

Our trade receivables decreased by approximately S$1.1 million, or approximately 15.3%, from approximately S$7.2 million as at 31 December 2023 to approximately S$6.1 million as at 31 December 2024, primarily due to quicker collection period from approximately 74.2 days for FY2023 to 59.1 days for FY2024.

Our trade receivables increased from approximately S$6.1 million as at 31 December 2024 to approximately S$6.6 million as at 31 December 2025, representing an increase of approximately 8.3%. This was mainly due to the increase of revenue of approximately 13.5% in FY2025 and the acceleration of trade receivables turnover from approximately 59.1 days for FY2024 to 49.8 days for FY2025.

Our trade receivables increased from approximately S$6.6 million as at 31 December 2025 to approximately S$7.5 million as at 31 May 2026, representing an increase of approximately 13.1%. This was mainly due to the extension of credit period to customers with good credit rating in light of the competition.

The table below sets forth an aging analysis of our trade receivables, based on the invoice date and net of impairment loss allowance, as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Current | 222 | 335 | 315 | 553 |
| 1–30 days | 2,357 | 2,431 | 2,272 | 2,686 |
| 31–60 days | 1,092 | 912 | 1,714 | 1,656 |
| 61–90 days | 602 | 614 | 554 | 819 |
| 91–180 days | 2,190 | 1,130 | 1,106 | 1,119 |
| More than 180 days | 715 | 655 | 622 | 611 |
| | 7,178 | 6,077 | 6,583 | 7,444 |

The table below sets forth an ageing analysis of our trade receivables, based on the past due date and net of impairment loss allowance, as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Not past due | 2,620 | 2,964 | 2,618 | 2,908 |
| Past due for 1–30 days | 1,117 | 1,411 | 1,650 | 2,109 |
| Past due for 31–90 days | 1,533 | 1,054 | 1,150 | 1,756 |
| Past due for more than 90 days | 2,140 | 1,229 | 1,538 | 1,030 |
| **Total trade receivables (gross)** | 7,410 | 6,658 | 6,956 | 7,803 |
| Less: Allowance for doubtful debts | (232) | (581) | (373) | (359) |
| Total trade receivables (net) | 7,178 | 6,077 | 6,583 | 7,444 |

Trade receivables aged over 90 days accounted for 40.5%, 29.4%, 26.2% and 23.2% of our net trade receivables as of 31 December 2023, 2024, 2025 and 31 May 2026, respectively. Trade receivables aged over 180 days accounted for 10.0%, 10.8%, 9.4% and 8.2% of our net trade receivables as of 31 December 2023, 2024, 2025 and 31 May 2026, respectively. With tightening credit control which was reflected in the shorter turnover days from approximately 74.2 days for FY2023 to 49.8 days for FY2025, the weight of aging over both 90 and 180 days reduced gradually from FY2023 to FY2025.

We adopt practical expedient in estimating expected credit loss on trade receivables using a provision matrix. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns as groupings of various debtors taking into consideration the actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The allowance for doubtful debts accounted for approximately 3.1%. 8.7%, 5.4% and 4.6% of the gross trade receivables as of 31 December 2023, 2024, 2025 and 31 May 2026, respectively. The higher rate of credit loss recorded as of 31 December 2024 was due to specific provisions for five customers of a total of approximately S$0.2 million which approximately S$0.1 million comprising of four customers were written off in FY2025. As such, the overall expected loss rate applicable increased from approximately 3.1% for FY2023 to 8.7% for FY2024. Having taken measures in controlling the credit risk, the overall expected loss rate was improved to approximately 5.4% for FY2025 and approximately 4.6% for 5M2026.

We have made sufficient loss allowance having considered that (i) our specific loss allowance was mainly for a few one-off customers, amounted to approximately S$0.1 million as of December 31, 2024, (ii) most of our trade receivables are from our long-term customers with no history of defaults, and (iii) the best estimation of credit loss rates having considered internal and external factors are applied to different aging receivables. As at 31 December 2023, 2024, 2025 and 31 May 2026, the net trade receivables balance aged over 180 days mainly included approximately S$0.5 million, S$0.2 million, S$0.4 million and S$40,000 from Focus Shipping Co. Ltd in respect of our shipping agency services. In terms of subsequent settlement, as at 31 August 2026, approximately S$0.8 million, S$0.4 million, S$11.8 million and S$0.5 million or 100.0%, 100.0%, 100.0% and 96.8% of the total balance in respect of Focus Shipping Co. Ltd that was outstanding as at 31 December 2023, 2024, 2025, and 31 May 2026 has been settled. Despite the credit period we granted to Focus Shipping Co. Ltd, which was generally 30 days, it had not settled our trade receivables within the specified timeframe due to their prolonged internal settlement processes, resulting in delays in payments made to our Group. The Directors consider that the Group maintains sound relationship with the Group's customers by allowing such flexibility in the settlement period. Given that we have been continuously monitoring the collection of the trade

receivables and overseeing the payment schedule on a regular basis, our Directors are of the view that adequate provisions have been made and there is no material recoverability issue as to our trade receivables.

The following table sets forth the average turnover days of trade receivables for the years/period indicated:

| | FY2023 | FY2024 | FY2025 | As at 31 May 2026 |
|---|---|---|---|---|
| Average turnover days of trade receivables[(Note 1)] | 74.2 | 59.1 | 49.8 | 54.5 |
| Average turnover days of trade receivables and contract assets[(Note 2)] | 77.2 | 64.7 | 54.3 | 59.2 |

*Notes:*

(1) Average turnover days of trade receivables equal average trade receivables, net of loss allowance, divided by total revenue for the year/period and multiplied by 365 days or 151 days. Average trade receivables are calculated as trade receivables at the beginning of the year/period plus trade receivables at the end of the year/period, divided by two.

(2) Average turnover days of trade receivables and contract assets equal average trade receivables and contact assets, divided by total revenue for the year/period and multiplied by 365 days or 151 days. Average trade receivables and contract assets are calculated as trade receivables and contract assets at the beginning of the year/period plus trade receivables and contract assets at the end of the year/period, divided by two.

Our average turnover days of trade receivables decreased from approximately 74.2 days for FY2023 to approximately 59.1 days for FY2024 was mainly driven by enhancement of credit collection and better credit control in FY2024. Our average turnover days of trade receivables decreased from approximately 59.1 days for FY2024 to approximately 49.8 days for FY2025 was mainly driven by improvement in better credit control and collection.

As at 31 August 2026, approximately S$6.0 million, or approximately 77.3%, of our trade receivables as of 31 May 2026 had been subsequently settled. Considering the nature of our trade receivables and after assessing the individual condition of counterparties, we do not believe we are subject to material credit risk and we do not foresee any significant recoverability issue with our trade and other receivables.

**Contract Assets**

Our contract assets mainly consist of the accumulated amount of revenue earned for contract works in respect of new vessels completed, net of advance payments already received. The table below sets forth a breakdown of our contract assets as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| Arising from performance under shipping agency services | — | 166 | — | — |
| Arising from performance under boatbuilding contracts | 548 | 537 | 445 | 753 |
| **Total** | 548 | 703 | 445 | 753 |

Contract assets are amounts that customers owe for boatbuilding work that has been done but not yet billed. These arise when our Company records revenue for construction work that is still in progress, but payment depends on the successful completion of the project. Such unbilled revenue would be recognized as revenue based on the percentage of completion.

For shipping agency services, payment is made only after the services have been fully completed. Therefore, until completion, the company records a contract asset to reflect revenue earned but not yet billed to the customer. Contract assets from shipping agency services typically arise when a vessel's stay extends over the year-end period.

Our contract assets increased by approximately S$0.2 million, or 28.3%, from approximately S$0.5 million as at 31 December 2023 to approximately S$0.7 million as at 31 December 2024 due to the recognition of contract assets arising from the performance under shipping agency services of approximately S$0.2 million.

Our contract assets decreased by approximately S$0.3 million, or 36.7%, from approximately S$0.7 million as at 31 December 2024 to approximately S$0.4 million as at 31 December 2025 due to the absence of recognition of contract assets arising from the performance under shipping agency services of approximately S$0.2 million and a minor decrease of approximately S$0.1 million of contract assets related to boatbuilding contracts.

Our contract assets increased by approximately S$0.3 million, or 69.2%, from approximately S$0.4 million as at 31 December 2025 to approximately S$0.7 million as at 31 May 2026 due to the recognition of contract assets arising from the performance under boatbuilding contracts of approximately S$0.3 million.

As at 31 August 2026, approximately S$0.3 million, or approximately 40.2%, of our contract assets as at 31 May 2026 had been subsequently settled.

**Prepayments, deposits and other receivables**

Our prepayments, deposits and other receivables consisted of (i) prepayments to our suppliers for product procurement, (ii) deposits and other receivables incurred in our operations, and (iii) advances payments on purchases. The following table sets out a breakdown of our prepayments, deposits and other receivables as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Prepayments | 58 | 184 | 298 | 286 |
| Prepayments for costs incurred in connection with the proposed issuance of the Company's shares *(Note (i))* | — | — | 252 | 417 |
| Deposits | 190 | 351 | 142 | 110 |
| Advances payments on purchases | 589 | 222 | 287 | 1,110 |
| Other receivables | 45 | 179 | 222 | 196 |
| | 882 | 936 | 1,201 | 2,119 |

*Note:*

(i) The balance at 31 December 2025 will be transferred to the capital reserve account within equity upon the **[REDACTED]** of the Company's shares on the **[REDACTED]** of the Stock Exchange.

As at 31 December 2023, 2024, 2025 and 31 May 2026, we recorded approximately S$0.9 million, S$0.9 million, S$1.2 million and S$2.1 million of prepayments, deposits and other receivables, respectively. The increase of approximately S$0.3 million as at 31 December 2025 from S$0.9 million as at 31 December 2024 was mainly due to the prepayments for costs in connection with the proposed issuance of the Company's shares of approximately of S$0.3 million.

Our prepayments, deposits and other receivables increase from approximately S$1.2 million as at 31 December 2025 to approximately S$2.1 million as at 31 May 2026, representing an increase of approximately 76.4% mainly due to the increase in advances payments on purchases of approximately S$0.8 million related to the advances payments made for nature.

**Trade payables**

The table below sets forth a breakdown of our trade payables as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Trade payables | 3,746 | 3,257 | 2,657 | 2,291 |

Our trade payables primarily comprise the outstanding amounts due to our suppliers and contractors. We are required to pay our suppliers and contractors in installments according to pre-agreed milestones.

Our trade payables decreased by approximately S$0.5 million, or by approximately 13.1%, from approximately S$3.7 million as at 31 December 2023 to approximately S$3.3 million as at 31 December 2024, primarily due to accelerating payments to our suppliers during FY2024 to maintain cordial relationships and to procure better pricing. Such speed up of payments to suppliers was complemented by the improvement in debt collection.

Our trade payables decreased by approximately S$0.6 million, or by approximately 18.4%, from approximately S$3.3 million as at 31 December 2024 to approximately S$2.7 million as at 31 December 2025, primarily due to continuous strategy of shortening settlement for better pricing.

Our trade payables decreased by approximately S$0.4 million, or by approximately 13.8%, from approximately S$2.7 million as at 31 December 2025 to approximately S$2.3 million as at 31 May 2026, primarily due to continuous strategy of shortening settlement for better pricing.

The ageing analysis of trade payables, based on the date of receipt of foods, is as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Current | 172 | 345 | 107 | 1,544 |
| 1–30 days | 1,588 | 1,475 | 1,399 | 454 |
| 31–60 days | 870 | 693 | 850 | 165 |
| 61–90 days | 717 | 295 | 285 | 81 |
| Over 90 days | 399 | 449 | 16 | 47 |
| | 3,746 | 3,257 | 2,657 | 2,291 |

The following table sets forth the average turnover days of trade payables for the years/period indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Average turnover days of trade payables[(Note 1)] | 47.9 | 49.7 | 39.7 | 33.8 |

*Note:*

(1) Average turnover days of trade payables equal average trade payables, divided by cost of sales for the year/period and multiplied by 365 days or 151 days. Average trade payables are calculated as trade payables at the beginning of the year/period plus trade payables at the end of the year/period, divided by two.

Our average turnover days of trade payables remained stable from approximately 47.9 days for FY2023 to approximately 49.7 days for FY2024 and then decreased to approximately 39.7 days for FY2025 mainly due to the shortening of settlement period to our suppliers to procure favourable pricing and maintain harmonious relationship. The increase in cash outflow was complemented by the acceleration of debt collection.

As at 31 August 2026, S$2.1 million, or 93.2%, of our trade payables as at 31 May 2026 had been subsequently settled.

Our Directors confirm that we had no material defaults in our trade payables or other payables during the Track Record Period and up to the Latest Practicable Date.

**Accruals and other payables**

The table below sets forth a breakdown of our accruals and other payables as of the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| Accruals and other payables | 2,529 | 2,067 | 2,583 | 2,057 |
| Amount due to the then shareholders | 6,411 | 4,081 | — | — |
| **Total** | 8,940 | 6,148 | 2,583 | 2,057 |

Our accruals and payables mainly represented the accrued salaries to the employees of our Group. Our accruals and other payables decreased from approximately S$2.5 million as at 31 December 2023 to approximately S$2.1 million as at 31 December 2024. Such decrease was mainly because there was accruals for expenses of approximately S$0.6 million incurred in the relocation of our previous boatbuilding facility to our current waterfront facility in 2023.

The accruals and other payables increased by approximately S$0.5 million from approximately S$2.1 million as at 31 December 2024 to approximately S$2.6 million as at 31 December 2025 mainly due to the accrual of **[REDACTED]** of approximately S$**[REDACTED]** as at 31 December 2025.

The accruals and other payables decreased by approximately S$0.5 million from approximately S$2.6 million as at 31 December 2025 to approximately S$2.1 million as at 31 May 2026 mainly due to the decrease of accrued payroll expenses and other operative expenses of approximately S$0.7 million

comparing with 5M2025 which was offset by the provision for litigation of approximately S$0.3 million. The provision for litigation was made for the litigation charged by MOM under the WSHA, please refer the sub-section head "Litigation and Compliance — Workplace Safety and Health Proceedings" for details.

Amount due to shareholders are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment. Such amount will be settled upon **[REDACTED]**.

**Provisions**

The table below sets forth our provisions as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| Provision for restoration | 300 | 300 | 300 | 300 |

As at 31 December 2023, 2024, 2025 and 31 May 2026, the amount of provision for restoration cost remained stable at approximately S$0.3 million, S$0.3 million, S$0.3 million and S$0.3 million, respectively. Provisions for restoration costs represent the present value of the estimation of costs to reinstate the leased properties of our Group to their original state upon expiry of the term of the lease.

**Contract Liabilities**

Our contract liabilities represent amounts paid by our customers for sales contracts of new boats not yet fulfilled, comprising advances received which exceed the contract works completed and advances received for which the corresponding contracts were yet to commence as at the end of each of the relevant periods. Any variation of the contract liabilities in each of the relevant periods during the Track Record Period is considered part of the normal course of our business.

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Arising from performance under shipping agency services | 947 | 303 | 311 | — |
| Arising from performance under boatbuilding contracts | 1,436 | 1,152 | 171 | 40 |
| **Total** | 2,383 | 1,455 | 482 | 40 |

The continuous decrease in contract liabilities from 31 December 2023 to 31 December 2025 was mainly attributable to decrease in contract liabilities arising from performance under boatbuilding contract, from approximately S$1.4 million as at 31 December 2023 to approximately S$0.2 million as at 31 December 2025 resulting from shorter building cycles and fewer boatbuilding contracts which straddle our year end.

The contract liabilities is further reduced to approximately S$40,000 as at 31 May 2026 mainly due to no contract liabilities arising from performance under shipping agency services and reducing contract liabilities of approximately S$131,000 resulting from fewer boatbuilding contracts near the five months ended 31 May 2026.

We recognized revenue of approximately S$0.7 million, S$2.4 million, S$1.5 million and S$0.5 million, respectively, for FY2023, FY2024, FY2025 and 5M2026 in relation to carried-forward contract liabilities as at the beginning of the respective period.

As at 31 August 2026, all of our contract liabilities as at 31 May 2026 had been fully settled.

**Property, plant and equipment**

Property, plant and equipment mainly comprise of leasehold properties, workboats for our own workboat chartering business, motor vehicles, equipment, machinery and other assets. As at 31 December 2023, 2024, 2025 and 31 May 2026, the carrying amount of property, plant and equipment amounted to approximately S$17.4 million, S$16.9 million, S$19.7 million and S$18.7 million, respectively.

The major items of property, plant and equipment are leasehold properties and workboats whose aggregate net carrying amount accounted for approximately 85.2% to 86.5% of the Group's total net carrying value of property, plant and equipment during the Track Record Period. In 2023, our Group acquired a total of approximately S$7.6 million of leasehold properties which primarily consist as our waterfront facility which we acquired for S$6.5 million. During FY2025, our Group acquired five boats which were recorded previously as right-of-use assets under sale and leaseback from the lessor-buyer of approximately S$3.8 million and one additional workboat we built of approximately S$0.3 million.

The carrying amount of property, plant and equipment remained stable as at 31 December 2023 and 2024. The carrying amount of property, plant and equipment, which increased by approximately S$2.8 million from approximately S$16.9 million as at 31 December 2024 to approximately S$19.7 million as at 31 December 2025, was mainly attributable to the annual depreciation of approximately S$1.7 million, which was partially offset by effect of addition of workboats of approximately S$4.1 million during the year.

The carrying amount of property, plant and equipment slightly decreased as at 31 May 2026 when compared to 31 December 2025. Such decline is mainly due to the disposal of workboats with net carrying value of S$0.3 million and depreciation for the five months period of S$0.7 million.

**Right-of-use assets**

Our right-of-use assets mainly represented our leased properties and our chartered-in workboats which net carrying value accounted for approximately 95.3% to 100.0% of the total net carrying value of right-of-use assets during the Track Record Period. As at 31 December 2023, 2024, 2025 and 31 May 2026, our right-of-use assets amounted to approximately S$8.6 million, S$7.7 million, S$5.7 million and S$5.5 million, respectively.

The major additions in FY2023 are leasehold properties of our waterfront facility and three boats through sale and leaseback of approximately S$7.5 million and S$0.9 million, respectively. These three boats were built by us and sold to a third party from whom we leased them back during the year.

During FY2024, we acquired two more boats through sale and leaseback of approximately S$0.6 million.

During FY2025, we purchased five boats which were previously under sale and leaseback in FY2023 and FY2024 from the third-party buyer-lessor. We recorded the above acquisitions as addition to the property, plant and equipment of approximately S$3.8 million and disposal of boats under right-of-use assets of S$1.5 million.

The right-of-use assets is slightly decreased by approximately S$0.2 million, or 2.9%, from approximately S$5.7 million as at 31 December 2025 to approximately S$5.5 million as at 31 May 2026.

To meet an immediate new demand of workboat chartering needs, we adopted sale and leaseback arrangement in 2023 instead of capital expenditure to increase the flexibility of operation and preserve liquidity. To optimise the operation efficiency and capital expenditure, we also purchased back the boats under sale and leaseback from the buyer-lessor once long-term financing facilities was ready in early 2025.

The further decrease of our right-of-use assets from approximately S$7.7 million as at 31 December 2024 to approximately S$5.7 million as at 31 December 2025 was mainly due to the disposal of five boats abovesaid of approximately S$1.0 million.

## INDEBTEDNESS AND CONTINGENT LIABILITIES

### Indebtedness

During the Track Record Period, our indebtedness consisted of bank and other borrowings which mainly comprised bank borrowings and lease liabilities. The table below sets forth a breakdown of our indebtedness as at the dates indicated:

| | As at 31 December | | | As at 31 May | As at 31 August |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| **Included in current liabilities** | | | | | |
| Secured bank loans | 2,773 | 1,167 | 5,642 | 6,133 | 6,179 |
| Lease liabilities | 1,204 | 1,355 | 342 | 394 | 404 |
| Amounts due to the then shareholders | 6,411 | 4,081 | — | — | — |
| **Subtotal** | 10,388 | 6,603 | 5,984 | 6,527 | 6,583 |
| **Included in non-current** | | | | | |
| Secured bank loans | 3,955 | 3,072 | 2,460 | 2,182 | 1,969 |
| Lease liabilities | 7,972 | 7,500 | 5,905 | 5,771 | 5,668 |
| **Subtotal** | 11,927 | 10,572 | 8,365 | 7,953 | 7,637 |
| | 22,315 | 17,175 | 14,349 | 14,480 | 14,220 |

The table below sets forth the effective interest rate and weighted average incremental borrowing rate profile of our indebtedness as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Effective interest rates | 2.5% to 5.4% | 3.0% to 4.7% | 2.1% to 4.7% | 2.0% to 4.3% |
| Weighted average incremental borrowing rates | 5.4% | 5.4% | 5.0% | 5.0% |

The table below sets forth the maturity profile of our bank borrowings as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(S$'000)* | *(S$'000)* | *(S$'000)* | *(S$'000)* |
| ***Bank borrowings repayable:*** | | | | |
| Within one year or on demand | 2,285 | 1,167 | 2,442 | 6,133 |
| More than one year, but not exceeding two years | 1,296 | 701 | 2,468 | 656 |
| More than two years, but not more than five years | 2,011 | 2,188 | 3,192 | 1,526 |
| More than five years | 1,136 | 183 | — | — |
| **Total** | 6,728 | 4,239 | 8,102 | 8,315 |

The table below sets forth the maturity profile of our lease liabilities as at the dates indicated:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| **Lease liabilities** | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Within one year | 1,204 | 1,355 | 342 | 394 |
| More than one year, but not exceeding two years | 753 | 1,278 | 383 | 421 |
| More than two years, but not more than five years | 1,506 | 1,505 | 1,419 | 1,480 |
| More than five years | 5,713 | 4,717 | 4,103 | 3,870 |
| | 9,176 | 8,855 | 6,247 | 6,165 |

**Bank Borrowings**

Our bank borrowings during the Track Record Period were denominated in Singapore dollars and were used to finance our capital expenditure and working capital requirements. As at 31 December 2023, 2024, 2025 and 31 May 2026, the Group's bank borrowings amounted to approximately S$6.7 million, S$4.2 million, S$8.1 million and S$8.3 million, all of which were secured by personal guarantees from the Directors. Of these, approximately S$1.7 million, S$0.5 million, nil and nil were secured by corporate guarantees from the subsidiaries, and approximately S$4.3 million, S$3.7 million, S$8.1 million and S$8.3 million were secured by a legal charge over a leasehold property. As at 31 August 2026, S$0.2 million of our bank borrowings as at 31 May 2026 had been subsequently repaid. For details, see Note 27 to the Accountants' Report as set out in Appendix I of this document. Such personal guarantee will be released upon **[REDACTED]**.

The Group has complied with financial covenants during the Track Record Period, except for one instance for the year ended 31 December 2023 when dividends were declared after seeking but not receiving the bank's consent. Consequently, bank loans totaling S$488,000 were reclassified as current liabilities as at 31 December 2023 subject to an early repayment option by the bank. As at 31 December 2024, no reclassification was necessary as the loans were either fully settled or due within one year. The bank subsequently issued a letter of indulgence on 16 April 2025 waiving any default, and the loan was fully settled during the year ended 31 December 2025.

The Directors are of the view that the Group's enhanced internal control measures are sufficient and effective to prevent the recurrence of similar accidents given (i) our Group has enhanced the internal controls over cash and bank management by implementing on-going monitoring and quarterly review of bank loan covenants, board oversight of financing arrangements, and formal lender communication protocols; (ii) our Group's existing banking facilities do not have dividend payment restrictions; and (iii) the Group is committed to exclude such dividend restriction in its future bank facilities.

**Lease Liabilities**

During the Track Record Period, our lease liabilities were primarily in relation to our lease of buildings, workboats and motor vehicles used in our operations. We recorded lease liabilities in aggregate of S$9.2 million, S$8.9 million, S$6.2 million and S$6.2 million as of 31 December 2023, 2024, 2025 and 31 May 2026 respectively. The drop in the lease liabilities as of 31 December 2025 of approximately S$2.6 million from the balance of approximately S$8.9 million was mainly attributable to the termination of leases resulting from the buy back of five workboats which were under leaseback arrangement.

The lease liabilities is remained stable from approximately S$6.2 million as at 31 December 2025 to approximately S$6.1 million as at 31 May 2026.

Our Directors confirm that there has been no material change in our indebtedness position since 31 August 2026, being the Latest Practicable Date for the purpose of the indebtedness statement.

As at the Latest Practicable Date, except for bank borrowings, we did not have plans for other material external debt financing. As at 31 May 2026, we had unutilized credit facilities of S$2.2 million. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

**Contingent Liabilities**

Except as disclosed above, we did not have, as at 31 May 2026, any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments or other material contingent liabilities.

## OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties, except as those disclosed below. In addition, we have not entered into any derivative contracts that are indexed to our equity interest and classified as owners' equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

## CAPITAL EXPENDITURES AND COMMITMENTS

### Capital Expenditures

Our capital expenditures primarily comprised expenditures for additions of property, plant and equipment. Our capital expenditures amounted to approximately S$9.8 million, S$2.1 million, S$4.7 million and S$26,000 in FY2023, FY2024, FY2025 and 5M2026, respectively. Our current plan with respect to future capital expenditures is subject to changes based on the evolution of our business plan, market conditions and our outlook of future business conditions. As we continue to expand, we may incur additional capital expenditures.

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the market and changes in the regulatory environment. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

### Capital Commitments

As at 31 May 2026, we have no capital commitment.

## KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as at the dates or for the periods indicated:

| | FY2023 | FY2024 | FY2025 | For the five months ended 31 May 2026 |
|---|---|---|---|---|
| **Profitability ratios** | | | | |
| Return on equity[(1)] | 52.3% | 45.5% | 54.0% | 45.0% |
| Return on total assets[(2)] | 9.4% | 15.4% | 23.7% | 20.2% |

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| **Liquidity ratios** | | | | |
| Current ratio[(3)] | 0.7 | 1.0 | 1.2 | 1.2 |
| Quick ratio[(4)] | 0.6 | 0.9 | 1.1 | 1.1 |
| **Capital adequacy ratio** | | | | |
| Gearing ratio[(5)] | 159.5% | 55.9% | 44.5% | 61.3% |

*Notes:*

1. Return on equity represents profit for the year or annualised profit for the five months ended 31 May 2026 divided by total equity as at the respective dates.

2. Return on total assets represents profit for the year or annualised profit for the five months ended 31 May 2026 divided by total assets as at the respective dates.

3. Current ratio is calculated based on total current assets divided by total current liabilities.

4. Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

5. Gearing ratio represents total interest-bearing borrowings and lease liabilities, less cash and cash equivalents, divided by total equity as at the respective dates.

### Return on Equity

Our return on equity decreased from approximately 52.3% for FY2023 to approximately 45.5% for FY2024 mainly due to the increase rate in equity from FY2023 to FY2024 of approximately 84.2% overweighted the increase rate in profit for the year for FY2024 of approximately 60.5%. Our return on equity recorded an increase from approximately 45.5% for FY2024 to approximately 54.0% for FY2025 mainly attributable to the incremental rate of profit for the year of approximately 60.7% for FY2025 overweighted the incremental rate of equity of approximately 35.6% for FY2025 after a dividend payment of approximately S$5.0 million. Our return on equity decreased to 45% for 5M2026 from 54.0% for FY2025 mainly due to the decrease in annualised profit for 5M2026 of approximately 17.8% comparing with FY2025 which was offset by the decrease in the equity of approximately 2.1%.

### Return on Total Assets

Our return on total assets increased gradually from approximately 9.4% in FY2023 to approximately 15.4% in FY2024 and then to approximately 23.7% in FY2025 due to increasing profits from FY2023 to FY2025. Our return on total assets decreased from 23.7% for FY2025 to 19.0% for 5M2026 mainly due to decrease in annualised profit for 5M2026 of approximately 17.8% comparing with FY2025 which was offset by the decrease in the total assets of approximately 4.6%.

### Current Ratio

Our current ratio as at 31 December 2023, 2024, 2025 and 31 May 2026 were 0.7, 1.0, 1.2 and 1.2 respectively. The increase of current ratio in 2024 is mainly due to the repayment of bank borrowings and repayment of amount due to shareholders. Our current ratio was further improved to 1.2 as at 31 December 2025 mainly due to shortening of payment period to suppliers while enhancing the collection of cash from trade receivables resulting in the increase of bank balances and cash of approximately S$0.7 million. Our current ratio was maintained at 1.2 as at 31 May 2026.

### Quick Ratio

Consistent with the changes in our current ratio, our quick ratio was 0.6, 0.9, 1.1 and 1.1 as at 31 December 2023, 2024, 2025 and 31 May 2026, respectively.

### Gearing Ratio

Our gearing ratio decreased from 159.5% as at 31 December 2023 to 55.9% as at 31 December 2024 primarily due to a significant decrease in the amount due to shareholders and a repayment of bank borrowings in 2024. Notwithstanding we increased our borrowings, the rise in our equity resulting from increasing profit brought our gearing ratio down from 55.9% as at 31 December 2024 to 44.5% as at 31 December 2025. Our gearing ratio increased to 61.3% primarily due to the decrease in cash and cash equivalent of approximately 42.3% resulting in the increase in net indebtedness of approximately 35.0%. We had net cash position during the Track Record Period.

## FINANCIAL RISKS

We are exposed to a variety of financial risks, including interest rate risk, credit risk, liquidity risk and currency risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. See Note 6 to the Accountants' Report included in Appendix I to this document for further details.

### Currency Risk

We are primarily exposed to exchange rate risk in relation to the U.S. dollars. See Note 6 to the Accountants' Report included in Appendix I to this document for further details, including relevant sensitivity analysis.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### Credit Risk

Our exposure to credit risk arises from the potential inability or unwillingness of our customers to pay amounts due. However, due to the generally creditworthy nature of our customers and our conservative commercial policies that require customers to make milestone payments (and pursuant to which we do not deliver boats to customers before we receive full payment), we believe this risk to be not material.

### Interest Rate Risk

Our interest rate risk arises from interest-bearing borrowings. We currently do not use any interest rate swap contracts or other financial instruments to hedge against interest rate exposure. See Note 6 to the Accountants' Report included in Appendix I to this document for further details, including relevant sensitivity analysis.

### Liquidity Risk

As at 31 December 2023, 2024, 2025 and 31 May 2026, we had cash and cash equivalents of S$4.4 million, S$5.6 million, S$6.3 million and S$3.6 million, respectively, which is sufficient to cover our working capital requirements, providing ample liquidity for our continuing business operations. We continuously monitor our cash flow position through the planning of the expected cash flows and the necessary financing sources on a weekly basis, over a monthly horizon to ensure that we maintain sufficient reserve of cash to meet our liquidity requirements in the short and long term. See Note 6 to the Accountants' Report set forth in Appendix I to this document for more details about our financial liabilities by different maturity groups.

## DIVIDENDS

We have adopted a general annual dividend policy of declaring and paying dividends on an annual basis of no less than 40% of our profit attributable to Shareholders of the Company for the relevant year. The dividends will be distributed to Shareholders based on a payment proposal by the Board, after taking into consideration compliance with any applicable financial covenants and, if any, further financial needs of the Company. Assuming the **[REDACTED]** occurs in 2026, 2026 will be the first year when our profit attributable to Shareholders of the Company will be used for purpose of declaring and paying dividends in accordance with the aforementioned general annual dividend policy.

The declaration of dividends is subject to the discretion of our Directors, and, if necessary, the approval of our Shareholders. Our Board will take into account market conditions, our financial condition, results of operations, prospects, cash flow, capital requirements and reserves and potential limitations on the payment of dividends contained in financing agreements to which we are part of and other factors that our Directors consider relevant. Any declaration and payment as well as the amounts of dividends will be subject to our constitutional documents and applicable restrictions under

Singaporean law, including the approval from our Shareholders. Our future declarations of dividends may or may not reflect our historical declarations of dividends. In addition, our Directors may reassess our dividend policy in the future.

During FY2023 and FY2025 and in March 2026, Pinnacle Marine declared dividends in cash of approximately S$10.9 million, S$5.0 million and S$3.7 million to its then shareholders in respect of FY2022, FY2024 and FY2025 respectively. During FY2024, no dividend was declared in respect of FY2023 by any of the companies now comprising the Group.

## PROPERTY INTEREST

The valuation of our property interest which is classified as leasehold properties under property, plant and equipment was valued by Robert Khan & Co Pte Ltd, an independent valuer. Details of the valuation are summarised in Appendix III to this document. The reconciliation between the carrying amount of the properties held by our Group as at 31 May 2026 and the valuation of such properties as at 30 September 2026 is as follows:

| | *S$'000* |
|---|---|
| Total market value of the properties held by our Group as at 30 September 2026 as set forth in the Property Valuation Report | 8,400 |
| Carrying amount of the properties held by our Group as at 31 May 2026 | 7,044 |
| Valuation Surplus | 1,356 |

The valuation surplus of the property interest is not recognised in our profit and loss accounts as such property interest, being the leasehold properties are stated at cost, less subsequent accumulated depreciation and impairment losses, if any.

## DISTRIBUTABLE RESERVES

As at 31 May 2026, our Company did not have any distributable reserves available for distribution to equity holders.

## [REDACTED]

The estimated total **[REDACTED]** in connection with the **[REDACTED]** (based on the midpoint of our indicative price range for the **[REDACTED]**) are approximately S$**[REDACTED]**, representing approximately **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]** (based on the mid-point of our indicative price range for the **[REDACTED]**). Our **[REDACTED]** are categorised into **[REDACTED]** related expenses of approximately S$**[REDACTED]** and **[REDACTED]** expenses of approximately S$**[REDACTED]**. The **[REDACTED]** expenses can be further classified into fees and expenses of legal advisers and accountants of approximately S$**[REDACTED]** and other fees and expenses of approximately S$**[REDACTED]**. Out of the amount of approximately S$**[REDACTED]**, (i) approximately S$**[REDACTED]** is directly attributable to the **[REDACTED]** of the **[REDACTED]** which is to be accounted for as a deduction from equity; (ii) approximately S$**[REDACTED]** and S$**[REDACTED]** were recognised in our consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2025 and the five months ended 31 May 2026; and (iii) approximately S$**[REDACTED]** will be further recognised upon the **[REDACTED]** of our Company.

## UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For details of our unaudited **[REDACTED]** adjusted consolidated net tangible assets, please refer to the section headed "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document.

## NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since 31 December 2025, and there is no event since 31 December 2025, which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this document.

## DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules upon the **[REDACTED]** of the Shares on the Stock Exchange.

## FUTURE PLANS

Our Group's future plans are focused on strengthening our core boatbuilding, repair and maintenance capabilities, expanding our fleet and logistics capacity to support our workboat chartering and shipping agency businesses, and pursuing selective strategic investments that complement our existing services platform. Please refer to the sub-section headed ''Business — Business strategies'' for a description of our future plans and strategies.

## USE OF [REDACTED]

We estimate the **[REDACTED]** of the **[REDACTED]** which we will receive, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-end of the **[REDACTED]** range stated in this document), will be approximately HK$**[REDACTED]**, after deduction of **[REDACTED]** and commissions and estimated expenses payable by us in connection with the **[REDACTED]** and assuming the **[REDACTED]** is not exercised.

Assuming an **[REDACTED]** at the mid-point of the **[REDACTED]**, we currently intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes and in the amounts set out below:

**(1) Approximately [REDACTED]%, or HK$[REDACTED], of the [REDACTED] will be used for the acquisition and development of land to support the expansion of our boatbuilding, repair and maintenance operations including the extension and enhancement of existing buildings at the waterfront facility in preparation for our expansion. In particular:**

(i) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the acquisition of land under a government lease for expansion of our boatbuilding business. As at the Latest Practicable Date, we have identified one potential plot of land of approximately 91,970 sq. ft. of which is situated in close proximity to our existing waterfront facility and is currently idle. As advised by our Singapore Legal Advisers, this plot of land is designated for industrial use. Our intended use of land, as a shipyard and ship production plant, is compliant with its land use. Furthermore, to the best knowledge and belief of our Directors after making all reasonable enquiries with the relevant authorities in Singapore, the leasehold of this plot of land is expected to be released for tender in the near future, although the definitive tender timetable remains subject to the relevant authorities' arrangements. We intend to participate in the tender process with a view to securing the lease of the identified plot of land;

(ii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for site development and infrastructure works on such land, including preparatory and enabling works necessary to render the land suitable for operational use. These works may include (where applicable) land preparation, site formation, utilities and drainage works, perimeter and access arrangements, and such other infrastructure works as may be required by the applicable authorities and/or tender conditions;

(iii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the purchase of machinery and equipment to be installed and utilised on the newly developed land to support expanded operations. Such equipment includes robotic welding arm, mobile cradle and crawler cranes which are commonly used in boatbuilding and related fabrication activities;

(iv) approximately **[REDACTED]**%, or HK$**[REDACTED]**, of the **[REDACTED]** will be used for the extension and enhancement of existing buildings situated at our waterfront facility; and

(v) approximately **[REDACTED]**%, or HK$**[REDACTED]**, of the **[REDACTED]** will be used to upgrade our information technology systems.

*Land tenure and basis for acquisition method*

As advised by our Singapore Legal Advisers, land in Singapore (including land designated for industrial use) is commonly made available to users through leasehold arrangements (including government lease tenders), and the relevant land interests are typically granted for a specified lease term subject to the applicable tender terms and conditions and compliance with relevant laws and regulations. Accordingly, we intend to obtain suitable land through the government tender process (or such other government land allocation mechanism as may be applicable), pursuant to which we would be granted a lease for a specified duration, subject to satisfaction of the relevant tender requirements and conditions.

*Our ability to participate in the land tender*

We believe that our industry experience, technical expertise and financial resources place us in a suitable position to participate in the government land tender. We have a solid track record in boatbuilding given that since 2018 and as at the Latest Practicable Date, we have delivered 67 workboats, of which 48 workboats were sold to customers, and we have funded construction of workboats and facility enhancements while meeting our financial obligations. As at the Latest Practicable Date, we have not entered into any binding agreement for any land lease, and the size, location and timing of any acquisition remains subject to tender outcomes and regulatory approvals.

*Contingency plan if the government land tender is unsuccessful*

If our tender for the identified government land plot does not succeed, we intend to lease an existing shipyard from an independent third party located near our existing waterfront facility.

As at the Latest Practicable Date, we have conducted preliminary site evaluations of existing shipyards in the vicinity to understand prevailing market rental levels and typical lease terms. Under this alternative arrangement, we would carry out site preparation and development works broadly similar to those contemplated under the government land lease option, albeit potentially on a smaller scale. From a financial perspective, leasing is expected to involve lower upfront capital expenditure compared to a government land lease tender. However, existing shipyard sites may not be readily suitable for our current operational requirements and would likely require significant renovation and reconfiguration works to align with our construction and servicing needs. Our Directors believe that, taking into account our financial position and projected cash flows, our Group would be able to meet the rental, development and operating costs associated with such alternative leasing arrangement without materially constraining our working capital or ongoing operations. As at the Latest Practicable Date, we have not entered into any binding agreement in respect of the alternative leasing plan. The availability, size, location, rental terms and timing of any such lease will depend on market conditions, negotiations with landlords and the obtaining of relevant regulatory approvals.

**Commercial rationale for the acquisition or lease and development of land**

Expanding our boatbuilding, repair and maintenance capacity is a core element of our business strategy, and the **[REDACTED]** allocated to the acquisition and development of land are applied in direct furtherance of that strategy.

Our existing waterfront facility has historically operated at consistently high utilisation levels, which has constrained our ability to further expand our boatbuilding operations within our current premises.

The proposed land lease and development are therefore driven by the following considerations:

- ***Forecasted growth in the boatbuilding services market in Singapore***

  Our strategic initiative to secure and develop additional land is underpinned by a strong and sustained growth outlook for Singapore's workboat industry, which is expected to outpace regional growth. According to the JWA Report, the order book of Singapore workboat builders is projected to increase by 10% year-on-year for 2025, with this upward trajectory expected to continue over the next five years. Based on MPA data, the harbour craft fleet in Singapore currently stands at approximately 1,600 units, of which approximately 1,000 are workboats similar to those we own or operate. According to the JWA Report, industry demand is projected to grow at a CAGR of 6.6%, equivalent to approximately 66 new workboats annually. In addition, a significant portion of the existing fleet in Singapore will require replacement by 2030 to comply

with the MPA's decarbonisation regulations, which mandate that all new harbour craft operating in its waters from 2030 must be fully electric, use B100 biofuel, or be compatible with net-zero fuels, with a national goal of achieving a net-zero fleet by 2050. This regulatory shift is expected to create long-term demand for new, environmentally compliant vessels, supporting a resilient maritime services industry focused on fleet renewal.

During the Track Record Period and as at the Latest Practicable Date, we have completed and launched 41 workboats with a total original contract value of approximately S$32.7 million. In FY2025, we completed and launched 14 workboats and since 1 January 2026 up to 31 August 2026, we have delivered and sold 9 workboats. As at 31 August 2026, our Group had three on-going workboat construction works. Our existing waterfront facility has operated at consistently high utilisation levels (approximately 97% in FY2024 and FY2025), demonstrating that we are operating at near-full capacity and constraining our ability to expand within our current premises.

While Penguin International Limited and Strategic Marine Pte Ltd are the dominant players in the Singapore boatbuilding market, ranking first and second respectively, they focus primarily on vessels exceeding 20 metres in length. Our Group specialises in aluminium workboats of up to 20 metres, which are increasingly preferred for harbour, coastal and offshore support applications due to their lightweight characteristics, corrosion resistance, fuel efficiency and operational flexibility. Our key competitive advantage is our production cycle of approximately two months per workboat, compared to approximately seven months for the next fastest, according to the JWA Report. This enables us to secure orders and deliver vessels significantly faster than larger competitors, even in a market with modest growth.

Given the growing demand for workboats driven by the MPA's decarbonisation regulations and the phase-out of wooden harbour craft, our Directors believe that established boatbuilders with demonstrated experience in aluminium workboat construction will experience higher order intake. By expanding our production capacity and operational facilities through the acquisition and development of additional land, we expect to be better positioned to respond to increased order volumes for our workboats, undertake multiple boatbuilding projects concurrently and meet evolving customer requirements in terms of workboat specifications, delivery schedules and service quality. This expansion is also expected to enhance our competitiveness by allowing for more efficient production planning, improved workflow and greater flexibility in resource deployment.

To capture the anticipated demand, we intend to: (i) leverage our shorter two-month production cycle as a competitive advantage for customers requiring faster delivery; (ii) target replacement demand arising from the MPA's phase-out of wooden harbour craft and the transition to net-zero compliant vessels; and (iii) participate in local maritime industry events and trade exhibitions to raise brand awareness and generate new leads.

- ***Insufficient physical capacity at our existing waterfront facility***

Our existing waterfront facility has limited available space to accommodate additional operational areas, machinery, equipment and supporting infrastructure required for expansion. In particular, the construction of aluminium workboats requires fabrication and assembly to be carried out in covered/sheltered warehouses to protect materials and welding processes from exposure to rain and the elements, which is critical to ensuring workmanship and product quality. Therefore, our Directors believe securing additional land with more covered facilities is essential to increase boatbuilding output.

As at the Latest Practicable Date, the available covered and enclosed areas within our waterfront facility are already substantially utilised for existing boatbuilding activities. The remaining areas of the facility are occupied by storage yards, warehouses, office buildings and other operational uses, and cannot be readily reconfigured or repurposed without disrupting ongoing operations. As a result, we do not have sufficient space within our existing premises to construct additional covered sheds or to install further production equipment required for the expansion of our aluminium workboat construction capacity.

Acquiring and developing additional land will allow us to construct purpose-built covered production sheds, install additional machinery and equipment and reconfigure production workflows in a manner that supports efficient, safe and weather-protected aluminium boatbuilding operations.

- ***Expected increase in our boatbuilding, repair and maintenance operations***

We intend to utilise the **[REDACTED]** to acquire a parcel of land spanning approximately 91,970 sq. ft. to support the expansion of our boatbuilding, repair and maintenance operations.

Our existing operations are conducted from a waterfront facility in Singapore of approximately 153,000 sq. ft. which houses our shipyard, repair, maintenance and retrofitting operations, warehousing and logistics functions. For further details on the existing facility, please refer to the section headed "Business — Properties" in this document.

Upon the new site becoming fully operational, our total site area (including both the existing facility and the new site) will increase to approximately 244,970 sq. ft., representing an increase of approximately 60% in our total physical site area. This expansion is expected to support the growth of our core operations.

Based on this expansion and assuming our operational efficiency remains consistent with current levels, we estimate that our overall capacity for boatbuilding, repair and maintenance services will increase by a corresponding approximately 60%. This expansion will enable us to accommodate a larger volume of workboat construction projects, alleviate operational constraints in our repair and maintenance workflows, and cater to the growing demand from our customers.

The actual increase in production output will depend on factors including market conditions and the successful integration of the new site. The foregoing is subject to, among other factors, prevailing market conditions successful land acquisition, timely completion of development works and the achievement of targeted utilisation rates.

Based on our current capital expenditure plan and expected operational ramp-up, we estimate that the initial capital investment will be recovered in approximately four years from the commencement of full operations. This estimate is based on the following assumptions: (i) an expected increase in total site area of approximately 60% (from 153,000 sq. ft. to approximately 244,970 sq. ft.), with a corresponding expected increase in boatbuilding capacity; (ii) an average production cycle of approximately two months per workboat; and (iii) the milestone-based progress payments typical of our boatbuilding contracts. We expect the new facility to become operational in the first half of 2028, subject to land availability and the tender timetable set by the relevant authorities, and to generate sufficient operating income to cover its operating costs within the first year of full operations.

To support our proposed expansion of boatbuilding capacity, we plan to recruit additional qualified employees as set out in the table below. All salaries and related employment costs for these additional employees will be funded by our internal resources, and not from the **[REDACTED]** of the **[REDACTED]**.

| **Role** | **Number** | **Average annual cost** *(S$'000)* |
|---|---|---|
| Shipyard staff | 22 | 158 |
| Administrative and support staff (human resources, finance, procurement) | 6 | 127 |
| **Total** | 28 | 285 |

It is expected that approximately eight employees will be recruited in 2026 (with training to commence in the same year), approximately two employees will be recruited in 2027, and approximately 18 employees will be recruited in 2028 upon the new facility becoming operational, subject to the successful acquisition of the leasehold land through the government tender process and the subsequent development of the new facility.

**Extension and enhancement of existing buildings situated at the waterfront facility**

We intend to apply part of the **[REDACTED]** to extend and upgrade our existing office building by constructing an additional floor area above the existing car park area. This extension will provide additional office and support space for our management, administrative, finance, procurement and operations planning functions. As at 31 December 2023, 2024 and 2025 and as at the Latest Practicable Date, we had 174, 188, 220 and 231 employees, respectively, and our existing office facilities are operating near capacity. We

plan to retain our existing waterfront facility as our headquarters, and this extension allows us to consolidate management functions at a single location while supporting our expansion in a cost-effective manner that minimises disruption to ongoing operations.

**Enhance and upgrade information technology**

As our business expands with increased boatbuilding capacity, extensions, and diversified operations across boatbuilding, workboat chartering, shipping agency, chandelling and sales of machinery and spare parts, we require more advanced information technology systems to support higher transaction volumes, enhance reporting and internal controls, and enable effective coordination across multiple concurrent projects in Singapore. We therefore intend to allocate a portion of the **[REDACTED]** to enhance and upgrade our IT systems. This includes acquiring software solutions, upgrading IT infrastructure, and implementing process enhancements to centralise data management, streamline operational workflows, and establish a unified procurement management system. These enhancements will support more efficient resource allocation, stronger cost coordination, and improved project delivery and execution capabilities.

**(2) Approximately [REDACTED]%, or HK$[REDACTED], of the [REDACTED] will be used for expansion of our fleet and logistics capacity, which supports our workboat chartering and shipping agency businesses. In particular:**

(i) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the construction of self-owned workboats at our existing waterfront facility to strengthen our workboat chartering and shipping agency business, improve our ability to meet customer schedules, and reduce reliance on third-party workboats. For clarity, the construction of the new workboats is not expected to be conditional upon the availability of the new land lease. In the absence of the new land becoming available within the anticipated timeframe, we intend to proceed with the construction of new workboats through a phased production approach at our existing waterfront facility, taking into account existing project commitments, or, where appropriate, by outsourcing certain fabrication or construction stages to third-party shipyards or subcontractors.

As at the Latest Practicable Date, we owned 19 workboats, of which three were deployed under time charter contracts and 16 were deployed for trip-based chartering services. Our self-owned workboats have historically operated at utilisation rates ranging from 95% to 100%, indicating that our fleet is operating close to its practical capacity. When our fleet is fully or near-fully deployed, our ability to accept new orders, manage concurrent engagements, or respond promptly to urgent customer requirements is significantly constrained. To cope with this sustained high demand, during the Track Record Period, we were required to supplement our operations by chartering in third-party workboats and, in certain instances, buying back previously sold workboats to fulfil our chartering obligations. High utilisation limits our ability to accommodate incremental charter requests, respond promptly to ad-hoc deployment needs and manage scheduling flexibility (including downtime for planned maintenance and regulatory inspections) without relying on third-party workboats. Therefore, to eliminate the inefficiencies of chartering in or buying back workboats, leverage market growth opportunities, and further deepen our market penetration, our Directors believe it is necessary to continue expanding our self-owned fleet.

Based on our historical experience during the Track Record Period, the capital investment in constructing and operating our self-owned workboats for chartering purposes has generally been recouped within approximately three to five years through recurring charter hire income. The average investment payback period for these workboats, measured based on acquisition cost and charter income, was approximately three years during the Track Record Period. Deploying workboats for our own workboat chartering operations therefore allows us to generate recurring revenue streams. We believe that enlarging our self-owned fleet enables us to replicate this proven investment model and generate more stable and sustainable long-term returns.

(ii) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the acquisition of six additional trucks and two passenger cars to support our workboat chartering business and shipping agency business, such as transporting crew, equipment and supplies between ports, vessels and customers. This will reduce our dependence on external transport arrangements and enhance operational efficiency.

This use of **[REDACTED]** aligns directly with our business strategy of expanding our workboat chartering operations.

To support our proposed expansion of our fleet and logistics capacity, we plan to recruit additional qualified employees as set out in the table below. All salaries and related employment costs for these additional employees will be funded by our internal resources, and not from the **[REDACTED]** of the **[REDACTED]**.

| **Role** | **Number** | **Average annual cost** *(S$'000)* |
|---|---|---|
| Marine crew (masters, engineers, deckhands) for 10 new workboats | 25 | 183 |
| Truck drivers | 3 | 68 |
| Logistics and operations support staff | 4 | 73 |
| **Total** | 32 | 324 |

It is expected that approximately 15 employees will be recruited in 2026 and approximately 17 employees will be recruited in 2027. The marine crew will be recruited progressively as each new workboat is delivered, while truck drivers and logistics support staff will be recruited in line with the acquisition of the additional trucks and passenger cars.

**(3) Approximately [REDACTED]%, or HK$[REDACTED], of the [REDACTED] is expected to be used for strategic investments and/or acquisitions in businesses or assets that complement our existing operations.**

Our primary focus is to strengthen our service offering by acquiring complementary marine service capabilities in particular, underwater marine services, such as underwater ship inspection, maintenance, repair, marine engineering or related activities. As at the Latest

Practicable Date, we do not provide such services in-house and primarily rely on third-party service providers. Potential acquisition or investment in businesses that complement our marine services platform, including but not limited to the acquisition of underwater marine services is expected to enhance our service scope in harbour operations, and underwater works, improve operational control and reduce reliance on external contractors.

We believe that expanding into underwater marine services will complement and create operational synergies with our existing ship repair, maintenance and shipping agency services, and enhance our ability to provide marine solutions to customers.

As at the Latest Practicable Date, we have not entered into any binding agreements nor made any commitments in respect of any specific acquisitions or investments. The allocation of **[REDACTED]** for this purpose is intended to provide us with flexibility to pursue suitable opportunities as and when they arise.

In evaluating potential acquisition targets, we have identified the following selection criteria: (i) the target should be principally engaged in complementary underwater marine services (including underwater ship inspection, maintenance, repair and marine engineering) that align with our existing operations; (ii) possess an established operational track record, relevant licences and technical expertise within Singapore; be profitable; and (iii) generate operational and commercial synergies with our existing repair, maintenance, shipping agency and chandelling operations to strengthen our service capabilities and competitiveness in harbour and underwater services.

Based on our preliminary assessment and information provided by the Industry Consultant, there are approximately nine potential targets that broadly meet our selection criteria. While the exact number, timing and scale of any acquisitions will depend on the availability of suitable targets, market conditions and commercial terms, we currently expect to pursue acquisition on a selective basis, subject to satisfactory due diligence.

If the **[REDACTED]** allocated for this purpose are insufficient to fund any proposed investment or acquisition, we may utilise internal resources generated from our operations to fund any shortfall.

This use of **[REDACTED]** aligns directly with our business strategy of pursuing strategic investments and acquisitions to broaden our service offering.

As at the Latest Practicable Date, we have not identified any specific acquisition target and therefore cannot provide a definitive breakdown of employee recruitment. Following any acquisition, we intend to retain the existing workforce of the acquired business and, where necessary, recruit additional staff to support integration. Any such recruitment will be funded by our internal resources and not from the **[REDACTED]** of the **[REDACTED]**.

**(4) Approximately [REDACTED]%, or HK$[REDACTED], of the [REDACTED] will be used to repay certain outstanding loans and borrowings, thereby reducing finance costs and improving our financial position.**

In particular, part of the **[REDACTED]** allocated for this purpose will be used to repay a borrowing in the principal amount of [S$8.1 million] obtained from a bank in Singapore, comprising (i) a term loan of approximately S$3.0 million which bears interest at a rate of 2.5% per annum and matures in June 2030; and (ii) a revolving credit facility of approximately S$5.1 million which bears interest at a rate of 2.5% per annum, repayable on a monthly or lump sum basis at our discretion.

Our Directors believe that utilising a portion of the **[REDACTED]** to repay borrowings is prudent and in the interests of the Company and our Shareholders, as it is expected to: (i) reduce ongoing interest expenses, thereby improving our profitability and cash flow; (ii) lower our gearing level, enhancing financial flexibility and resilience; and (iii) strengthen our capital structure, allowing us to better support future business expansion and capital expenditure requirements.

**(5) Approximately [REDACTED]%, or HK$[REDACTED], of the [REDACTED] will be used for research and development ("R&D") activities aimed at improving performance and sustainability, including initiatives relating on automation and ESG considerations.**

On 10 October 2024, we entered into a research cooperation agreement with China Classification Society, Supplier A and Nanyang Technological University to conduct Singapore's first long-duration sea trial of a pure biodiesel-powered workboat. As part of this collaboration, we designed and constructed *President 100*, a 16-metre aluminium workboat engineered to be compatible with B100 biodiesel propulsion. The 1,000-hour sea trial was completed in January 2026 and represents a key milestone in our efforts to explore alternative fuels and sustainable workboat solutions. As at the Latest Practicable Date, we are in discussions with a research facility regarding the extension of trial operations to expand our research efforts and evaluate other types of biofuels, subject to technical feasibility and regulatory considerations.

Building on this foundation, our R&D efforts are intended to focus on, among others, on automation to increase our boatbuilding efficiency and on enhancing fuel efficiency that reduce emissions, noise and overall environmental impact over the operating life of our workboats. Such initiatives are expected to contribute to lower operating costs, improved workboat performance and compliance with increasingly stringent environmental, safety and regulatory standards.

Our Directors believe that continued investment in R&D is commercially justified, as improvements in ESG performance are increasingly important to customers, regulators and other stakeholders in the maritime services industry. These initiatives are expected to enhance the competitiveness of our fleet, support long-term operational efficiency and align our business with evolving regulatory requirements and market expectations relating to sustainability.

This use of **[REDACTED]** aligns directly with our business strategy of strengthening our sustainability initiative.

**(6) Approximately [REDACTED]%, or HK$[REDACTED], of the [REDACTED] is expected to be used for general corporate purposes and working capital needs.**

Our Directors consider that maintaining sufficient general working capital is essential to support our Group's day-to-day operations and financial flexibility. Accordingly, our Group intends to allocate approximately **[REDACTED]**% of the **[REDACTED]** for our general corporate purposes and working capital needs.

## IMPLEMENTATION PLANS

Our Group will endeavor to achieve the milestone events set out below during the period from the **[REDACTED]** to 30 June 2028. Their respective scheduled completion times are based on certain bases and assumptions as set out in the paragraph headed "Bases and assumptions" in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, including in particular the risk factors set out in the section headed "Risk Factors" of this document. There can be no assurance that our Group's plans will materialise and proceed in accordance with the expected time frame or that our objectives will be accomplished at all. Based on our business objectives, our Group intends to carry out the following implementation plans:

| | **For the period from the [REDACTED] to [31 December 2026]** *(HK$ million)* | **For the six months ending** | | | **Total** *(HK$ million)* | **Approximate % of [REDACTED]** |
|---|---|---|---|---|---|---|
| | | **30 June 2027** *(HK$ million)* | **31 December 2027** *(HK$ million)* | **30 June 2028** *(HK$ million)* | | |
| Land and development | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Fleet and logistics expansion | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Strategic investments and/or acquisitions | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Repayment of loans | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Research and development | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Working capital purpose | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| **Total** | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

If the **[REDACTED]** is set at HK$**[REDACTED]** per Share, being the high end of the **[REDACTED]**, the **[REDACTED]** from the **[REDACTED]** will increase by approximately HK$**[REDACTED]**. If the **[REDACTED]** is set at HK$**[REDACTED]** per Share, being the low end of the **[REDACTED]**, the **[REDACTED]** from the **[REDACTED]** will decrease by approximately HK$**[REDACTED]**.

The allocation of the **[REDACTED]** from the **[REDACTED]** above will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed at a higher or lower level compared to the mid-point of the **[REDACTED]** stated in this document.

Should our Directors decide to re-allocate the intended use of **[REDACTED]** to other business plans and/or new project of our Group to a material extent and/or there is to be any material modification to the use of **[REDACTED]** as described above, our Group will issue an appropriate announcement and disclose such changes in our annual report in accordance with the Listing Rules.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately required for the above purposes, we will only deposit such **[REDACTED]** in short-term interest-bearing deposits with licensed commercial banks or authorised financial institutions (as defined under the SFO). In such event, we will also comply with the appropriate disclosure requirements under the Listing Rules. In the event that we would require additional financing apart from the **[REDACTED]** from the **[REDACTED]** for our future plans, the shortfall will be financed by our internal resources and/or bank financing, as appropriate.

## BASES AND ASSUMPTIONS

The future plans set out by our Directors are based on the following bases and assumptions:

- the **[REDACTED]** will be completed in accordance with and as set out in the section headed "Structure and Conditions of the **[REDACTED]**" in this document;
- there will be no change in the funding requirement for each of the near-term future plans described in this document from the amount as estimated by our Directors;
- there will be no material changes in existing laws, rules and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- we will continue our existing operations in substantially the same manner as they were carried out during the Track Record Period and we will also be able to carry out our development plans without material disruptions;
- we are able to retain key staff in the management and the main operational departments;
- we will have sufficient financial resources to meet our planned capital expenditures and business development requirements during the period to which the future plans relate;
- there will be no material changes in the existing accounting policies from those stated in the audited consolidated financial statements of our Group for the Track Record Period;
- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- there will be no disasters, diseases, natural, political or otherwise, which would materially disrupt the business or operations of our Group; and
- our Group will not be materially affected by the risk factors as set out in the section headed "Risk Factors" in this document.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**[REDACTED]**

## INDEPENDENCE OF THE SOLE SPONSOR

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

*The following is the text of a report set out on pages I-1 to I-59, received from the Company's reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.*

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**[REDACTED]**

## ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF PINNACLE MARINE HOLDINGS LTD AND ALLIANCE CAPITAL PARTNERS LIMITED

### Introduction

We report on the historical financial information of Pinnacle Marine Holdings Ltd (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-59, which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 and the statement of financial position of the Company as at 31 May 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 and five months ended 31 May 2026 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-59 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the **[REDACTED]** of shares of the Company on the **[REDACTED]** of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

### Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

### Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "*Accountants' Reports on Historical Financial Information in Investment Circulars*" as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the Group's consolidated financial position as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 and the Company's financial position as at 31 May 2026 and of the Group's consolidated financial performance and consolidated cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

**Review of stub period comparative financial information**

We have reviewed the stub period comparative financial information of the Group which comprises statements of consolidated profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the five months ended 31 May 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 (Revised) "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

*Adjustments*

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

*Dividends*

We refer to Note 16 to the Historical Financial Information which contains information about the dividends declared and paid by the Company and the Company's subsidiary in respect of the Track Record Period.

*No statutory financial statements for the Company*

No statutory financial statements have been prepared for the Company since its date of incorporation.

**RSM Hong Kong**
*Certified Public Accountants*
Hong Kong

## A. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards as issued by the International Accounting Standards Board, were audited by RSM Hong Kong, in accordance with Hong Kong Standards on Auditing as issued by the HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Singapore dollars ("**S$**") and all values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|---|
| | *Note* | **2023** | **2024** | **2025** | **2025** | **2026** |
| | | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | | *(Unaudited)* | |
| **Revenue** | *7* | 34,904 | 40,909 | 46,417 | 19,292 | 19,416 |
| Cost of sales | | (24,374) | (25,732) | (27,171) | (11,771) | (11,051) |
| **Gross profit** | | 10,530 | 15,177 | 19,246 | 7,521 | 8,365 |
| Other income | *8* | 256 | 797 | 1,144 | 422 | 537 |
| Other gains and losses — net | *9* | 982 | 588 | 945 | 720 | 42 |
| (Impairment losses)/reversals of impairment losses on trade receivables — net | | (151) | (349) | 76 | (73) | 14 |
| Selling and administrative expenses | | (6,348) | (8,508) | (9,325) | (3,687) | (4,823) |
| **Profit from operations** | | 5,269 | 7,705 | 12,086 | 4,903 | 4,135 |
| Finance costs | *11* | (396) | (628) | (463) | (225) | (156) |
| **Profit before tax** | | 4,873 | 7,077 | 11,623 | 4,678 | 3,979 |
| Income tax expense | *12* | (1,093) | (1,011) | (1,876) | (354) | (665) |
| **Profit for the year/period** | *13* | 3,780 | 6,066 | 9,747 | 4,324 | 3,314 |
| **Other comprehensive (loss)/income for the year/period, net of tax:** | | | | | | |
| *Items that may be reclassified to profit or loss:* | | | | | | |
| Exchange differences on translating foreign operations | | (1) | 21 | (33) | (39) | (2) |
| **Other comprehensive (loss)/income for the year/period** | | (1) | 21 | (33) | (39) | (2) |
| **Total comprehensive income for the year/period** | | 3,779 | 6,087 | 9,714 | 4,285 | 3,312 |
| **Profit attributable to owners of the Company** | | 3,780 | 6,066 | 9,747 | 4,324 | 3,314 |
| **Total comprehensive income attributable to owners of the Company** | | 3,779 | 6,087 | 9,714 | 4,285 | 3,312 |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Note | As at 31 December 2023 S$'000 | 2024 S$'000 | 2025 S$'000 | As at 31 May 2026 S$'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Property, plant and equipment | *18* | 17,365 | 16,938 | 19,733 | 18,697 |
| Right-of-use assets | *19* | 8,620 | 7,737 | 5,669 | 5,504 |
| Intangible assets | *20* | 56 | — | — | — |
| | | 26,041 | 24,675 | 25,402 | 24,201 |
| **Current assets** | | | | | |
| Inventories | *21* | 1,167 | 1,402 | 1,232 | 1,135 |
| Trade receivables | *22* | 7,178 | 6,077 | 6,583 | 7,444 |
| Contract assets | *23* | 548 | 703 | 445 | 753 |
| Prepayments, deposits and other receivables | *24* | 882 | 936 | 1,201 | 2,119 |
| Bank and cash balances | | 4,371 | 5,642 | 6,321 | 3,645 |
| | | 14,146 | 14,760 | 15,782 | 15,096 |
| **Current liabilities** | | | | | |
| Trade payables | *25* | 3,746 | 3,257 | 2,657 | 2,291 |
| Contract liabilities | *23* | 2,383 | 1,455 | 482 | 40 |
| Accruals and other payables | *26* | 8,940 | 6,148 | 2,583 | 2,057 |
| Borrowings | *27* | 2,773 | 1,167 | 5,642 | 6,133 |
| Lease liabilities | *28* | 1,204 | 1,355 | 342 | 394 |
| Current tax liabilities | | 925 | 1,105 | 1,996 | 1,700 |
| | | 19,971 | 14,487 | 13,702 | 12,615 |
| **Net current (liabilities)/assets** | | (5,825) | 273 | 2,080 | 2,481 |
| **Total assets less current liabilities** | | 20,216 | 24,948 | 27,482 | 26,682 |
| **Non-current liabilities** | | | | | |
| Borrowings | *27* | 3,955 | 3,072 | 2,460 | 2,182 |
| Lease liabilities | *28* | 7,972 | 7,500 | 5,905 | 5,771 |
| Provision for restoration cost | | 300 | 300 | 300 | 300 |
| Deferred tax liabilities | *29* | 756 | 756 | 756 | 756 |
| | | 12,983 | 11,628 | 9,421 | 9,009 |
| **NET ASSETS** | | 7,233 | 13,320 | 18,061 | 17,673 |
| **Capital and reserves** | | | | | |
| Share capital | *30(a)* | — | — | — | —* |
| Combined capital | *30(b)* | 5,200 | 5,200 | 5,200 | — |
| Reserves | *31* | 2,033 | 8,120 | 12,861 | 17,673 |
| **TOTAL EQUITY** | | 7,233 | 13,320 | 18,061 | 17,673 |

* The balance represents amount less than S$10.

## STATEMENT OF FINANCIAL POSITION OF THE COMPANY

| | Note | As at 31 May 2026 S$'000 |
|---|---|---|
| **Non-current assets** | | |
| Investment in a subsidiary *(Note)* | | 9,551 |
| **NET ASSETS** | | 9,551 |
| **Capital and reserves** | | |
| Share capital | *30(a)* | —* |
| Other reserve | *30(c)* | 9,551 |
| **TOTAL EQUITY** | | 9,551 |

* The balance represents amount less than S$10.

*Note:* The investment in a subsidiary represents the carrying amount of the share of the equity items shown in the separate financial statements of Pinnacle Marine.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|---|
| | *Note* | **Share capital** *S$'000* | **Combined capital** *S$'000* *(Note 30(b))* | **Other reserve** *S$'000* *(Note 31(b)(i))* | **Foreign currency translation reserve** *S$'000* *(Note 31(b)(ii))* | **Retained earnings** *S$'000* | **Total** *S$'000* |
| As at 1 January 2023 | | — | 200 | — | (7) | 9,136 | 9,329 |
| Profit for the year | | — | — | — | — | 3,780 | 3,780 |
| Other comprehensive loss | | — | — | — | (1) | — | (1) |
| **Total comprehensive income for the year** | | — | — | — | (1) | 3,780 | 3,779 |
| Issuance of shares by a subsidiary | *30(b)* | — | 5,000 | — | — | — | 5,000 |
| Dividends declared by a subsidiary to the then shareholders | *16* | — | — | — | — | (10,875) | (10,875) |
| **Transactions with owners in their capacity as owners** | | — | 5,000 | — | — | (10,875) | (5,875) |
| As at 31 December 2023 | | — | 5,200 | — | (8) | 2,041 | 7,233 |

| | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | **Share capital** *S$'000* | **Combined capital** *S$'000* *(Note 30(b))* | **Other reserve** *S$'000* *(Note 31(b)(i))* | **Foreign currency translation reserve** *S$'000* *(Note 31(b)(ii))* | **Retained earnings** *S$'000* | **Total** *S$'000* |
| As at 1 January 2024 | — | 5,200 | — | (8) | 2,041 | 7,233 |
| Profit for the year | — | — | — | — | 6,066 | 6,066 |
| Other comprehensive income | — | — | — | 21 | — | 21 |
| **Total comprehensive income for the year** | — | — | — | 21 | 6,066 | 6,087 |
| As at 31 December 2024 | — | 5,200 | — | 13 | 8,107 | 13,320 |

| | | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|---|
| | *Note* | **Share capital** *S$'000* | **Combined capital** *S$'000* *(Note 30(b))* | **Other reserve** *S$'000* *(Note 31(b)(i))* | **Foreign currency translation reserve** *S$'000* *(Note 31(b)(ii))* | **Retained earnings** *S$'000* | **Total** *S$'000* |
| As at 1 January 2025 | | — | 5,200 | — | 13 | 8,107 | 13,320 |
| Profit for the year | | — | — | — | — | 9,747 | 9,747 |
| Other comprehensive income | | — | — | — | (33) | — | (33) |
| **Total comprehensive income for the year** | | — | — | — | (33) | 9,747 | 9,714 |
| Dividends declared by a subsidiary to the then shareholders | *16* | — | — | — | — | (4,973) | (4,973) |
| **Transactions with owners in their capacity as owners** | | — | — | — | — | (4,973) | (4,973) |
| As at 31 December 2025 | | — | 5,200 | — | (20) | 12,881 | 18,061 |

| | | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|---|
| | *Note* | **Share capital** *S$'000* | **Combined capital** *S$'000* *(Note 30(b))* | **Other reserve** *S$'000* *(Note 31(b)(i))* | **Foreign currency translation reserve** *S$'000* *(Note 31(b)(ii))* | **Retained earnings** *S$'000* | **Total** *S$'000* |
| As at 1 January 2026 | | — | 5,200 | — | (20) | 12,881 | 18,061 |
| Profit for the period | | — | — | — | — | 3,314 | 3,314 |
| Other comprehensive income | | — | — | — | (2) | — | (2) |
| **Total comprehensive income for the year** | | — | — | — | (2) | 3,314 | 3,312 |
| Issuance of shares pursuant to the Reorganisation (as defined in Note 2 to Historical Financial Information) | *30(a)* | —* | — | — | — | — | —* |
| Effect of Reorganisation | *30(b)* | — | (5,200) | 5,200 | — | — | — |
| Dividends declared by the Company | *16* | — | — | — | — | (3,700) | (3,700) |
| **Transactions with owners in their capacity as owners** | | —* | (5,200) | 5,200 | — | (3,700) | (3,700) |
| As at 31 May 2026 | | —* | — | 5,200 | (22) | 12,495 | 17,673 |

* The balances represent amount less than S$10.

| | | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|---|
| | *Note* | **Share capital** *S$'000* | **Combined capital** *S$'000* *(Note 30(b))* | **Other reserve** *S$'000* *(Note 31(b)(i))* | **Foreign currency translation reserve** *S$'000* *(Note 31(b)(ii))* | **Retained earnings** *S$'000* | **Total** *S$'000* |
| As at 1 January 2025 | | — | 5,200 | — | 13 | 8,107 | 13,320 |
| Profit for the period | | — | — | — | — | 4,324 | 4,324 |
| Other comprehensive income | | — | — | — | (39) | — | (39) |
| **Total comprehensive income for the year** | | — | — | — | (39) | 4,324 | 4,285 |
| As at 31 May 2025 (Unaudited) | | — | 5,200 | — | (26) | 12,431 | 17,605 |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Note | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| | | | | | (Unaudited) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | |
| Profit before tax | | 4,873 | 7,077 | 11,623 | 4,678 | 3,979 |
| Adjustments for: | | | | | | |
| Amortisation of intangible assets | 20 | 2 | 56 | — | — | — |
| Depreciation of property, plant and equipment | 18 | 986 | 1,480 | 1,734 | 704 | 734 |
| Depreciation of right-of-use assets | 19 | 573 | 1,094 | 669 | 334 | 235 |
| Interest expense | 11 | 396 | 628 | 463 | 225 | 156 |
| Interest income | 8 | (51) | (8) | (8) | (8) | — |
| Gain on disposal of property, plant and equipment | 9 | (727) | (235) | (268) | — | (95) |
| Gain on lease modification | 9 | — | (15) | — | — | — |
| Gain on rights transfer arising from sale and leaseback transaction | 9 | (157) | (250) | — | — | — |
| Gain on termination of lease liabilities | 9 | (201) | — | (889) | (889) | — |
| Impairment losses/(reversals of impairment losses) on trade receivables — net | | 151 | 349 | (76) | 73 | (14) |
| Provision for litigation | | — | — | — | — | 280 |
| Operating profit before working capital changes | | 5,845 | 10,176 | 13,248 | 5,117 | 5,275 |
| (Increase)/decrease in inventories | | (474) | (235) | 170 | (372) | 97 |
| Decrease/(increase) in trade receivables | | 434 | 2,471 | (474) | (737) | (847) |
| (Increase)/decrease in contract assets | | (523) | (155) | 258 | 231 | (308) |
| Decrease/(increase) in prepayments, deposits and other receivables | | 254 | (98) | (206) | (117) | (916) |
| Increase/(decrease) in trade payables | | 1,088 | (484) | (559) | (516) | (366) |
| Increase/(decrease) in contract liabilities | | 1,692 | (1,781) | (844) | (1,176) | (443) |
| (Decrease)/increase in accruals and other payables | | (3,049) | (445) | 489 | (361) | (818) |
| Increase in provision for restoration cost | | 300 | — | — | — | — |
| Cash generated from operations | | 5,567 | 9,449 | 12,082 | 2,069 | 1,674 |
| Income taxes paid | | (1,042) | (829) | (977) | (394) | (960) |
| Net cash generated from operating activities | | 4,525 | 8,620 | 11,105 | 1,675 | 714 |

| | Note | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | | *(Unaudited)* | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| Interest received | | 51 | 8 | 8 | 8 | — |
| Purchases of intangible assets | | (58) | — | — | — | — |
| Purchases of property, plant and equipment | | (9,778) | (2,087) | (4,664) | (4,277) | (26) |
| Payments for right-of-use assets | | (154) | — | — | — | — |
| Proceeds from disposals of property, plant and equipment | | 1,204 | 1,269 | 680 | — | 423 |
| Net cash (used in)/generated from investing activities | | (8,735) | (810) | (3,976) | (4,269) | 397 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | |
| Dividends paid | | — | — | (4,973) | — | (3,700) |
| Interest paid | | (396) | (628) | (463) | (225) | (156) |
| Repayment of amounts due to the then shareholders | | — | (2,330) | (4,081) | — | — |
| Principal elements of lease payment | | (496) | (1,131) | (597) | (280) | (152) |
| Proceeds from borrowings | | 4,500 | — | 7,500 | 2,500 | 2,000 |
| Proceeds from issue of shares | | 5,000 | — | — | — | — |
| Repayment of borrowings | | (2,015) | (2,485) | (3,637) | (1,198) | (1,787) |
| Net cash generated from/(used in) financing activities | | 6,593 | (6,574) | (6,251) | 797 | (3,795) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | 2,383 | 1,236 | 878 | (1,797) | (2,684) |
| Effect of foreign exchange rate changes | | 5 | 35 | (199) | (192) | 8 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD** | | 1,983 | 4,371 | 5,642 | 5,642 | 6,321 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD** | | 4,371 | 5,642 | 6,321 | 3,653 | 3,645 |
| **ANALYSIS OF CASH AND CASH EQUIVALENTS** | | | | | | |
| Bank and cash balances | | 4,371 | 5,642 | 6,321 | 3,653 | 3,645 |

## B. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

Pinnacle Marine Holdings Ltd (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2026 under the Companies Act (As Revised) of the Cayman Islands. The address of the Company's registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KYI-9009, Cayman Islands.

The Company is an investment holding company and has not carried on any business since the date of its incorporation. As at the date of this report, no audited financial statements have been prepared for the Company, as it has not carried on any business since the date of incorporation and is not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in the (i) boatbuilding, repair and maintenance; (ii) workboat chartering, crew manning and related logistics services; (iii) shipping agency services; and (iv) chandelling and sales of machinery and spare parts, in particular the sale of marine engines, generators, and spare parts in Singapore ("**[REDACTED] Business**"). The Group was jointly controlled by Mr. Chua Teck Keong Laurence ("**Mr. Chua TK**") and Ms. Lim Shoo Chee (together, the "**Controlling Shareholders**").

### 2. REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Prior to the incorporation of the Company, the **[REDACTED]** Business was mainly carried out by Pinnacle Marine (Singapore) Pte. Ltd. ("**Pinnacle Marine**") and its subsidiaries ("**Operating Entities**").

To rationalise the corporate structure in preparation of the **[REDACTED]** of the Company's shares on the **[REDACTED]** of The Stock Exchange of Hong Kong Limited, the Group underwent a reorganisation (the "**Reorganisation**") as detailed in the section headed "History, Reorganisation and Corporate Structure" of this document to incorporate the Company as the holding company of the companies which now comprise the Group to conduct the **[REDACTED]** Business. The Reorganisation was completed on 30 January 2026.

Pursuant to the Reorganisation, as the Reorganisation in substance involved inserting newly formed entities with no substantive operations as the new holding companies of the Operating Entities, and there were no changes in the economic substance of the ownership and control, and the business of the Group immediately prior to and after the Reorganisation. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the **[REDACTED]** Business under the Operating Entities, and the Historical Financial Information of the Company now comprising the Group is presented using the carrying value of the **[REDACTED]** Business for all periods presented as if the Reorganisation has been completed before the Track Record Period. All intra-group balances and transactions are eliminated in full in preparing the Historical Financial Information.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the Track Record Period as set out in this report include the financial performance and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the Track Record Period. The consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 31 May 2026 as set out in this report have been prepared to present the financial position of the companies now comprising the Group as of those dates as if the current group structure had been in existence as of the respective dates taking into account the respective dates of incorporation, where applicable.

Upon completion of the Reorganisation and as at the date of this report, the Company had direct or indirect interests in the following subsidiaries:

| Name | Place of incorporation and operation | Date of incorporation | Particular of issued shares | Percentage of ownership interest | Principal activities |
|---|---|---|---|---|---|
| **Directly held:** | | | | | |
| PMS Group Limited ("**PMS Group**") *(Note (i))* | The British Virgin Islands | 19 January 2026 | 1 ordinary share | 100% | Investment holding |
| **Indirectly held:** | | | | | |
| Pinnacle Marine *(Note (ii))* | Singapore | 7 December 2009 | 216,682 ordinary shares | 100% | Providing boatbuilding, repair, maintenance, chandelling and sales of machinery and spare parts |
| Prestige Ocean Pte. Ltd. ("**Prestige Ocean**") *(Note (ii))* | Singapore | 26 September 2011 | 2,500,002 ordinary shares | 100% | Providing workboat chartering, crew manning and related logistics services including land transport and storage services |
| Primus Shipping Agencies (Asia) Pte. Ltd. ("**Primus Shipping**") *(Note (ii))* | Singapore | 14 December 2012 | 200,005 ordinary shares | 100% | Providing remote port agency solutions to vessels |
| P-Group Agencies (Asia) Pte. Ltd. *(Note (ii))* | Singapore | 1 April 2019 | 1 ordinary share | 100% | Providing regional hub agency services to vessels calling at ports in Malaysia and Indonesia |

*Notes:*

(i) No statutory financial statements have been prepared for this entity as it has not carried on any business since the date of incorporation and is investment holding company which is not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

(ii) The statutory financial statements of these entities for the year ended 31 December 2023 was audited by EQ Assurance. The statutory financial statements of these entities for the years ended 31 December 2024 and 2025 were audited by RSM SG Assurance LLP.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"). IFRS Accounting Standards comprise International Financial Reporting Standards ("**IFRS**"); International Accounting Standards ("**IAS**"); and Interpretations. The Historical Financial Information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

## 3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

The IASB has issued a number of new and revised IFRS Accounting Standards during the Track Record Period. For the purpose of preparing and presenting the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards that are mandatory for the Track Record Period, except for the following new standards or interpretations which are not effective during the Track Record Period. There was no material impact to the Historical Financial Information as a result of the adoption of these standards.

**New and revised IFRS Accounting Standards in issue but not yet effective**

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of new standards and amendments to standards and interpretation, which are not effective during the Track Record Period and which have not been early adopted by the Group in the Historical Financial Information. The Group's assessment of the impact of these new or amended IFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

| | **Effective for accounting periods beginning on or after** |
|---|---|
| Amendments to IFRS 9 and IFRS 7 — Classification and Measurement of Financial Instruments | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards — Volume 11 | 1 January 2026 |
| IFRS 18 — Presentation and Disclosure in Financial Statements | 1 January 2027 |
| Amendments to Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause | 1 January 2027 |

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information, except for IFRS 18.

***IFRS 18 "Presentation and Disclosure in Financial Statements"***

IFRS 18 will replace IAS 1 ''Presentation of financial statements'', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

— Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

— Management-defined performance measures (''**MPMs**'') are disclosed in a single note in the financial statements.

— Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of IFRS 18, with respect to the structure of the Group's statements of profit or loss and other comprehensive income, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

— The Group will need to reclassify certain income and expense items (e.g., interest income and foreign exchange gains/losses) into the new categories, namely investing and financing categories.

— The statements of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention.

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 5 to the Historical Financial Information.

The material accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Stub Period Comparative Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

### (a) Principles of combination

The Historical Financial Information has been prepared and presented as a continuation of the financial information of the **[REDACTED]** Business. The net assets of the combining entities are combined using the existing book values from the controlling parties' perspective. No amount is recognised with respect to goodwill or any excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over its cost at the time of reverse acquisition, to the extent of the contribution of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows include the results of operations of the companies now comprising the Group as if the current group structure had been in existence and remained unchanged throughout the Track Record Period.

Intra-group transactions, balances and unrealised gains on transactions between the combining entities or business are eliminated. Unrealised losses are eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of combining entities or business have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (b) Foreign currency translation

*(i) Functional and presentation currency*

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Singapore dollars ("**S$**"), which is the Company's functional and presentation currency.

*(ii) Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

*(iii) Translation on consolidation*

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency (i.e US$) different from the Company's presentation currency are translated into the Company's presentation currency (i.e S$) as follows:

— Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

— Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

— All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

**(c) Property, plant and equipment**

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

| | |
|---|---|
| Leasehold properties | Over the term of the lease |
| Leasehold properties improvements (included in leasehold properties) | 10 years |
| Workboats | 3–20 years |
| Motor vehicles | 3–10 years |
| Office equipment | 3 years |
| Equipment, machinery, and other assets | 1–10 years |

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress included in leasehold properties represents leasehold improvements under construction, and is stated as cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

**(d) Leases**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

*(i) The Group as a lessee*

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group derecognises right-of-use assets and the corresponding lease liabilities when a lease is terminated prior to its contractual end date, or when the related underlying assets are acquired by the Group. Any difference between the carrying amounts of the derecognised right-of-use assets and the corresponding lease liabilities, determined immediately prior to derecognition, is recognised in profit or loss.

*(ii) The Group as a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

The Group leases out self-owned workboats under various charter arrangements.

The Group identifies that a charter arrangement does not contain a lease if the customer does not have the right to control the use of the workboats because it does not have the right to direct its use, otherwise, it may contain a lease.

For charter arrangement which contains a lease and the provision of crew manning services, the arrangement contains both a lease (i.e. bareboat charter) and non-lease components (i.e. shipping services including crew manning services). The Group estimates the stand-alone selling price of lease component by reference to the total transaction price less the sum of the observable stand-alone selling prices of non-lease components promised in the contract.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the terms of the relevant lease.

*(iii) The Group as a sublease lessor*

Sublease is a transaction for which an underlying asset is re-leased by a lessee ("**sublease lessor**") to a third party, and the lease ("**head lease**") between the head lessor and lessee remains in effect. In classifying a sublease, a sublease lessor shall classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease that the entity, as a lessee, has accounted for the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, the sublease shall be classified as an operating lease.

(b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease as finance lease or operating lease.

The Group leased in leased properties and then leased certain vacant area ("**workshops**") out under tenancy agreements, and the sublease contracts are classified as operating leases.

*(iv) Sale and leaseback transactions*

The Group as a seller-lessee

For a transfer that satisfies the requirements as a sale in accordance with IFRS 15, the Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset and recognises any gain or loss that relates to the rights transferred to the buyer-lessor only. Right-of-use assets and lease liabilities with fixed payments are subsequently measured in accordance with the Group's accounting policies above.

**(e) Inventories**

Inventories comprise raw materials and finished goods, such as marine engines, generators and spare parts for boatbuilding, and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The costs of inventory includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition and are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

**(f) Recognition and derecognition of financial instruments**

Financial assets and financial liabilities are recognised in the consolidated statements of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**(g) Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at amortised cost.

Financial assets held by the Group are classified as amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

**(h) Trade and other receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and are assessed for expected credit losses ("**ECL**").

**(j) Financial liabilities and equity instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

**(k) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

**(l) Trade and other payables**

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(m) Equity instruments**

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

**(n) Revenue**

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes any related taxes and is after deduction of any trade discounts.

Revenue from boatbuilding services is recognised over time, using an input method to measure progress towards complete satisfaction of the service. The input method recognises revenue on the basis of progress towards complete satisfaction of performance obligation, which is measured based on the Group's effort or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended and cost incurred) relative to the total expected inputs to the satisfaction of that performance obligation.

Workboat chartering income is derived from various charter arrangements including trip-based charters and time-charters.

(i) For trip-based charter arrangement which does not contain a lease, revenue is recognised over time, which is determined on duration.

(ii) For time charter arrangement which contains a lease, the Group separately accounts for the rental income from lease components (Note 4(d)(ii)) and shipping services income from non-lease components for the charter contracts. The revenue from shipping service income is recognised over time.

Crew manning income is derived from various arrangement including contracted manning supply and ad hoc manning supply. Contracted manning supply is recognised over time on the straight-line basis over the period of the contract. Ad hoc manning supply is recognised at point in time when the services have been rendered.

Shipping agency services and logistics support services are recognised at point in time when the services have been rendered.

Revenue from chandelling and sales of machinery and spare parts is recognised at point in time when the performance obligation is satisfied by transferring a promised goods and services to the customers. Control of the goods is transferred to the customers, generally on delivery of the goods and services.

Rental and sublease rental income is recognised on a straight-line basis over the lease term.

**(o) Employee benefits**

*(i) Employee leave entitlements*

Employ entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

*(ii) Pension obligations*

The Group participates in the Central Provident Fund (the "**CPF**") scheme in Singapore, a defined contribution pension scheme. Contributions to the CPF as required under the Central Provident Fund Act are charged to the consolidated statements of profit or loss and other comprehensive income when incurred.

*(iii) Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

**(p) Borrowing costs**

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(q) Government grants**

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

**(r) Taxation**

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

**(s) Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statements of profit or loss and other comprehensive income to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

**(t) Impairment of financial assets and contract assets**

The Group recognises a loss allowance for ECL on trade and other receivables, contract assets, bank and cash balances and other financial assets that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

*Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

— significant deterioration in external market indicators of credit risk for a particular financial instrument;

— existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

— an actual or expected significant deterioration in the operating results of the debtor;

— significant increases in credit risk on other financial instruments of the same debtor;

— an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and;

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

— when there is a breach of financial covenants by the counterparty; or

— information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

— significant financial difficulty of the issuer or the counterparty;

— a breach of contract, such as a default or past due event;

— the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or

— it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

*Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**(u) Provision and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

**(v) Events after the reporting period**

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

## 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in Note 4 to the Historical Financial Information, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgement in applying accounting policies**

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the Historical Financial Information (apart from those involving estimations, which are dealt with below).

*(a) Significant increase in credit risk*

As explained in Note 4(t) to the Historical Financial Information, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

*(b) Determining the lease terms*

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. During the Track Record Period, no lease term has been reassessed.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below.

*(a) Impairment of trade receivables*

The Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The information about the ECL and the Group's trade receivables is disclosed in Note 6(b) to the Historical Financial Information.

The carrying amount of trade receivables is as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Trade receivables | 7,410 | 6,658 | 6,956 | 7,803 |
| Allowance for doubtful debts | (232) | (581) | (373) | (359) |
| | 7,178 | 6,077 | 6,583 | 7,444 |

*(b) Revenue and profit recognition*

As explained in policy Note 4(n) to the Historical Financial Information, revenue from boat building is recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date.

Based on the Group's recent experience and the nature of the boatbuilding activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in Note 23 to the Historical Financial Information do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

During the years ended 31 December 2023, 2024 and 2025 and five months ended 31 May 2025 and 2026, S$3,335,000, S$6,212,000, S$12,692,000, S$4,452,000 (Unaudited) and S$5,298,000 of revenue from boatbuilding was recognised respectively.

## 6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**(a) Foreign currency risk**

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Singapore dollars and United States dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2023, if the Singapore dollar had strengthened/weakened 10 per cent against the United States dollar with all other variables held constant, consolidated profit after tax for the year would have been S$197,000 lower/higher, arising mainly as a result of the foreign exchange loss/gain on translation of net monetary assets denominated in United States dollars.

As at 31 December 2024, if the Singapore dollar had strengthened/weakened 10 per cent against the United States dollar with all other variables held constant, consolidated profit after tax for the year would have been S$251,000 lower/higher, arising mainly as a result of the foreign exchange loss/gain on translation of net monetary assets denominated in United States dollars.

As at 31 December 2025, if the Singapore dollar had strengthened/weakened 10 per cent against the United States dollar with all other variables held constant, consolidated profit after tax for the year would have been S$444,000 lower/higher, arising mainly as a result of the foreign exchange loss/gain on translation of net monetary assets denominated in United States dollars.

As at 31 May 2026, if the Singapore dollar had strengthened/weakened 10 per cent against the United States dollar with all other variables held constant, consolidated profit after tax for the year would have been S$355,000 lower/higher, arising mainly as a result of the foreign exchange loss/gain on translation of net monetary assets denominated in United States dollars.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its trade receivables, contract assets, deposits and other receivables, and bank and cash balances.

*Trade receivables*

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 0 to 30 days from the date of billing. Normally, the Group does not obtain collateral from customers.

As at 31 December 2023, 2024 and 2025 and 31 May 2026, the Group has concentration of credit risk as 12%, 8%, 18% and 7% of the total trade receivables was due from the Group's largest customer respectively, and 45%, 32%, 34% and 26% of the total trade receivables was due from the Group's five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables:

| | As at 31 December 2023 | | |
|---|---|---|---|
| | **Expected loss rate** | **Gross carrying amount** | **Loss allowance** |
| | *%* | *S$'000* | *S$'000* |
| Current (not past due) | 2% | 2,620 | 42 |
| 1–30 days past due | 2% | 1,117 | 24 |
| 31–90 days past due | 4% | 1,533 | 64 |
| More than 90 days past due | 5% | 2,140 | 102 |
| | | 7,410 | 232 |

| | As at 31 December 2024 | | |
|---|---|---|---|
| | **Expected loss rate** | **Gross carrying amount** | **Loss allowance** |
| | *%* | *S$'000* | *S$'000* |
| Current (not past due) | 4% | 2,964 | 124 |
| 1–30 days past due | 5% | 1,411 | 67 |
| 31–90 days past due | 9% | 1,054 | 94 |
| More than 90 days past due | 24% | 1,229 | 296 |
| | | 6,658 | 581 |

| | As at 31 December 2025 | | |
|---|---|---|---|
| | **Expected loss rate** | **Gross carrying amount** | **Loss allowance** |
| | *%* | *S$'000* | *S$'000* |
| Current (not past due) | 2% | 2,618 | 64 |
| 1–30 days past due | 3% | 1,650 | 55 |
| 31–90 days past due | 6% | 1,150 | 74 |
| More than 90 days past due | 12% | 1,538 | 180 |
| | | 6,956 | 373 |

| | As at 31 May 2026 | | |
|---|---|---|---|
| | **Expected loss rate** | **Gross carrying amount** | **Loss allowance** |
| | *%* | *S$'000* | *S$'000* |
| Current (not past due) | 2% | 2,908 | 64 |
| 1–30 days past due | 3% | 2,109 | 59 |
| 31–90 days past due | 7% | 1,756 | 121 |
| More than 90 days past due | 11% | 1,030 | 115 |
| | | 7,803 | 359 |

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance for trade receivables during the Track Record Period is as follows:

| | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| As at 1 January | 81 | 232 | 581 | 373 |
| Impairment losses recognised for the year | 232 | 581 | 328 | — |
| Amounts written off during the year | — | — | (111) | — |
| Reversals | (81) | (232) | (404) | (14) |
| Exchange difference | — | — | (21) | — |
| As at 31 December/31 May | 232 | 581 | 373 | 359 |

*Contract assets*

As at 31 December 2023, 2024 and 2025 and 31 May 2026, no provision was made against the gross amount of contract assets because the Group has concluded that the ECL rate for trade receivables are a reasonable approximation of the rates for the contract assets. Since the contract assets are related to contracts which are still in progress and the payment is not due, the amount of ECL of contract assets is assessed to be minimal.

*Deposits and other receivables*

Deposits and other receivables were mainly security deposits for vessels. The probability of default and the ECL rates of deposits and other receivables has been assessed with reference to the general economic conditions of the industry in which the debtors operate. The directors of the Company are of the opinion that there was no significant increase in credit risk and the ECL was limited to 12-month ECL. Therefore, ECL rate of the deposits and other receivables is assessed to be close to zero and no provision was made as at 31 December 2023, 2024 and 2025 and 31 May 2026.

*Bank and cash balances*

The Group measures the loss allowance for bank and cash balances equal to 12-month ECL. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

**(c) Liquidity risk**

The treasury function is centrally managed by the Group, including the raising of loans to cover expected cash demands, subject to approval by the directors of the Company when the borrowing exceed certain predetermined level of authority.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As disclosed in Note 27 to the Historical Financial Information, all of the Group's banking facilities are subject to the fulfillments of covenants. Some of those covenants relate to the Group's financial covenants which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach these covenants, the related loans would become payable on demand. Except for two loans, which were identified a breach of covenant during the year ended 31 December 2023 and were therefore classified as current as at 31 December 2023, the Group did not identify any difficulties in complying with the covenants for other loans. No bank loans classified as non-current have covenants subject to the Group's compliance after the Track Record Period.

Up to the date of these Historical Financial Information, there are no indications that the Group would have difficulties complying with the above covenants when they will be next tested.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

| | On demand or less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **As at 31 December 2023** | | | | | |
| Trade payables | 3,746 | — | — | — | 3,746 |
| Accruals and other payables | 7,601 | — | — | — | 7,601 |
| Borrowings *(Note (i))* | 3,148 | 1,006 | 2,257 | 1,191 | 7,602 |
| Lease liabilities | 1,603 | 1,068 | 2,278 | 6,724 | 11,673 |
| **As at 31 December 2024** | | | | | |
| Trade payables | 3,257 | — | — | — | 3,257 |
| Accruals and other payables | 4,383 | — | — | — | 4,383 |
| Borrowings *(Note (i))* | 1,298 | 756 | 2,267 | 189 | 4,510 |
| Lease liabilities | 1,716 | 1,567 | 2,160 | 5,421 | 10,864 |
| **As at 31 December 2025** | | | | | |
| Trade payables | 2,657 | — | — | — | 2,657 |
| Accruals and other payables | 653 | — | — | — | 653 |
| Borrowings *(Note (i))* | 5,915 | 756 | 1,881 | — | 8,552 |
| Lease liabilities | 586 | 612 | 2,003 | 4,616 | 7,817 |
| **As at 31 May 2026** | | | | | |
| Trade payables | 2,291 | — | — | — | 2,291 |
| Accruals and other payables | 622 | — | — | — | 622 |
| Borrowings *(Note (i))* | 6,288 | 731 | 1,599 | — | 8,618 |
| Lease liabilities | 633 | 644 | 2,041 | 4,316 | 7,634 |

*Note:*

(i) Bank loans with a repayment on demand clause are included in the 'on demand or less than 1 year' time band in the above maturity analysis. As at 31 December 2023, 2024 and 2025 and 31 May 2026, the aggregate undiscounted principal amounts of these bank loans amounted to S$—, S$—, S$5,160,000 and S$5,560,000 respectively. Taking into account the Group's financial positions, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid three years after the Track Record Period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to S$5,160,000 for the year ended 31 December 2025 and S$5,560,000 for the five months ended 31 May 2026.

**(d) Interest rate risk**

The Group's exposure to interest-rate risk arises from its bank deposits and bank borrowings. These deposits bear interests at variable rates that vary with the then prevailing market condition.

Except as stated above, the Group has no other significant interest-bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on the Group's Historical Financial Information.

**(e) Categories of financial instruments**

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Financial assets:** | | | | |
| Financial assets measured at amortised cost | 11,784 | 12,249 | 13,268 | 11,395 |
| **Financial liabilities:** | | | | |
| Financial liabilities measured at amortised cost | 18,075 | 11,879 | 11,412 | 11,228 |
| Lease liabilities | 9,176 | 8,855 | 6,247 | 6,165 |

**(f) Fair values**

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statements of financial position approximate their respective fair values as at 31 December 2023, 2024 and 2025 and 31 May 2026.

## 7. REVENUE

### (a) Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

| | Boatbuilding services | | | | | Workboat chartering, crew manning and logistics support services | | | | | Shipping agency services | | | | | Chandelling and sales of machinery and spare parts | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 31 December | | | Five months ended 31 May | | Year ended 31 December | | | Five months ended 31 May | | Year ended 31 December | | | Five months ended 31 May | | Year ended 31 December | | | Five months ended 31 May | | Year ended 31 December | | | Five months ended 31 May | |
| | 2023 | 2024 | 2025 | 2025 | 2026 | 2023 | 2024 | 2025 | 2025 | 2026 | 2023 | 2024 | 2025 | 2025 | 2026 | 2023 | 2024 | 2025 | 2025 | 2026 | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | | | | | *(Unaudited)* | | | | | *(Unaudited)* | | | | | *(Unaudited)* | | | | | *(Unaudited)* | |
| **Primary geographical markets** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Singapore | 3,743 | 6,869 | 14,194 | 5,048 | 5,905 | 8,056 | 9,170 | 9,600 | 4,084 | 4,651 | 2,210 | 2,580 | 2,044 | 977 | 891 | 2,288 | 1,025 | 1,048 | 638 | 409 | 16,297 | 19,644 | 26,886 | 10,747 | 11,856 |
| People's Republic of China | – | 11 | 55 | 24 | 23 | – | – | 43 | 5 | 7 | 11,240 | 12,054 | 9,857 | 4,936 | 3,755 | 408 | 162 | 126 | 76 | 105 | 11,648 | 12,227 | 10,081 | 5,041 | 3,890 |
| South Korea | – | – | – | – | – | – | 1 | – | – | – | 2,193 | 1,649 | 2,732 | 1,056 | 983 | 52 | – | – | 9 | – | 2,245 | 1,650 | 2,732 | 1,065 | 983 |
| The United Arab Emirates | – | 890 | – | – | – | – | – | 157 | – | 102 | 1,294 | 1,438 | 1,265 | 524 | 404 | – | 1 | – | – | – | 1,294 | 2,329 | 1,422 | 524 | 506 |
| Indonesia | – | 11 | 18 | 11 | – | – | – | – | – | – | – | – | – | – | – | 657 | 1,177 | 875 | 338 | 675 | 657 | 1,188 | 893 | 349 | 675 |
| Others | – | – | – | – | 7 | 10 | 84 | 14 | 5 | 11 | 1,848 | 2,599 | 3,681 | 1,385 | 1,305 | 905 | 1,188 | 708 | 176 | 183 | 2,763 | 3,871 | 4,403 | 1,566 | 1,506 |
| Revenue from external customers | 3,743 | 7,781 | 14,267 | 5,083 | 5,935 | 8,066 | 9,255 | 9,814 | 4,094 | 4,771 | 18,785 | 20,320 | 19,579 | 8,878 | 7,338 | 4,310 | 3,553 | 2,757 | 1,237 | 1,372 | 34,904 | 40,909 | 46,417 | 19,292 | 19,416 |
| **Timing of revenue recognition – under IFRS 15** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Point in time | 408 | 1,569 | 1,575 | 631 | 637 | 1,065 | 1,226 | 1,327 | 485 | 608 | 18,785 | 20,320 | 19,579 | 8,878 | 7,338 | 4,310 | 3,553 | 2,757 | 1,237 | 1,372 | 24,568 | 26,668 | 25,238 | 11,231 | 9,955 |
| Over time | 3,335 | 6,212 | 12,692 | 4,452 | 5,298 | 5,497 | 7,338 | 7,623 | 3,065 | 3,914 | – | – | – | – | – | – | – | – | – | – | 8,832 | 13,550 | 20,315 | 7,517 | 9,212 |
| | 3,743 | 7,781 | 14,267 | 5,083 | 5,935 | 6,562 | 8,564 | 8,950 | 3,550 | 4,522 | 18,785 | 20,320 | 19,579 | 8,878 | 7,338 | 4,310 | 3,553 | 2,757 | 1,237 | 1,372 | 33,400 | 40,218 | 45,553 | 18,748 | 19,167 |
| Revenue recognised under other standards | – | – | – | – | – | 1,504 | 691 | 864 | 544 | 249 | – | – | – | – | – | – | – | – | – | – | 1,504 | 691 | 864 | 544 | 249 |
| Total | 3,743 | 7,781 | 14,267 | 5,083 | 5,935 | 8,066 | 9,255 | 9,814 | 4,094 | 4,771 | 18,785 | 20,320 | 19,579 | 8,878 | 7,338 | 4,310 | 3,553 | 2,757 | 1,237 | 1,372 | 34,904 | 40,909 | 46,417 | 19,292 | 19,416 |

**(b) Transaction price allocated to the remaining performance obligation for contracts with customers**

The Group has applied the practical expedient in paragraph 121 of IFRS 15 Revenue from Contracts with Customers for all contracts that have an original expected duration of one year or less, and does not disclose the amount of transaction price allocated to the remaining performance obligations.

## 8. OTHER INCOME

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Interest income | 51 | 8 | 8 | 8 | — |
| Government grants *(Note (i))* | 70 | 147 | 97 | 61 | 80 |
| Sublease rental income of workshops | 83 | 372 | 388 | 162 | 162 |
| Sundry income *(Note (ii))* | 52 | 270 | 651 | 191 | 295 |
| | 256 | 797 | 1,144 | 422 | 537 |

*Notes:*

(i) During the Track Record Period, the Group recognised government grants in respect of wage support to employers in ensuring fair pay for lower-income workers, and hiring, retaining and supporting senior workers, ex-offenders and employees with disabilities.

(ii) During the years ended 31 December 2023, 2024 and 2025 and five months ended 31 May 2025 and 2026, the Group recognised sundry income of S$11,000, S$257,000, S$390,000, S$143,000 (Unaudited) and S$199,000 respectively in respect of storage income and parking fee income of mooring slot.

## 9. OTHER GAINS AND LOSSES — NET

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Foreign exchange (losses)/gains | (103) | 88 | (212) | (169) | (53) |
| Gain on disposal of property, plant and equipment | 727 | 235 | 268 | — | 95 |
| Gain on lease modification | — | 15 | — | — | — |
| Gain on rights transfer arising from sale and leaseback transaction *(Note 28)* | 157 | 250 | — | — | — |
| Gain on termination of lease liabilities | 201 | — | 889 | 889 | — |
| | 982 | 588 | 945 | 720 | 42 |

## 10. SEGMENT INFORMATION

The chief operating decision maker ("**CODM**") has been identified as the directors of the Company. The directors of the Company review the Group's internal reporting for the purposes of resource allocation and assessment of segment performance based on the category of services and products provided to external customers. The Group has identified four reportable segments as follows:

| | | |
|---|---|---|
| Boatbuilding Services | — | Manufacturing and sale of aluminium workboats and the provision of vessel repair and maintenance services in Singapore |
| Workboat chartering, Crew Manning and Logistics Support Services | — | Provision of trip-based and time charters for workboats, maritime crew manning, and integrated land logistics and cargo storage services |
| Shipping Agency Services | — | Coordination of port-call formalities and on-site logistics in Singapore and the facilitation of regional agency solutions in Malaysia and Indonesia |
| Chandelling and Sales of Machinery and Spare Parts | — | Supply of essential provisions and technical equipment to vessels, and the sale of marine engines, generators, and spare parts |

The accounting policies of the operating segments are the same as those described in Note 4 to the Historical Financial Information. Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit. The Group's segment expenses, such as staff costs, depreciation and other operating expenses, and segment assets and liabilities are not regularly provided to the Group's CODM. As such, this information is not disclosed in the Historical Financial Information.

### (i) Information about segment results

| | Boatbuilding Services | Chartering, Crew Manning and Logistics Support Services | Shipping Agency Services | Chandelling and Sales of Machinery and Spare Parts | Total |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Year ended 31 December 2023** | | | | | |
| Segment revenue | 3,743 | 8,066 | 18,785 | 4,310 | 34,904 |
| Segment gross profit | 1,179 | 2,204 | 6,607 | 540 | 10,530 |

| | Boatbuilding Services | Chartering, Crew Manning and Logistics Support Services | Shipping Agency Services | Chandelling and Sales of Machinery and Spare Parts | Total |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Year ended 31 December 2024** | | | | | |
| Segment revenue | 7,781 | 9,255 | 20,320 | 3,553 | 40,909 |
| Segment gross profit | 3,521 | 3,038 | 7,548 | 1,070 | 15,177 |

| | Boatbuilding Services | Workboat Chartering, Crew Manning and Logistics Support Services | Shipping Agency Services | Chandelling and Sales of Machinery and Spare Parts | Total |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Year ended 31 December 2025** | | | | | |
| Segment revenue | 14,267 | 9,814 | 19,579 | 2,757 | 46,417 |
| Segment gross profit | 7,145 | 3,557 | 7,945 | 599 | 19,246 |

| | Boatbuilding Services | Workboat Chartering, Crew Manning and Logistics Support Services | Shipping Agency Services | Chandelling and Sales of Machinery and Spare Parts | Total |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Five months ended 31 May 2025 (Unaudited)** | | | | | |
| Segment revenue | 5,083 | 4,094 | 8,878 | 1,237 | 19,292 |
| Segment gross profit | 2,232 | 1,513 | 3,436 | 340 | 7,521 |

| | Boatbuilding Services | Workboat Chartering, Crew Manning and Logistics Support Services | Shipping Agency Services | Chandelling and Sales of Machinery and Spare Parts | Total |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Five months ended 31 May 2026** | | | | | |
| Segment revenue | 5,935 | 4,771 | 7,338 | 1,372 | 19,416 |
| Segment gross profit | 3,257 | 1,879 | 2,788 | 441 | 8,365 |

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Total gross profit of reportable segments | 10,530 | 15,177 | 19,246 | 7,521 | 8,365 |
| Unallocated amounts: | | | | | |
| Other income | 256 | 797 | 1,144 | 422 | 537 |
| Other gains and losses — net | 982 | 588 | 945 | 720 | 42 |
| (Impairment losses)/reversals of impairment losses on trade receivables — net | (151) | (349) | 76 | (73) | 14 |
| Selling and administrative expenses | (6,348) | (8,508) | (9,325) | (3,687) | (4,823) |
| Finance costs | (396) | (628) | (463) | (225) | (156) |
| Consolidated profit before tax | 4,873 | 7,077 | 11,623 | 4,678 | 3,979 |

**(ii) Geographical information**

The geographical location of the Group's revenue from external customers are set out in the Note 7 to the Historical Financial Information. The geographical location of customers is based on the location at which the goods delivered or the services rendered. Substantially all of the Group's non-current assets are located in Singapore, and accordingly, no geographical information of non-current assets is presented.

**(iii) Revenue from major customers**

Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follow:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Customer A | | | | | |
| Shipping agency services | 8,573 | 8,202 | 5,100 | 2,885 | N/A* |
| Chandelling and sales of machinery and spare parts | 373 | — | — | — | N/A* |
| | 8,946 | 8,202 | 5,100 | 2,885 | N/A* |
| Customer B | | | | | |
| Boatbuilding services | — | — | N/A* | 3,009 | N/A* |

* The corresponding revenue did not contribute over 10% of the total revenue of the Group in the respective years/periods.

## 11. FINANCE COSTS

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Interest expenses on lease liabilities | 174 | 379 | 267 | 124 | 104 |
| Interest expenses on secured bank loans | 222 | 249 | 196 | 101 | 52 |
| | 396 | 628 | 463 | 225 | 156 |

## 12. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Current tax | | | | | |
| Provision for the year | 844 | 1,068 | 1,718 | 354 | 665 |
| Under/(over)-provision in prior years | 118 | (57) | 158 | — | — |
| | 962 | 1,011 | 1,876 | 354 | 665 |
| Deferred tax *(Note 29)* | 131 | — | — | — | — |
| | 1,093 | 1,011 | 1,876 | 354 | 665 |

Pursuant to section 13A of the Singapore Income Tax Act 1947, one of the subsidiaries operating Singapore-registered ships enjoys tax exemptions on certain types of shipping income derived from the operation of Singapore ships outside the limits of the port of Singapore.

Under the revised partial tax exemption scheme in Singapore, the tax exemptions for qualifying companies are 75% exemption on the first S$10,000 of normal chargeable income and a further 50% exemption on the next S$190,000 of normal chargeable income.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Singapore Tax rate is as follows:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Profit before tax | 4,873 | 7,077 | 11,623 | 4,678 | 3,979 |
| Tax at the Singapore Tax rate of 17% | 828 | 1,203 | 1,976 | 795 | 676 |
| Tax effect of income that is not taxable | (257) | (458) | (535) | (308) | (257) |
| Tax effect of expenses that are not deductible | 529 | 350 | 441 | 77 | 393 |
| Tax effect of temporary differences not recognised | 101 | 181 | 13 | (44) | 23 |
| Effect on tax concession | (226) | (208) | (177) | (166) | (170) |
| Under/(over)-provision in prior years | 118 | (57) | 158 | — | — |
| Income tax expense | 1,093 | 1,011 | 1,876 | 354 | 665 |

## 13. PROFIT FOR THE YEAR/PERIOD

The Company's profit for the year/period is stated after charging the following:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* (*Unaudited*) | *S$'000* |
| Amortisation of intangible assets | 2 | 56 | — | — | — |
| Auditor's remuneration | 45 | 101 | 50 | 34 | 22 |
| Cost of material consumed for boatbuilding (included in cost of sales) | 1,642 | 3,416 | 6,082 | 2,549 | 2,333 |
| Depreciation of property, plant and equipment | 986 | 1,480 | 1,734 | 704 | 734 |
| Depreciation of right-of-use assets | 573 | 1,094 | 669 | 334 | 235 |
| **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** |
| Port-related charges (included in cost of sales) | 9,559 | 11,623 | 10,826 | 5,086 | 4,199 |
| Research and development expenditure (included in cost of sales) | — | — | 103 | — | — |

## 14. EMPLOYEE BENEFITS EXPENSE

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* (*Unaudited*) | *S$'000* |
| Employee benefits (excluding directors' emoluments): | | | | | |
| Salaries, bonuses and allowances | 5,905 | 7,286 | 7,517 | 3,031 | 3,265 |
| Retirement benefit scheme contributions | 420 | 523 | 568 | 202 | 239 |
| | 6,325 | 7,809 | 8,085 | 3,233 | 3,504 |

### (a) Pensions — defined contribution plans

The Group operates the CPF scheme under the Central Provident Fund Act (Chapter 36 of the Laws of Singapore) for employees employed under the jurisdiction of the Employment Act (Chapter 91 of the Laws of Singapore). The CPF scheme is a defined contribution retirement plan administered by an independent trustee. Under the CPF scheme, the employer and its employees are each required to make contributions to the CPF Scheme at generally 17% and 20% of the employees' relevant income, subject to a cap of monthly relevant income. There are different CPF rates applied to the senior workers aged 55 and above. Contributions to the CPF Scheme vest immediately.

During the Track Record Period, the Group had no forfeited contributions under the CPF scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available as at 31 December 2023, 2024 and 2025 and 31 May 2026 under the Retirement Scheme which may be used by the Group to reduce the contribution payable in future years.

**(b) Five highest paid individuals**

The five highest paid individuals in the Group during the years ended 31 December 2023, 2024 and 2025 and five months ended 31 May 2025 and 2026 included 2, 2, 2, 2 (Unaudited) and 2 directors respectively whose emoluments are reflected in the analysis presented in Note 15(a) to the Historical Financial Information. The emoluments of the remaining individuals for the years ended 31 December 2023, 2024 and 2025 and five months ended 31 May 2025 and 2026 are set out below:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Basic salaries and allowances | 362 | 390 | 398 | 166 | 171 |
| Discretionary bonus | 92 | 75 | 66 | — | — |
| Retirement benefit scheme contributions | 70 | 72 | 65 | 24 | 24 |
| | 524 | 537 | 529 | 190 | 195 |

The emoluments fell within the following band:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | | | | *(Unaudited)* | |
| Nil to HK$1,000,000 | 1 | — | 1 | 3 | 3 |
| HK$1,000,001 to HK$1,500,000 | 2 | 3 | 2 | — | — |
| | 3 | 3 | 3 | 3 | 3 |

No emoluments were paid by the Group to the above remaining highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period.

## 15. BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' emoluments

| | Year ended 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Fees | Salaries, wages and allowances | Discretionary bonus | Employer's contribution to a retirement benefit scheme | Total |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Executive directors:** | | | | | |
| Mr. CHUA TK *(Note (i))* | — | 153 | 39 | 22 | 214 |
| Mr. LIM Chin Pei Fabian *(Notes (i) & (ii))* | — | 105 | 27 | 21 | 153 |
| Total | — | 258 | 66 | 43 | 367 |

| | Year ended 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Fees | Salaries, wages and allowances | Discretionary bonus | Employer's contribution to a retirement benefit scheme | Total |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Executive directors:** | | | | | |
| Mr. CHUA TK *(Note (i))* | — | 180 | 45 | 22 | 247 |
| Mr. LIM Chin Pei Fabian *(Notes (i) & (ii))* | — | 120 | 30 | 22 | 172 |
| Total | — | 300 | 75 | 44 | 419 |

| | Year ended 31 December 2025 | | | | |
|---|---|---|---|---|---|
| | Fees | Salaries, wages and allowances | Discretionary bonus | Employer's contribution to a retirement benefit scheme | Total |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Executive directors:** | | | | | |
| Mr. CHUA TK *(Note (i))* | — | 216 | 54 | 26 | 296 |
| Mr. LIM Chin Pei Fabian *(Notes (i) & (ii))* | — | 132 | 33 | 25 | 190 |
| | — | 348 | 87 | 51 | 486 |

| | Five months ended 31 May 2025 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Fees | Salaries, wages and allowances | Discretionary bonus | Employer's contribution to a retirement benefit scheme | Total |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Executive directors:** | | | | | |
| Mr. CHUA TK *(Note i)* | — | 90 | — | 9 | 99 |
| Mr. LIM Chin Pei Fabian *(Notes (i) & (ii))* | — | 55 | — | 9 | 64 |
| Total | — | 145 | — | 18 | 163 |

| | Five months ended 31 May 2026 | | | | |
|---|---|---|---|---|---|
| | Fees | Salaries, wages and allowances | Discretionary bonus | Employer's contribution to a retirement benefit scheme | Total |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Executive directors:** | | | | | |
| Mr. CHUA TK *(Note i)* | — | 125 | — | 11 | 136 |
| Mr. LIM Chin Pei Fabian *(Notes (i) & (ii))* | — | 75 | — | 9 | 84 |
| Total | — | 200 | — | 20 | 220 |

*Notes:*

(i) Mr. Chua TK and Mr. Lim Chin Pei Fabian were appointed as the directors of the Company on 12 January 2026, and were subsequently re-designated as executive directors on [Date]. They were the directors and senior management of the companies now comprising the Group during the Track Record Period. The directors' emoluments are presented as if the directors had been appointed throughout the Track Record Period.

(ii) Mr. Lim Chin Pei Fabian is also the chief executive officer.

There was no arrangement under which a director of the Company waived or agreed to waive any emoluments during the Track Record Period.

**Directors' retirement and termination benefits**

No retirement or termination benefits were paid to or receivable by any directors of the Company in respect of their services in connection with the management of the affairs of the Group during the Track Record Period.

**Consideration provided to third parties for making available directors' services**

No consideration was paid to third parties of the directors of the Company for making available the services of them as a director of the Company during the Track Record Period.

**(b) Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

## 16. DIVIDENDS

During the years ended 31 December 2023 and 2025, Pinnacle Marine, a subsidiary of the Company, declared final dividends in cash totalling S$10,875,000 and S$4,973,000 respectively to its then shareholders.

Pursuant to a resolution passed in the shareholders' meeting of the Company on 6 March 2026, an interim dividend of S$3,700,000 was declared and paid to the Company's shareholders during the five months ended 31 May 2026.

## 17. EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion for the purpose of this Historical Financial Information is not considered meaningful due to the Reorganisation and the preparation of the results of the Group for the Track Record Period was on a consolidated basis as disclosed in Note 2 to the Historical Financial Information.

## 18. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold Properties | Workboats | Motor vehicles | Office equipment | Equipment, machinery and other assets | Total |
|---|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Cost** | | | | | | |
| As at 1 January 2023 | — | 10,367 | 840 | 2 | 612 | 11,821 |
| Additions | 7,602 | — | 559 | 17 | 1,600 | 9,778 |
| Disposals/Write-off | — | (1,194) | (248) | — | (219) | (1,661) |
| As at 31 December 2023 and 1 January 2024 | 7,602 | 9,173 | 1,151 | 19 | 1,993 | 19,938 |
| Additions | 1,191 | 426 | — | 7 | 463 | 2,087 |
| Disposals/Write-off | — | (1,477) | — | — | — | (1,477) |
| As at 31 December 2024 and 1 January 2025 | 8,793 | 8,122 | 1,151 | 26 | 2,456 | 20,548 |
| Additions | 212 | 4,148 | — | — | 304 | 4,664 |
| Transfer from right-of-use assets | — | — | 350 | — | — | 350 |
| Disposals/Write-off | (1) | (629) | — | — | (142) | (772) |
| As at 31 December 2025 and 1 January 2026 | 9,004 | 11,641 | 1,501 | 26 | 2,618 | 24,790 |
| Additions | — | 6 | — | 5 | 15 | 26 |
| Disposals/Write-off | — | (499) | — | — | — | (499) |
| As at 31 May 2026 | 9,004 | 11,148 | 1,501 | 31 | 2,633 | 24,317 |
| **Accumulated depreciation** | | | | | | |
| As at 1 January 2023 | — | 1,907 | 350 | 2 | 512 | 2,771 |
| Depreciation for the year | 260 | 491 | 106 | 3 | 126 | 986 |
| Disposals/Write-off | — | (831) | (134) | — | (219) | (1,184) |
| As at 31 December 2023 and 1 January 2024 | 260 | 1,567 | 322 | 5 | 419 | 2,573 |
| Depreciation for the year | 659 | 439 | 113 | 7 | 262 | 1,480 |
| Disposals/Write-off | — | (443) | — | — | — | (443) |
| As at 31 December 2024 and 1 January 2025 | 919 | 1,563 | 435 | 12 | 681 | 3,610 |
| Depreciation for the year | 734 | 591 | 113 | 8 | 288 | 1,734 |
| Transfer from right-of-use assets | — | — | 73 | — | — | 73 |
| Disposals/Write-off | — | (235) | — | — | (125) | (360) |
| As at 31 December 2025 and 1 January 2026 | 1,653 | 1,919 | 621 | 20 | 844 | 5,057 |
| Depreciation for the period | 307 | 234 | 61 | 4 | 128 | 734 |
| Disposals/Write-off | — | (171) | — | — | — | (171) |
| As at 31 May 2026 | 1,960 | 1,982 | 682 | 24 | 972 | 5,620 |
| **Carrying amounts** | | | | | | |
| As at 31 December 2023 | 7,342 | 7,606 | 829 | 14 | 1,574 | 17,365 |
| As at 31 December 2024 | 7,874 | 6,559 | 716 | 14 | 1,775 | 16,938 |
| As at 31 December 2025 | 7,351 | 9,722 | 880 | 6 | 1,774 | 19,733 |
| As at 31 May 2026 | 7,044 | 9,166 | 819 | 7 | 1,661 | 18,697 |

As at 31 December 2023, 2024 and 2025 and 31 May 2026, the carrying amounts of property, plant and equipment mortgaged or pledged as security for the Group's banking facilities amounted to S$5,940,000, S$5,471,000, S$5,003,000 and S$4,808,000 respectively.

## 19. RIGHT-OF-USE ASSETS

| | Leasehold properties | Workboats | Motor vehicles | Equipment, machinery & other assets | Total |
|---|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| **Cost** | | | | | |
| As at 1 January 2023 | 1,452 | 254 | — | — | 1,706 |
| Additions | 7,549 | — | 350 | 81 | 7,980 |
| Additions related to sale and leaseback transaction *(Note 28)* | — | 882 | — | — | 882 |
| Lease modification | 73 | — | — | — | 73 |
| Disposals/write-off | (1,344) | (255) | — | — | (1,599) |
| As at 31 December 2023 and 1 January 2024 | 7,730 | 881 | 350 | 81 | 9,042 |
| Additions | 85 | — | — | — | 85 |
| Additions related to sale and leaseback transaction *(Note 28)* | — | 616 | — | — | 616 |
| Lease modification | (491) | — | — | (78) | (569) |
| As at 31 December 2024 and 1 January 2025 | 7,324 | 1,497 | 350 | 3 | 9,174 |
| Lease modification | (110) | — | — | (3) | (113) |
| Transfer to property, plant and equipment | — | — | (350) | — | (350) |
| Disposals/write-off | — | (1,497) | — | — | (1,497) |
| As at 31 December 2025 and 1 January 2026 | 7,214 | — | — | — | 7,214 |
| Additions | 70 | — | — | — | 70 |
| Disposals/write-off | (85) | — | — | — | (85) |
| As at 31 May 2026 | 7,199 | — | — | — | 7,199 |
| **Accumulated depreciation** | | | | | |
| As at 1 January 2023 | 1,013 | 21 | — | — | 1,034 |
| Depreciation | 434 | 113 | 3 | 23 | 573 |
| Disposals/write-off | (1,100) | (85) | — | — | (1,185) |
| As at 31 December 2023 and 1 January 2024 | 347 | 49 | 3 | 23 | 422 |
| Depreciation | 623 | 395 | 35 | 41 | 1,094 |
| Lease modification | (15) | — | — | (64) | (79) |
| As at 31 December 2024 and 1 January 2025 | 955 | 444 | 38 | — | 1,437 |
| Depreciation | 590 | 41 | 35 | 3 | 669 |
| Lease modification | — | — | — | (3) | (3) |
| Transfer to property, plant and equipment | — | — | (73) | — | (73) |
| Disposals/write-off | — | (485) | — | — | (485) |
| As at 31 December 2025 and 1 January 2026 | 1,545 | — | — | — | 1,545 |
| Depreciation | 235 | — | — | — | 235 |
| Disposals/write-off | (85) | — | — | — | (85) |
| As at 31 May 2026 | 1,695 | — | — | — | 1,695 |
| **Carrying amounts** | | | | | |
| As at 31 December 2023 | 7,383 | 832 | 347 | 58 | 8,620 |
| As at 31 December 2024 | 6,369 | 1,053 | 312 | 3 | 7,737 |
| As at 31 December 2025 | 5,669 | — | — | — | 5,669 |
| As at 31 May 2026 | 5,504 | — | — | — | 5,504 |

Lease liabilities of S$9,176,000, S$8,855,000, S$6,247,000 and S$6,165,000 are recognised with related right-of-use assets of S$8,620,000, S$7,737,000, S$5,669,000 and S$5,504,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The analysis of expense items in relation to leases recognised in the Group's profit or loss during the Track Record Period is as follows:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Interest expense on lease liabilities (included in finance costs) | 174 | 379 | 267 | 124 | 104 |
| Expenses relating to short-term lease (included in selling and administrative expenses) | 2 | 2 | 2 | 1 | 1 |

Details of total cash outflow for leases is set out in Note 32(c) to the Historical Financial Information.

During the Track Record Period, the Group leases properties, motor vehicles, workboats and other assets. Lease contracts of leased properties and other assets are entered into for fixed term of 13 years and 1 to 3 years respectively, but may have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group's workboat leases, primarily for workboat chartering and logistics support services, contain extension options exercisable by the Group before the end of the non-cancellable contract period. These options are able to provide operational flexibility and long-term security for the above activities. The Group assessed at lease commencement date that the Group was reasonably certain to exercise the extension option and the future lease payments during the extension periods were included in the measurement of lease liabilities.

In addition, the Group reassesses whether it is reasonably certain to exercise on extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the Track Record Period, there has been no such triggering event.

## 20. INTANGIBLE ASSETS

| | Accounting software *S$'000* |
|---|---|
| **Cost** | |
| As at 1 January 2023 | — |
| Additions | 58 |
| As at 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 31 May 2026 | 58 |
| **Accumulated amortisation** | |
| As at 1 January 2023 | — |
| Amortisation for the year | 2 |
| As at 31 December 2023 and 1 January 2024 | 2 |
| Amortisation for the year | 56 |
| As at 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 31 May 2026 | 58 |
| **Carrying amounts** | |
| As at 31 December 2023 | 56 |
| As at 31 December 2024 | — |
| As at 31 December 2025 | — |
| As at 31 May 2026 | — |

The amortisation charge for the Track Record Period is included in "selling and administrative expenses" in the consolidated statements of profit or loss and other comprehensive income.

## 21. INVENTORIES

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Raw materials | 551 | 933 | 758 | 655 |
| Finished goods | 616 | 469 | 474 | 480 |
| | 1,167 | 1,402 | 1,232 | 1,135 |

## 22. TRADE RECEIVABLES

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Trade receivables | 7,410 | 6,658 | 6,956 | 7,803 |
| Allowance for doubtful debts | (232) | (581) | (373) | (359) |
| | 7,178 | 6,077 | 6,583 | 7,444 |

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 0 to 30 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors of the Company.

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Current | 222 | 335 | 315 | 553 |
| 1–30 days | 2,357 | 2,431 | 2,272 | 2,686 |
| 31–60 days | 1,092 | 912 | 1,714 | 1,656 |
| 61–90 days | 602 | 614 | 554 | 819 |
| 91–180 days | 2,190 | 1,130 | 1,106 | 1,119 |
| More than 180 days | 715 | 655 | 622 | 611 |
| | 7,178 | 6,077 | 6,583 | 7,444 |

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Singapore dollars | 5,337 | 4,597 | 3,584 | 5,304 |
| United States dollars | 1,837 | 1,480 | 2,999 | 2,140 |
| Others | 4 | — | — | — |
| | 7,178 | 6,077 | 6,583 | 7,444 |

## 23. CONTRACT ASSETS AND CONTRACT LIABILITIES

**Contract assets**

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Arising from performance under shipping agency services | — | 166 | — | — |
| Arising from performance under boatbuilding contracts | 548 | 537 | 445 | 753 |
| | 548 | 703 | 445 | 753 |
| Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade receivables" | 6,961 | 5,933 | 6,385 | 7,143 |

Amounts relating to contract assets are balances due from customers under boatbuilding contracts that arise when unbilled revenue is initially recognised for revenue earned from the provision of construction work as the receipt of consideration is conditional on successful completion of construction. Payment for shipping agency services is due from the customer upon the shipping agency services are complete and therefore a contract asset is recognised for the Group's right to receive consideration for work completed but not yet billed.

Significant changes and movements in the contract assets balance during the Track Record Period:

| | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Balance as at 1 January | 25 | 548 | 703 | 445 |
| Transfers from the contract assets recognised at the beginning of the year to trade receivables | (4) | (240) | (166) | (344) |
| Changes in measurement of progress | (21) | (308) | (537) | (101) |
| Consideration for work completed but not billed at the reporting date | 240 | 166 | 344 | 560 |
| Cost incurred | 308 | 537 | 101 | 193 |
| Balance as at 31 December/31 May | 548 | 703 | 445 | 753 |

As at 31 December 2023, 2024 and 2025 and 31 May 2026, contract assets is expected to be recovered within one year.

**Contract liabilities**

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Arising from performance under shipping agency services | 947 | 303 | 311 | — |
| Arising from performance under boatbuilding contracts | 1,436 | 1,152 | 171 | 40 |
| | 2,383 | 1,455 | 482 | 40 |

Significant changes and movements in contract liabilities balance during the Track Record Period:

| | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Balance as at 1 January | 677 | 2,383 | 1,455 | 482 |
| Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period | (677) | (2,383) | (1,455) | (482) |
| Increase in contract liabilities as a result of billing in advance | 2,383 | 1,455 | 482 | 40 |
| Balance as at 31 December/31 May | 2,383 | 1,455 | 482 | 40 |

As at 31 December 2023, 2024 and 2025 and 31 May 2026, all billings in advance of performance received are expected to be recognised as revenue within one year.

## 24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Prepayments | 58 | 184 | 298 | 286 |
| Prepayments for costs incurred in connection with the proposed issuance of the Company's shares *(Note)* | — | — | 252 | 417 |
| Deposits | 190 | 351 | 142 | 110 |
| Advances payments on purchases | 589 | 222 | 287 | 1,110 |
| Other receivables | 45 | 179 | 222 | 196 |
| | 882 | 936 | 1,201 | 2,119 |

*Note:* The balance as at 31 December 2025 and 31 May 2026 will be transferred to the capital reserve account within equity upon the **[REDACTED]** of the Company's shares on the **[REDACTED]** of the Stock Exchange.

## 25. TRADE PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Current | 172 | 345 | 107 | 1,544 |
| 1–30 days | 1,588 | 1,475 | 1,399 | 454 |
| 31–60 days | 870 | 693 | 850 | 165 |
| 61–90 days | 717 | 295 | 285 | 81 |
| Over 90 days | 399 | 449 | 16 | 47 |
| | 3,746 | 3,257 | 2,657 | 2,291 |

The carrying amounts of the Group's trade payables are denominated in the following currencies:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Singapore dollars | 2,517 | 2,815 | 2,256 | 2,163 |
| United States dollars | 1,155 | 343 | 389 | 128 |
| Others | 74 | 99 | 12 | — |
| | 3,746 | 3,257 | 2,657 | 2,291 |

## 26. ACCRUALS AND OTHER PAYABLES

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Accruals and other payables | 2,529 | 2,067 | 2,583 | 2,057 |
| Amounts due to the then shareholders *(Note)* | 6,411 | 4,081 | — | — |
| | 8,940 | 6,148 | 2,583 | 2,057 |

*Note:* The amounts represent payable relating to final dividends declared during the year ended 31 December 2023 and are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment. All outstanding balances were fully settled before the **[REDACTED]**.

## 27. BORROWINGS

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Secured bank loans | 6,728 | 4,239 | 8,102 | 8,315 |

The carrying amounts of the Group's borrowings are denominated in Singapore dollars.

(a) The analysis of the repayment schedule of borrowings is as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Within one year or on demand | 2,285 | 1,167 | 2,442 | 6,133 |
| More than one year, but not exceeding two years | 1,296 | 701 | 2,468 | 656 |
| More than two years, but not more than five years | 2,011 | 2,188 | 3,192 | 1,526 |
| More than five years | 1,136 | 183 | — | — |
| | 6,728 | 4,239 | 8,102 | 8,315 |
| Less: Amount scheduled for settlement within 12 months (shown under current liabilities) | | | | |
| — Carrying amount of bank loans repayable within one year | (2,285) | (1,167) | (642) | (633) |
| — Carrying amount of bank loans payable after one year which contain a repayment on demand clause | (488) | — | (5,000) | (5,500) |
| | (2,773) | (1,167) | (5,642) | (6,133) |
| Amount scheduled for settlement after 12 months (shown under non-current liabilities) | 3,955 | 3,072 | 2,460 | 2,182 |

(b) The effective interest rates per annum of the Group's borrowings as at 31 December 2023, 2024 and 2025 and 31 May 2026 were as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Effective interest rates | 2.50% to 5.40% | 3.00% to 4.71% | 2.11% to 4.71% | 2.02% to 4.26% |

(c) The details of pledged assets and collaterals to the Group's borrowings are as follows:

**As at 31 December 2023**

(i) bank loan of S$103,000 is secured by personal guarantees from the executive directors of the Company, Mr. Chua TK and Mr. Lim Chin Pei Fabian;

(ii) bank loans of S$1,373,000 are secured by corporate guarantee of two subsidiaries, Pinnacle Marine and Primus Shipping and personal guarantees from an executive director of the Company, Mr. Chua TK and a shareholder of the Company, Ms. Chua Guek Cheng;

(iii) bank loan of S$291,000 is secured by corporate guarantee of two subsidiaries, Pinnacle Marine and Prestige Ocean and personal guarantee of an executive director of the Company, Mr. Chua TK;

(iv) bank loan of S$431,000 is secured by joint guarantee from executive directors of the Company, Mr. Chua TK and Mr. Lim Chin Pei Fabian;

(v) bank loan of S$258,000 is secured by personal guarantees of an executive director, Mr. Chua TK and a shareholder, Ms. Chua Guek Cheng; and

(vi) bank loan of S$4,272,000 is secured by joint guarantee from executive directors of the Company, Mr. Chua TK and Mr. Lim Chin Pei Fabian and legal charge over a leasehold property as disclosed in Note 18 to the Historical Financial Information.

**As at 31 December 2024**

(i) bank loans of S$535,000 are secured by corporate guarantee of two subsidiaries, Pinnacle Marine and Primus Shipping and personal guarantees from an executive director of the Company, Mr. Chua TK and a shareholder of the Company, Ms. Chua Guek Cheng;

(ii) bank loan of S$3,704,000 is secured by joint guarantee from executive directors of the Company, Mr. Chua TK and Mr. Lim Chin Pei Fabian and legal charge over a leasehold property as disclosed in Note 18 to the Historical Financial Information.

**As at 31 December 2025**

(i) bank loans of S$8,102,000 is secured by joint guarantee from executive directors of the Company, Mr. Chua TK and Mr. Lim Chin Pei Fabian and legal charge over a leasehold property as disclosed in Note 18 to the Historical Financial Information. Such personal guarantees will be released upon **[REDACTED]**.

**As at 31 May 2026**

(i) bank loans of S$8,315,000 is secured by joint guarantee from executive directors of the Company, Mr. Chua TK and Mr. Lim Chin Pei Fabian and legal charge over a leasehold property as disclosed in Note 18 to the Historical Financial Information. Such personal guarantees will be released upon **[REDACTED]**.

(d) The details of loan covenants of the Group's borrowings are as follows:

All of the Group's banking facilities are subject to the fulfillment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related borrowings would become payable on demand.

The Group has complied with the financial covenants of its borrowing facilities during the Track Record Period, except for a breach of a covenant clause under two long-term bank loan arrangements, which required written consent from the bank prior to any dividend declaration for the year ended 31 December 2023. As a result of this breach, bank loans totaling S$488,000, which were originally scheduled for repayment after one year as at 31 December 2023, became subject to an early repayment option by the bank. Accordingly, these bank loans were reclassified as current liabilities as at 31 December 2023. As at 31 December 2024, no such reclassification was necessary as the relevant bank loans were either fully settled during the year ended 31 December 2024 or were scheduled for repayment within one year. For the remaining bank loan, the bank issued a letter of indulgence to the Group on 16 April 2025 in respect of the covenant breach, waiving any default and its right to demand early repayment. This bank loan was fully settled during the year ended 31 December 2025.

## 28. LEASE LIABILITIES

| | As at 31 December | | | | | | As at 31 May | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | Minimum lease payments | Present value of minimum lease payments | Minimum lease payments | Present value of minimum lease payments | Minimum lease payments | Present value of minimum lease payments | Minimum lease payments | Present value of minimum lease payments |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Within one year | 1,603 | 1,204 | 1,716 | 1,355 | 586 | 342 | 633 | 394 |
| More than one year, but not exceeding two years | 1,068 | 753 | 1,567 | 1,278 | 612 | 383 | 644 | 421 |
| More than two years, but not more than five years | 2,278 | 1,506 | 2,160 | 1,505 | 2,003 | 1,419 | 2,041 | 1,480 |
| More than five years | 6,724 | 5,713 | 5,421 | 4,717 | 4,616 | 4,103 | 4,316 | 3,870 |
| | 11,673 | | 10,864 | | 7,817 | | 7,634 | |
| Less: Future finance charges | (2,497) | | (2,009) | | (1,570) | | (1,469) | |
| Present value of lease obligations | 9,176 | 9,176 | 8,855 | 8,855 | 6,247 | 6,247 | 6,165 | 6,165 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | | (1,204) | | (1,355) | | (342) | | (394) |
| Amount due for settlement after 12 months (shown under non-current liabilities) | | 7,972 | | 7,500 | | 5,905 | | 5,771 |

As at 31 December 2023, 2024 and 2025 and 31 May 2026, the weighted average incremental borrowing rates applied to lease liabilities at 5.42%, 5.40%, 5.01% and 4.94% respectively.

**Sale and leaseback transaction — seller-lessee**

During the Track Record Period, the Group entered into sale and leaseback arrangements for five workboats with a third-party buyer-lessor. These workboats were built by the Group and sold to the third-party buyer-lessor, followed by the leaseback of the same workboats to the Group. The disposal was accounted for as a sale arrangement in accordance with IFRS 15 and the lease was recognised in the form of a right-of-use asset and a lease liability in accordance with IFRS 16. As such, the Group as a seller-lessee measures the right-of-use assets arising from the leasing back and recognises the gain that relates to the rights transferred to the third-party buyer-lessor as follows:

| | | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *Note* | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | | *(Unaudited)* | |
| Net consideration | | 1,860 | 1,730 | — | — | — |
| Less: carrying amount of disposed asset | | (1,118) | (866) | — | — | — |
| Gain on disposal before the lease | | 742 | 864 | — | — | — |
| Leaseback effect | | | | | | |
| Add: amount of right-of-use assets retained by the Group | *19* | 882 | 616 | — | — | — |
| Less: lease liabilities assumed by the Group | *32(b)* | (1,467) | (1,230) | — | — | — |
| Gain on rights transfer arising from sale and leaseback transaction | *9* | 157 | 250 | — | — | — |

The adjustment represents the recognition of right-of-use assets of the Group of S$882,000, S$616,000, S$Nil, S$Nil (Unaudited) and S$Nil (i.e. right-of-use assets retained through the leaseback of the disposed workboats as a proportion of its previous carrying value) and lease liabilities of S$1,467,000, S$1,230,000, S$Nil, S$Nil (Unaudited) and S$Nil for the years ended 31 December 2023, 2024 and 2025 and five months ended 31 May 2025 and 2026 respectively.

## 29. DEFERRED TAX LIABILITIES

The following is the deferred tax liability arising from the accelerated tax depreciation on property, plant and equipment recognised by the Group.

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| As at 1 January | 625 | 756 | 756 | 756 |
| Charge to profit or loss for the year/period *(Note 12)* | 131 | — | — | — |
| As at 31 December/31 May | 756 | 756 | 756 | 756 |

As at 31 December 2023, 2024 and 2025 and 31 May 2026, deferred tax assets of S$1,560,000, S$1,505,000, S$1,062,000 and S$1,048,000 arising from lease liabilities, and deferred tax liabilities of S$1,465,000, S$1,315,000, S$964,000 and S$936,000 arising from right-of-use assets respectively, were not recognised in the consolidated statements of financial position as in the opinion of the directors of the Company, the respective net impact of S$95,000, S$190,000, S$98,000 and S$112,000 are immaterial.

## 30. SHARE CAPITAL, COMBINED CAPITAL AND RESERVE OF THE COMPANY

### (a) Share capital

| | Number of shares | Nominal value | |
|---|---|---|---|
| | | *US$'000* | *S$'000* |
| **Authorised:** | | | |
| *Ordinary shares of US$0.00001 each* | | | |
| At 2 January 2026 (date of incorporation) and 31 May 2026 | 5,000,000,000 | 50 | 64 |

| | Number of shares | Nominal value | |
|---|---|---|---|
| | | *US$'000* | *S$'000* |
| **Issued and fully paid:** | | | |
| *Ordinary shares of US$0.00001 each* | | | |
| As at 2 January 2026 (date of incorporation) | 1 | —* | —* |
| Cancellation of share | (1) | —* | —* |
| Issuance of shares | 216,682 | —* | —* |
| As at 31 May 2026 | 216,682 | —* | —* |

* The balances represent amount less than S$10.

The Company was incorporated on 2 January 2026 with an authorised share capital of US$50,000 divided into 5,000,000,000 shares of a par value of US$0.00001 each. Upon its incorporation, one subscriber share of a par value of US$0.00001 was issued as fully paid to an initial subscriber, being an independent third party, which, on the same day transferred the one subscriber share to Prompt Venture at nominal value. As part of the Reorganisation, on 30 January 2026, the shareholders of Pinnacle Marine transferred their entire equity interests in Pinnacle Marine, aggregating to 216,682 shares, to PMS Group. In consideration for the transfer, the Company allotted and issued a total of 216,682 ordinary shares of the Company to the shareholders. Concurrent with the above steps, Prompt Venture surrendered the one initial subscriber share it held, which was subsequently cancelled by the Company.

Upon the completion of the Reorganisation and the issuance of shares of the Company on 2 February 2026, the Company became the parent of Pinnacle Marine and the Operating Entities.

### (b) Combined capital

The combined capital as of and during the years ended 31 December 2023, 2024, and 2025 represents the aggregate share capital of the subsidiaries of the Company which existed at the respective dates, after elimination of inter-company investments.

During the year ended 31 December 2023, the share capital of Pinnacle Marine was increased from S$200,000 to S$5,200,000 by allotting and issuing 16,680 shares of Pinnacle Marine to the **[REDACTED]** Investor to facilitate the Group's expansion in purchasing for a local waterfront shipyard.

The combined capital of S$5,200,000 was reclassified to other reserve upon the completion of the Reorganisation.

**(c) Reserve of the Company**

Reserve movement of the Company is as follows:

| | Other reserve *(Note)* *S$'000* |
|---|---|
| As at 2 January 2026 (date of incorporation) | —* |
| Effect of Reorganisation *(Note 2)* | 9,551 |
| **Transaction with owners in their capacity as owners** | 9,551 |
| As at 31 May 2026 | 9,551 |

* The balances represent amount less than S$10.

*Note:* Other reserve of the Company represents the carrying amount of the share of the equity items shown in the separate financial statements of Pinnacle Marine as at the date of completion of the Reorganisation.

**(d) Capital management**

The Group manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes borrowings and lease liabilities disclosed in Notes 27 and 28 to the Historical Financial Information respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, issue of new shares or new debts, redemption of existing debts or selling assets to reduce debts.

**31. RESERVES**

**(a) Group**

The amounts of the Group's reserves and movements therein are presented in the consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity.

**(b) Nature and purpose of reserves**

*(i) Other reserve*

The other reserve represents the combined share capital of the subsidiaries now comprising the Group after the elimination of inter-company investments.

*(ii) Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 4(b) to the Historical Financial Information.

## 32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

### (a) Major non-cash transactions

The major non-cash investing and financing transactions during the year ended 31 December 2023 mainly include (i) the additions of the right-of-use assets and lease liabilities described in Note 32(b), and (ii) the declaration of a final dividend of S$10.87 million, of which S$4.46 million was offset against the then shareholder's loan. The remaining unsettled balance was recorded under amounts due to the then shareholders in Note 26 to the Historical Financial Information.

The major non-cash financing transactions during the years ended 31 December 2024 and 2025 and five months ended 31 May 2025 and 2026 mainly include the additions of the right-of-use assets and lease liabilities described in Note 32(b) to the Historical Financial Information.

### (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

| | **Borrowings** | **Lease liabilities** | **Total** |
|---|---|---|---|
| | *S$'000* | *S$'000* | *S$'000* |
| At 1 January 2023 | 4,236 | 921 | 5,157 |
| Financing cash flows | 2,270 | (670) | 1,600 |
| Lease modification | — | 73 | 73 |
| Lease termination | — | (615) | (615) |
| New lease entered | — | 7,826 | 7,826 |
| Lease liabilities assumed arising from sale and leaseback *(Note 28)* | — | 1,467 | 1,467 |
| Interest expenses | 222 | 174 | 396 |
| As at 31 December 2023 and 1 January 2024 | 6,728 | 9,176 | 15,904 |
| Financing cash flows | (2,738) | (1,510) | (4,248) |
| Lease modification | — | (505) | (505) |
| New lease entered | — | 85 | 85 |
| Lease liabilities assumed arising from sale and leaseback *(Note 28)* | — | 1,230 | 1,230 |
| Interest expenses | 249 | 379 | 628 |
| As at 31 December 2024 and 1 January 2025 | 4,239 | 8,855 | 13,094 |
| Financing cash flows | 3,667 | (864) | 2,803 |
| Lease modification | — | (110) | (110) |
| Lease termination | — | (1,901) | (1,901) |
| Interest expenses | 196 | 267 | 463 |
| As at 31 December 2025 and 1 January 2026 | 8,102 | 6,247 | 14,349 |
| Financing cash flows | 161 | (256) | (95) |
| New lease entered | — | 70 | 70 |
| Interest expenses | 52 | 104 | 156 |
| As at 31 May 2026 | 8,315 | 6,165 | 14,480 |
| As at 1 January 2025 | 4,239 | 8,855 | 13,094 |
| Financing cash flows | 1,201 | (404) | 797 |
| Lease termination | — | (1,901) | (1,901) |
| Interest expenses | 101 | 124 | 225 |
| As at 31 May 2025 (Unaudited) | 5,541 | 6,674 | 12,215 |

**(c) Total cash outflow for leases**

Amounts included in the consolidated statements of cash flows for leases comprise the following:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Within operating cash flows | 176 | 381 | 269 | 125 | 105 |
| Within investing cash flows | 154 | — | — | — | — |
| Within financing cash flows | 496 | 1,131 | 597 | 280 | 152 |
| | 826 | 1,512 | 866 | 405 | 257 |

These amounts relate to the following:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Lease rental paid | 672 | 1,512 | 866 | 405 | 257 |
| Payments for right-of-use assets | 154 | — | — | — | — |
| | 826 | 1,512 | 866 | 405 | 257 |

## 33. CAPITAL COMMITMENTS

As at 31 December 2023, 2024 and 2025 and 31 May 2026, capital commitments contracted for but not yet incurred are as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Property, plant and equipment | 1,022 | — | — | — |

## 34. CONTINGENCIES

As at 31 December 2023, 2024 and 2025 and 31 May 2026, the Group did not have any material contingent liabilities.

## 35. OPERATING LEASE ARRANGEMENTS

**The Group as lessor**

Operating leases relate to workshops and workboats owned by the Group with lease terms of 1 to 3 years, with 1 to 2 years extension. All operating lease contracts contain market review clauses in the vent that the lessee exercises its options to renew. The lessee does not have an option to purchase the workshops and workboats at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

| | As at 31 December | | | As at 31 May |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| Within one year | 722 | 631 | 407 | 374 |
| In the second year | 539 | — | 299 | 174 |
| | 1,261 | 631 | 706 | 548 |

The following table presents the amounts reported in profit or loss:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Rental income on operating leases | 1,587 | 1,063 | 1,252 | 545 | 322 |

## 36. RELATED PARTY TRANSACTIONS

**(a) Name and relationship with related parties**

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to control the other party, to joint control over the party or to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholder and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The directors of the Company are of the view that the following parties were related parties with the Group during the Track Record Period:

| Name of related parties | Relationship of related parties |
|---|---|
| Mr. CHUA TK | Director and controlling shareholder of the Group |
| Mr. LIM Chin Pei Fabian | Director and shareholder of the Group |
| Mr. KOH Guan Kiat Eddie | Chief financial officer of the Group |
| Mr. LEE Meng Joo Ken | Chief operating officer of the Group |

**(b) Key management personnel remuneration**

The remuneration of directors and other members of key management during the Track Record Period was as follows:

| | Year ended 31 December | | | Five months ended 31 May | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *S$'000* | *S$'000* | *S$'000* | *S$'000* | *S$'000* |
| | | | | *(Unaudited)* | |
| Fee | — | — | — | — | — |
| Salaries, wages and allowance | 258 | 300 | 521 | 201 | 290 |
| Discretionary bonuses | 66 | 75 | 131 | — | — |
| Retirement benefits | 43 | 44 | 88 | 28 | 36 |
| | 367 | 419 | 740 | 229 | 326 |

## 37. LITIGATION

On 19 May 2026, the Ministry of Manpower of Singapore ("**MOM**") brought charges against the Company's subsidiary, Prestige Ocean, and a director of the Company under the Workplace Safety and Health Act 2006. These charges relate to alleged regulatory and procedural failures concerning a workplace injury incident that occurred on 30 July 2023 as detailed under the subheading "Litigation and Compliance — Workplace Safety and Health Proceedings" in the section headed "Business" of this document.

Under the relevant laws and regulations, the maximum statutory penalty is S$500,000 for a corporate body and S$200,000 for an individual. Based on the advice of the Company's Singapore counsel, management assessed the specific circumstances by evaluating the level of harm and the level of culpability, and the penalty is estimated at S$280,000 with reference to the applicable sentencing framework established by the Singapore Court of Appeal. Consequently, a provision of S$280,000 has been recognised as at 31 May 2026 and included in Note 26 "Accruals and Other Payables" to the Historical Financial Information.

Following the representations made by the Group to MOM in July 2026, by a letter dated 17 August 2026, MOM informed Prestige Ocean that, if Prestige Ocean pleads guilty at the pre-trial stage, the prosecution's sentencing position is that Prestige Ocean should be fined in the range of S$140,000 to S$160,000. MOM further informed Prestige Ocean that, provided that Prestige Ocean pleads guilty, the prosecution will offer composition to the director of the Company in respect of his offence and MOM will withdraw the charge against the director of the Company after the conclusion of Prestige Ocean's case and payment of the composition fine.

On 24 September 2026, Prestige Ocean pleaded guilty to the charge and paid in full a fine of S$140,000 imposed by the State Courts of Singapore, following which the court disposed of the case against Prestige Ocean on 28 September 2026.

On 25 September 2026, a notice of composition fine of S$5,000 was issued to the director of the Company, which was settled in full on the same date. On 1 October 2026, following the conclusion of Prestige Ocean's case and the settlement of the composition fine, the court disposed of the case against the director of the Company.

As at the date of this report, the Group is not aware of any further material liability arising from the above charges.

The ultimate fine imposed on Prestige Ocean was lower than the original estimate by S$140,000, in the opinion of the directors of the Company, such difference is not expected to have a material impact on the Group's financial performance and financial position. Accordingly, no adjustment has been made to the provision recognised as at 31 May 2026.

The Group does not expect to receive any reimbursement in respect of this provision.

## 38. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 May 2026 and up to the date of this report, there were no other material subsequent events undertaken by the Company or by the Group.

## 39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company, its subsidiaries or the Group have been prepared in respect of any period subsequent to 31 May 2026 and up to the date of this report.

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

The Board of Directors
Pinnacle Marine (Singapore) Pte Ltd
No. 182 Pandan Loop
Singapore 128373

Dear Sirs

**PROPERTY VALUATION OF NO. 182 PANDAN LOOP, SINGAPORE 128373**

## 1. INSTRUCTION

In accordance with the instructions of Pinnacle Marine (Singapore) Pte Ltd (the "Company") for us to carry out a valuation of No. 182 Pandan Loop, Singapore 128373 (the "Property"), we confirm that we have carried out inspection, made relevant enquires and searches, and obtained such further information as we considered necessary for the purpose of providing you with our opinion of its Market Value as at 30 September 2026 (the "Date of Valuation").

## 2. BASIS OF VALUATION

Our valuation is carried out on a market value basis. "Market Value" is defined in A10.01 of IVS 102 Bases of Value: Appendix, International Valuation Standards 2025 Edition, published by International Valuations Standards Council (IVSC), as follows:

> "Market Value is the estimated amount for which an asset and/or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

## 3. VALUATION STANDARDS

In valuing the Property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards published from time to time by the International Valuation Standards Council.

## 4. METHODS OF VALUATION

In arriving at the Market Value as at 30 September 2026, we have adopted the Income Approach as the primary valuation method, with the Market Approach applied as a cross-check.

Having regard to the specialised nature of shipyard facilities and the limited availability of comparable sales, the Income Approach is adopted as the primary valuation method for this valuation as it captures the operational earning potential of the Property.

Given variation in site configuration (including open yard size, waterfront boundary length, dry dock/slipway/wharf facilities, ancillary dormitory facilities), the Market Approach may not fully reflect the operational differences between the Property and comparable properties. Accordingly, Market Approach has been applied as a cross-check.

The "Income Approach" is defined in 30.01 of IVS 103 Valuation Approaches, International Valuation Standards 2025 Edition, published by IVSC as follows:

> "The income approach provides an indication of value by converting projected cash flows to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset."

The "Market Approach" is defined in 20.01 of IVS 103 Valuation Approaches, International Valuation Standards 2025 Edition, published by IVSC as follows:

> "The market approach provides an indication of value by comparing the asset and/or liability with identical or comparable (that is similar) asset and/or liability for which price information is available."

## 5. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

## 6. SOURCE OF INFORMATION

In the course of our valuation, we have relied on information provided by the Company and, where applicable, have verified such information. In particular, details relating to the tenure, identification of the Property, occupancy, land area and encumbrances have been verified against title searches conducted with the Singapore Land Authority. The total gross floor area has been verified with reference to the Urban Redevelopment Authority's written permission for the Property.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any material information has been withheld.

## 7. TITLE INVESTIGATION

We have carried out title search at the Singapore Land Authority. As at the Date of Valuation, we are not aware of any amendments in the documents available to us.

## 8. SITE INSPECTION

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

We have inspected the exterior and, where possible, the interior of the Property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 10 December 2025 by William Ng Hock Heng who is a Singapore Licenced Appraiser, Member of the Singapore Institute of Surveyors & Valuers and Member of the Royal Institution of Chartered Surveyors. He has approximately 35 years' experience in valuation of properties in Singapore.

## 9. CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Singapore Dollar (S$).

Our valuation certificate is attached below for your attention.

Yours faithfully
On behalf of **ROBERT KHAN & CO PTE LTD**

**William Ng Hock Heng**
*MRICS, MSISV*
(Appraiser Licence No: AD041–2006500F)

## VALUATION CERTIFICATE

**Property interest held and occupied by the Company**

| Property | Description and tenure | Particulars of occupancy | Market value as at the Date of Valuation<br>*S$* |
|---|---|---|---|
| A shipyard located at No. 182 Pandan Loop, Singapore 128373 | The Property is erected on an irregular shaped plot with a road frontage, approximately 96 metres to Pandan Loop and an average depth of approximately 161 metres. Site area measures approximately 14,271.00 square metres. The waterfront boundary measures approximately 101 metres.<br><br>Legal description: Lot No. MK5-4891P<br><br>Jurong Town Corporation ("JTC") Private Lot Nos. A7014277 and A7014274.<br><br>The JTC lease is for 27 years which commenced from 16 September 2009 and expires in 15 September 2036. Balance lease as at the Date of Valuation is 9 years 11 months. The monthly land rent and water frontage fee payable are $40,291.80 and $10,602.76 respectively.<br><br>The Property has a total gross floor area ("GFA") of approximately 8,397.98 square metres. | As at the date of inspection, the Property was predominantly occupied by the Company for vessel building — construction, fabrication and/or repairs of offshore ships and vessels, with the remaining portions sublet to several tenants. | 8,400,000 |

*Notes:*

1. The Property is held under a lease from JTC. JTC is the registered lessor and revisionary owner of the Property, while the Company is the registered lessee holding the leasehold interest therein, with the right to occupy and use the Property in accordance with the terms and conditions of the lease.

2. Pursuant to the site plan provided by the Company, the gross floor area of the Property is set out as below:

| Use | GFA (square metre) |
|---|---|
| Production | 5,721.23 |
| Office | 2,483.60 |
| Workers' Dormitory | 193.15 |
| **Total** | 8,397.98 |

3. The details of the buildings on site are as follows:

| Building Description | Use | Year Completion | Building Construction |
|---|---|---|---|
| 2-storey office building | Office | Circa 1980s | Reinforced concrete framework with brick in-fill walls, reinforced concrete floors and reinforced concrete flat roof. |
| Single-storey mechanical workshop with a mezzanine | Production/ Office | Circa 1980s | Reinforced concrete/steel frameworks with brick in-fill walls, metal claddings, reinforced concrete floors and insulated profiled metal-sheet roofs. |
| Single-storey lofty fabrication workshop | Production | Circa 2000s | Steel framework with brick in-fill walls, metal claddings, reinforced concrete floors and insulated profiled metal-sheet roof. |
| Single-storey ancillary workers' dormitory (accommodating 34 workers) | Workers' Dormitory | April 2025 | Steel framework with metal claddings, reinforced concrete floors and metal-sheet roof. |

The site improvements comprise a guard house, laundry room, substation, open shed, 2-storey portable cabin, driveway, and vehicle parking lots with two electric vehicle charging stations.

4. We understand that the Company has incurred total improvement costs of approximately S$2,800,000 in respect of the Property since 2023.

5. According to the Master Plan Zoning (2025 Edition), the site of the Property is zoned as "Business 2" with a Gross Plot Ratio of 2.5. "Business 2" are areas used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other public installations. Special industries such as manufacture of industrial machinery, boatbuilding and repairing, may be allowed in selected areas subject to evaluation by the relevant authority and the competent authority.

Pursuant to the JTC's Proposed Transfer/Assignment of Lease/Licence ("Assignment") Property: Private Lot Nos. A6012 and A6012A (To Be Known As Private Lot Nos. A7014277 and A7014274 respectively) at 182 Pandan Loop, Singapore 128373 Transferor/Assignor: MTQ Corporation Limited ("Assignor") Transferee/Assignee: Pinnacle Marine (Singapore) Pte. Ltd. ("Assignee") dated 7 April 2023, the authorised use of the Property is for vessel building — construction, fabrication and/or repairs of offshore ships and vessels.

6. Pursuant to the title search record, the Property is subject to, inter alia, the following encumbrance:

a. Mortgaged to United Overseas Bank Limited.

Pursuant to the Revised Bank Facilities dated 2 October 2025, the Property is charged as security for bank facilities with an aggregate amount of approximately S$10,522,000, comprising an approximate outstanding principal sum of S$3,252,000 under a Commercial Property Loan, a Revolving Credit Facility of S$7,250,000, and S$20,000 for the establishment of a credit card limit, subject to the terms and conditions of the relevant facility agreements.

7. Utilities services including water, electrical, telecommunication and security systems, diesel tank, water tank, air compressor, water filter with dispenser, solar photovoltaic system, transformer, automatic barrier system, fire protection system, are provided within the Property. We are given to understand that the electrical power intake is of 1,108kVA, 3-phase.

8. Pursuant to the URA's Grant of Written Permission, the ancillary workers' dormitory for 34 workers was approved on a temporary basis from 3 June 2024 to 3 June 2029.

9. Pursuant to several tenancy agreements and JTC's subletting documents part of the Property was leased to several tenants, the key particulars of which are summarised below:

| Sub-Tenant | Permitted JTC sub-lease period | Floor Area (square feet) | Monthly Rent |
|---|---|---|---|
| Tenant 1 | 22 March 2026 to 6 April 2028 | Workshop: 1,162.61<br>Work desk space at 2nd-storey office: 2 units | S$6,757.73 |
| Tenant 2 | 20 June 2025 to 19 June 2027 | Workshop: 779.1<br>Office: 636.1 | S$5,987.82 |
| Tenant 3 | 8 October 2023 to 7 October 2026 | Workshop: 5,000 | S$12,935.20 |
| Tenant 4 | 8 October 2023 to 7 October 2026 | Workshop: 9,289 | S$19,506.90 |

10. Our valuation has been made on the Income Approach as the primary valuation method, with the Market Approach applied as a cross-check.

**Income Approach**

The Income Capitalisation Method involves the valuer estimating the rental income that the Property can derive. Vacancy allowance, property tax payable and operating expenses such as annual JTC land and water frontage rents, and outgoings for repairs maintenance and insurance are deducted from the rental income to determine the net annual rental. The net annual rental is then capitalised over the remaining lease using an appropriate capitalisation rate to arrive at the Market Value of the Property.

Rental income attributable to the workers' dormitory has been considered only up to the expiry of the temporary permission. Upon its expiry on 3 June 2029, the premises are assumed to be used for industrial or warehouse purposes, with rental income assessed on this basis for the remainder of the property lease.

In deriving the net annual rental, we have considered the actual annual JTC land and water frontage rents and property tax payable, together with appropriate assumptions for vacancy allowance and outgoings, which have been deducted from the gross annual rent.

Based on our market research and experience, the capitalisation rate ranged from 8.0% to 10.0%. Considering the remaining tenure of 9 years 11 months, location, risks and characteristics of the Property, we have applied a capitalisation rate of 8.5% in the valuation.

**Market Approach**

Market Approach involves the analysis of recent market evidence of similar properties to compare with the Property under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the Property and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the Property. This is done by making percentage adjustments to the unit rate for various factors, such as size, time, tenure, location and so on.

In arriving at our valuation, we have identified and analysed relevant sales evidence within the locality comprising properties with similar characteristic to the Property. The adopted comparables are JTC-lease shipyards in the vicinity transacted in the years of 2022 and 2026.

The unit rates of the adopted comparables range from S$42.22 to S$73.12 per square foot ("psf") on the basis of GFA. We have taken into consideration the prevailing market conditions and have made due adjustments for differences between the Property and the comparables in terms of size, dates of transactions, tenure, location and provision to workers' dormitory, concreted yard and shipyard facilities.

After making the due adjustments, the adjusted unit rates of the comparables range from S$88.75 to S$100.19 psf on the basis of GFA.

11. In conclusion, our valuation has been derived using the Income Approach. We are of the opinion that the Market Value of the Property is S$8,400,000 (Singapore Dollars Eight Million And Four Hundred Thousand Only). This translates to approximately S$92.93 psf of GFA, which falls within the adjusted unit rate range of S$88.75 to S$100.19 psf of GFA derived from comparable properties under the Market Approach.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of our Company and of certain aspects of the Cayman Companies Act.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2026 under the Cayman Companies Act. Our Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

## 1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of members of our Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Cayman Companies Act and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Islands.

(b) Our Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

## 2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [Date] with effect from the **[REDACTED]**. The following is a summary of certain provisions of the Articles:

### (a) Shares

#### *(i) Classes of shares*

The share capital of our Company consists of ordinary shares.

#### *(ii) Variation of rights of existing shares or classes of shares*

Subject to the Cayman Companies Act, if at any time the share capital of our Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the voting rights of the holders of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding (or, in the case of a member being a corporation, by its duly authorised representative) or representing by proxy holding not less than one-third of the issued shares (excluding treasury shares) of that class and at any adjourned meeting two holders present in person (or, in the case of a member being a

corporation, by its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

***(iii) Alteration of capital***

Our Company may by ordinary resolution of its members:

(aa) increase its share capital by the creation of new shares;

(bb) consolidate or divide all or any of its capital into shares of larger or smaller amount than its existing shares;

(cc) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as the directors may determine;

(dd) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum;

(ee) cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled;

(ff) make provision for the issue and allotment of shares which do not carry any voting rights;

(gg) change the currency of denomination of its share capital; and

(hh) reduce its share premium account in any manner authorised, and subject to any conditions prescribed by law.

Our Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

***(iv) Transfer of shares***

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve provided always that it shall be in such a form prescribed by the Hong Kong Stock Exchange and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Hong Kong Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Hong Kong Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept in Hong Kong by recording the particulars required by Section 40 of the Cayman Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Hong Kong Stock Exchange that are or shall be applicable to such listed shares. With effect from the day on which the shares become participating securities (and for so long as they are prescribed securities and not in the process of delisting): (aa) certificated shares may be transferred by an instrument of transfer that complies with the Articles and the USM Rules; and (bb) uncertificated shares may be transferred electronically by means of a specified request from the transferor and transferee that complies with the USM Rules, save that an instrument of transfer may be used if the Directors are satisfied that it is not reasonably practicable to transfer them by means of a specified request. A reasonable fee (not exceeding any applicable limits prescribed under the ASR Code) may be charged by our Company's ASR for registering any instrument of transfer, specified request or other document relating to or affecting the title to any share.

Subject to the above, the instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee or accept mechanically executed transfers for certificated shares. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register. For so long as the shares are participating securities, the Board may refuse to remove any share from the principal register to the Hong Kong branch register on any of the grounds on which it may refuse to register a transfer or transmission of participating securities.

The Board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Hong Kong Stock Exchange may determine to be payable, provided that such fee shall not exceed any applicable limits prescribed under the ASR Code) determined by the Directors is paid to our Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do), and the shares concerned are free of any lien in favour of the Company. The Directors may also refuse to register a transfer: (aa) in the case of certificated shares, if a specified request is sent in place of an instrument of transfer, or (for so long as the shares are participating securities) if a dematerialization request in respect of the shares is not received or is refused under the USM Rules; (bb) in the case of

uncertificated shares, if the specified request is not sent in accordance with the operating rules of our Company's ASR, if an instrument of transfer is lodged (save where permitted by the Articles), or if the dematerialization fee for a dematerialization initiated by our Company remains unpaid; and (cc) in either case, if the transferor, transferee or transmittee is not a system-member of the UNSRT system operated by our Company's ASR, or on any other ground provided under the USM Rules. Where the Directors refuse to register a transfer of prescribed securities, a notice of refusal must be sent to the transferor and transferee within such period as indicated in the ASR Code.

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Hong Kong Stock Exchange, at such times and for such periods as the Board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year as the Board may determine. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by members by ordinary resolution. For so long as the shares are participating securities, the closure of the register and the suspension of registration of transfers are subject to the USM Rules.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of our Company.

***(v) Power of our Company to purchase its own shares***

Our Company is empowered by the Cayman Companies Act and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by the Hong Kong Stock Exchange and/or any competent regulatory authority.

Where our Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by our Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The Board may accept the surrender for no consideration of any fully paid share.

Subject to the Companies Act, the Listing Rules and/or the rules of any competent regulatory authority, the Company is further authorised to hold any repurchased, redeemed or surrendered shares as treasury shares without the need for a separate resolution of the Board for each instance.

***(vi) Power of any subsidiary of our Company to own shares in our Company***

There are no provisions in the Articles relating to ownership of shares in our Company by a subsidiary.

*(vii) Calls on shares and forfeiture of shares*

The Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time. A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced our Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the forfeited shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

*(viii) Register of members, share certificates and uncertificated shares*

For so long as the shares are prescribed securities, our Company will appoint and maintain an ASR to keep its Hong Kong branch register in accordance with the SFO, the USM Rules, the ASR Code and the Listing Rules, and shares issued in or converted into uncertificated form will be recorded in it as such. With effect from the day on which the shares become participating securities: (aa) certificated shares — certificates issued before that day and not cancelled remain valid, but no new or replacement certificates will be issued; holders may dematerialize their shares in accordance with the USM Rules (a reasonable fee, not exceeding the ASR Code limits, may be charged by the ASR), and shares covered by a lost, defaced, damaged or destroyed certificate may be dematerialized only after

compliance with such conditions as to evidence, indemnity and payment of a reasonable fee as the Directors decide; and (bb) uncertificated shares — all shares issued on or after that day will be issued in uncertificated form; such shares may be rematerialized in accordance with the USM Rules, in which case our Company will issue the required certificates free of charge.

**(b) Directors**

***(i) Appointment, retirement and removal***

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re- election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed to fill a casual vacancy shall hold office only until the first annual general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the first annual general meeting of our Company after his appointment and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of our Company's members before the expiration of his term of office (including a managing director or other executive director, but without prejudice to any claim for damages under any contract) and members of our Company may by ordinary resolution appoint another person in his stead. Unless otherwise determined by our Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or

(bb) he dies or is declared to be of unsound mind pursuant to an order made by any competent court or official and the Board resolves that his office be vacated; or

(cc) without special leave, he is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated; or

(dd) he is prohibited by law from acting as a director or he ceases to be a director by operation of law; or

(ee) he has been validly required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(ff) by notice in writing delivered to our Company at its registered office or at the Head Office (as defined in the Articles) or tendered at a meeting of the Board he resigns his office; or

(gg) he is removed from office by an ordinary resolution of the Company or otherwise pursuant to the Articles; or

(hh) he is removed from office by notice in writing served on him signed by not less than three-fourths in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

The Board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office in the management of the business of our Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

***(ii) Power to allot and issue shares and warrants***

Subject to the provisions of the Cayman Companies Act, the rules of the Hong Kong Stock Exchange and the Memorandum and Articles and to any special rights conferred on the holders of any shares or attaching to any class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of our Company or the holder thereof, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of our Company on such terms as it may determine.

Subject to the provisions of the Cayman Companies Act and the Articles and, where applicable, the rules of the Hong Kong Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares and other securities in our Company are at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither our Company nor the Board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares or other securities, to make, or make available, any such allotment, offer, option or shares or other securities to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

***(iii) Power to dispose of the assets of our Company or any of its subsidiaries***

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Cayman Companies Act to be exercised or done by our Company in general meeting.

***(iv) Borrowing powers***

The Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of our Company and, subject to the Cayman Companies Act, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

***(v) Remuneration***

The ordinary remuneration of the Directors is to be determined by our Company in a general meeting or by the Board, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any Board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of our Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive director or a director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or personal pension plans for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of our Company, or of any company which is a subsidiary of our Company, or is allied or associated with our Company or with any such subsidiary company, or who are or were at any time directors or officers of our Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the spouses, widows, widowers, families and dependants of any such persons.

The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of our Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or employment.

Our Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its share premium account and capital redemption reserve fund, subject to the Cayman Companies Act) and to appropriate such sums to the holders of shares on the principal register and any branch register of members of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividends, distributions in specie or in kind, capital distributions and capitalisation issues and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. To the extent necessary, the Directors may make

arrangements to calculate a member's rights separately in respect of shares held in certificated form and shares held in uncertificated form where it is impracticable to do otherwise.

***(vi) Compensation or payments for loss of office***

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director or past Director is contractually or statutorily entitled) must be approved by our Company in general meeting.

***(vii) Loans and provision of security for loans to Directors***

Our Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance as if our Company were a company incorporated in Hong Kong.

***(viii) Disclosure of interests in contracts with our Company or any of its subsidiaries***

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with our Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is materially, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company must declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of our Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any proposal or contract or arrangement concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates to the Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

**(c) Proceedings of the Board**

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

**(d) Alterations to constitutional documents and our Company's name**

The Articles may be rescinded, altered or amended by our Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of our Company.

**(e) Meetings of members**

***(i) Special and ordinary resolutions***

A special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Cayman Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

***(ii) Voting rights and right to demand a poll***

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may pursuant to the rules of the Hong Kong Stock Exchange, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or, in the case of a member being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such

proxy shall have one vote on a show of hands. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

Any corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of any class of members.

The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual shareholder and such corporation shall for the purposes of the Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

If a recognised clearing house (or its nominee(s)) is a member of our Company it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any meeting of our Company or at any meeting of any class of members of our Company (including but not limited to any general meeting or creditors meeting) provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of our Company held by that clearing house (or its nominee(s)) including, the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

Members must have the right to: (a) speak at general meetings of our Company; and (b) vote at a general meeting except whether a member is required, by the rules of the Hong Kong Stock Exchange, to abstain from voting to approve the matter under consideration.

Where our Company has any knowledge that any member is, under the rules of the Hong Kong Stock Exchange, required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Our Company shall be entered in the register of members of our Company as the holder of the treasury shares. However:

(aa) our Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void; and

(bb) a treasury share shall not be voted, directly or indirectly, at any meeting of our Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles or the Companies Act.

*(iii) Annual general meetings and extraordinary general meetings*

Other than the year of our Company's adoption of the Articles, in each financial year during the Relevant Period (as defined in the Articles), our Company shall hold a general meeting as its annual general meeting within six months after the end of each financial year in addition to any other meeting in that financial year and shall specify the meeting as such in the notice calling it.

Extraordinary general meetings may be convened on the requisition of one or more member(s) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of our Company having the right of voting at general meetings, on a one vote per share basis in the share capital of our Company (excluding treasury shares) and the foregoing members shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by our Company.

Notwithstanding any provisions in the Articles, any general meeting or any class meeting may be held physically, as a hybrid meeting (partially physical and partially electronic) or wholly by electronic means using such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting. Unless otherwise determined by the Directors, the manner of convening and the proceedings at a general meeting set out in the Articles shall apply, *mutatis mutandis*, to hybrid or wholly electronic meetings. In the event of any technical difficulties, disruptions, or procedural issues arising during a hybrid or electronic meeting, including but not limited to connectivity problems, platform malfunctions, or disputes regarding the conduct of the meeting, the chairman of the meeting shall have the authority to make any rulings or decisions necessary to address such issues. Any ruling, determination, or decision made by the chairman of the meeting under the scope of this provision shall be final, conclusive, and binding on the Company and all Members.

*(iv) Notices of meetings and business to be conducted*

An annual general meeting must be called by written notice of not less than twenty-one (21) days. All other general meetings must be called by written notice of at least fourteen (14) days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time of the meeting, the physical location (if applicable), and in the case of a hybrid or electronic meeting, the electronic platform or means by which Members may attend and participate. For hybrid or electronic meetings, the notice shall either include instructions for accessing and participating in the

meeting or specify where or how such instructions will be provided to the Members. The notice shall also specify particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of our Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from our Company, and also to, among others, the auditors for the time being of our Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of our Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Hong Kong Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Hong Kong Stock Exchange, notice may also be served or delivered by our Company to any member by electronic means to such contact details or websites as may from time to time be supplied by the shareholder concerned or by publishing it on the website of the Company and the Hong Kong Stock Exchange. Subject to any limitations imposed by our Company's ASR, anything sent or supplied by our Company to any holder or transferee of shares, and anything sent or supplied by any such holder or transferee to our Company, may be sent or supplied by means of an authenticated message, and the provisions of the USM Rules relating to the effect of an authenticated message apply accordingly.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors whether by rotation or otherwise in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of, or determining the method of fixing of the remuneration of the directors and of the auditors;

(ff) the granting of any mandate or authority to the Board to offer, allot, grant options over, or otherwise dispose of the unissued shares representing not more than 20% (or such other percentage as may from time to time be specified in the rules of the Hong Kong Stock Exchange) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to paragraph (gg) below; and

(gg) the granting of any mandate or authority to the Board to repurchase securities of the Company.

***(v) Quorum for meetings and separate class meetings***

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business and continues to be present until the conclusion of the meeting, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding (or, in the case of a member being a corporation, by its duly authorised representative) or representing by proxy not less than one-third of the issued shares of that class.

***(vi) Proxies***

Any member of our Company entitled to attend and vote at a meeting of our Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. Subject to any limitations imposed by our Company's ASR, an instrument appointing a proxy, and a notice revoking such appointment, may be sent by means of an authenticated message. A notice revoking the appointment of a proxy only takes effect if received at least 48 hours before the time for holding the meeting or adjourned meeting (or, for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll). In addition, every member being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of our Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer and such proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. On a poll or a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

**(f) Accounts and audit**

The Board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the assets and liabilities of our Company and of all other matters required by the Cayman Companies Act or necessary to give a true and fair view of the state of our Company's affairs and to show and explain its transactions.

The accounting records must be kept at the Head Office or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) or other person shall have any right to inspect any accounting record or book or document of our Company except as conferred by law or ordered by a court of competent jurisdiction or authorised by the Board or our Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (Revised) of the Cayman Islands.

A copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account which is to be laid before our Company at its annual general meeting, together with a copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent by post or by electronic means to every person entitled to receive notices of general meetings of our Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Hong Kong Stock Exchange, our Company may send to the shareholders summarised financial statements derived from our Company's annual accounts and the directors' report provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarised financial statements, a complete copy of our Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall by ordinary resolution appoint an auditor to audit the accounts of our Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by ordinary resolution remove the auditors at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditor shall be fixed by an ordinary resolution passed at a general meeting or in such manner as members may by ordinary resolution determine.

The financial statements of our Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Hong Kong Stock Exchange.

**(g) Dividends and other methods of distribution**

Our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

The Articles provide dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Our Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Subject to the Articles relating to participating securities and shares issued in certificated form, any dividend, interest or other sum payable in cash to the holder of such shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of our Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder to whom it is sent to, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company in respect of the dividend and/or other moneys represented thereby. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders. For the avoidance of doubt, any dividend, interest, or other sum payable in cash may also be paid by electronic funds transfer on such terms and conditions as the Board may determine.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

**(h) Inspection of corporate records**

Pursuant to the Articles, the register and branch register of members maintained in Hong Kong shall be open to inspection during business hours by any member of our Company without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Cayman Companies Act or, upon a maximum payment of HK$1.00 or such lesser sum specified by the Board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles. In respect of the Hong Kong branch register, this is subject to the USM Rules, and for so long as the shares are prescribed securities, a person may, in accordance with the USM Rules, inspect, make copies of, and request to be provided with copies of, entries in the Hong Kong branch register.

**(i) Rights of minorities in relation to fraud or oppression**

There are no provisions in the Articles relating to rights of minority members in relation to fraud or oppression. However, certain remedies are available to members of our Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix IV.

**(j) Procedures on liquidation**

Unless otherwise provided by the Cayman Companies Act, our Company may at any time and from time to time be wound up voluntarily by a special resolution. If our Company shall be wound up the liquidator shall apply the assets of our Company in such manner and order as he thinks fit in satisfaction of creditors' claims.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if our Company is wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess after payment to all creditors shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if our Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If our Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Companies Act divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and members within each class. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no member shall be compelled to accept any shares or other property in respect of which there is a liability.

**(k) Subscription rights reserve**

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Cayman Companies Act, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants. Any certificate issued to an exercising warrant holder evidencing the right to the allotment of such additional shares is subject to the applicable provisions of the USM regime.

**(l) Overarching effect of the USM regime**

Our Company shall comply with all applicable provisions of the USM regime to facilitate the holding, transfer and registration of its shares or other prescribed securities in uncertificated form through electronic means, and the provisions of the Articles relating to the issue, holding or transfer of securities or share certificates shall be interpreted accordingly. To the extent permitted by Cayman Islands law, where any provision of the Articles conflicts or is inconsistent with the USM regime, the USM regime will prevail to the extent of the conflict, and where the Articles are silent on any matter provided for under the USM regime, that matter will be regarded as required or permitted (as the case may be) under the Articles. The USM regime includes the SFO, the USM Rules, the Securities and Futures (Approved Securities Registrars) Rules, the ASR Code, the Listing Rules, the General Rules of HKSCC and HKSCC Operational Procedures, and the operating rules of our Company's ASR.

## 3. CAYMAN ISLANDS COMPANIES ACT

Our Company is incorporated in the Cayman Islands subject to the Cayman Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of the Cayman Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar (for the avoidance of doubt, special resolution used in the summary below shall have the meaning as set out in the Cayman Companies Act):

### a. Company operations

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. An exempted company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

### b. Share capital

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Cayman Companies Act provides that the share premium account may be applied by a company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Act provides that a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, reduce its share capital in any way (a) by special resolution and confirmation by the Grand Court of the Cayman Islands; or (b) by special resolution supported by a solvency statement of all the directors of the company in accordance with Section 14A of the Cayman Companies Act.

**c. Financial assistance to purchase shares of a company or its holding company**

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding or a subsidiary's company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

**d. Purchase of shares and warrants by a company and its subsidiaries**

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Cayman Companies Act expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

**e. Dividends and distributions**

The Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of a company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of a company's assets (including any distribution of assets to members on a winding up) may be made to a company, in respect of a treasury share.

**f. Protection of minorities and shareholders' suits**

The Court ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of a company to challenge (a) an act which is ultra vires or illegal, (b) an act which constitutes a fraud against the minority shareholder and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by a company's memorandum and articles of association.

**g. Disposal of assets**

The Cayman Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**h. Accounting and auditing requirements**

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (Revised) of the Cayman Islands.

**i. Exchange control**

There are no exchange control regulations or currency restrictions in the Cayman Islands.

**j. Taxation**

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

**k. Stamp duty on transfers**

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

**l. Loans to directors**

There is no express provision in the Cayman Companies Act prohibiting the making of loans by a company to any of its directors.

**m. Inspection of corporate records**

Members of a company have no general right under the Cayman Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's Articles.

**n. Register of members**

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Cayman Companies Act required or permitted to be kept. A company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (Revised) of the Cayman Islands.

**o. Register of Directors and Officers**

A company is required to maintain at its registered office a register of directors and officers which is not available on display. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

**p. Beneficial Ownership Register**

An exempted company is required to identify its beneficial owners and provide details of these beneficial owners to its corporate service provider (the "**CSP**") which maintain its beneficial ownership register in the Cayman Islands. A beneficial owner is defined as an individual who (a) ultimately owns or controls, whether through director or indirect ownership or control 25% or more of the shares, voting rights, or partnership interests in the company, (b) otherwise exercises ultimate effective control over the management of the company, or (c) is identified as exercising control of the company through other means. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands although the Cayman Islands government may introduce regulations to allow for public access in the future. An exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange, may provide its registered office provider with details of its listed status as an alternative compliance route instead of providing details of its beneficial owners. Accordingly, as long as the shares of the Company remain **[REDACTED]** on the Stock Exchange, the Company may opt for this alternative compliance route rather than maintain a beneficial ownership register.

### q. Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily by its members, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it shall be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the Court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

### r. Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing seventy-five per cent (75%) in value of creditors or class of creditors, as the case may be, or (ii) seventy-five per cent (75%) in value of shareholders or class of shareholders, as the case may be, in each case as are present and voting either in person or

by proxy at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

The Cayman Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Cayman Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Cayman Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.

**s. Take-overs**

Where an offer is made by a company for the shares of another company and the holders of not less than ninety per cent. (90%) in value of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the approval by the said holders, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

**t. Indemnification**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

**u. Economic Substance Requirements**

Pursuant to the International Tax Cooperation (Economic Substance) Act (Revised) of the Cayman Islands ("**ES Act**") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Act. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is our Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as our Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

## 4. GENERAL

Ogier, our Company's legal counsel as to Cayman Islands law, have sent to our Company a letter of advice summarising certain aspects of Cayman Companies Act. This letter, together with a copy of the Cayman Companies Act, is available on display as referred to in the sub-section headed "Documents delivered to the Registrar of Companies and available for display — 2. Documents available on display" in Appendix VI to this document. Any person wishing to have a detailed summary of Cayman Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

## A. FURTHER INFORMATION ABOUT OUR GROUP

### 1. Incorporation of our Company

Our Company was incorporated in Cayman Islands under the Companies Law as an exempted company with limited liability on 2 January 2026. Our principal place of business in Singapore is at 182 Pandan Loop, Singapore 128373. Our registered office is at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. We have been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 9 February 2026 and have established a principal place of business in Hong Kong at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong. In compliance with the requirements of the Companies Ordinance, Mr. Kwok Pak Shing, our company secretary, has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, our operations are subject to the Memorandum and the Articles and Articles of Association and the Cayman Islands companies law. A summary certain provisions of the Memorandum of Association and the Articles of Association and certain aspects of the Cayman Islands company law is set out in Appendix IV to this document.

### 2. Changes in the share capital of our Company

As at the date of incorporation of our Company, our authorised share capital of US$50,000 divided into 5,000,000,000 ordinary shares with an initial par value of US$0.00001 each.

There has been no alteration in our share capital within two years immediately preceding the date of this document.

### 3. Changes in the share capital of the subsidiary of our Company

A summary of the corporate information and particulars of our subsidiaries are set out in Notes 1 and 2 to the Accountants' Report set out in Appendix I to this document.

The following set out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document. Save as disclosed, there has been no changes in the share capital of our subsidiaries within two years immediately preceding the date of this document.

***Pinnacle Marine***

On 28 September 2016, the registered share capital of Pinnacle Marine increased from S$2.0 to S$200,002.0.

On 25 February 2023, the registered share capital of Pinnacle Marine increased from S$200,002.0 to S$5,200,002.0.

***Prestige Ocean***

On 20 November 2015, the registered share capital of Prestige Ocean increased from S$2.0 to S$100,002.0.

On 3 July 2018, the registered share capital of Prestige Ocean increased from S$100,002.0 to S$1,500,002.0.

On 4 June 2021, the registered share capital of Prestige Ocean increased from S$1,500,002.0 to S$2,500,002.0.

***Primus Shipping***

On 13 July 2025, the registered share capital of Primus Shipping increased from S$5.0 to S$200,005.0.

Save as disclosed above and in the paragraph headed "History, Reorganisation and Corporate Structure — Our Major Subsidiaries" in this document, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

## 4. Corporate Reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the **[REDACTED]** of our Shares on the Stock Exchange. Please refer to the section headed "History, Reorganisation and Corporate Structure" in this document for further details.

## 5. Resolution of our Shareholders

Pursuant to the written resolutions our Shareholders passed on [●], among other things:

(a) the Memorandum and the Articles were conditionally approved and adopted to take effect form the **[REDACTED]**;

(b) conditional on (1) the Listing Committee granting the **[REDACTED]** of, and **[REDACTED]**, the Shares in issue and to be issued as mentioned in this document: and (2) the obligations of the **[REDACTED]** under the **[REDACTED]** becoming unconditional and the **[REDACTED]** not being terminated in accordance with the terms therein or otherwise:

(i) the **[REDACTED]** and the **[REDACTED]** were approved and our Directors were authorised to effect the same, and to allot and issue the **[REDACTED]** pursuant to the **[REDACTED]** and the **[REDACTED]**;

(ii) the **[REDACTED]** was approved and conditional further in the share premium account of our Company being credited with the **[REDACTED]** obtained from the **[REDACTED]**, our Directors were authorised to **[REDACTED]** an amount of US$**[REDACTED]** standing to the credit of the share premium account of our Company and to appropriate such amount as **[REDACTED]** to pay up in full at

par **[REDACTED]** Shares for allotment and issuance to our Shareholder whose name appears on the register of members of our Company at close of business on **[REDACTED]**, each ranking pari passu in all respects with the existing issued Shares ,and our Directors were authorised give effect to such **[REDACTED]**; and

(iii) the proposed **[REDACTED]** was approved and our Directors were authorised to implement such **[REDACTED]**;

(c) a general unconditional mandate was granted to our Directors to allot, issue and deal with Shares, and to make or grant offers, agreements, or options which might require such Shares to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed 20% of the aggregate nominal value of the share capital of our Company in issue (excluding any treasury shares) immediately following completion of the **[REDACTED]** and the **[REDACTED]** (excluding Shares which may be allotted and issued upon the exercise of the **[REDACTED]**).

This mandate does not cover Shares to be allotted, issued or dealt with under a right issue or scrip dividend scheme or similar arrangements, or a specific authority granted by our Shareholders or upon the exercise of the **[REDACTED]**. This general mandate to issue Shares will remain in effect until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under the applicable laws or the Articles of Association; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting of our Company;

whichever is the earliest;

(d) a general unconditional mandate was granted to our Directors to exercise all powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of the share capital of our Company in issue (excluding any treasury shares) immediately following completion of the **[REDACTED]** and the **[REDACTED]** (excluding Shares which may be allotted and issued upon the exercise of the **[REDACTED]**).

This mandate only relates to repurchase made on the Stock Exchange or on any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose) and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules. This general mandate to repurchase Shares will remain in effect until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under the applicable laws or the Articles of Association; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting of our Company;

whichever is the earliest; and

(e) the general unconditional mandate as mentioned in paragraph (c) above would be extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominate value of the Shares purchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above (up to 10% of the aggregate nominal value of the Shares in issue (excluding any treasure shares) immediately following completion of the **[REDACTED]** and the **[REDACTED]**, excluding any Shares which may fall to be allotted and issued pursuant to the exercise of the **[REDACTED]**).

## 6. Repurchase of our own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

### *(a) Provisions of the Listing Rules*

The Listing Rules permit a company with a primary listing on the Stock Exchange to repurchase its securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

*(i) Shareholders' approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution by shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

*(ii) Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the constitutive documents of a listed company, the laws of the jurisdiction in which the listed company is incorporated or otherwise established. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Subject to the foregoing, any repurchases by a listed company may be made out of the funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the repurchase. Any amount of premium payable on the

purchase over the par value of the shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of our share premium account.

*(iii) Trading restrictions*

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue (excluding treasury shares).

A company may not make a new issue, sell or transfer treasury shares, or announce a proposed new issue of shares for a period of 30 days after any repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the listed company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. Such restriction does not apply to (i) a new issue of Shares, or a sale or transfer of treasury shares under capitalisation issue; (ii) a grant of share awards or options under a share scheme that complies with Chapter 17 of the Listing Rules or a new issue of Shares or a transfer of treasury shares upon vesting or exercise of shares awards or options under the share scheme that complies with Chapter 17 of the Listing Rules; and (iii) a new issue of Shares or a transfer of treasury shares pursuant to the exercise of warrants, share options or similar instruments requiring our Company to issue Shares or transfer treasury shares, which were outstanding prior to the purchase of its own Shares.

In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

A listed company may not make any repurchase of shares after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period

(whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances.

*(iv) Status of repurchased securities*

Our Company may cancel any repurchased Shares (upon which the certificates for such shares must be cancelled and destroyed) and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances. Shareholders and potential investors should pay attention to any announcement to be published by us in the future, including but without limitation, any next day disclosure return (which shall identify, amongst others, the number of repurchased Shares that are to be held as treasury shares or cancelled upon settlement of such repurchases).

The **[REDACTED]** status of all Shares which are held as treasury shares will be retained. Our Company will ensure that treasury shares are appropriately identified and segregated. For any treasury shares deposited with CCASS pending resale on the Stock Exchange, our Company will ensure that it would not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the relevant laws if those shares were registered in our Company's own name as treasury shares by, including but not limited to, obtaining an approval by the board of our Company that (i) our Company should procure its broker not to give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS; and (ii) in the case of dividends or distributions, our Company should withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions. The **[REDACTED]** status of all Shares which are **[REDACTED]** by our Company (whether on the Stock Exchange or otherwise) but not held as treasury shares shall be automatically cancelled upon repurchase. Our Company shall ensure that the documents of title of these repurchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

*(v) Reporting requirements*

Certain information relating to repurchases of shares on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day on which the listed company makes a purchase of its shares. The report must state the total number of shares purchased by the listed company the previous day, the purchase price per share or the highest and lowest prices paid for such purchases, whether the repurchased shares are held as treasury shares. In addition, a listed company's annual report is required to disclose details regarding repurchases of shares made during the year, including the number of shares repurchased each month (whether on the Stock Exchange or otherwise), the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, the aggregate price paid, whether the repurchased shares are held as treasury shares.

*(vi) Core connected persons*

A listed company is prohibited from knowingly repurchasing its shares from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling its shares to the company

***(b) Reasons for repurchases***

Our Directors believe that it is in the best interest of us and our Shareholders for our Directors to have general authority from the Shareholders to enable us to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit us and our Shareholders.

***(c) Funding of repurchases***

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Memorandum of Association and Articles of Association, the Companies Act or other applicable laws of Cayman Islands and the Listing Rules.

On the basis of our current financial condition as disclosed in this document and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or our gearing position as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

***(d) General***

Exercise in full of the Repurchase Mandate, on the basis of **[REDACTED]** Shares in issue after completion of the **[REDACTED]** and the **[REDACTED]** (without taking into account of the Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]**), could accordingly result in up to approximately **[REDACTED]** Shares being repurchased by us during the period prior to: (i) the conclusion of our next annual general meeting; (ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles of Association to be held; or (iii) the date on which the repurchase mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting; whichever is the earliest.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently intends to sell any Shares to us or our subsidiaries. Our Directors have undertaken with the Stock

Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association, the Companies Act or any other applicable laws of the Cayman Islands.

If, as a result of a repurchase of our Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in our voting rights is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

No core connected person, as defined in the Listing Rules, has notified us that he/she or it has a present intention to sell his/her or its Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

## B. FURTHER INFORMATION ABOUT OUR BUSINESS

### 1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this document and are or may be material:

(a) the **[REDACTED]**; and

(b) Deed of Indemnity

### 2. Intellectual property rights

#### *(a) Trademarks*

As at the Latest Practicable Date, our Group had registered the following trademarks:

| Trademark | Class | Registered owner | Place of registration | Registration/ Trademark number | Date of registration | Expiry date |
|---|---|---|---|---|---|---|
| PINNACLE MARINE | 07, 09, 12, 37, 39 | Pinnacle Marine | Singapore | 40202251250B | 28 June 2022 | 28 June 2032 |
| PINNACLE MARINE<br>PINNACLE MARINE | 07, 09, 12, 37, 39 | Pinnacle Marine | Hong Kong | 306962347 | 15 July 2025 | 15 July 2035 |

*(b) Domain name*

As at the Latest Practicable Date, our Group had registered the following domain name:

| Domain name | Registered owner | Date of registration | Expiry date |
|---|---|---|---|
| pinnaclemarine.sg | Pinnacle Marine | 12 May 2021 | 29 July 2027 |

Information contained in the above websites does not form part of this document.

Save as disclosed herein, there are no other trade or service marks, patents, copyrights, other intellectual or industrial property rights which are or may be material to the business of our Group. As at the Latest Practicable Date, we had not engaged in, and were not aware of, any litigation or legal proceedings for the violation of intellectual property rights or any material violation.

## C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 1. Disclosure of interests

*(a) Interests of our Directors*

Immediately following completion of the **[REDACTED]** and the **[REDACTED]** (without taking into account any Shares which may be issued or allotted upon any exercise of the **[REDACTED]**), the interests or short positions of our Directors or chief executives in our Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required under section 352 of the SFO, to be entered in the registered referred to in that section, or which will be required, under the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix C3 to the Listing Rules ("**Model Code**") to be notified to us, once our Shares are **[REDACTED]** will be as follows:

*(i) Long position in the Shares*

| Name of Director | Position | Nature of Interest | Number and class of Shares | Approximate % of shareholding in the total issued Shares as at the Latest Practicable Date and immediately prior to the [REDACTED] | Approximate % of shareholding in the total issued Shares immediately after the [REDACTED] and the [REDACTED][(2)] |
|---|---|---|---|---|---|
| Mr. CHUA TK | Chairman of the Board and executive Director | Interest in controlled corporation[(1)] | ordinary Shares | 72.0% | **[REDACTED]** |
| Mr. LIM Chin Pei | Chief executive officer and executive Director | Beneficial owner | ordinary Shares | 4.6% | **[REDACTED]** |

*Note:*

(1) As at the Latest Practicable Date and immediately upon the **[REDACTED]**, Prompt Venture is the beneficial owner of 156,001 and **[REDACTED]** Shares, representing 72.0% and **[REDACTED]** of the total issued Shares as at the relevant dates respectively. Prompt Venture is held as to 87.22% by Mr. Chua TK and Mr. Chua TK is accordingly deemed to be interested in all the Shares held by Prompt Venture under the SFO.

***(b) Interests of our substantial Shareholders***

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors or chief executives are not aware of any other person, not being a Director or chief executive of our Company, who has interests or short positions in our Shares or underlying Shares, which following the completion of the **[REDACTED]** and the **[REDACTED]**, would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company.

**2. Directors' service contracts and letters of appointment**

***(a) Executive Directors***

Each of Mr. Chua TK and Mr. Lim CP, being our executive Directors, has entered into a service contract with our Company. Each service contract is for an initial term of three years commencing from the **[REDACTED]**. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations (subject to termination in certain circumstances as stipulated in the relevant service agreement).

***(b) Non-executive Directors and Independent non-executive Directors***

Each of Ms. Ayako Yamada, Mr. Kong Kian Siong and Capt. Wong Kar Weng, being our independent non-executive Directors, has entered into a letter of appointment with our Company. Each letter of appointment is for an initial term of three years commencing from the **[REDACTED]**. The letters of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations, (subject to termination in certain circumstances as stipulated in the relevant letter of appointment) and renewable automatically for successive term of three (3) years each commencing from the next day after the expiry of the then current term of the appointment.

**3. Directors' Remuneration**

The aggregate remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances, benefits-in-kind, discretionary bonuses and share-based payment) of our Directors for the years ended 31 December 2023, 31 December 2024 and 31 December 2025 were S$367,000, S$419,000 and S$486,000, respectively.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this document.

Save as disclosed, no other payments have been made or are payable in respect of the years ended 31 December 2023, 31 December 2024, 31 December 2025 and the five months ended 31 May 2026 by any member of our Group to any of our Directors.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining the Company. No compensation was paid by the Company to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group.

**4. Directors' competing interests**

None of our Directors are interested in any business apart from our Group's business which competes or may compete, directly or indirectly, with the business of our Group.

**5. Disclaimers**

(a) [None of our Directors or any of the experts referred to under paragraph headed " — D. Other Information — 4. Qualification of Experts'' in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.]

(b) [None of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole.]

(c) None of our Directors and their close associates, and so far as is known to our Directors, none of the Shareholders who are interested in more than 5% of the number of issued shares of our Company, has any interest in our Company's five largest customers or five largest suppliers.

(d) None of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

## D. OTHER INFORMATION

### 1. Tax and other indemnities

The Controlling Shareholders (collectively, the "**Indemnifiers**") [have], under the Deed of Indemnity, given joint and several indemnities to our Company (for ourselves and as trustee for and on behalf of our subsidiaries) in connection with, among other things:

(a) any taxation (including estate duty) falling on any member of our Group resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into (or deemed to be so earned, accrued, received or entered into) or occurring on or before the date on which the **[REDACTED]** becomes unconditional; and

(b) all costs which any member of our Group may incur, suffer or accrue, directly or indirectly, resulting from or relating to or in consequence of or on the basis of or in connection with (i) the Reorganisation; (ii) any pending or potential litigations incurred and suffered by the members of our Group resulting from, relating to, or in consequence of, any event occurring or deemed to occur on or before the date on which the **[REDACTED]** becomes unconditional; and (iii) any possible alleged or actual breach, violation or non-compliance by any member of our Group with any law, regulation or administrative order or measure in Hong Kong, Singapore or any other equivalent jurisdictions on or before the date on which the **[REDACTED]** becomes unconditional, if any.

The Indemnifiers will, however, not be liable under the Deed of Indemnity, in relation to items (a) and (b) above, to the extent that, among others:

- provision has been made for such liability in the audited consolidated accounts of our Company or any member of our Group for the Track Record Period;
- the taxation liability arises or is incurred as a consequence of any retrospective change in the law or regulations or a retrospective increase in tax rates coming into force after the date on which the **[REDACTED]** becomes unconditional; or
- the taxation liability arises by the act or omission of, or transaction voluntarily effected by any member of our Group in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the date on which the **[REDACTED]** becomes unconditional.

### 2. Litigation

As at the Latest Practicable Date, save as disclosed in this document, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

## 3. Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.19 of the Listing Rules. The Sole Sponsor has made an **[REDACTED]** on our behalf to the Stock Exchange for **[REDACTED]** of, and **[REDACTED]**, our Shares in issue and to be issued pursuant to the **[REDACTED]** (including any Shares that may be issued pursuant to the **[REDACTED]**). All necessary arrangements have been made to enable our Shares to be admitted into **[REDACTED]**.

The Sole Sponsor will receive a fee of HK$**[REDACTED]** for acting as the sponsor for the **[REDACTED]**.

## 4. Qualification of experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in, or referred to in, this document (the "**Experts**") are set out below:

| Name | Qualification |
|---|---|
| Alliance Capital Partners Limited | Licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO |
| RSM Hong Kong | Certified Public Accountants under the Professional Account Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of Laws of Hong Kong) |
| CNPLaw LLP | Singapore legal advisers to our Company |
| Ogier | Cayman Islands legal advisers to our Company |
| Justin Wee & Associates Pte. Ltd. | Industry consultant |
| Robert Khan & Co Pte Ltd | Property Valuer |
| DaHui Lawyers | PRC legal advisers to our Company |
| N. Vijya Kumar | Barrister-At-Law and an advocate and solicitor of the Supreme Court of the Republic of Singapore |

## 5. Consents of experts

Each of the Experts has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports and/or letters and/or valuation certificates and/or legal opinion (as the case may be) and the references to its name in the form and context in which it respectively appears.

## 6. Interests of experts

None of the Experts has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

None of the Experts has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

## 7. Promoter

Our Company has no promoter for the purpose of the Listing Rules. No cash, securities or other benefit has been paid or given nor are proposed to be paid, allotted or given to any promoters in connection with the **[REDACTED]** and the related transactions described in this document within the two years immediately preceding the date of this document.

## 8. Compliance adviser

In accordance with the requirements of the Listing Rules, our Company has appointed Alliance Capital Partners Limited as our compliance adviser to provide advisory services to our Company to ensure compliance with the Listing Rules for a period commencing on the **[REDACTED]**, and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**, or until the compliance adviser agreement is otherwise terminated upon the terms and conditions set out therein.

## 9. Preliminary expenses

As at the Latest Practicable Date, our Company had not incurred any material preliminary expenses.

## 10. Binding effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

## 11. Bilingual Document

The English language and the Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

## 12. Taxation of holders of Shares

### *(a) Hong Kong*

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from **[REDACTED]** in the Shares arising in or

derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong SAR. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

***(b) Cayman Islands***

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

***(c) Consultation with Professional Advisors***

Intending holders of the Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of **[REDACTED]** or **[REDACTED]** in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the **[REDACTED]** will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their **[REDACTED]** for, **[REDACTED]** of or **[REDACTED]** in the Shares or exercise of any rights attaching to them.

**13. Miscellaneous**

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no share or loan capital of any member of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of any member of our Group is under option, or agreed conditionally or unconditionally to be put under option;

(iii) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;

(iv) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of any member of our Group; and

(v) no commission (except commission to sub-underwriters) has been paid or payable to any person for subscribing, agreeing to subscribe, or procuring or agreeing to procure subscription, for any shares in or debentures of our Company.

(b) Our Group has not issued any debentures nor did it have any outstanding debentures or any convertible debt securities.

(c) Directors confirm that:

(i) there has been no material adverse change in our financial or trading position or prospects of our Group since 31 December 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared); and

(ii) there is no arrangement under which future dividends are waived or agreed to be waived; and

(iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

(d) Our principal register of members will be maintained by Ogier, in the Cayman Islands and our Hong Kong register of members will be maintained by **[REDACTED]**, in Hong Kong. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our **[REDACTED]** and may not be lodged in the Cayman Islands.

(e) [All necessary arrangements have been made to enable our Shares to be admitted into **[REDACTED]** for **[REDACTED]**].

(f) No company within our Group is presently listed on any stock exchange or traded on any trading system.

## 1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were (i) the written consents referred to in "Statutory and General Information — D. Other Information — 5. Consents of Experts" in Appendix V to this document; and (ii) copies of each material contracts referred to in "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in Appendix V to this document.

## 2. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website our Company at **www.pinnaclemarine.sg** and of the website of the Stock Exchange at **www.hkexnews.hk** during a period of 14 days from the date of this document:

(a) the Memorandum and the Articles of Association;

(b) the Accountant's Report of our Group issued by RSM, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the Track Record Period;

(d) the report issued by RSM on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the Cayman Companies Act;

(f) the legal opinion issued by our Singapore legal advisers, CNPLaw LLP, in respect of the applicable laws and regulations of our operations and certain matters of our Group in Singapore;

(g) the legal of advice prepared by our legal adviser on Cayman Islands Law, summarising of certain aspects of the Cayman Islands company law referred to in Appendix IV to this document;

(h) the industry report prepared by Justin Wee & Associates Pte. Ltd. referred to in the section headed "Industry Overview" in this document;

(i) the material contracts referred to in "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in Appendix V to this document;

(j) the service contracts and letters of appointment referred to in "Statutory and General Information — C. Further Information about Directors and Substantial Shareholders — 2. Directors' service contracts and letters of appointment" in Appendix V to this document; and

(k) the written consents referred to in "Statutory and General Information — D. Other Information — 5. Consents of Experts".