ENERGY DRILLING PTE. LTD.
AND ITS SUBSIDIARIES

(Incorporated in Singapore) (Co. Reg. No.: 201206626G)

ANNUAL REPORT

For the financial year ended 31 December 2024

Audit Alliance LLP
Public Accountants
Chartered Accountants

ENERGY DRILLING PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in Singapore)(Co. Reg. No.: 201206626G)

ANNUAL REPORT
For the financial year ended 31 December 2024

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors present their statement to the member together with the audited financial statements of Energy Drilling Pte. Ltd. ("the Company") and its subsidiaries ("the Group") for the financial year ended **31 December 2024** and the statement of financial position of the Company as at **31 December 2024.**

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages **8 to 67** are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at **31 December 2024** and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Marcus Chew Siong Huat	(appointed on 30 April 2025)
Pedersen Viggo Rosfjord	(appointed on 30 April 2025)
Kurt Magne Waldeland	(appointed on 4 June 2025)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings, the directors holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

Share options

The Share Options Scheme ("the Scheme") of the Company was approved and adopted by the Board of Directors on 31st August 2023.

Other information regarding the Scheme is set out as below:

- Eligible employees are granted options to purchase Class A ordinary shares of the Company at a price of US$1.13 per Class A ordinary shares.
- The Options can be exercised in accordance with the vesting dates immediately upon occurrence of a Liquidity Event*.
- The vesting dates when an Option or part of an Option becomes exercisable are as follows:
  - 100% of the granted Options can be exercised immediately upon commencement of the option period.
- In event if the Liquidity Event does not take place during the option period, i.e. 31st August 2023 to 31st August 2028, the Options would lapse unless the Company revises the terms and conditions before 31st August 2028.
- All options are settled by physical delivery of shares.

* It represents a trade sale, an admission, a change of control, a liquidation, dissolution or winding up of the Company and any other event approved as a Liquidity Event by the Committee in its sole and absolute discretion.

At the end of the financial year, details of the options granted under the Scheme on the unissued ordinary shares of the Company, are as follows:

Exercise period	Exercise price per share	Options outstanding at 1 January 2024	Options granted during the year	Options outstanding at 31 December 2024	Number of option holders at 31 December 2024
31st August 2023 to 30th August 2025	US$1.13	2,973,503	-	2,973,503	3

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options as at the end of the financial year.

Since the commencement of the Scheme, an aggregate of 2,973,503 share options have been granted to employees of the Company under the Scheme.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Independent Auditor

The independent auditor, **Audit Alliance LLP**, has expressed its willingness to accept re–appointment.

On behalf of the directors

Marcus Chew Siong Huat
Director

Pedersen Viggo Rosfjord
Director

Date: 17 JUN 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ENERGY DRILLING PTE. LTD.
AND ITS SUBSIDIARIES
Co. Reg. No.: 201206626G

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Energy Drilling Pte. Ltd.** ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at **31 December 2024**, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the **Companies Act 1967 (the "Act")** and **Financial Reporting Standards in Singapore ("FRSs")** so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at **31 December 2024** and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 3.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ENERGY DRILLING PTE. LTD.
AND ITS SUBSIDIARIES
Co. Reg. No.: 201206626G
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Tai Wai.

Audit Alliance LLP

AUDIT ALLIANCE LLP
Public Accountants and Chartered Accountants

Singapore,

Date: 17 JUN 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	Group **2024** **US$'000**	 2023 US$'000
Chartering income		**126,946**	84,424
Mobilisation		**(820)**	6,550
Management fees earned from non-related companies		**-**	2,201
Total revenue		**126,126**	93,175
Other income		**7,609**	7,790
Finance income		**308**	516
Total other income		**7,917**	8,306
Other gains	4	**-**	35,436
Expenses:			
- Catering expenses		**(4,675)**	(4,700)
- Depreciation	14	**(24,936)**	(11,373)
- Employee benefits	5	**(34,731)**	(32,213)
- Upkeep of rigs		**(20,895)**	(21,920)
- Finance expenses		**(8,414)**	(8,191)
- IT expenses		**(186)**	(219)
- Lease expenses (low value leases)	20(d)	**(405)**	(381)
- Rig insurance		**(2,151)**	(1,606)
- Travelling expenses		**(1,723)**	(1,726)
- Other expenses		**(7,154)**	(10,364)
Total expenses		**(105,270)**	(92,693)
Profit before income tax		**28,773**	44,224
Income taxes credit / (expense)	6(a)	**395**	(119)
Total income and total comprehensive income for the year		**29,168**	44,105
Profit and total comprehensive income attributable to equity holders of the Company relates to:			
Profit from continued operations		**29,168**	44,105

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2024

		Group	
	Note	**2024** **US$'000**	2023 US$'000
Earnings per share ("EPS") for profit from continuing operations attributable to equity holders of the Company (US$ per share)			
Basic EPS	7(a)	**0.20**	0.06
Diluted EPS	7(b)	**0.20**	0.06

ENERGY DRILLING PTE. LTD.
AND ITS SUBSIDIARIES
Co. Reg. No.: 201206626G

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	Group 2024 US$'000	Group 2023 US$'000	Company 2024 US$'000	Company 2023 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	8	**31,867**	15,710	**18,150**	10,302
Trade and other receivables	9	**25,368**	39,931	**24,001**	36,017
Contract assets	10	**10,624**	-	**10,888**	-
Contract cost	10	**436**	-	**3,172**	-
Inventories	11	**21,663**	16,345	**2**	2
		89,958	71,986	**56,213**	46,321
Non-current assets					
Contract cost	10	**-**	-	**4,876**	-
Other receivables	12	**-**	-	**196,284**	255,994
Investment in subsidiaries	13	**-**	-	**120**	120
Property, plant and equipment	14	**309,979**	271,466	**129,883**	721
		309,979	271,466	**331,163**	256,835
Total assets		**399,937**	343,452	**387,376**	303,156
LIABILITIES					
Current liabilities					
Trade and other payables	15	**38,134**	36,482	**20,292**	20,458
Current tax liabilities	6(b)	**201**	683	**66**	66
Contract liabilities	10	**5,982**	-	**3,629**	-
Borrowings	16	**39,650**	27,095	**52,535**	27,000
		83,967	64,260	**76,522**	47,524
Non-current liabilities					
Provision	17	**1,604**	1,043	**1,604**	1,043
Contract liabilities	10	**7,059**	-	**5,255**	-
Borrowings	16	**24,585**	25,300	**79,784**	25,300
		33,248	26,343	**86,643**	26,343
Total liabilities		**117,215**	90,603	**163,165**	73,867
Net assets		**282,722**	252,849	**224,211**	229,289
SHAREHOLDERS' EQUITY					
Share capital	18	**304,400**	304,400	**304,400**	304,400
Treasury shares	18	**(100)**	(100)	**(100)**	(100)
Share option reserve	19	**705**	-	**705**	-
Accumulated losses		**(22,283)**	(51,451)	**(80,794)**	(75,011)
Total equity		**282,722**	252,849	**224,211**	229,289

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

Group	Note	Share capital US$'000	Treasury shares US$'000	Share option reserve US$'000	Accumulated losses US$'000	Total US$'000
2024						
Beginning of financial year		**304,400**	**(100)**	**-**	**(51,451)**	**252,849**
Total income and total comprehensive income for the year		**-**	**-**	**-**	**29,168**	**29,168**
Employee share option scheme	19	**-**	**-**	**705**	**-**	**705**
End of financial year		**304,400**	**(100)**	**705**	**(22,283)**	**282,722**
2023						
Beginning of financial year		216,900	(100)	-	(95,556)	121,244
Total income and total comprehensive income for the year		-	-	-	44,105	44,105
Issue of new shares	18	87,500	-	-	-	87,500
End of financial year		304,400	(100)	-	(51,451)	252,849

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2024

	Note	**2024** **US$'000**	2023 US$'000
Cash flows from operating activities			
Profit before income tax		**28,773**	44,224
Adjustments for:			
- Depreciation for property, plant and equipment	14	**24,936**	11,373
- Employee share option expense	5	**705**	-
- Finance income		**(308)**	(516)
- Finance expenses		**7,325**	8,191
- Loan arrangement expenses		**1,087**	1,122
- Reversal of impairment loss on plant and equipment	14	**-**	(35,436)
Operating cash flow before working capital changes		**62,518**	28,958
Change in working capital:			
- Trade and other receivables		**14,563**	(20,050)
- Trade and other payables		**1,643**	15,820
- Inventories		**(5,318)**	(4,330)
- Provision		**561**	370
- Contract assets and liabilities		**12,007**	-
- Contract cost		**(436)**	-
- Interest payable		**-**	1,004
Cash generated from operations		**85,538**	21,772
Income tax paid	6(b)	**(83)**	(1)
Interest received		**308**	516
Net cash provided by operating activities		**85,763**	22,287
Cash flows from investing activities			
Additions to property, plant and equipment		**(63,449)**	(94,081)
Disposal of property, plant and equipment		**-**	1
Monies deposited into restricted bank deposits		**(6,414)**	(4,787)
Net cash used in investing activities		**(69,863)**	(98,867)
Cash flows from financing activities			
Loan arrangement expenses		**(1,087)**	(1,122)
Proceeds from issuance of ordinary shares	18	**-**	87,500
Proceeds from borrowings	16(c)	**75,000**	67,300
Principal payment of lease liabilities		**(8,445)**	(134)
Repayment of borrowings		**(64,300)**	(73,304)
Interest paid		**(7,325)**	(8,191)
Net cash (used in) / provided by financing activities		**(6,157)**	72,049
Net increase / (decrease) in cash and cash equivalents		**9,743**	(4,531)
Cash and cash equivalents at beginning of financial year		**15,710**	15,317
Effects of currency translation on cash and cash equivalents		**-**	137
Increase in short-term bank deposits pledged		**6,414**	4,787
Cash and cash equivalents at end of financial year	8	**31,867**	15,710

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

1. General

Energy Drilling Pte. Ltd. (the “Company”) is a private limited company domiciled and incorporated in Singapore.

The principal activities of the Company and its subsidiaries are those of owning, managing, operating and/or marketing of offshore drilling vessels.

The registered office and principal place of business is located at:

3 Anson Road,
#14-03 Springleaf Tower,
Singapore 079909.

There have been no significant changes in the nature of these activities during the financial year.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (“FRSs”) under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements comply with all requirements of International Financial Reporting Standards (“IFRSs”) in accordance with IAS 1 Presentation of Financial Statements.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 3**.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group adopted the new or amended FRSs and Interpretations to FRSs ("INT FRSs") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs. The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Material accounting policy information (continued)

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Chartering income

Chartering income from tender rigs and related equipment is recognised over time in statement of comprehensive income on a straight-line basis over the charter hire period.

(b) Mobilisation income

Mobilisation income represents compensation received from customers for services related to the transportation of tender rigs and personnel to the drilling site prior to the commencement of drilling operations.

Mobilisation activities are not considered distinct performance obligations, as they do not provide a separate benefit to the customer independent of the drilling services. Instead, they are regarded as part of the single performance obligation to provide integrated drilling services.

Correspondingly, mobilisation income is deferred and recognised on a straight-line basis over the period that the related drilling services are performed.

(c) Management fees income

Revenue from the rendering of management services is recognised over time in statement of comprehensive income during the year in which such services are performed.

(d) Other income

Other income includes catering and handling income are recognised at a point in time.

2. Material accounting policy information (continued)

2.3 Group accounting

Subsidiaries

Consolidation

Subsidiaries are entities (including structured entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statement, transactions, balances and unrealised gains on transaction between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Property, plant and equipment

(a) Initial measurement

(i) Property, plant and equipment

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost may also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

2. Material accounting policy information (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using a **straight-line method** to allocate the depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Tender rigs	10 - 30 years
IT equipment	1 year
Furniture and fixtures	3 years
Office premise and renovations	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the income statement when the change arises.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in statement of comprehensive income within “other gains”. Any amount in revaluation reserve relating to that item is transferred to retained earnings directly.

2. Material accounting policy information (continued)

2.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between net disposal proceeds and its carrying amounts of the investments are recognised in the income statement.

2.6 Impairment of non-financial assets

Property, plant and equipment
Right-of-use assets
Investment in subsidiaries

Property, plant and equipment, right-of-use assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in the statement of comprehensive income.

2. Material accounting policy information (continued)

2.7 Financial assets

(a) Classification and measurement

The Group measures its financial assets using amortised cost.

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables (excluding prepayments).

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL). The Group only has debt instruments at amortised cost.

2. Material accounting policy information (continued)

2.7 Financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. **Note 22(b)** details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in statement of comprehensive income.

2. Material accounting policy information (continued)

2.8 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

2.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.10 Fair value estimation

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.11 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

2. Material accounting policy information (continued)

2.11 Leases (continued)

(a) When the Group is the lessee: (continued)

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within “Property, plant and equipment”.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

(i) Fixed payment (including in-substance fixed payments), less any lease incentives receivables;

(ii) Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;

(iii) Amount expected to be payable under residual value guarantees;

(iv) The exercise price of a purchase option if is reasonably certain to exercise the option; and

(v) Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

2. Material accounting policy information (continued)

2.11 Leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities (continued)

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

(i) There is a change in future lease payments arising from changes in an index or rate;

(ii) There is a change in the Group's assessment of whether it will exercise an extension option; or

(iii) There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to statement of comprehensive income on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in statement of comprehensive income in the periods that triggered those lease payments.

2. Material accounting policy information (continued)

2.11 Leases (continued)

(b) When the Group is the lessor:

The Group leases tender rigs under operating leases and under subleases to the third-party customers.

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Chartering income from operating leases (net of any incentives given to the lessees) is recognised in statement of comprehensive income on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in statement of comprehensive income over the lease term on the same basis as the lease income.

- Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as an operating lease, the Group recognises lease income from the sublease in statement of comprehensive income within “Chartering income”. The right-of-use asset relating to the head lease is not derecognised.

2.12 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arise from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

2. Material accounting policy information (continued)

2.12 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

2.13 Employee benefits

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

2. Material accounting policy information (continued)

2.13 Employee benefits (continued)

(b) Share-based compensation (continued)

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in statement of comprehensive income, with a corresponding adjustment to the share option reserve.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2.14 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in **United States Dollars**, which is the Group's functional and presentation currency. All financial information presented in United States dollars have been rounded to the nearest thousand, unless otherwise stated.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in the statement of comprehensive income. Monetary items include primarily financial assets and financial liabilities.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Material accounting policy information (continued)

2.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank and on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.18 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

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

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

2. Material accounting policy information (continued)

2.19 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

2.20 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of comprehensive income over the period of the borrowings using the effective interest method.

3. Critical accounting estimates and assumptions

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Depreciation of tender rigs

Tender rigs are depreciated on a straight-line basis over their estimated useful lives. The Group reviews the estimated useful lives of the tender rigs regularly. Changes in the expected level of use of the tender rigs and the technological changes could impact the economic useful life and the residual values of the tender rigs, therefore future depreciation charges could be revised. Any changes in economic useful lives could impact the depreciation charges and consequently affect the Group's results.

(b) Impairment indicator of the tender rigs

The assessment of whether there is an indication of impairment involves significant judgment and estimation by management, particularly in assessing external and internal factors that could affect the recoverability of the asset.

Management has assessed that chartering rates have shown an upward trend, supported by secured contracts and the global oil prices remained relatively stable. These factors indicate sustained activity in the offshore drilling sector and future revenue potential for the rigs. Additionally, the Group's adjusted profit (calculated as earnings before interest, tax, depreciation and amortisation, excluding the one-off reversal of loss allowance on other receivables in previous financial year) and net assets have shown improvement, reflecting positive financial performance.

Based on this assessment, no indicator of impairment was identified, and therefore, no further impairment testing was required.

3. Critical accounting estimates and assumptions (continued)

(c) Impairment of trade receivables and contract assets

As at **31 December 2024**, the trade receivables and contract assets of the Group and the Company amounting to **US$ 28,185,000 and US$ 22,966,000** (2023: US$ 21,420,000 and US$ 21,576,000).

The Group and the Company measure the loss allowance for trade receivables and contract assets using the probability of default method. The key elements in the measurement of ECLs are as follows:

- PD – the probability of default is an estimate of the likelihood of default over a given time horizon. The PD was extracted from external credit agency, S&P Global.
- EAD – the exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- LGD – loss given default is an estimate of the loss arising in the case where default occurs at a given time.

The Group and the Company estimate these elements using appropriate credit risk models taking into consideration a number of factors, including the external credit ratings of the assets, nature and value of collateral and forward-looking macroeconomic scenarios.

The Group's and the Company's credit risk exposure for trade receivables and contract assets are set out in **Note 22(b)(i)** to the financial statements.

3. Critical accounting estimates and assumptions (continued)

(d) Impairment of other receivables from non-related parties and subsidiaries

As at **31 December 2024**, the other receivables from non-related parties and subsidiaries of the Group and the Company amounting to **US$ Nil** and **US$ 207,532,000** (2023: US$ 751,000 and US$ 256,008,000).

The Group and the Company measure the loss allowance for other receivables from non-related parties and subsidiaries using the probability of default method. The key elements in the measurement of ECLs are as follows:

- PD – the probability of default is an estimate of the likelihood of default over a given time horizon. The PD was extracted from external credit agency, S&P Global.
- EAD – the exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- LGD – loss given default is an estimate of the loss arising in the case where default occurs at a given time.

The Group and the Company estimate these elements using appropriate credit risk models taking into consideration a number of factors, including the external credit ratings of the assets, nature and value of collateral and forward-looking macroeconomic scenarios.

The Group's and the Company's credit risk exposure for other receivables from non-related parties and subsidiaries are set out in **Note 22(b)(ii)** to the financial statements.

4. Other gains

	Group	
	2024	2023
	US$'000	US$'000
Reversal of impairment losses on plant and equipment	**-**	35,436

5. Employee benefits

	Group	
	2024	2023
	US$'000	US$'000
Wages and salaries	**33,752**	31,947
Employer's contribution to defined contribution plans including Central Provident Fund	**274**	266
Employee share option expense (**Note 19**)	**705**	-
	34,731	32,213

Key management personnel compensation is disclosed in **Note 23**.

6. Income taxes

(a) Income taxes credit / expense

	Group	
	2024	2023
	US$'000	US$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	**93**	622
Over-provision in prior financial years:		
- Current income tax	**(488)**	(503)
	(395)	119

6. Income taxes (continued)

(a) *Income taxes credit / (expense)* (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	Group	
	2024	2023
	US$'000	US$'000
Profit before income tax	**28,773**	44,224
Tax calculated at a tax rate of **17%** (2023: 17%)	**4,891**	7,518
Effects of:		
- different tax rate in other country	**(403)**	12
- income not subject to tax	**(11,577)**	(15,634)
- expenses not deductible for tax purposes	**7,151**	8,826
- utilisation of previously unrecognised:		
- capital allowances	**(8)**	(21)
- tax losses	**-**	(167)
- over-provision of tax in prior financial years	**(488)**	(503)
Others	**39**	88
Tax charge	**(395)**	119

(b) *Movements in current income tax liabilities*

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Beginning of financial year	**683**	567	**66**	66
Currency translation differences	**(4)**	(2)	**-**	-
Income tax paid	**(83)**	(1)	**-**	-
Tax expense	**93**	622	**-**	-
Over-provision in prior financial years	**(488)**	(503)	**-**	-
End of financial year	**201**	683	**66**	66

7. Earnings per share

(a) Basic earnings per share

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

	Group	
	2024	2023
Net profit attributable to equity holders of the Company (US$'000)	**29,168**	44,105
Less: Reversal of impairment losses on property, plant and equipment (US$'000)	**-**	(35,436)
Net profit used to determine basic earnings per share (US$'000)	**29,168**	8,669
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**145,702**	145,702
Basic earnings per share (US$ per share)	**0.20**	0.06

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per share for continuing operations attributable to equity holders of the Company is calculated as follows:

7. Earnings per share (continued)

(b) *Diluted earnings per share* (continued)

	Group	
	2024	2023
Net profit attributable to equity holders of the Company (US$'000)	**29,168**	44,105
Less: Reversal of impairment losses on property, plant and equipment (US$'000)	**-**	(35,436)
Net profit used to determine basic earnings per share (US$'000)	**29,168**	8,669
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**145,702**	145,702
Adjustments for share options ('000)	**2,973**	2,973
	148,675	148,675
Diluted earnings per share (US$ per share)	**0.20**	0.06

8. Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**21,460**	8,027	**11,736**	6,912
Short-term bank deposits pledged	**10,407**	7,683	**6,414**	3,390
	31,867	15,710	**18,150**	10,302

Bank deposits are pledged in relation to the bankers' guarantees issued to the Group's and the Company's contractors (**Note 16**).

The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**28,808**	13,868	**15,519**	8,959
Singapore Dollar	**1,458**	598	**1,030**	99
Thai Baht	**1,601**	1,244	**1,601**	1,244
	31,867	15,710	**18,150**	10,302

9. Trade and other receivables – current

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables:				
- Non-related parties	**17,561**	21,420	**12,078**	14,465
- Subsidiaries	**-**	-	**-**	7,111
	17,561	21,420	**12,078**	21,576
Other receivables:				
- Non-related parties	**-**	751	**-**	14
- Subsidiaries	**-**	-	**11,248**	-
	-	751	**11,248**	14
Deposit	**62**	162	**15**	53
Prepayments	**7,745**	17,598	**660**	14,374
Total trade and other receivables - current	**25,368**	39,931	**24,001**	36,017
Add: Cash and cash equivalents	**31,867**	15,710	**18,150**	10,302
Add: Other receivables – non-current	**-**	-	**196,284**	255,994
Less: Prepayments	**(7,745)**	(17,598)	**(660)**	(14,374)
Total financial assets carried at amortised cost	**49,490**	38,043	**237,775**	287,939

Trade receivables due from non-related parties and subsidiaries are unsecured, non-interest bearing and are generally on 30 to 90 days term.

Other receivables due from non-related parties and subsidiaries are unsecured, non-interest bearing and repayable on demand.

The carrying amounts of trade and other receivables approximate their fair value.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**22,851**	39,650	**23,991**	35,839
Singapore Dollar	**2,507**	198	**-**	95
Thai Baht	**10**	83	**10**	83
	25,368	39,931	**24,001**	36,017

10. Contract assets and liabilities

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Contract assets				
- Chartering income	**10,624**	-	**10,888**	-
Contract liabilities				
Current				
- Mobilisation income	**5,982**	-	**3,629**	-
Non-current				
- Mobilisation income	**7,059**	-	**5,255**	-
	13,041	-	**8,884**	-

Contract assets for chartering income have increased due to increased in rigs under operations.

Contract liabilities for mobilisation income have increased due to increased in rigs under operations.

(i) Revenue recognised in relation to contract liabilities

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the year				
- Mobilisation income	**-**	-	**-**	-

(ii) Unsatisfied performance obligations

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at				
- Mobilisation income	**13,041**	-	**8,884**	-

10. Contract assets and liabilities (continued)

(ii) Unsatisfied performance obligations (continued)

Management expects that the transaction price allocated to unsatisfied performance obligations as at **31 December 2024** and 31 December 2023 may be recognised as revenue in the next reporting period as follows:

	2025 US$'000	2026 US$'000	2027 US$'000	Total US$'000
Group				
Partially and fully unsatisfied performance obligation as at:				
31 December 2024	**5,982**	**5,355**	**1,704**	**13,041**
31 December 2023	-	-	-	-
Company				
Partially and fully unsatisfied performance obligation as at:				
31 December 2024	**3,629**	**3,551**	**1,704**	**8,884**
31 December 2023	-	-	-	-

(iii) Assets recognized from costs to fulfil contracts

In addition to the contract balances disclosed above, the Group and the Company has also recognized an asset in relation to costs to fulfil long-term contract. This is presented as contract cost in the statement of financial position.

	Group		Company	
	2024 **US$'000**	2023 US$'000	**2024** **US$'000**	2023 US$'000
Contract cost				
Asset recognized from costs incurred to fulfil a contract as at 31 December:				
Current	**436**	-	**3,172**	-
Non-current	**-**	-	**4,876**	-
	436	-	**8,048**	-

11. Inventories

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
At cost				
Spare parts	**21,663**	16,345	**2**	2

In 2024, inventories of **US$ 7,638,000** (2023: US$4,767,000) were recharged from the subsidiaries for the repair and maintenance of the rig.

The cost of inventories recognized as an expense amounted to **US$ 1,290,000** (2023: US$4,441,000) during the year in statement of comprehensive income.

12. Other receivables – non-current

	Company	
	2024	2023
	US$'000	US$'000
Non-trade amounts due from subsidiaries, net of impairment loss	**196,284**	255,994

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

The non-trade amounts due from subsidiaries are denominated in United States Dollar.

The management has assessed that the net-non-trade amounts due from subsidiaries of **US$ 196,284,000** (2023: US$ 255,994,000) are not likely to be settled within the next twelve months and accordingly, has classified the balance as non-current.

13. Investment in subsidiaries

	Company 2024 US$'000	Company 2023 US$'000
Equity investments at cost	**160**	160
Additions	**-**	*
Less: Provision for impairment	**(40)**	(40)
	120	120

* This amounts to US$3 which is immaterial.

Details of the subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Percentage of equity held 2024 %	Percentage of equity held 2023 %
Energy Drilling Management Pte. Ltd. [a]	Provision of services to related companies and operations of offshore drilling vessels	Singapore	**100**	100
Edrill 1 Pte. Ltd. [a]	Chartering of rigs and related equipment	Singapore	**100**	100
Edrill 2 Pte. Ltd. [a]	Chartering of rigs and related equipment	Singapore	**100**	100
Edrill 3 Pte. Ltd. [a]	Chartering of rigs and related equipment	Singapore	**100**	100
Edrill T15 Pte. Ltd. [a]	Chartering of rigs and related equipment	Singapore	**100**	100
Edrill T16 Pte. Ltd. [a]	Chartering of rigs and related equipment	Singapore	**100**	100
Edrill Vencedor Pte. Ltd. [a]	Chartering of rigs and related equipment	Singapore	**100**	100

(a) Audited by Audit Alliance LLP, Singapore

14. Property, plant and equipment

	IT equipment US$'000	Furniture and fixtures US$'000	Office premise and renovation US$'000	Tender rigs US$'000	Right-of-use asset – bareboat rig US$'000	Total US$'000
Group						
2024						
Cost						
Beginning of financial year	425	15	436	376,588	-	377,464
Additions	176	-	592	53,637	9,044	63,449
End of financial year	601	15	1,028	430,225	9,044	440,913
Accumulated depreciation						
Beginning of financial year	425	15	338	85,280	-	86,058
Depreciation charge	-	-	224	16,407	8,305	24,936
End of financial year	425	15	562	101,687	8,305	110,994
Accumulated impairment						
Beginning and end of financial year	-	-	-	19,940	-	19,940
Net book value						
End of financial year	176	-	466	308,598	739	309,979

14. Property, plant and equipment (continued)

	IT equipment US$'000	Furniture and fixtures US$'000	Office premise and renovation US$'000	Tender rigs US$'000	Total US$'000
Group					
2023					
Cost					
Beginning of financial year	631	15	449	282,508	283,603
Additions	-	-	-	94,081	94,081
Disposals	(206)	-	(13)	(1)	(220)
End of financial year	425	15	436	376,588	377,464
Accumulated depreciation					
Beginning of financial year	631	15	203	74,055	74,904
Depreciation charge	-	-	148	11,225	11,373
Disposals	(206)	-	(13)	-	(219)
End of financial year	425	15	338	85,280	86,058
Accumulated impairment					
Beginning of financial year	-	-	-	55,376	55,376
Reversal of impairment loss	-	-	-	(35,436)	(35,436)
End of financial year	-	-	-	19,940	19,940
Net book value					
End of financial year	-	-	98	271,368	271,466

14. Property, plant and equipment (continued)

	IT equipment US$'000	Furniture and fixtures US$'000	Office premise and renovation US$'000	Tender rigs US$'000	Right-of-use asset – bareboat rig US$'000	Total US$'000
Company						
2024						
Cost						
Beginning of financial year	9	9	80	1,627	-	1,725
Additions	87	-	60	-	162,870	163,017
End of financial year	96	9	140	1,627	162,870	164,742
Accumulated depreciation						
Beginning of financial year	9	9	80	906	-	1,004
Depreciation charge	-	-	14	611	33,230	33,855
End of financial year	9	9	94	1,517	33,230	34,859
Net book value						
End of financial year	87	-	46	110	129,640	129,883

14. Property, plant and equipment (continued)

	IT equipment US$'000	Furniture and fixtures US$'000	Office premise and renovation US$'000	Tender rigs US$'000	Total US$'000
Company					
2023					
Cost					
Beginning of financial year	9	9	93	1,627	1,738
Disposals	-	-	(13)	-	(13)
End of financial year	9	9	80	1,627	1,725
Accumulated depreciation					
Beginning of financial year	9	9	84	304	406
Depreciation charge	-	-	9	602	611
Disposals	-	-	(13)	-	(13)
End of financial year	9	9	80	906	1,004
Net book value					
End of financial year	-	-	-	721	721

15. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Trade payables:				
- Non-related parties	**14,236**	2,831	**2,520**	291
- Subsidiaries	**-**	-	**10,904**	3,335
	14,236	2,831	**13,424**	3,626
Other payables:				
- Non-related parties	**1,411**	590	**448**	10,285
- Subsidiaries	**-**	-	**1,126**	-
	1,411	590	**1,574**	10,285
Accrued expenses	**22,039**	32,115	**4,485**	5,587
Goods and services tax payable	**448**	946	**809**	960
Total trade and other payables	**38,134**	36,482	**20,292**	20,458
Add: Borrowings	**64,235**	52,395	**132,319**	52,300
Less: Goods and services tax payable	**(448)**	(946)	**(809)**	(960)
Total financial liabilities carried at amortised cost	**101,921**	87,931	**151,802**	71,798

Trade payables due to non-related parties and subsidiaries are unsecured, non-interest bearing and are generally on 30 to 90 days term.

Other payables due to non-related parties and subsidiaries are unsecured, non-interest bearing and repayable on demand.

The carrying amounts of trade and other payables approximate their fair value.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**33,909**	33,718	**19,398**	18,329
Singapore Dollar	**3,371**	635	**40**	-
Thai Baht	**854**	2,129	**854**	2,129
	38,134	36,482	**20,292**	20,458

16. Borrowings

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Current				
Bank borrowings	**38,600**	27,000	**-**	27,000
Lease liabilities	**1,050**	95	**52,535**	-
	39,650	27,095	**52,535**	27,000
Non-current				
Bank borrowings	**24,400**	25,300	**-**	25,300
Lease liabilities	**185**	-	**79,784**	-
	24,585	25,300	**79,784**	25,300
Total borrowings	**64,235**	52,395	**132,319**	52,300

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the statement of financial position date are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
6 months or less	**34,860**	13,561	**25,520**	13,500
6 – 12 months	**4,790**	13,534	**27,015**	13,500
1 – 5 years	**24,585**	25,300	**79,784**	25,300
	64,235	52,395	**132,319**	52,300

(a) Security granted

- A mortgage over Tender Rigs "Edrill-1" and "T-15" (2023: "T-15", "T-16", and "Vencedor") with an aggregate carrying amount of **US$123,830,000** (2023: US$92,050,000) as at **31 December 2024**
- A first priority charge over all the shares in Edrill 1 Pte. Ltd. and Edrill T15 Pte. Ltd. (2023: Energy Drilling Management Pte. Ltd., Edrill 1 Pte. Ltd., Edrill 2 Pte. Ltd., Edrill T15 Pte. Ltd., Edrill T16 Pte. Ltd., and Edrill Vencedor Pte. Ltd.)
- A first priority charge over the Debt Service Reserve Accounts and Debt Service Retention Accounts (2023: Earning Accounts and Retention Accounts) in connection with the Securitised Rigs
- A first priority assignment of all insurances in connection with the Securitised Rigs
- Assignment of agreements relating to the Securitised Rigs
- Bank borrowings of the Group are secured over certain bank deposits (**Note 8**)

16. Borrowings (continued)

(b) Fair value of non-current borrowings

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Bank borrowings	**20,752**	20,871	**-**	20,871
Lease liabilities	**171**	-	**66,181**	-

The fair value above is determined from the cash flow analyses, discounted at market borrowings rates of an equivalent instrument at the statement of financial position date which the directors expect to be available to the Group as follows:

	Group		Company	
	2024	2023	**2024**	2023
Bank borrowings	**8.43%**	10.1%	**-**	10.1%
Lease liabilities	**5.25% - 9.07%**	-	**8.43%**	-

The bank borrowings are interest bearing at a Margin of 3.75% plus three-month Compounded Secured Overnight Financing Rate and are repayable in full on 28 November 2026.

16. Borrowings (continued)

(c) Reconciliation of liabilities arising from financial activities

	1 January 2024 US$'000	Proceeds from borrowings US$'000	Principal and interest payments US$'000	Addition during the year US$'000 (Non-cash changes)	Changes in interest payable US$'000 (Non-cash changes)	Interest expense US$'000 (Non-cash changes)	Foreign exchange movement US$'000 (Non-cash changes)	31 December 2024 US$'000
Group								
Bank Borrowings	**52,300**	**75,000**	**(70,692)**	**-**	**-**	**6,392**	**-**	**63,000**
Lease Liabilities	**95**	**-**	**(9,378)**	**9,590**	**-**	**933**	**(5)**	**1,235**

	1 January 2023 US$'000	Proceeds from borrowings US$'000	Principal and interest payments US$'000	Addition during the year US$'000 (Non-cash changes)	Changes in interest payable US$'000 (Non-cash changes)	Interest expense US$'000 (Non-cash changes)	Foreign exchange movement US$'000 (Non-cash changes)	31 December 2023 US$'000
Group								
Bank Borrowings	52,300	67,300	(76,487)	-	1,004	8,183	-	52,300
Shareholder Loan	5,000	-	(5,000)	-	-	-	-	-
Lease Liabilities	226	-	(142)	-	-	8	3	95

16. Borrowings (continued)

(c) Reconciliation of liabilities arising from financial activities (continued)

	1 January 2024 US$'000	**Proceeds from borrowings US$'000**	**Principal and interest payments US$'000**	**Non-cash changes** Addition during the year US$'000	**Non-cash changes** Interest expense US$'000	**31 December 2024 US$'000**
Company						
Bank Borrowings	**52,300**	**-**	**(52,300)**	**-**	**-**	**-**
Lease Liabilities	**-**	**-**	**(42,574)**	**162,914**	**11,979**	**132,319**

	1 January 2023 US$'000	Proceeds from borrowings US$'000	Principal and interest payments US$'000	Non-cash changes Addition during the year US$'000	Non-cash changes Interest expense US$'000	31 December 2023 US$'000
Company						
Bank Borrowings	-	67,300	(17,329)	-	2,329	52,300
Shareholder Loan	5,000	-	(5,000)	-	-	-
Lease Liabilities	10	-	(10)	-	-	-

17. Provision

As at **31 December 2024**, the Group and the Company made a provision for severance pay of **US$ 1,604,000** (31 December 2023: US$ 1,043,000) for employees working at the Thailand branch. The provision is determined by the prescribed rate based on the employees' length of service. Such provision is required under the Thailand labour law.

18. Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital	**Treasury shares**	**Share capital**	**Treasury shares**
Group and Company	**'000**	**'000**	**US$'000**	**US$'000**
31 December 2024				
Beginning and end of financial year	**145,702**	**(100)**	**304,400**	**(100)**
31 December 2023				
Beginning of financial year	67,718	(100)	216,900	(100)
Shares issued	77,984	-	87,500	-
End of financial year	145,702	(100)	304,400	(100)

All issued ordinary shares are fully paid. There is no par value for ordinary shares.

The holder of ordinary shares is entitled to receive dividend as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

On 6 June 2023, the Company issued 77,984,000 ordinary shares for a total consideration of US$87,500,000 for cash to provide funds for the expansion of the Company's operation. The newly shares rank pari passu in all aspects with the previously issued shares.

(i) *Share options*

As at 31 December 2024, the Group has an equity-settled share option scheme.

On 31st August 2023, the Group established the share option scheme (the "Scheme") which entitle eligible personnel, including key management personnel, to purchase the Class A ordinary shares of the Company at the market price of the shares at the date of grant, i.e. a price of US$1.13 per Class A ordinary shares provided that the vesting date of the Options occur. The Options are exercisable from 31 August 2023 to 30 August 2025. All options are to be settled by physical delivery of shares.

18. Share capital and treasury shares (continued)

(i) Share options (continued)

Movement in the number of unissued ordinary shares under the Scheme and the exercise prices are as follows:

	No. of ordinary shares under options				
	Beginning of financial year ‘000	**Granted during the year ‘000**	**End of financial year ‘000**	**Exercise price**	**Exercise period**
Group and Company					
31 December 2024					
The Scheme	**2,973**	**-**	**2,973**	**US$1.13**	**31 August 2023 to 30 August 2025**

	No. of ordinary shares under options				
	Beginning of financial year ‘000	Granted during the year ‘000	End of financial year ‘000	Exercise price	Exercise period
Group and Company					
31 December 2023					
The Scheme	-	2,973	2,973	US$1.13	31 August 2023 to 30 August 2025

The fair value of the share options granted on 31 August 2023, determine using the Black-Scholes Merton Method was US$705,172. The significant inputs into the model were the share price of US$1.13 at the grant date, the exercise price of US$1.13, standard deviation of 49.01%, and the risk-free interest rate of 4.98%.

19. Share option reserve

		Group		**Company**	
		2024 US$’000	2023 US$’000	**2024 US$’000**	2023 US$’000
(a)	Composition:				
	Share option reserve	**705**	-	**705**	-
(b)	Movement:				
	Beginning of financial year	**-**	-	**-**	-
	Value of employee services	**705**	-	**705**	-
	End of financial year	**705**	-	**705**	-

20. Leases – The Group and the Company as a lessee

Nature of the Group's and the Company's leasing activities

Office premise

The Group and the Company lease property such as office premise for the purpose of office administrative operations and for sales and marketing purposes. This property is recognised within property, plant and equipment (**Note 14**).

There is no externally imposed covenant on these lease arrangements.

(a) Carrying amounts

ROU assets classified within property, plant and equipment

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Office premise	**427**	89	**29**	-
Bareboat rig	**740**	-	**129,640**	-
	1,167	89	**129,669**	-

(b) Depreciation charge during the year

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Office premise	**206**	135	**14**	-
Bareboat rig	**3,984**	-	**33,230**	-
	4,190	135	**33,244**	-

(c) Interest expense

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Interest expense on lease liabilities	**933**	8	**11,979**	-

20. Leases – The Group and the Company as a lessee (continued)

(d) Lease expense not capitalized in lease liabilities

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Lease expense – low value leases	**405**	381	**229**	-

(e) Total cash outflow for all the leases in 2024 for the Group and the Company was **US$ 9,378,000 and US$ 42,574,000** (2023: US$ 142,000 and US$ Nil).

21. Leases – The Group and the Company as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their owned tender rig to third-party customer for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Chartering income from tender rig is presented in statement of comprehensive income as "Chartering income".

Nature of the Group's and the Company's leasing activities – Group and Company as an intermediate lessor

Sub-lease – classified as operating leases

The Group and the Company act as an intermediate lessor under arrangements in which it sub-leases out tender rig to third-party customer for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Maturity analysis of lease payments – Group as a lessor

The table below discloses the undiscounted lease payments to be received by the Group and the Company for its leases and sub-leases and sub-leases after the reporting date as follows:

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Less than one year	**245,475**	92,550	**109,950**	65,832
One to two years	**170,775**	38,252	**111,220**	32,850
Two to three years	**45,812**	27,270	**44,107**	27,270
Total undiscounted lease payments	**462,062**	158,072	**265,277**	125,952

22. Financial risk management

Financial risk factor

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team. The information presented below is based on information received by key management.

(a) <u>Market risk</u>

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore and Thailand. Entities in the Group regularly transact in their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group and the Company when future commercial transactions, recognised assets, and liabilities are denominated in foreign currency such as Singapore Dollar ("SGD") and Thai Baht ("THB"). The Group manages this risk by monitoring the foreign currency exchange rate movements closely to ensure that exposure is minimized.

22. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's and the Company's currency exposure based on the information provided to key management is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Singapore Dollar				
Financial assets				
- Cash and cash equivalents (Note 8)	**1,458**	598	**1,030**	99
- Trade and other receivables – current (Note 9)	**2,507**	198	**-**	95
	3,965	796	**1,030**	194
Financial liabilities				
- Trade and other payables (Note 15)	**(3,371)**	(635)	**(40)**	-
- Borrowings	**(397)**	(95)	**-**	-
	(3,768)	(730)	**(40)**	-
Net financial assets	**197**	66	**990**	194
Currency exposure	**197**	66	**990**	194

If the SGD had strengthened / weakened by **3%** (2023: 2%) against the USD with all other variables including tax rate being held constant, the Group's profit after tax for the financial year would have been **US$ 5,910** (2023: US$ 1,320) higher / lower as a result of currency translation gains / losses on the remaining SGD denominated financial instruments.

If the SGD had strengthened / weakened by **3%** (2023: 2%) against the USD with all other variables including tax rate being held constant, the Company's profit after tax for the financial year would have been **US$ 29,700** (2023: US$ 3,880) higher / lower as a result of currency translation gains / losses on the remaining SGD denominated financial instruments.

22. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Thai Baht				
Financial assets				
- Cash and cash equivalents (Note 8)	**1,601**	1,244	**1,601**	1,244
- Trade and other receivables – current (Note 9)	**10**	83	**10**	83
	1,611	1,327	**1,611**	1,327
Financial liabilities				
- Trade and other payables (Note 15)	**(854)**	(2,129)	**(854)**	(2,129)
- Provision	**(1,604)**	(1,043)	**(1,604)**	(1,043)
	(2,458)	(3,172)	**(2,458)**	(3,172)
Net financial liabilities	**(847)**	(1,845)	**(847)**	(1,845)
Currency exposure	**(847)**	(1,845)	**(847)**	(1,845)

If the THB had strengthened / weakened by **142%** (2023: 0.1%) against the USD with all other variables including tax rate being held constant, the Group's profit after tax for the financial year would have been **US$ 1,202,740** (2023: US$ 1,845) lower / higher as a result of currency translation losses / gains on the remaining THB denominated financial instruments.

If the THB had strengthened / weakened by **142%** (2023: 0.1%) against the USD with all other variables including tax rate being held constant, the Group's profit after tax for the financial year would have been **US$ 1,202,740** (2023: US$ 1,845) lower / higher as a result of currency translation losses / gains on the remaining THB denominated financial instruments.

22. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Group and the Company have no significant exposure to equity price risk as it does not hold significant equity financial assets.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to significant interest rate risk on its borrowings. The Group periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in USD.

If **USD** interest rates increase/decrease by **1.7%** (2023: 1.6%) with all other variables including tax rate being held constant, the Group's profit after tax will be lower / higher by **US$ 1,071,000** (2023: US$ 837,000) as a result of higher / lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

The Group and the Company adopt the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing with financial institutions and other counterparties with high credit ratings.

Credit exposure to an individual customer is restricted by the credit limits that are approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors.

22. Financial risk management (continued)

(b) Credit risk (continued)

The Group and the Company hold collaterals, the maximum exposure to credit risk to each class of financial instruments are the carrying amount of that class of financial instruments presented on the statement of financial position.

The exposure to concentration of credit risk for trade receivables by individual customers are as follows:

	2024		2023	
	Percentage of revenue %	**Trade receivables US$'000**	Percentage of revenue %	Trade receivables US$'000
Group				
Customer A	**100%**	**17,561**	98%	21,420
Company				
Customer A	**100%**	**12,078**	100%	14,465

The Group and the Company use the following category of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. The category reflects the respective credit risk and how the loss provision is determined for the category.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Issuers have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming	Issuers for which there is a significant increase in credit risk; significant increase in credit risk is presumed if interest and/or principal repayment are 90 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 180 days past due and cash flow difficulties to repay principal.	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are 365 days past due and there is no reasonable expectation of recovery	Asset is written off

22. Financial risk management (continued)

(b) Credit risk (continued)

The movement in credit loss allowance are as follows:

Company	Other receivables Stage 1 US$'000	Other receivables Stage 2 US$'000	Total US$'000
2024			
Balance at 1 January 2024	**29,883**	**26,366**	**56,249**
Loss allowance recognised in profit or loss during the year on:			
- asset acquired	**19,103**	**-**	**19,103**
- reversal of unutilised amount	**(27,753)**	**-**	**(27,753)**
	(8,650)	**-**	**(8,650)**
Balance at 31 December 2024	**21,233**	**26,366**	**47,599**
2023			
Balance at 1 January 2023	-	89,774	89,774
Transfer to Stage 1	63,408	(63,408)	-
Loss allowance recognised in profit or loss during the year on reversal of unutilised amount	(33,525)	-	(33,525)
Balance at 31 December 2023	29,883	26,366	56,249

(i) Trade receivables and contract assets

The Group and the Company use the probability of default method to measure the expected credit loss allowance for trade receivables and contract assets.

The Group and the Company determine the expected credit losses by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The expected credit losses associated with a financial instrument are typically PD, LGD and EAD as stated in Note 3(d). Accordingly, the EAD of the Group and the Company are **US$ 28,185,000** and **US$ 22,966,000** respectively (2023: US$ 21,420,000 and US$ 21,576,000) and the provision for expected credit losses is insignificant.

22. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and the Company. The Group and the Company consider a financial asset as default if the counterparty fails to make contractual payments within 180 days when they fall due, and writes off the financial asset when a debtor fail to make contractual payments greater than 365 days past due. Where receivables are written off, the Group and the Company continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in the statement of comprehensive income.

The Group's and the Group's credit risk exposure in relation to trade receivables and contract assets as at **31 December 2024** are set out in the probability of default method as follows:

		Past due				
31 December 2024	**Current US$'000**	**Within 30 days US$'000**	**30 to 60 days US$'000**	**60 to 90 days US$'000**	**More than 90 days US$'000**	**Total US$'000**
Group						
Expected loss rates	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	
Trade receivables - current	**14,862**	**2,699**	**-**	**-**	**-**	**17,561**
Contract assets	**10,624**	**-**	**-**	**-**	**-**	**10,624**
Loss allowances	**-**	**-**	**-**	**-**	**-**	**-**
Company						
Expected loss rates	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	
Trade receivables - current	**11,781**	**297**	**-**	**-**	**-**	**12,078**
Contract assets	**10,888**	**-**	**-**	**-**	**-**	**10,888**
Loss allowances	**-**	**-**	**-**	**-**	**-**	**-**

22. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets as at 31 December 2023 are set out in the probability of default method as follows:

		Past due				
31 December 2023	Current	Within 30 days	30 to 60 days	60 to 90 days	More than 90 days	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Expected loss rates	0.0%	0.0%	0.0%	0.0%	0.0%	
Trade receivables - current	14,482	6,938	-	-	-	21,420
Contract assets	-	-	-	-	-	-
Loss allowances	-	-	-	-	-	-
Company						
Expected loss rates	0.0%	0.0%	0.0%	0.0%	0.0%	
Trade receivables current	17,052	4,524	-	-	-	21,576
Contract assets	-	-	-	-	-	-
Loss allowances	-	-	-	-	-	-

22. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Other receivables from non-related parties and subsidiaries

The Group and the Company held other receivables from non-related parties and subsidiaries amounting to **US$ Nil** and **US$ 207,532,000** (2023: US$ 751,000 and US$ 256,008,000). The Group and the Company use a general approach to calculate the expected credit loss (ECL). Under this approach, the Group and the Company assess ECL using the probability of default (PD), loss given default (LGD), and exposure at default (EAD) model, which takes into account both qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external rating, management accounts, and available press information, if available, and applying experienced credit judgement and forward-looking macroeconomic scenarios). The Company recognized a provision for expected credit losses of **US$ 47,599,000** (2023: US$ 56,249,000) on other receivables from subsidiaries.

(iii) Cash and cash equivalents

The Group and the Company held cash and cash equivalents of **US$ 31,867,000** and **US$ 18,150,000** respectively (2023: US$ 15,710,000 and US$ 10,302,000) with banks which have good ratings based on Standard and Poor and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(c) Liquidity risk

The Group and the Company manage liquidity risk by maintaining sufficient cash and marketable securities, and available funding through as adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of the financial liabilities of the Group and the Company based on contractual undiscounted cash flows.

22. Financial risk management (continued)

(c) Liquidity risk (continued)

	Carrying amount US$'000	Contractual cash flow US$'000	Less than 1 year US$'000	Between 1 and 2 years US$'000
Group				
2024				
Trade and other payables (Note 15)	**38,134**	**38,134**	**38,134**	**-**
Borrowings (Note 16)	**64,235**	**69,105**	**43,519**	**25,586**
	102,369	**107,239**	**81,653**	**25,586**
2023				
Trade and other payables (Note 15)	36,482	36,482	36,482	-
Borrowings (Note 16)	52,395	57,762	31,355	26,407
	88,877	94,244	67,837	26,407
Company				
2024				
Trade and other payables (Note 15)	**20,292**	**20,292**	**20,292**	**-**
Borrowings (Note 16)	**132,319**	**132,319**	**52,535**	**79,784**
	152,611	**152,611**	**72,827**	**79,784**
2023				
Trade and other payables (Note 15)	20,458	20,458	20,458	-
Borrowings (Note 16)	52,300	57,667	31,260	26,407
	72,758	78,125	51,718	26,407

(d) Capital risk

The Group's and the Company's objectives when managing capital is to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The management monitors its capital based on net debts and total capital. Net debts are calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

22. Financial risk management (continued)

(d) Capital risk (continued)

	Group		Company	
	2024	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000
Net debt	**70,502**	73,167	**134,461**	62,456
Total equity	**282,722**	252,849	**224,211**	229,289
Total capital	**353,224**	326,016	**358,672**	291,745
Gearing ratio	**20%**	22%	**37%**	21%

The Group and the Company are not subject to any externally imposed capital requirements.

23. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transaction took place between the Group and related parties during the financial year:

Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2024	2023
	US$'000	US$'000
Wages and salaries	**723**	1,313
Employer's contribution to defined contribution plans, including Central Provident Fund	**7**	11
	730	1,324

24. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is SeaBird Exploration Plc, incorporated in Cyprus. There was a change in ownership effective 26 May 2025 as a result of merger with SeaBird Exploration Plc.

25. Events occurring after statement of financial position date

On **26 May 2025**, SeaBird Exploration Plc successfully merged with the Group through a share-for-share acquisition. SeaBird Exploration Plc will change its name to SEC Energy Holdings Plc (“Energy Holdings”). The merger involves issuing **645,508,281** new Energy Holdings shares to the Group’s shareholders.

On **28 May 2025**, the Group entered into a three-year term loan facility agreement with Standard Chartered Bank (Singapore) Limited, Clifford Capital Pte. Ltd., SpareBank 1 Sør-Norge ASA, amounting to **USD 75,000,000**.

26. Segment information

The Group considers the business from geographic segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas namely, Republic of Singapore, Republic of the Union of Myanmar and the Kingdom of Thailand. All the geographic areas are engaged in the operating and/or marketing of offshore drilling vessels.

The segment information provided to the Group for the reportable segments are as follows:

	Republic of Singapore	Republic of the Union of Myanmar	Kingdom of Thailand	Joint Development Area	Total
31 December 2024					
Sales	**-**	**30,342**	**91,746**	**4,038**	**126,126**
EBITDA	**(6,949)**	**12,553**	**46,197**	**2,405**	**54,206**
Depreciation	**(210)**	**(8,307)**	**(13,326)**	**(3,093)**	**(24,936)**
Segment assets	**730**	**11,524**	**349,629**	**6,187**	**368,070**
Segment liabilities	**(3,993)**	**(4,387)**	**(15,959)**	**(13,795)**	**(38,134)**
31 December 2023					
Sales	2,201	29,092	72,120	-	103,413
EBITDA	(5,909)	1,981	23,974	-	20,046
Depreciation	(1,068)	-	(10,305)	-	(11,373)
Segment assets	878	9,591	317,272	-	327,741
Segment liabilities	(11,344)	(3,971)	(21,167)	-	(36,482)

27. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

Amendments to FRS 21 - Lack of Exchangeability *(effective for annual periods beginning on or after 1 January 2025)*

FRS 21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, FRS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

Amendments to FRS 109 and FRS 107 - Amendments to the Classification and Measurement of Financial Instruments *(effective for annual reporting periods beginning on or after 1 January 2026)*

FRS 109 and FRS 107 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

FRS 118 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

FRS 118 replaces FRS 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 FRS 118 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of comprehensive income) and providing management-defined performance measures within the financial statements.

27. New or revised accounting standards and interpretations (continued)

FRS 118 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of FRS 118 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

    - Foreign exchange differences currently aggregated in the line item "other income and other gains / (losses) – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
    - FRS 118 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    - management-defined performance measures;
    - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of comprehensive income – this break-down is only required for certain nature expenses; and
    - for the first annual period of application of FRS 118, a reconciliation for each line item in the statement of comprehensive income between the restated amounts presented by applying FRS 118 and the amounts previously presented applying FRS 1.

27. New or revised accounting standards and interpretations (continued)

FRS 118 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with FRS 118.

28. Reconciliation between International Financial Reporting Standards ("IFRSs") and Financial Reporting Standards in Singapore ("FRSs")

There is no material reconciling item between IFRSs and FRSs for the Group's consolidated financial statements.

29. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of **Energy Drilling Pte. Ltd**. on 17 JUN 2025 .