Securities Investors Association (Singapore)
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www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Salt Investments Limited

Stock code: FQ7

Meeting details:
Date: 29 September 2025
Time: 10.00 a.m.
Venue: 3 Chin Bee Crescent, Level 4, Singapore 619891

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Q1. For the financial year ended 31 March 2025, the group recorded its first revenue in six years after acquiring a 51% stake in Prosper Excel Engineering Pte. Ltd. A further 60% stake in TT Oil (Singapore) Pte. Ltd. was completed on 1 June 2025. In the CEO's statement, it was mentioned that the group will pursue strategic partnerships to drive revenue growth and profitability while seeking growth in maritime digitalisation, payments, and finance.

Revenue for the year was $2.13 million while the group's loss after tax was $(6.19) million.

(i) Can management clarify whether the group is actively seeking further acquisitions, and if so, what is the search process, target criteria and geographical focus of its prospective targets?

(ii) Given that the group is effectively rebuilding its business, what is the group's sustainable competitive advantage in the highly competitive marine and offshore industry?

It was disclosed that Prosper achieved a gross margin of 19.6% in calendar year 2024. The company provided Prosper with $750,000 in working capital support as part of the acquisition. Prosper reported a loss of $(318,000) in 2025 and a cash outflow from operating activities of $(731,000).

(iii) What are management's operational and financial priorities for Prosper to achieve profitability? Is Prosper expected to be self-sustaining or will further capital injections be required?

Q2. An impairment charge of $2.48 million was recognised in FY2025 in relation to the acquisition of Prosper. A partial write-down of the initial $10.61 million in goodwill was recognised as the annual assessment showed that the carrying amount of goodwill is not supported by anticipated future cash flows.

The "impairment of goodwill, customer relations and investment in subsidiary" was also identified as a key audit matter by the independent auditors.

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4 INTANGIBLE ASSETS

Group	Goodwill SG$'000	Customer Relations SG$'000	Assets under Construction SG$'000	Total SG$'000
Cost				
At 1 April 2023, 31 March 2024 and 1 April 2024	-	-	-	-
Additions	-	-	4,000	4,000
Acquisitions through business combination	10,610	376	-	10,986
At 31 March 2025	10,610	376	4,000	14,986
Accumulated amortisation				
At 1 April 2023, 31 March 2024 and 1 April 2024	-	-	-	-
Amortisation for the year	-	106	-	106
At 31 March 2025	-	106	-	106
Accumulated impairment				
At 1 April 2023, 31 March 2024 and 1 April 2024	-	-	-	-
Provision for the year	2,475	-	-	2,475
At 31 March 2025	2,475	-	-	2,475
Carrying amount				
At 31 March 2024	-	-	-	-
At 31 March 2025	8,135	270	4,000	12,405

(Source: company annual report; emphasis added)

Management used a discount rate of 8.73% to estimate the recoverable amount. The acquisition of Prosper was for $11.7 million, of which $10.6 million was allocated to goodwill.

(i) How was the discount rate of 8.73% determined? Was a sensitivity analysis performed, and would the impairment be significantly higher if a discount rate of 10% or 12% was used?

(ii) Given the goodwill impairment immediately after acquisition, does the board consider that the company may have overpaid for Prosper? How does the board reconcile the purchase price allocation with the due diligence and valuation conducted during the acquisition?

(iii) What safeguards are embedded in the company's acquisition framework to prevent overpaying for acquisitions and to align vendor incentives with long-term performance (for example, through earnouts)?

(iv) Can the board share more of its insights on why it approved the acquisition of 60% of TT Oil (Singapore) Pte. Ltd. for $6.0 million (total purchase consideration) and how the board expects the TT Oil acquisition to deliver

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long-term shareholder value? TT Oil has net tangible assets of $1.99 million as at 31 May 2024, and an internal valuation using the discounted cash flow method resulted in an enterprise value of $7.1 million for the 60% stake.

Q3. The company first announced its unaudited financial results on 30 May 2025. Following the finalisation of audit, the audited results were released on 11 September 2025, nearly 3.5 months later.

Net loss for the financial year increased from $(3.35) million (unaudited) to $(6.19) million (audited), an increase of roughly 84%. Equity decreased by 11.5% from $22.0 million to $19.5 million.

The company's announcement on discrepancies between unaudited and audited accounts can be found here:
https://links.sgx.com/1.0.0/corporate-announcements/7AH7T94WSTJ8CH36/5a49d154acb0c839beb7290928a53390e2a7f160594934dd240970771dba8598

(i) Can the audit committee (AC) help shareholders better understand the underlying reasons for the material variances? For example, why was the working capital loan to the subsidiary not initially classified correctly in the unaudited results based on the substance and accounting principles governing intercompany balances?

(ii) What are the challenges faced by the company's finance and accounting staff in meeting the Singapore Financial Reporting Standards (International) (SFRS(I)) especially due to acquisitions?

(iii) What role did the AC play in the preparation and review of the financial statements, and does the AC consider that its oversight was adequate and sufficient?

(iv) What specific enhancements have been made to the group's reporting functions, internal review processes and controls?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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