



**MARCO POLO MARINE LTD**  
Company Registration No. 200610073Z

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**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2007**

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**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), FULL YEAR RESULTS**

**1.(a) A profit and loss statement for the group together with a comparative statement for the corresponding period of the immediate preceding financial year**

	<b>The Group</b>		
	<b>FY2007</b>	<b>FY2006</b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
<b>Revenue</b>	<b>37,121</b>	15,887	134
Cost of sales	<u>(27,222)</u>	<u>(11,391)</u>	139
<b>Gross profit</b>	<b>9,899</b>	4,496	120
Other operating income	<b>3,352</b>	663	406
Negative goodwill arising on acquisition	-	2,159	(100)
Administration expenses	<b>(1,701)</b>	(807)	111
Other operating expenses	<b>(1,677)</b>	(781)	115
Finance costs	<u>(1,256)</u>	<u>(337)</u>	273
<b>Profit before tax</b>	<b>8,617</b>	5,393	60
Income tax	<u>(220)</u>	#	N/M
<b>Net profit attributable to the shareholders</b>	<u><b>8,397</b></u>	<u>5,393</u>	56

"#" denotes amounts less than S\$500

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

"N/M" denotes "Not meaningful"

**1.(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements**

	<b>The Group</b>		
	<b>FY2007</b>	FY2006	%
	<b>S\$'000</b>	S\$'000	Change
Profit before tax has been arrived at after charging/(crediting):			
Allowance for doubtful trade debts	<b>63</b>	-	N/M
Depreciation of property, plant and equipment	<b>2,896</b>	1,434	102
Foreign currency exchange loss/(gain)	<b>615</b>	(20)	3,175
(Gain) on disposal of property, plant and equipment	<b>(3,024)</b>	(627)	382
Interest income	<b>(2)</b>	(9)	(78)
Interest expenses	<b>1,256</b>	337	273
Write-off of property, plant and equipment	<b>-</b>	1	100

*"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure*  
*"N/M" denotes "Not meaningful".*

**1.(b)(i) A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year**

	The Group			The Company		
	30 September 2007 S\$'000	30 September 2006 S\$'000	% Change	30 September 2007 S\$'000	30 September 2006 S\$'000	% Change
<b>Non-current assets</b>						
Property, plant and equipment	45,053	37,410	20	-	-	-
Investments in subsidiaries	-	-	-	4,320	1,320	227
	45,053	37,410	20	4,320	1,320	227
<b>Current assets</b>						
Inventories	1,854	2,102	(12)	-	-	-
Trade receivables	2,221	894	148	-	-	-
Due from customers on construction contracts	7,330	833	779	-	-	-
Due from related parties^ (trade)	2,120	154	1277	-	-	-
Other receivables	4,209	343	1127	904	151	499
Due from holding company^ (non-trade)	-	#	(100)	-	#	(100)
Due from subsidiaries^ (non-trade)	-	-	-	13,300	-	N/M
Cash and bank balances	1,025	438	134	66	-	N/M
	18,759	4,764	294	14,270	151	9,350
<b>Total assets</b>	<b>63,812</b>	<b>42,174</b>	<b>51</b>	<b>18,590</b>	<b>1,471</b>	<b>1,163</b>
<b>Current liabilities</b>						
Trade payables	6,833	5,643	20	-	-	-
Due to related parties^ (trade)	4,515	791	471	-	-	-
Other payables	3,354	3,134	7	25	10	150
Due to a director^ (non-trade)	-	6,179	(100)	-	-	-
Due to subsidiaries^ (non-trade)	-	-	-	94	154	(39)
Due to related parties^ (non-trade)	-	464	(100)	-	-	-
Interest bearing loans (secured)	5,902	8,265	(29)	-	-	-
Provision for tax	219	-	N/M	-	-	-
	20,823	24,476	(15)	119	164	(27)
<b>Non-current liabilities</b>						
Interest bearing loans (secured)	17,561	6,836	157	-	-	-
<b>Total liabilities</b>	<b>38,384</b>	<b>31,312</b>	<b>23</b>	<b>119</b>	<b>164</b>	<b>(27)</b>
<b>Net assets</b>	<b>25,428</b>	<b>10,862</b>	<b>134</b>	<b>18,471</b>	<b>1,307</b>	<b>1,313</b>
<b>Share capital and reserves</b>						
Share capital	18,158	1,320	1,276	18,158	1,320	1,276
Translation reserve	11	22	(50)	-	-	-
Accumulated profits/(losses)	7,259	9,520	(24)	313	(13)	N/M
<b>Total equity</b>	<b>25,428</b>	<b>10,862</b>	<b>134</b>	<b>18,471</b>	<b>1,307</b>	<b>1,313</b>

"#" denotes amounts less than S\$500

"% Change" denotes increase/(decrease) in the relevant balance sheet item as compared with the comparative figure

"N/M" denotes "Not meaningful".

^These are unsecured, interest-free and repayable on demand.

**1.(b)(ii) Aggregate amount of borrowings and debts securities for the Group.**

	<b>As at 30 September 2007 S\$ '000</b>	<b>As at 30 September 2006 S\$ '000</b>
Borrowings, secured	<u>23,463</u>	<u>15,101</u>
The borrowings are repayable:-		
On demand or within one year*	5,902	8,265
More than one year*	<u>17,561</u>	<u>6,836</u>
	<u>23,463</u>	<u>15,101</u>

**Details of any collateral**

\* These are secured by:-

- Mortgages over certain property, plant and equipment of subsidiaries
- Joint and several guarantees by certain directors of the Group
- Assignment of certain charter income and insurance policies of vessels of a subsidiary
- Corporate guarantee by a related company
- A deposit provided by a director of the Group
- Assets of certain directors and related parties of the Group

**1.(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>The Group</b>	
	<b>FY2007</b>	<b>FY2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	8,617	5,393
Adjustments for:		
Depreciation of property, plant and equipment	2,896	1,434
Write-off of property, plant and equipment	-	1
Interest expense	1,256	337
Interest income	(2)	(9)
Gain on disposal of property, plant and equipment	(3,024)	(627)
Negative goodwill arising on acquisition of subsidiary	-	(2,159)
Currency realignment	428	(54)
Operating profit before changes in working capital	10,171	4,316
<i>Changes in working capital</i>		
Inventories	248	(2,102)
Trade and other receivables	(6,415)	1,943
Due from customers on construction contracts	(6,497)	(833)
Trade and other payables	5,134	4,279
Cash generated from operations	2,641	7,603
Income tax paid	#	#
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,641</b>	<b>7,603</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(16,511)	(23,358)
Proceeds from the disposal of property, plant and equipment	8,567	1,080
Acquisition of subsidiaries (Note 1)	-	(2)
Interest received	2	9
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(7,942)</b>	<b>(22,271)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of new shares	3,000	455
Proceeds from loans (net)	8,362	11,238
Due from holding company (non-trade)	#	#
Deferred expenses	(564)	(152)
Due to related parties (non-trade)	(464)	385
Due to a director (non-trade)	(3,179)	3,435
Interest paid	(1,256)	(337)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>5,899</b>	<b>15,024</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>598</b>	<b>356</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>438</b>	<b>61</b>
<b>NET EFFECT OF EXCHANGE RATE CHANGES IN CONSOLIDATING SUBSIDIARIES</b>	<b>(11)</b>	<b>21</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,025</b>	<b>438</b>

"#" denotes amounts less than S\$500

**Note 1: Summary of cash flows arising from the acquisition of a subsidiary:-**

	<b>The Group</b>	
	<b>FY2007</b>	<b>FY2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Property, plant and equipment	-	4,781
Cash and bank balances	-	24
Trade and other payables	-	(2,620)
Net identifiable assets and liabilities acquired	-	2,185
Negative goodwill arising on acquisition	-	(2,159)
Purchase consideration	-	26
Less: cash and bank balances of subsidiary acquired	-	(24)
Net cash flow arising from acquisition of subsidiary	-	2

**1.(d)(i) statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.**

**The Group**

	<b>Share Capital</b> S\$'000	<b>Translation Reserve</b> S\$'000	<b>Accumulated Profits</b> S\$'000	<b>Total</b> S\$'000
<b>Balance as at 1 October 2005</b>	<b>865</b>	<b>1</b>	<b>4,127</b>	<b>4,993</b>
Issuance of ordinary shares of the Company	1,320	-	-	1,320
Effect of reorganization under common control	(865)	-	-	(865)
Net exchange differences on translation of financial statements of foreign subsidiaries	-	21	-	21
Net gain recognised directly into equity	-	21	-	21
Profit for the year	-	-	5,393	5,393
Total recognised gains	-	-	5,393	5,393
<b>Balance as at 30 September 2006</b>	<b>1,320</b>	<b>22</b>	<b>9,520</b>	<b>10,862</b>
<b>Balance as at 1 October 2006</b>	<b>1,320</b>	<b>22</b>	<b>9,520</b>	<b>10,862</b>
Issuance of ordinary shares of the Company via cash injection	3,000	-	-	3,000
Issuance of ordinary shares of the Company via capitalisation	3,180	-	-	3,180
Bonus issue	10,658	-	(10,658)	-
Net exchange differences on translation of financial statements of foreign subsidiaries	-	(11)	-	(11)
Net expense recognised directly into equity	-	(11)	-	(11)
Profit for the year	-	-	8,397	8,397
Total recognised gains	-	-	8,397	8,397
<b>Balance as at 30 September 2007</b>	<b>18,158</b>	<b>11</b>	<b>7,259</b>	<b>25,428</b>

	The Company			
	Share Capital	Translation Reserve	Accumulated Profits/ (Losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 10 July 2006 (date of incorporation)</b>	#	-	-	#
Issuance of ordinary shares of the Company	1,320	-	-	1,320
Loss for the period	-	-	(13)	(13)
<b>Balance as at 30 September 2006</b>	<b>1,320</b>	<b>-</b>	<b>(13)</b>	<b>1,307</b>
<b>Balance as at 1 October 2006</b>	<b>1,320</b>	<b>-</b>	<b>(13)</b>	<b>1,307</b>
Issuance of ordinary shares of the Company via cash injection	3,000	-	-	3,000
Issuance of ordinary shares of the Company via capitalisation	3,180	-	-	3,180
Bonus issue	10,658	-	(10,658)	-
Profit for the year	-	-	10,984	10,984
<b>Balance as at 30 September 2007</b>	<b>18,158</b>	<b>-</b>	<b>313</b>	<b>18,471</b>

"#" denotes amounts less than S\$500

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

Details of the movement of the number of issued and paid-up ordinary shares of the Company since its date of incorporation on 10 July 2006 are as follows:-

	The Company	
	Number of ordinary shares	Resultant issued and paid-up capital S\$
Issued and fully paid as at 10 July 2006	3	3
Issue of new shares pursuant to the Restructuring Exercise*	1,320,003	1,320,006
Issued and fully paid as at 30 September 2006	1,320,006	1,320,006
Capitalisation of loan of S\$3,000,000 due to a director	3,000,000	4,320,006
Capital injection of S\$3,000,000 by holding company	3,000,000	7,320,006
Issue of new shares to IPO consultant	22,027	7,500,006
Bonus Issue*	10,657,967	18,157,973
Share Split*	214,200,000	18,157,973
Issued and fully paid as at 30 September 2007	214,200,000	18,157,973

\* New shares issued pursuant to the Restructuring Exercise, Bonus Issue and Share Split are as disclosed in our Prospectus dated 26 October 2007.

Pursuant to the Company's IPO subsequent to 30 September 2007, it issued 53,550,000 new shares at S\$0.28 per share for cash on 1 November 2007.



**2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as those in the audited annual financial statements as at 30 September 2006.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new Singapore Financial Reporting Standards ("FRSs") that are mandatory for the financial year beginning on or after 1 October 2006. The adoption of the new and revised FRSs did not have any significant financial impact to the financial statements of the Group.

**6. Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>The Group</b>	
	<b>As at 30 September 2007 S\$'000</b>	<b>As at 30 September 2006 S\$'000</b>
<b>Net profit attributable to shareholders</b>	<b>8,397</b>	<b>5,393</b>
<b>Earnings per share</b>		
Basic (Singapore cents)	<b>3.9 cents*</b>	<b>2.5 cents*</b>
Diluted (Singapore cents)	<b>3.1 cents**</b>	<b>2.0 cents**</b>

\* Based on the pre-IPO share capital of 214,200,000 ordinary shares.

\*\* Based on the post-IPO share capital of 267,750,000 ordinary shares.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 September 2007 S\$'000</b>	<b>As at 30 September 2006 S\$'000</b>	<b>As at 30 September 2007 S\$'000</b>	<b>As at 30 September 2006 S\$'000</b>
Net asset value as at end of financial year	<b>25,428</b>	<b>10,862</b>	<b>18,471</b>	<b>1,307</b>
Net asset value per ordinary share as at the end of financial year (Singapore cents)	<b>11.9 cents*</b>	<b>5.1 cents*</b>	<b>8.6 cents*</b>	<b>N/M*</b>

\* Based on the pre-IPO share capital of 214,200,000 ordinary shares.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earning of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**

**(a) Review of profit and loss statement of the Group**

Our Group's total revenue increased markedly by about S\$21.2 million or 133.7% from about S\$15.9 million for the financial year ended 30 September 2006 ("FY2006") to about S\$37.1 million for the financial year ended 30 September 2007 ("FY2007").

Revenue from our ship building operations increased by close to 5-fold or about S\$15.6 million from about S\$4.0 million in FY2006 to about S\$19.6 million in FY2007. The hefty increase was attributed mainly to more vessels being built in FY2007 as compared to that of FY2006. In FY2007, there were 32 vessels under construction, of which 11 were delivered to third-party customers. In FY2006, notwithstanding that our shipyard commenced ship building activities only in December 2005, we undertook the construction of 15 vessels, of which 2 vessels were delivered to third-party customers.

Revenue from our ship chartering operations grew from about S\$11.9 million in FY2006 to about S\$17.4 million in FY2007, an increase of about 46.6% or about S\$5.5 million, as we increased our fleet size from 18 vessels at the beginning of FY2006 to 25 vessels at the end of FY2007.

Over the same period under consideration, our overall gross profit soared by about 120.2% to about S\$9.9 million in FY2007 from about S\$4.5 million in FY2006. The commendable performance was underpinned by increased gross profit contributions from both our ship chartering and shipyard operations with overall gross profit margin maintained at about 27%.

Our other operating income for the periods under review comprised mainly gain on disposal of vessels, which constitutes part of our Group's policy in keeping a young fleet.

The increase in administrative expenses of about S\$0.9 million in FY2007 relates mainly to the increase in manpower costs as we expanded our staff strength and beef up our management team in meeting the scheduled expansion of our shipyard.

The increase in other operating expenses of about S\$0.9 million in FY2007 was mainly the result of higher depreciation for property, plant and equipment (as a full 12-month depreciation was recorded in FY2007 in respect of leasehold land and office premises acquired in the middle of FY2006) as well as foreign exchange loss (including unrealised translation loss) due to the weakening of USD and IDR against Singapore dollars, our Group's reporting currency.

Our finance costs increased by about S\$0.9 million in FY2007 mainly as a result of increased bank borrowings to partially fund the expansion of both our ship chartering and shipyard operations.

We registered a lower effective corporate tax rate relative to the corporate tax rate of 18% in Singapore as a large proportion of our shipping profits are tax exempted pursuant to Section 13A of the Singapore Income Tax Act.

Accordingly, we attained a profit after tax of about S\$8.4 million in FY2007, an increase of about 55.7% over that of about S\$5.4 million in FY2006.

**(b) Review of balance sheet of the Group**

The increase in our Group's property, plant and equipment for the financial years under review was attributed mainly to the increase in our fleet size as well as the expansion of our shipyard facilities at Batam, including the construction of a drydock and facilities such as workshops and warehouses, to undertake ship repair, maintenance and conversion works.

Our trade receivables, amounts due from customers on contraction contracts and trade payables increased in tandem with the increased level of business operations and activities.

The increase in other receivables comprised mainly down payments made for the purchase of vessels as well as machinery and engines needed for vessels building.

The increase in long-term borrowings relates primarily to bank borrowings to partially fund the expansion of our fleet size and the development at our shipyard.

As at 30 September 2007, we funded our fleet expansion and shipyard development primarily through cashflow generated from operations, external borrowings and proceeds from the disposal of vessels. We improved our net current liabilities position from about S\$19.7 million as at 30 September 2006 to about S\$2.1 million as at 30 September 2007, and would have turned in a net current assets position of about S\$11.1 million, if the net current liabilities position as at 30 September 2007 was adjusted for the net IPO proceeds of about S\$13.2 million which we received in November 2007.

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

Not applicable.

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

The outlook of the marine industry remains buoyant. The mandatory phasing out of the single-hulled tankers and CPO barges by 2010; the global increase in oil and gas activities fuelled by rising oil prices; and the present boom in the construction and property development industries in Singapore, boosted particularly by the 2 integrated resorts, add further impetus to the shipyard and ship chartering businesses.

We aim to ride the rising tides through the following growth plans:-

Ship chartering

- Establish new contacts in the region beyond Indonesia and Singapore
- Tap on intra-Indonesia islands for further transshipment services
- Expand our fleet of vessels to serve customers in the coal industry

Shipyard

- Move into higher margin ship repair, maintenance and conversion works
- Build a wide range of larger and more sophisticated vessels such as AHTS
- Fabricate massive steel platforms for offshore jack-up oil rigs

Barring unforeseen circumstances, our Group is optimistic about our performance for the next financial year ending 30 September 2008.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended during the financial year ended 30 September 2007.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1 ,Q2, Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative**

**information for the immediately preceding year.**

**Business segments**

<b>The Group</b>	<b><u>Ship chartering</u></b>	<b><u>Shipyard</u></b>	<b><u>Others</u></b>	<b><u>Eliminations</u></b>	<b><u>Total</u></b>
<b><u>FY2007</u></b>	<b><u>S\$' 000</u></b>	<b><u>S\$' 000</u></b>	<b><u>S\$' 000</u></b>	<b><u>S\$' 000</u></b>	<b><u>S\$' 000</u></b>
REVENUE					
Revenue from external customers	17,433	19,688	-	-	37,121
Inter-segment revenue	80	27	-	(107)	-
Total Revenue	<u>17,513</u>	<u>19,715</u>	<u>-</u>	<u>(107)</u>	<u>37,121</u>
SEGMENT RESULTS - Profit/(loss) from operations	9,328	564	(19)	-	9,873
Negative goodwill arising on acquisition					-
Finance costs (net)					<u>(1,256)</u>
Profit before tax					8,617
Income tax					<u>(220)</u>
Net profit for the year					<u>8,397</u>
ASSETS AND LIABILITIES					
SEGMENT ASSETS	34,844	26,924			61,768
Unallocated assets					<u>2,044</u>
Total assets					<u>63,812</u>
SEGMENT LIABILITIES	17,580	19,888			37,468
Unallocated liabilities					<u>916</u>
Total liabilities					<u>38,384</u>
OTHER INFORMATION					
Capital expenditures	10,402	6,109	-		16,511
Depreciation of property, plant and equipment	2,091	805	-		2,896

<b>The Group</b>	<b><u>Ship chartering</u></b>	<b><u>Shipyard</u></b>	<b><u>Others</u></b>	<b><u>Total</u></b>
<b><u>FY2006</u></b>	<b><u>S\$' 000</u></b>	<b><u>S\$' 000</u></b>	<b><u>S\$' 000</u></b>	<b><u>S\$' 000</u></b>
REVENUE	<u>11,895</u>	<u>3,992</u>	<u>-</u>	<u>15,887</u>
SEGMENT RESULTS - Profit/(loss) from operations	3,482	105	(16)	3,571
Negative goodwill arising on acquisition				2,159
Finance costs (net)				<u>(337)</u>
Profit before tax				5,393
Income tax				#
Net profit for the year				<u>5,393</u>
ASSETS AND LIABILITIES				
SEGMENT ASSETS	28,197	12,730		40,927
Unallocated assets				<u>1,247</u>
Total assets				<u>42,174</u>
SEGMENT LIABILITIES	15,091	8,657		23,748
Unallocated liabilities				<u>7,564</u>
Total liabilities				<u>31,312</u>
OTHER INFORMATION				
Capital expenditures	17,441	10,698	-	28,139
Depreciation of property, plant and equipment	1,246	188	-	1,434

"#" denotes amounts less than S\$500

### Geographical segments

The Group				Others (principally Hong Kong, Malaysia and Dubai)	Total
<u>FY2007</u>	<u>Singapore</u> S\$'000	<u>Indonesia</u> S\$'000	<u>Switzerland</u> S\$'000	<u>S\$'000</u>	<u>S\$'000</u>
Revenue	3,694	27,810	629	4,988	37,121
Segment assets	39,489	24,323	-	-	63,812
Capital expenditures	10,410	6,101	-	-	16,511
<u>FY2006</u>					
Revenue	2,328	8,596	3,676	1,287	15,887
Segment assets	30,298	11,876	-	-	42,174
Capital expenditures	18,660	9,479	-	-	28,139

#### **14. In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business of geographical segments.**

As we commenced shipbuilding activities only in Dec 2005, our shipyard contributed only about 25.1% to our total revenue in FY2006. With more vessels being built in FY2007 (registering a close to a 5-fold increase in shipyard revenue) and due to the inherent higher contract value for ship building relative to ship chartering, our shipyard contributed about 53.0% to the Group's total revenue in FY2007. Our ship chartering business remains the key contributor to our Group's profitability in both FY2006 and FY2007.

The increase in revenue contribution from Indonesia from about 54.1% in FY2006 to about 74.9% in FY2007 was underpinned mainly by the growth in our ship building contracts undertaken with Indonesian customers.

#### **15. Breakdown of sales**

	The Group	
	FY2007 S\$' 000	FY2006 S\$' 000
(i) Turnover reported for:		
First half year ended 31 March	16,953	5,650
Second half year ended 30 September	20,168	10,237
	<u>37,121</u>	<u>15,887</u>
(ii) Net profit for the year reported for:		
First half year ended 31 March	4,369	1,200
Second half year ended 30 September	4,028	2,034 <sup>^</sup>
	<u>8,397</u>	<u>3,234</u>

<sup>^</sup>Excludes negative goodwill arising from acquisition.

#### **16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable

#### **BY ORDER OF THE BOARD**

**Sean Lee Yun Feng**  
CEO

**29 November 2007**

**The Initial Public Offering of the Company's share was sponsored by UOB Asia Limited.**