



**MARCO POLO MARINE LTD**  
(A Member of Marco Polo Marine Group of Companies)

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**MEDIA RELEASE**

**All-time high net profit of S\$21.3 million against consecutive 8 years of record high revenue at S\$89.8 million and record high gross profit at S\$29.2 million for FY2012**

- ◆ Record gross profit and net profit attained with margins at enhanced levels of 32.5% and 23.8% for FY2012, representing increases of 4.4% points and 3.0% points over FY2011 respectively
- ◆ Shipyard Operations, accounting for 77.2% of total revenue, continue to be the key performance driver
- ◆ Operating cashflow position reversed from a net cashflow used in operations to a net cashflow generated from operations of S\$34.5 million in FY2012
- ◆ EPS of about 6.3 Singapore cents for FY2012, representing an increase of 23.5% over FY2011, while NAV per share increased by 14.4% to 41.4 Singapore cents as at 30 September 2012
- ◆ Declaration of a special interim dividend of 0.8 Singapore cents per share for Q1FY2013

**Singapore, 26 November 2012** - Singapore Exchange Mainboard-listed Marco Polo Marine Ltd (the "Company") together with its subsidiaries (the "Group"), a growing regional integrated marine logistic group, is pleased to announce its financial results for the full year ended 30 September 2012 ("FY2012").

**Financial Highlights of the Group**

S\$ million	FY2012	%	FY2011	%	Change
Ship Chartering Operations	20.5	22.8	30.8	37.1	(33.4)%
Ship Building & Repair Operations	69.3	77.2	52.2	62.9	32.8%
Total Revenue	89.8	100.0	83.0	100.0	8.2%
Gross Profit	29.2		23.3		25.2%
Profit from Operations	21.7		19.8		9.3%
Net Profit attributable to Shareholders	21.3		17.3		23.3%
<b>Performance Ratios</b>					
Gross Margin (%)	32.5%		28.1%		4.4% pts
Net Profit Margin (%)	23.8%		20.8%		3.0% pts
Return on Equity (%)	15.1%		14.0%		1.1% pts



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## **Revenue**

The Group's total revenue increased by 8.2% to S\$89.8 million in FY2012 relative to that of FY2011, despite the Group's total revenue decreased by 2.5% to S\$19.8 million in Q4FY2012 (*vis-à-vis* Q4FY2011's S\$20.3 million) and the Group's revenue from Ship Chartering Operations decreased by 33.4% to S\$20.5 million in FY2012 (*vis-à-vis* FY2011's S\$30.8 million).

### Ship Chartering Operations

Following the completion of the Group's acquisition of the 49% equity interest in PT Pelayaran Nasional Bina Buana Raya ("BBR"), and the accompanying reflagging exercise in FY2011, carried out in order to comply with Indonesia's Cabotage principle, the shipping business of the Group has been confined to waters beyond Indonesia (with BBR assuming the shipping business within Indonesian waters). As a consequence, the Group's ship chartering revenue declined by 33.4% to S\$20.5 million in FY2012 from S\$30.8 million in FY2011, and by 26.6% to S\$4.7 million in Q4FY2012 from S\$6.4 million in Q4FY2011.

### Ship Building & Repair Operations

The Group's ship building and repair operations posted strong growth of 32.8% to S\$69.3 million in FY2012 from S\$52.2 million in FY2011. The commendable revenue growth attained in FY2012 (*vis-à-vis* FY2011) and in Q4FY2012 (*vis-à-vis* Q4FY2011) were attributed particularly to more ship repair jobs and higher value ship conversion and outfitting jobs having been completed, especially since early Q3FY2012 when the Group's third dry dock, which is capable of docking merchant vessels of up to 45,000 dwt, swung into full operation.

## **Gross Profit / Net Profit**

In tandem with its revenue growth, the Group's gross profit increased to S\$29.2 million in FY2012, representing an increase of 25.2% over FY2012 with the Group's gross profit margin also improving to 32.5% in FY2012 from 28.1% in FY2011. Further, the net profit attributable to the shareholders of the Group soared above S\$20 million for the first time to a record high of S\$21.3 million for FY2012, representing an increase of 23.3% increase over that of FY2011 at increased net profit margin of 23.8% compared to that of 20.8% for FY2011.

The markedly improved profits and margins were due primarily to the Group's Ship Repair Operations which generated substantial increases in ship repair and outfitting revenues at higher yields, especially since Q3FY2012 when all its three dry docks were in full operation.



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## **Prospects**

The shipyard operations of the Group are expected to continue to drive the overall revenue of the Group for FY2013. While new-build orders of the Group have moderated, the Group has continued to receive enquiries for ship building, ship repair, outfitting and conversion services. With the Group's three dry docks swung into full operation since Q3FY2012, the Group is able to and has been undertaking more contracts of increasing scale and complexity.

With regard to the Group's ship chartering business, the Group expects its offshore business to continue to spearhead the growth. Charter rates in both the offshore vessels division as well as the tugs and barges division have stabilized and, based on the recent enquiries and indications, are expected to continue to remain stable in the foreseeable future.

## **Comments by CEO**

Reflecting on the commendable performance of the Group, Mr Sean Lee Yun Feng, CEO of the Company, remarked:

“As we sailed past five years of listing on the SGX-ST, we are encouraged by our track records as evidenced by our financial results, in particular, our record revenue, gross profit and net profit attained for FY2012. These set of laudable results must necessarily have emanated from our operational performance through the vigilant execution of our forward looking corporate strategies, the steadfast support of our shareholders and the strong co-operation from our customers and suppliers.

The charted strategies included deliberate plans to transform a barren site to what is now a modern sizeable shipyard with three dry-docks and moving up the value chain at enhanced scale of technical sophistication as a result. Our business demarcation to operate in Indonesian waters and in augmenting our shipping operating blue-print through BBR has also been instrumental in driving performance. Finally, our Group's entry into the robust offshore oil and gas sector and, within two years, owning and operating a fleet of seven Offshore Supply Vessels have positioned us in good stead to take on the challenges ahead.

In view of the record profits, we are pleased to declare a special interim dividend of 0.8 Singapore cents per share for Q1FY2013, which is the second dividend proposition made in over the same number of financial years. This is an expression of our appreciation to our valued shareholders for their continued strong support while balancing our capital expenditure needs to tap on growth opportunities.”



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Amidst the uncertain global macroeconomic environment, prompted particularly by the prolonged Euro zone debt crisis, the imminent US fiscal cliff predicament and the potential soft landing of the Chinese economy, barring any unforeseen circumstances, the Group remains optimistic about its performance for the next 12 months as it prudently expands its fleet and shipyard capacity and, if viable, forging partnerships to enhance further growth.

- End -

**Notes:**

1. "FY" denotes to the financial year ended or ending 30 September (as the case may be) and any "Q" or "H" which precedes it denotes the relevant financial quarter or half year (as the case may be).
2. This press release should be read in conjunction with Marco Polo Marine's Q4FY2012 results announcement posted on the web site of Singapore Exchange on 26 November 2012.

**About Marco Polo Marine Ltd**

Listed on SGX-ST since 2007, Marco Polo Marine Ltd is an integrated marine logistic company which has expanded to become a reputable player in the marine industry in the region.

The Group's ship chartering business provides Offshore Supply Vessels (OSVs) including mainly Anchor Handling Tug Supply (AHTS) vessels which are being deployed in regional waters including Gulf of Thailand and Indonesia as well as tugboats and barges to its customers especially in the mining, commodities, construction, infrastructure and land reclamation industries.

The Group's shipyard business undertakes ship building and maintenance as well as repair, outfitting and conversion services in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 metres, the modern shipyard also houses three dry docks which have led to the Group scaling up its technical capabilities and service offerings to undertake projects involving work on mid-sized and sophisticated vessels.

For more information, please refer to the corporate website [www.marcopolomarine.com.sg](http://www.marcopolomarine.com.sg)

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