MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND FINANCIAL QUARTER ("Q2FY2013") AND HALF FINANCIALYEAR ("H1FY2013) ENDED 31 MARCH 2013 IN RESPECT OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2013 ("FY2013")

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

The balance sheet of the Group as at 31 March 2013, the income statements of the Group for Q2FY2013 and H1FY2013 as well as the cashflow statement of the Group for H1FY2013 had taken into account and consolidated the relevant financial results/position of PT Pelayaran Nasional Bina Buana Raya Tbk ("BBR"), a former associated company turned a subsidiary of the Group with effect from 9 January 2013, following BBR's debut listing on the Indonesia Stock Exchange (the "IPO") and with the Group, being the single largest shareholder of BBR after the IPO, exerting a de facto control over BBR's operations since then (the "Transition").

1.(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediate preceding financial year.

	The Group			The Group		
	Q2FY2013 S$'000	Q2FY2012 S$'000	% Change	**H1FY2013 S$'000**	H1FY2012 S$'000	% Change
Revenue	**21,336**	31,013	(31)	**36,493**	55,578	(34)
Cost of sales	**(12,348)**	(22,608)	(45)	**(21,655)**	(40,979)	(47)
Gross profit	**8,988**	8,405	7	**14,838**	14,599	2
Other operating income	**645**	709	(9)	**1,668**	2,133	(22)
Administrative expenses	**(2,246)**	(2,038)	10	**(4,044)**	(3,580)	13
Other operating expenses	**(1,120)**	(904)	24	**(1,954)**	(1,752)	12
Profit from operations	**6,267**	6,172	2	**10,508**	11,400	(8)
Finance costs	**(1,495)**	(440)	240	**(1,809)**	(831)	118
Share of results of associated companies	**479**	(801)	NM	**1,095**	(1,066)	NM
Share of results of jointly–controlled entities	**725**	361	101	**1,284**	716	79
Profit before exceptional item	**5,976**	5,292	13	**11,078**	10,219	8
Exceptional item						
Gain on equity interest	**5,681**	-	NM	**5,681**	-	NM
Profit before taxation	**11,657**	5,292	120	**16,759**	10,219	64
Income tax	**(731)**	(1,064)	(31)	**(1,340)**	(1,640)	(18)
Profit after taxation	**10,926**	4,228	158	**15,419**	8,579	80
Profit attributable to:-						
Owners of the parent	**9,340**	4,228	121	**13,833**	8,579	61
Non-controlling interests	**1,586**	-	NM	**1,586**	-	NM
	10,926	4,228		**15,419**	8,579	

"Q2FY2013" denotes the second financial quarter of the financial year ended 30 September 2013 ("FY2013").

"H1FY2013" denotes the first half financial year of FY2013.

"Q2FY2012" denotes the second financial quarter of the financial year ended 30 September 2012 ("FY2012").

"H1FY2012" denotes the first half financial year of FY2012.

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

"NM" denotes not meaningful.

1.(a)(ii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group			The Group		
	Q2FY2013 S$'000	Q2FY2012 S$'000	% Change	**H1FY2013 S$'000**	H1FY2012 S$'000	% Change
Profit for the period	**10,926**	4,228	158	**15,419**	8,579	80
Exchange differences on translating foreign operations	**405**	(613)	NM	**1,473**	187	688
Other comprehensive income, net of tax	**405**	(613)	NM	**1,473**	187	688
Total comprehensive income for the period	**11,331**	3,615	213	**16,892**	8,766	93
Total comprehensive income attributable to:-						
Owners of the parent	**9,612**	3,615	166	**15,173**	8,766	73
Non-controlling interest	**1,719**	-	NM	**1,719**	-	NM
	11,331	3,615	213	**16,892**	8,766	93

1.(a)(iii) Net profit for the period was stated after charging/(crediting):

	The Group			The Group		
	Q2FY2013 S$'000	Q2FY2012 S$'000	% Change	**H1FY2013 S$'000**	H1FY2012 S$'000	% Change
Profit before income tax has been arrived at after charging/(crediting)						
Depreciation and amortisation	**4,868**	1,632	198	**6,687**	3,270	104
Net foreign currency exchange (gain)/loss	**(815)**	725	NM	**(755)**	194	NM
Gain on disposal of property, plant and equipment	**-**	(862)	NM	**-**	(1,028)	NM
Property, plant and equipment written-off	**-**	20	NM	**-**	20	NM
Impairment loss on trade receivables recognized	**37**	-	NM	**37**	-	NM
Amortisation of deferred income – government grant	**-**	(23)	NM	**-**	(31)	NM
Interest income	**(136)**	(10)	1,260	**(158)**	(39)	305
Interest expenses	**1,495**	440	240	**1,809**	831	118
Fair value adjustment of derivative contract	**69**	(203)	NM	**69**	(639)	NM
Gain on equity interest	**(5,681)**	-	NM	**(5,681)**	-	NM
Adjustment for overprovision of tax in respect of prior years	**-**	(72)	NM	**-**	(72)	NM

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	
	As at 31 March 2013 S$'000	As at 30 September 2012 S$'000	**As at 31 March 2013 S$'000**	As at 30 September 2012 S$'000
Non-current assets				
Property, plant and equipment	**268,495**	107,068	**-**	-
Investment in subsidiaries	**-**	-	**4,320**	4,320
Investment in an associate	**-**	19,581	**-**	-
Convertible bond in an associate	**-**	21,550	**-**	-
Derivative on convertible bond	**-**	3,616	**-**	-
Goodwill	**4,624**	-	**-**	-
Investment in jointly controlled entities	**26,709**	24,345	**3,965**	3,965
	299,828	176,160	**8,285**	8,285
Current assets				
Inventories	**5,509**	3,125	**-**	-
Trade receivables	**11,843**	26,127	**-**	-
Due from customers for construction contracts	**6,657**	5,706	**-**	-
Other receivables, deposits & prepayment	**12,122**	2,904	**64**	62
Due from subsidiaries (non-trade)	**-**	-	**52,774**	54,560
Fixed deposits	**11,123**	3,450	**2,059**	2,033
Cash and bank balances	**11,781**	12,501	**159**	1,328
	59,035	53,813	**55,056**	57,983
Total assets	**358,863**	229,973	**63,341**	66,268
Current liabilities				
Bank overdraft	**1,430**	1,619	**-**	-
Trade payables	**13,190**	11,461	**-**	-
Other payables and accruals	**10,395**	10,666	**193**	208
Due to customers for construction contracts	**-**	4,847	**-**	-
Borrowings – interest bearing	**34,263**	33,493	**-**	-
Derivative financial instruments	**68**	-	**-**	-
Income tax payable	**6,974**	5,687	**-**	-
	66,320	67,773	**193**	208
Non-current liabilities				
Borrowings – interest bearing	**90,067**	20,226	**-**	-
Deferred tax liabilities	**1,016**	821	**-**	-
	91,083	21,047	**-**	-
Total liabilities	**157,403**	88,820	**193**	208
Net assets	**201,460**	141,153	**63,148**	66,060
Share capital and reserves				
Share capital	**59,239**	59,239	**59,239**	59,239
Foreign currency translation reserve	**444**	(896)	**-**	-
Retained earnings	**93,917**	82,810	**3,909**	6,821
	153,600	141,153	**63,148**	66,060
Non-controlling interests	**47,860**	-	**-**	-
Total equity	**201,460**	141,153	**63,148**	66,060

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

	The Group	
	As at 31 March 2013 S$ '000	As at 30 September 2012 S$ '000
Amount repayable in one year or less or on demand		
Secured*	**35,693**	35,112
Amount repayable after one year		
Secured*	**90,067**	20,226

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 guarantees by the Company and a related company.
- Deposits provided by the Group.
- Certain plant and equipment are under finance lease arrangements.

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

	The Group	
	H1FY2013	H1FY2012
	S$'000	S$'000
Cash flow from operating activities		
Profit before income tax	**16,759**	10,219
Adjustments for:		
Depreciation and amortization	**6,687**	3,270
Interest expense	**1,809**	831
Interest income	**(158)**	(39)
Gain on disposal of property, plant and equipment	**-**	(1,028)
Fair value adjustment of derivative contracts	**69**	(639)
Share of profits in jointly-controlled entities	**(1,284)**	(716)
Share of loss in associated company	**(1,095)**	1,066
Property, plant and equipment written-off	**-**	20
Amortisation of deferred income	**-**	(31)
Gain on equity interest	**(5,681)**	-
Currency realignment	**153**	292
Operating profit before working capital changes	**17,259**	13,245
Working capital changes:		
Inventories	**(2,250)**	6,017
Trade and other receivables	**(125)**	(71)
Due from associated company	**-**	7,240
Due from customers for construction contracts	**(5,798)**	(23,707)
Trade and other payables	**(5,456)**	(13,813)
Cash from/(used in) operations	**3,630**	(11,089)
Interest paid	**(31)**	(71)
Income tax paid	**142**	(208)
Net cash from/(used in) operating activities	**3,741**	(11,368)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(6,325)**	(12,315)
Proceeds from disposal of property, plant and equipment	**-**	14,900
Acquisition of subsidiary, net of cash acquired	**11,159**	-
Placement of fixed deposits and cash pledged with licensed bank	**(176)**	3,440
Interest received	**158**	39
Net cash from investing activities	**4,816**	6,064
Cash flows from financing activities		
Proceeds from loans – net	**2,882**	9,054
Repayment of lease obligations	**(74)**	(311)
Interest paid on lease obligations	**(4)**	(25)
Interest paid on term loans	**(1,774)**	(735)
Dividend paid	**(2,726)**	(3,408)
Net cash (used in)/from financing activities	**(1,696)**	4,575
Net change in cash and cash equivalents	**6,861**	(729)
Effect of exchange rate changes on cash and cash equivalents	**105**	(274)
Cash and cash equivalents at beginning of financial year	**12,299**	10,524
Cash and cash equivalents at end of financial year (Note 1)	**19,265**	9,521

Note 1:
Cash and cash equivalents consist of:

	The Group	
	H1FY2013	H1FY2012
	S$'000	S$'000
Cash and bank balances	**11,123**	9,525
Fixed deposits	**11,781**	3,366
Bank overdraft	**(1,430)**	(4)
Total cash, bank balances and fixed deposit	**21,474**	12,887
Less: fixed deposits and cash pledged	**(2,209)**	(3,366)
Cash and cash equivalents	**19,265**	9,521

1.(d)(i) A 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				
	Share capital	Translation Reserve	Retained earnings	Non-controlling interest	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 October 2012	59,239	(896)	82,810	-	141,153
Profit net of tax	-	-	13,833	1,586	15,419
Other comprehensive income	-	1,340	-	133	1,473
Total comprehensive income for the year	-	1,340	13,833	1,719	16,892
Recognised NCI at acquisition date		-	-	46,141	46,141
Dividend paid	-	-	(2,726)	-	(2,726)
Balance as at 31 March 2013	59,239	444	93,917	47,860	201,460

	The Group			
	Share capital	Translation Reserve	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 October 2011	59,239	(611)	64,883	123,511
Total comprehensive income for the year	-	187	8,579	8,766
Dividend paid	-	-	(3,408)	(3,408)
Balance as at 31 March 2012	59,239	(424)	70,054	128,869

	The Company		
	Share capital	Retained Earnings	Total
	S$'000	S$'000	S$'000
Balance as at 1 October 2012	59,239	6,821	66,060
Total comprehensive income for the year	-	(186)	(186)
Dividend on ordinary shares	-	(2,726)	(2,726)
Balance as at 31 March 2013	59,239	3,909	63,148

	The Company		
	Share capital	Retained Earnings	Total
	S$'000	S$'000	S$'000
Balance as at 1 October 2011	59,239	(2,585)	56,654
Total comprehensive income for the year	-	7,949	7,949
Dividend on ordinary shares	-	(3,408)	(3,408)
Balance as at 31 March 2012	59,239	1,956	61,195

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.

There was no change in the Company's share capital during H1FY2013. Neither had the Company any outstanding convertibles as at 31 March 2012 and 31 December 2011.

1.(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 Mar 2013	As at 30 Sep 2012
Total number of issued ordinary shares (excluding treasury shares)	340,750,000	340,750,000

1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company had no treasury shares as at 31 March 2013 and as at 30 September 2012. Neither had there been any sale, transfer, disposal, cancellation and/or use of treasury shares during H1FY2013.

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.

Except as disclosed in Note 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 30 September 2012.

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 and the Company adopted all the new and revised Singapore Financial Reporting Standards (FRSs) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2012, where applicable. The adoption of these standards does not have a material impact on the financial statements of the Group and of the Company as at 1 October 2012.

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.

	The Group	
	H1FY2013	H1FY2012
	S$'000	S$'000
Net profit attributable to shareholders	**13,833**	8,579
Earnings per share		
Basic (Singapore cents)	**4.06 cents***	2.52 cents**
Diluted (Singapore cents)	**4.06 cents***	2.52 cents**

* Basic and diluted earnings per share for H1FY2013 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$13.8 million and the weighted average number of shares of 340,750,000.

** Basic and diluted earnings per share for H1FY2012 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$8.6 million and the weighted average number of shares of 340,750,000.

There were no potential dilutive shares as at 31 March 2013.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 31 March 2013 S$'000	As at 30 September 2012 S$'000	**As at 31 March 2013 S$'000**	As at 30 September 2012 S$'000
Net asset value as at the respective balance sheet dates	**153,600**	141,153	**63,148**	66,060
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	**45.1 cents**	41.4 cents	**18.5 cents**	19.4 cents

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.

Overview

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 Vessel (OSVs) which are mainly Anchor Handling Tug Supply (AHTS) vessels currently being deployed in regional waters including the Gulf of Thailand, Malaysia and Indonesia, as well as tugs and barges to its customers, especially those engaged 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 meters, 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 of mid-sized and sophisticated vessels.

(a) Review of the financial performance of the Group for H1FY2013 (compared to that of H1FY2012) and for Q2FY2013 (compared to that of Q2FY2012)

Revenue

Our Group's revenues for H1FY2013 (*vis-à-vis* H1FY2012) and Q2FY2013 (*vis-à-vis* Q2FY2012) were as follow:

	H1FY2013		**H1FY2012**		***Change***		**Q2FY2013**		**Q2FY2012**		***Change***	
	S$'m	**%**	**S$'m**	**%**	***S$'m***	***%***	**S$'m**	**%**	**S$'m**	**%**	***S$'m***	***%***
Ship Chartering Operations	22.0	60.3	10.7	19.2	*11.3*	*105.6*	16.5	77.5	4.9	15.8	*11.6*	*236.7*
Ship Building & Repair Operations	14.5	39.7	44.9	80.8	*(30.4)*	*(67.7)*	4.8	22.5	26.1	84.2	*(21.3)*	*(81.6)*
	36.5	100.0	55.6	100.0	*(19.1)*	*(34.4)*	21.3	100.0	31.0	100.0	*(9.7)*	*(31.3)*

The Group's revenue decreased by 34.4% to S$36.5 million in H1FY2013 relative to H1FY2012 and by 31.3% to S$21.3 million relative to Q2FY2012, due principally to the lower revenues registered by its Ship Building & Repair Operations which more than outstripped the higher revenues recorded by its Ship Chartering Operations.

The Ship Building & Repair Operations' revenue decreased by 67.7% relative to H1FY2012 and by 81.6% relative to Q2FY2012, due mainly to fewer repair jobs as well as slower uptake in new-build orders.

The Ship Chartering Operations' revenue increased by 105.6% to S$22.0 million in H1FY2013 and by 236.7% to S$16.5 million in Q2FY2013, attributed chiefly to BBR following the Transition.

The Group's gross profit increased by 6.9% relative to Q2FY2012 and by 1.6% relative to H1FY2012, with improved gross profit margins from 27.1% to 42.1% in Q2FY2013 and from 26.3% to 40.7% in H1FY2013. The improved gross profit performance was attributed mainly to a one-off gain of S$1.1 million, being redelivery fee earned in respect of an offshore vessel having to be moved from Australia to Singapore following the expiry of the underlying charter contract, and higher charter rates the Group enjoyed in Indonesian waters.

The Group's other operating income decreased in both H1FY2013 and Q2FY2012 relative to the corresponding periods of FY2012, due mainly to a decreased gain on disposal of vessels and a fair value adjustment in respect of a 3-month derivative contract entered into in Q2FY2012 by the Group to hedge its sales proceeds in US$ against S$, net of increased foreign exchange gain in H1FY2013 and Q2FY2012.

The increased administrative expenses of 13.0% relative to H1FY2012 and of 10.2% relative to Q2FY2012 were mainly attributed to increased personnel expenses.

The increases in other operating expenses in H1FY2013 and Q2FY2013 relative to the respective corresponding periods of FY2012 were mainly attributed to increased marketing expenses, due to stepped-up marketing efforts, insurance cost as well as legal and bank charges.

The Group's finance costs increased by 117.7% to S$1.8 million in H1FY2013 from S$0.8 million in H1FY2012, and increased by 240.0% to S$1.5 million in Q2FY2013 from S$0.4 million in Q2FY2012, attributed mainly to BBR's interest expense in respect of its vessel loans.

The share of profit of an associated company was in relation to BBR prior to the Transition.

The share of results from jointly controlled companies increased by 79.3% relative to H1FY2012 and by 100.1% relative to Q2FY2012, attributed mainly to the contribution from the jointly controlled entity forged in Q4FY2012 which engages in the bunker tankers business.

The exceptional gain of S$5.7 million in Q2FY2013 was a re-measurement gain in connection with a deemed disposal required to be recognized under *FRS 103 – Business Combinations*, which stipulates that the Group's equity interest in BBR prior to the Transition (the "Pre-Transition Group") be re-measured as if the stake had been disposed.

The decrease in income tax expense was mainly attributed to the Group's shipyard registering relatively lower profits in H1FY2013 and Q2FY2012 relative to the corresponding periods of FY2012 as well as lower regional taxes levied on the Group's ship chartering profit in H1FY2013 and Q2FY2012 when compared to the relatively higher tax rate of 30% levied by the relevant Australian tax authority on the ship chartering incomes of the corresponding periods of FY2012.

(b) Review of financial position of the Group as at 31 March 2013 compared to FY2012

The Group's non-current assets increased by 70.2% to S$299.8 million as at 31 March 2012 from S$176.2 million as at 30

September 2012. The increase was attributed mainly to 71 vessels, worth about S$161.8 million from BBR, having been newly consolidated into the balance sheet of the Group following the Transition; the reclassification of the 'investment in BBR' and the related 'BBR's convertible bonds' subscribed by the Pre-Transition Group to an 'investment in a subsidiary' following the Transition as well as the goodwill on consolidation flowing from the Transition.

The increases in inventories, deposits and prepayment and trade payables were mainly attributed to increased purchase or advance payments made for materials and equipment, including vessel engine, required for the building of vessels, particularly for the construction of one AHTS with an engine size of8160bhp since Q2FY2013.

In line with the business activities, trade receivables as at 31 March 2013 decreased by 54.7% to S$11.8 million compared to S$26.1 million as at 30 September 2012.

With a new ship building program kick started only in Q2FY2013, the amounts due from customers for construction contracts had increased marginally by 16.7% to S$6.7 million as at 31 March 2013 from S$5.7 million as at 30 September 2012. On the other hand, following the delivery of all completed vessels to customer, all amounts due to customers for construction contracts, if any, had been fully settled as at 31 March 2013.

The Group's total interest-bearing borrowings increased by S$70.4 million to S$125.8 million as at 31 March 2013 from S$55.3 million as at 30 September 2012 primarily attributed to BBR's vessel loans following the Transition.

The Group improved its negative working capital position by S$6.7 million to S$7.3 million as at 31 March 2013 from S$14.0 million as at 30 September 2012, boosted mainly by BBR's cash balance following its IPO as well as cash generated from operations by the Group, and reversed its cashflow from operations from a negative S$11.4 million for H1FY2012 to a positive S$3.7 million for H1FY2013, attributed mainly to higher collection from customers and lower payment made to suppliers in H1FY2013 relative to H1FY2012.

Following from the above:

1. the cash and cash equivalent of the Group increased by S$7.0 million to S$19.3 million as at 31 March 2013 from S$12.3 million as at 30 September 2012;
2. the gearing ratio (defined as the ratio of aggregate of interest-bearing loans net of fixed deposit and cash balances to total equity) of the Group hiked from 27.9% to 67.0% since 30 September 2012; and
3. the net asset value per share of the Group enhanced by 3.7 cents to 45.1 cents as at 31 March 2013 from 41.4 cents as at 30 September 2012.

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

The gross profit, gross profit margin and profitability of the Group for Q2FY2013 are in line with the optimism expressed previously by the Company in its results announcement for Q1FY2013 dated 25 January 2013.

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.

As a result of general challenging macro-economic conditions, the shipyard operations have been subdued especially with respect to third-party new-built contracts. However, as the Group's overall operations continue to grow, the shipyard division has been kept occupied to meet the needs of the Group's own fleet expansion program while keeping quality, cost and time control in check. In addition, to ward off the impact of competition from low cost-based countries, the Group has moved up its value chain to take on contracts of increasing complexity with respect to ship repair, outfitting and conversion services, which allow for better margins and faster turnaround time, though may be *ah-hoc* in nature.

With regard to the ship chartering business, the Group expects its offshore business to continue to spearhead the growth of its overall shipping revenue. As at the date of this announcement, the entire fleet of offshore vessels of the Group is on charter, reflecting the present robust environment in the region for offshore oil and gas exploration and production works and adding impetus to the Group's fleet expansion program as mentioned above.

Leveraging on Singapore's leading position as a bunkering hub, the Group, pursuant to its announcement of 23 April 2012, forged a joint-venture with a reputable industry incumbent to tap on this niche buoyant chartering market. As envisaged and evident from the financial results of the Group for H1FY2013 and Q2FY2013, the joint venture has had provided a stable and growing source of income to the Group. The Group will continue to seek out investment opportunities in this bunkering arena together with our joint-venture partner.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the uncertainties of the pace of recovery of the United States of America economy, continued concerns of the scale of the possible adverse fallouts and their implications on the

global scene triggered by the current Euro zone debt crisis, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia; timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them; relationships with customers; competition; and ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

(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/recommended for H1FY2013.

During Q1FY2013, the Company declared a tax exempt one-tier special interim dividend of SGD 0.8 cents per ordinary share for FY2013 and the dividends, aggregating S$2.7 million, were paid on 21 December 2012.

13. Interested Person Transactions

Pursuant to Rule 907 of the SGX-ST Listing Manual and the renewed IPT General Mandate procured from the shareholders of the Company on 24 January 2013, the following interested person transactions had been entered into during Q2FY2013:

Name of Interested Persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S$100,000) pursuant to Rule 920
	S$'000	S$'000
None	-	-

14. Negative Assurance on Interim Financial Statement.

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for Q2FY2013 to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
CEO

Liely Lee
Executive Director

9 May 2013