



**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD FINANCIAL QUARTER ("Q3FY2013") AND THE NINE-MONTH ("9MFY2013) ENDED 30 JUNE 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 30 June 2013, the income statements of the Group for Q3FY2013 and 9MFY2013 as well as the cashflow statement of the Group for 9MFY2013 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		
	Q3FY2013 S\$'000	Q3FY2012 S\$'000	% Change	9MFY2013 S\$'000	9MFY2012 S\$'000	% Change
<b>Revenue</b>	<b>28,589</b>	14,403	98	<b>65,082</b>	69,981	(7)
Cost of sales	<b>(18,344)</b>	(6,581)	179	<b>(39,999)</b>	(47,560)	(16)
<b>Gross profit</b>	<b>10,245</b>	7,822	31	<b>25,083</b>	22,421	12
Other operating income	<b>92</b>	800	(89)	<b>1,760</b>	2,933	(40)
Administrative expenses	<b>(2,314)</b>	(1,771)	31	<b>(6,358)</b>	(5,351)	19
Other operating expenses	<b>(977)</b>	(593)	65	<b>(2,931)</b>	(2,345)	25
<b>Profit from operations</b>	<b>7,046</b>	6,258	13	<b>17,554</b>	17,658	(1)
Finance costs	<b>(1,589)</b>	(329)	383	<b>(3,398)</b>	(1,160)	193
Share of results of associated companies	-	3,588	NM	<b>1,095</b>	2,522	(57)
Share of results of jointly-controlled entities	<b>556</b>	361	54	<b>1,840</b>	1,077	71
<b>Profit before exceptional item</b>	<b>6,013</b>	9,878	(39)	<b>17,091</b>	20,097	(15)
<b>Exceptional item</b>						
Gain on equity interest	-	-	NM	<b>5,681</b>	-	NM
<b>Profit before taxation</b>	<b>6,013</b>	9,878	(39)	<b>22,772</b>	20,097	13
Income tax	<b>(337)</b>	(985)	(66)	<b>(1,677)</b>	(2,625)	(36)
<b>Profit after taxation</b>	<b>5,676</b>	8,893	(36)	<b>21,095</b>	17,472	21
<b>Profit attributable to:-</b>						
Owners of the parent	<b>4,280</b>	8,893	(52)	<b>18,113</b>	17,472	4
Non-controlling interests	<b>1,396</b>	-	NM	<b>2,982</b>	-	NM
	<b>5,676</b>	8,893		<b>21,095</b>	17,472	

"Q3FY2013" denotes the third financial quarter of the financial year ended 30 September 2013 ("FY2013").

"9MFY2013" denotes the 9 months of FY2013.

"Q3FY2012" denotes the third financial quarter of the financial year ended 30 September 2012 ("FY2012").

"9MFY2012" denotes the 9 months 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		
	Q3FY2013 S\$'000	Q3FY2012 S\$'000	% Change	9MFY2013 S\$'000	9MFY2012 S\$'000	% Change
Profit for the period	5,676	8,893	(36)	21,095	17,472	21
Exchange differences on translating foreign operations	2,672	233	1,047	4,145	420	887
Other comprehensive income, net of tax	2,672	233	1,047	4,145	420	887
Total comprehensive income for the period	8,348	9,126	(9)	25,240	17,892	41
Total comprehensive income attributable to:-						
Owners of the parent	5,835	9,126	(36)	21,008	17,892	17
Non-controlling interest	2,513	-	NM	4,232	-	NM
	8,348	9,126	(9)	25,240	17,892	41

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

	The Group			The Group		
	Q3FY2013 S\$'000	Q3FY2012 S\$'000	% Change	9MFY2013 S\$'000	9MFY2012 S\$'000	% Change
Profit before income tax has been arrived at after charging/(crediting)						
Depreciation and amortisation	4,890	1,680	191	11,577	4,958	134
Net foreign currency exchange (gain)/loss	(93)	(343)	(73)	(848)	(149)	469
Gain on disposal of property, plant and equipment	(11)	(157)	(93)	(11)	(1,185)	(99)
Property, plant and equipment written-off	67	-	NM	67	20	235
Impairment loss on trade receivables recognized	74	103	(28)	111	103	8
Amortisation of deferred income – government grant	-	-	NM	-	(31)	NM
Interest income	(117)	(10)	1,070	(275)	(49)	461
Interest expenses	1,589	329	383	3,398	1,160	193
Share-based payment expenses	28	-	NM	28	-	NM
Fair value adjustment of derivative contract	50	(64)	NM	119	(703)	NM
Gain on equity interest	-	-	NM	(5,681)	-	NM
Adjustment for overprovision of tax in respect of prior years	-	-	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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 June 2013 S\$'000</b>	<b>As at 30 September 2012 S\$'000</b>	<b>As at 30 June 2013 S\$'000</b>	<b>As at 30 September 2012 S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	272,032	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	4,623	-	-	-
Investment in jointly controlled entities	27,807	24,345	3,965	3,965
	<b>304,462</b>	<b>176,160</b>	<b>8,285</b>	<b>8,285</b>
<b>Current assets</b>				
Inventories	3,976	3,125	-	-
Trade receivables	14,075	26,127	-	-
Due from customers for construction contracts	6,907	5,706	-	-
Other receivables, deposits & prepayment	36,836	2,904	3	62
Due from subsidiaries (non-trade)	-	-	52,229	54,560
Fixed deposits	7,413	3,450	2,102	2,033
Cash and bank balances	8,192	12,501	172	1,328
	<b>77,399</b>	<b>53,813</b>	<b>54,506</b>	<b>57,983</b>
<b>Total assets</b>	<b>381,861</b>	<b>229,973</b>	<b>62,791</b>	<b>66,268</b>
<b>Current liabilities</b>				
Bank overdraft	1,514	1,619	-	-
Trade payables	12,412	11,461	-	-
Other payables and accruals	11,553	10,666	176	208
Due to customers for construction contracts	-	4,847	-	-
Borrowings – interest bearing	40,647	33,493	-	-
Derivative financial instruments	121	-	-	-
Income tax payable	7,479	5,687	-	-
	<b>73,726</b>	<b>67,773</b>	<b>176</b>	<b>208</b>
<b>Non-current liabilities</b>				
Borrowings – interest bearing	97,585	20,226	-	-
Deferred tax liabilities	714	821	-	-
	<b>98,299</b>	<b>21,047</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>172,025</b>	<b>88,820</b>	<b>176</b>	<b>208</b>
<b>Net assets</b>	<b>209,836</b>	<b>141,153</b>	<b>62,615</b>	<b>66,060</b>
<b>Share capital and reserves</b>				
Share capital	59,239	59,239	59,239	59,239
Foreign currency translation reserve	1,999	(896)	-	-
Share-based payment reserve	28	-	28	-
Retained earnings	98,197	82,810	3,348	6,821
	<b>159,463</b>	<b>141,153</b>	<b>62,615</b>	<b>66,060</b>
Non-controlling interests	50,373	-	-	-
<b>Total equity</b>	<b>209,836</b>	<b>141,153</b>	<b>62,615</b>	<b>66,060</b>

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

	<b>The Group</b>	
	<b>As at 30 June 2013 S\$ '000</b>	<b>As at 30 September 2012 S\$ '000</b>
Amount repayable in one year or less or on demand Secured*	<b>42,161</b>	<b>35,112</b>
Amount repayable after one year Secured*	<b>97,585</b>	<b>20,226</b>

**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.**

	<b>The Group</b>	
	<b>9MFY2013</b> <b>S\$'000</b>	<b>9MFY2012</b> <b>S\$'000</b>
<b>Cash flow from operating activities</b>		
Profit before income tax	22,772	20,097
Adjustments for:		
Depreciation and amortization	11,577	4,958
Interest expense	3,398	1,160
Interest income	(275)	(49)
Gain on disposal of property, plant and equipment	(11)	(1,185)
Fair value adjustment of derivative contracts	121	(703)
Share of profits in jointly-controlled entities	(1,840)	(1,077)
Share of loss in associated company	(1,095)	(2,522)
Property, plant and equipment written-off	67	20
Amortisation of deferred income	-	(31)
Share-based payment expenses	28	-
Gain on equity interest	(5,681)	-
Currency realignment	2,284	165
Operating profit before working capital changes	31,345	20,833
Working capital changes:		
Inventories	(716)	4,947
Trade and other receivables	(27,071)	8,001
Due from associated company	-	(14,470)
Due from customers for construction contracts	(6,048)	3,464
Trade and other payables	(5,076)	(12,518)
Cash (used in)/from operations	(7,566)	10,257
Interest paid	(57)	(81)
Income tax paid	7	(126)
<b>Net cash (used in)/from operating activities</b>	<b>(7,616)</b>	<b>10,050</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,821)	(28,348)
Proceeds from disposal of property, plant and equipment	15	16,650
Jointly-controlled entities	-	(1,090)
Acquisition of subsidiary, net of cash acquired	11,159	-
Placement of fixed deposits and cash pledged with licensed bank	1,366	4,698
Interest received	275	49
<b>Net cash used in investing activities</b>	<b>(2,006)</b>	<b>(8,041)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans – net	16,789	9,938
Repayment of lease obligations	(80)	(311)
Interest paid on lease obligations	(5)	(30)
Interest paid on term loans	(3,336)	(1,049)
Dividend paid	(2,726)	(3,408)
<b>Net cash from financing activities</b>	<b>10,642</b>	<b>5,140</b>
Net change in cash and cash equivalents	1,020	7,149
Effect of exchange rate changes on cash and cash equivalents	105	(175)
Cash and cash equivalents at beginning of financial year	12,299	10,524
<b>Cash and cash equivalents at end of financial year (Note 1)</b>	<b>13,424</b>	<b>17,498</b>

**Note 1:**

Cash and cash equivalents consist of:

	<b>The Group</b>	
	<b>9MFY2013</b> <b>S\$'000</b>	<b>9MFY2012</b> <b>S\$'000</b>
Cash and bank balances	8,192	16,074
Fixed deposits	7,413	3,532
Bank overdraft	(1,514)	-
Total cash, bank balances and fixed deposit	14,091	19,606
Less: fixed deposits and cash pledged	(667)	(2,108)
Cash and cash equivalents	13,424	17,498

**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					Total
	Share capital	Share-based Payment Reserve	Translation Reserve	Retained earnings	Non-controlling interest	
	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	-	-	-	18,113	2,982	21,095
Other comprehensive income	-	-	2,895	-	1,250	4,145
Total comprehensive income for the year	-	-	2,895	18,113	4,232	25,240
Recognised NCI at acquisition date	-	-	-	-	46,141	46,141
Share-based payment reserve	-	28	-	-	-	28
Dividend paid	-	-	-	(2,726)	-	(2,726)
Balance as at 30 June 2013	59,239	28	1,999	98,197	50,373	209,836

	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	-	420	17,472	17,892
Dividend paid	-	-	(3,408)	(3,408)
Balance as at 30 June 2012	59,239	(191)	78,947	137,995

	The Company			Total
	Share capital	Retained Earnings	Share-based Payment Reserve	
	S\$'000	S\$'000	S\$'000	
Balance as at 1 October 2012	59,239	6,821	-	66,060
Total comprehensive income for the year	-	(747)	-	(747)
Share-based payment reserve	-	-	28	28
Dividend on ordinary shares	-	(2,726)	-	(2,726)
Balance as at 30 June 2013	59,239	3,348	28	62,615

	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	-	12,913	12,913
Dividend on ordinary shares	-	(3,408)	(3,408)
Balance as at 30 June 2012	59,239	6,920	66,159

**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 9MFY2013. Neither had the Company any outstanding convertibles as at 30 June 2013 and 30 September 2012.

**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.**

	<b>As at 30 June 2013</b>	<b>As at 30 Sep 2012</b>
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 30 June 2013 and as at 30 September 2012. Neither had there been any sale, transfer, disposal, cancellation and/or use of treasury shares during 9MFY2013.

**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.**

	<b>The Group</b>	
	<b>9MFY2013</b> <b>S\$'000</b>	9MFY2012 S\$'000
<b>Net profit attributable to shareholders</b>	<b>18,113</b>	17,472
<b>Earnings per share</b>		
Basic (Singapore cents)	<b>5.32 cents</b> <sup>*</sup>	5.13 cents <sup>**</sup>
Diluted (Singapore cents)	<b>5.32 cents</b> <sup>*</sup>	5.13 cents <sup>**</sup>

\* Basic and diluted earnings per share for 9MFY2013 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S\$18.1 million and the weighted average number of shares of 340,750,000.

\*\* Basic and diluted earnings per share for 9MFY2012 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S\$17.5 million and the weighted average number of shares of 340,750,000.

There were no potential dilutive shares as at 30 June 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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at</b> <b>30 June</b> <b>2013</b> <b>S\$'000</b>	As at 30 September 2012 S\$'000	<b>As at</b> <b>30 June</b> <b>2013</b> <b>S\$'000</b>	As at 30 September 2012 S\$'000
Net asset value as at the respective balance sheet dates	<b>159,463</b>	141,153	<b>62,615</b>	66,060
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	<b>46.8 cents</b>	41.4 cents	<b>18.4 cents</b>	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 (the "Company") and its subsidiaries (the "Group"), is a reputable integrated marine logistic company which is principally engaged in shipping and shipyard businesses in the region.

The Group's shipping business relates to the chartering of Offshore Supply Vessel (OSVs), comprising mainly Anchor Handling Tug Supply (AHTS) vessels, for deployment in the regional waters, including the Gulf of Thailand, Malaysia and Indonesia, as well as the chartering of tugs and barges to customers, especially those engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

The Group's shipyard business relates to ship building as well as ship maintenance, repair, outfitting and conversion services which are carried out through its shipyard located 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 boosted the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.



**(a) Review of the financial performance of the Group for 9MFY2013 (compared to that of 9MFY2012) and for Q3FY2013 (compared to that of Q3FY2012)**

**Revenue**

Our Group's revenues for 9MFY2013 (*vis-à-vis* 9MFY2012) and Q3FY2013 (*vis-à-vis* Q3FY2012) were as follow:

	9MFY2013		9MFY2012		Change		Q3FY2013		Q3FY2012		Change	
	S\$m	%	S\$m	%	S\$m	%	S\$m	%	S\$m	%	S\$m	%
Ship Chartering Operations	39.3	60.4	15.9	22.7	23.4	147.2	17.4	60.8	5.2	36.1	12.2	234.6
Ship Building & Repair Operations	25.8	39.6	54.1	77.3	(28.3)	(52.3)	11.2	39.2	9.2	63.9	2.0	21.7
	65.1	100.0	70.0	100.0	(4.9)	(7.0)	28.6	100.0	14.4	100.0	14.2	98.6

The Group's Ship Chartering and Ship Building & Repair Operations registered a combined growth of 98.6% in Q3FY2013 relative to Q3FY2012. Notwithstanding which, the Group's year-to-date revenue decreased by 7.0% to S\$65.1 million in 9MFY2013 from S\$70.0 million in 9MFY2012.

The continued strong growth in revenue of 147.2% to S\$39.3 million in 9MFY2013 and 234.6% to S\$17.4 million in Q3FY2013, enjoyed by the Ship Chartering Operations, were attributed chiefly to BBR subsequent to the Transition and the strong demand for OSVs in the region.

Due principally to fewer repair jobs and slower uptake of new-build orders coupled with the one-off revenue recognized in Q3FY2012 in connection with the cancellation of a ship building agreement for an amount of S\$9.3 million ("De-Recognized Revenue"), the Ship Building & Repair Operations registered a decrease in revenue by 52.3% in 9MFY2013 relative to 9MFY2012, despite an increase in revenue by 21.7% in Q3FY2013 relative to Q3FY2012. Without taking into account the De-Recognized Revenue, the Ship Building & Repair Operations' revenue would have decreased by 39.5% in Q3FY2013 relative to Q3FY2012.

The Group's overall gross profit increased by 11.9% to S\$25.1 million in 9MFY2013 relative to 9MFY2012 at improved gross profit margin from 32.0% in Q3FY2012 to 38.5% in Q3FY2013. The improved gross profit and gross profit margin performances were attributable mainly to the expanded high yield offshore chartering business of the Ship Chartering Operations. Without taking into account the De-Recognized Revenue and the related costs, the Group's overall gross profit margin would have further enhanced to 35.8% from 32.0%.

The decreases in the Group's other operating income in both 9MFY2013 and Q3FY2012 relative to the corresponding periods of FY2012 were due mainly to decreases in gain on disposal of vessels and foreign exchange.

The increased administrative expenses of 18.8% in 9MFY2013 relative to 9MFY2012 and of 30.7% in Q3FY2013 relative to Q3FY2012 were mainly attributed to increased personnel expenses.

The increases in other operating expenses in 9MFY2013 and Q3FY2013 relative to the respective corresponding periods of FY2012 were mainly attributed to increases in marketing expenses due to stepped-up marketing efforts, insurance cost, legal and bank charges as well as rental expenses.

The Group's finance costs increased by 192.9% in 9MFY2013 relative to 9MFY2012 and by 383.0% in Q3FY2013 relative to Q3FY2012, brought about mainly by BBR's interest expense in connection with 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 70.8% in 9MFY2013 relative to 9MFY2012 and by 54.0% in Q3FY2013 relative to Q3FY2012, attributed mainly to the contribution from the bunker tanker business of the jointly controlled entity forged in Q4FY2012.

The exceptional gain of S\$5.7 million in 9MFY2013 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 9MFY2013 and Q3FY2012 relative to the corresponding periods of FY2012 as well as lower regional taxes levied on the Group's ship chartering profit in 9MFY2013 and Q3FY2012 when compared to the relatively higher tax rates levied by the relevant regional tax authority on ship chartering incomes for the corresponding periods of FY2012.

**(b) Review of financial position of the Group as at 30 June 2013 compared to FY2012**

The Group's non-current assets increased by 72.8% to S\$304.5 million as at 30 June 2013 from S\$176.2 million as at 30 September 2012. The increase was attributed mainly to:

1. 71 vessels, worth about S\$161.8 million from BBR, having been newly consolidated into the balance sheet of the Group following the Transition;
2. 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; and
3. the goodwill on consolidation flowing from the Transition.

The other receivables, deposits and prepayment increased by S\$33.9 million to S\$36.8 million as at 30 June 2013 from S\$2.9 million as at 30 September 2012. The increases were attributed mainly to:

1. the payment for a newly built 9,000 BHP AHTS vessel, MP Prevail, to a third party shipbuilder as announced by the Company on 21 June 2013 (the "Vessel Acquisition"); the Group had since taken delivery and registered the vessel on 17 July 2013; and
2. the advanced payments made by the Group for materials and equipment, including vessel engine, required for the building of vessels, particularly for the construction of two AHTS with an engine size of 8160bhp since Q2FY2013.

The increases in inventories and trade payables were mainly due to increase in raw materials purchased towards the end of Q3FY2013.

In line with the business activities, trade receivables as at 30 June 2013 decreased by 46.1% to S\$14.1 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 increased marginally by 21.0% to S\$6.9 million as at 30 June 2013 from S\$5.7 million as at 30 September 2012. Separately, following the delivery of completed vessels to customer, all amounts due to customers for construction contracts, if any, had been fully settled as at 30 June 2013.

The Group's total interest-bearing borrowings increased by S\$84.4 million to S\$139.7 million as at 30 June 2013 from S\$55.3 million as at 30 September 2012, primarily attributed to BBR's vessel loans following the Transition and the Vessel Acquisition.

Following from the above:

1. the cash and cash equivalent of the Group decreased by S\$4.1 million to S\$13.4 million as at 30 June 2013 from S\$17.5 million as at 30 September 2012, with the Group registering an operating cash outflow in 9MFY2013;
2. the working capital of the Group drastically reversed from a negative S\$14.0 million as at 30 September 2012 to a positive S\$3.7 million as at 30 June 2013;
3. 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 increased from 27.9% as at 30 September 2012 to 59.2% as at 30 June 2013; and
4. the net asset value per share of the Group enhanced by 5.4 cents to 46.8 cents as at 30 June 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.**

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 subdued global economic outlook, due largely to slower growth in several key advanced economies and a more protracted recession in the euro zone area coupled with the general overcapacities of shipyards in China, is expected to continue to affect the Group's Ship Building and Repair Operations.

The Group expects the offshore business of its Ship Chartering Operations to continue to spearhead its growth. The offshore business of the Group is also expected to receive a booster following the Group's acquisition of MP Prevail in June 2013.

***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 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 the 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/recommendeded for 9MFY2013.

During Q1FY2013, the Company declared a tax exempt one-tier special interim dividend of 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 Q3FY2013:

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 their 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 Q3FY2013 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

12 August 2013