



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH FINANCIAL QUARTER ("Q4FY2016") AND FULL FINANCIAL YEAR ENDED 30 SEPTEMBER 2016 ("FY2016")

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

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

	Group			Group		
	Q4FY2016	Q4FY2015	% Change	FY2016	FY2015	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	8,862	15,248	(42)	46,942	93,893	(50)
Cost of sales	(10,228)	(8,643)	18	(38,959)	(68,166)	(43)
Gross (loss)/profit	(1,366)	6,605	NM	7,983	25,727	(69)
Other operating income	6,159	4,253	45	6,662	8,217	(19)
Administrative expenses	(1,580)	(1,881)	(16)	(7,249)	(8,930)	(19)
Other operating expenses	(3,056)	(1,266)	NM	(9,994)	(9,825)	2
Profit/(loss) from operations	157	7,711	NM	(2,598)	15,189	NM
Finance costs	(1,748)	(1,360)	29	(5,888)	(4,193)	40
Share of losses in joint ventures	(8,140)	(974)	NM	(9,648)	(282)	NM
(Loss)/profit before taxation	(9,731)	(2,838)	NM	(18,134)	10,714	NM
Income tax	303	(197)	NM	1,196	(2,798)	NM
(Loss)/profit for the financial year	(9,428)	(3,035)	NM	(16,938)	7,916	NM
(Loss)/profit attributable to:-						
Equity holders of the Company	(9,428)	(3,035)		(16,938)	8,521	
Non-controlling interests	-	-		-	(605)	
	(9,428)	(3,035)		(16,938)	7,916	

"Q4FY2016" denotes the fourth financial quarter of the financial year ended 30 September 2016 ("FY2016").

"FY2016" denotes the full financial year of FY2016.

"Q4FY2015" denotes the fourth financial quarter of the financial year ended 30 September 2015 ("FY2015").

"FY2015" denotes the full financial year of FY2015.

"% 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.

	Group			Group		
	Q4FY2016	Q4FY2015	% Change	FY2016	FY2015	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
(Loss)/profit for the financial year	(9,428)	(3,035)	NM	(16,938)	7,916	NM
Exchange differences on translating foreign operations	153	5,430	NM	(1,711)	6,565	NM
Total comprehensive income for the period	(9,275)	2,395		(18,649)	14,481	NM
Total comprehensive income attributable to:-						
Equity holders of the Company	(9,275)	2,395	NM	(18,649)	13,694	NM
Non-controlling interest	-	-	-	-	787	
	(9,275)	2,395	NM	(18,649)	14,481	NM

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

	Group			Group		
	Q4FY2016	Q4FY2015	% Change	FY2016	FY2015	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
(Loss)/profit before income tax has been arrived at after charging/(crediting)						
Depreciation and amortization	2,945	2,905	(1)	11,415	12,188	(6)
Net foreign currency exchange loss/(gain)	698	(4,262)	NM	4,936	(7,579)	NM
Gain on disposal of property, plant and equipment	(1,302)	-	NM	(1,622)	-	NM
Impairment loss on trade receivables	27	748	(96)	27	748	(96)
Interest income	(7)	(12)	(42)	(30)	(39)	(23)
Interest expenses	1,748	1,361	28	5,888	4,193	40
Share-based payment expenses	35	14	NM	99	57	74
Write off construction in progress	2,258	-	-	2,258	-	NM
(Gain)/loss fair value adjustment of derivative contract	4	(27)	NM	17	(186)	NM
Loss on disposal of subsidiary	-	-	-	-	768	NM
(Reversal)/Impairment on investment in a joint venture	(4,530)	4,530	NM	(4,530)	4,530	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 30 September 2016 S\$'000	As at 30 September 2015 S\$'000	As at 30 September 2016 S\$'000	As at 30 September 2015 S\$'000
Non-current assets				
Property, plant and equipment	238,178	235,332	-	-
Investment in subsidiaries	-	-	4,320	4,320
Goodwill	-	-	-	-
Investment in joint ventures	80,692	85,957	8,265	6,919
Finance lease receivables	-	-	-	-
	318,870	321,289	12,585	11,239
Current assets				
Inventories	12,119	26,879	-	-
Trade receivables	15,951	9,176	-	-
Due from customers for construction contracts	47,405	64,183	-	-
Other receivables, deposits & prepayment	42,553	9,717	168	379
Finance lease receivables	-	-	-	-
Due from subsidiaries (non-trade)	-	-	96,132	99,179
Fixed deposits	-	-	-	-
Cash and bank balances	11,824	11,061	213	1,249
	129,852	121,016	96,513	100,807
Total assets	448,722	442,305	109,098	112,046
Current liabilities				
Bank overdraft	1,983	-	-	-
Trade payables	10,557	19,205	-	-
Due to customers for construction contracts	-	6,508	-	-
Other payables and accruals	23,871	11,336	1,514	2,258
Borrowings – interest bearing	116,788*	124,836	-	-
Derivative financial instruments	249	271	-	-
Income tax payable	2,381	6,698	-	-
	155,829	168,854	1,514	2,258
Non-current liabilities				
Borrowings – interest bearing	133,034	94,966	50,000	50,000
Deferred tax liabilities	1,035	1,111	-	-
	134,069	96,077	50,000	50,000
Total liabilities	289,898	264,930	51,514	52,258
Net assets	158,824	177,374	57,584	59,788
Share capital and reserves				
Share capital	59,239	59,239	59,239	59,239
Capital reserve	634	634	-	-
Employee share option reserve	241	142	-	-
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Foreign currency translation reserve	532	2,243	-	-
Retained earnings	99,381	116,319	(452)	1,752
Total equity	158,824	177,374	57,584	59,788

*The Group is in the process of working with the banks concerned in extending the tenure of the borrowing involved (the "Loans Restructuring"), which, if carried out, will defer a significant portion of the current borrowings to non-current liabilities.

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

	The Group	
	As at	As at
	30 September	30 September
	2016	2015
	S\$'000	S\$'000
Amount repayable in one year or less or on demand Secured*	116,788	124,836
Amount repayable after one year Secured*	133,034	94,966

Details of any collateral

* These are secured by:

- Mortgages over certain property, plant and equipment of subsidiaries.
- Assignment of certain charter income and insurance policies of vessels of a subsidiary.
- Corporate guarantees by the Company and a related company.
- 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.

	Group		Group	
	Q4FY2016 S\$'000	Q4FY2015 S\$'000	FY2016 S\$'000	FY2015 S\$'000
Cash flow from operating activities				
(Loss)/profit before income tax	(9,731)	847	(18,134)	10,714
Adjustments for:				
Depreciation and amortization	2,975	2,905	11,445	12,188
Allowance for impairment of trade receivables	27	443	27	748
Allowance for impairment of inventories	87	-	87	-
Write off construction in progress	2,258	-	2,258	-
Reversal of impairment on investment in a joint venture	(4,530)	4,530	(4,530)	4,530
Interest expense	1,748	1,361	5,888	4,193
Interest income	(7)	(12)	(30)	(39)
Loss on disposal of subsidiary	-	-	-	768
Gain on disposal of property, plant and equipment	(1,302)	-	(1,622)	-
Loss/(gain) fair value adjustment of derivative contracts	10	(27)	(17)	(186)
Share of loss in jointly-controlled entities	8,140	974	9,648	282
Share-based payment expenses	36	14	99	57
Currency realignment	52	(2,262)	4,582	292
Operating profit/(loss) before working capital changes	(237)	8,773	9,701	33,547
Working capital changes:				
Inventories	(1,515)	(7,189)	(311)	(12,743)
Trade and other receivables	2,904	27,004	(3,785)	(667)
Due from customers for construction contracts	3,932	(8,770)	10,270	(37,974)
Trade and other payables	1,972	(8,789)	3,887	11,722
Cash from operations	7,056	11,029	19,762	(6,115)
Interest paid	(75)	(3)	(319)	(41)
Income tax paid	(1,417)	(141)	(4,178)	(3,075)
Net cash from/(used in) operating activities	5,564	10,885	15,265	(9,231)
Cash flows from investing activities				
Purchase of property, plant and equipment	(7,239)	(52,323)	(42,209)	(83,583)
Proceeds from disposal of property, plant and equipment	2,160	-	3,362	-
Net cash inflow on acquisition of a subsidiary	-	-	-	(3,515)
Receipt of minimum lease payment	-	-	-	718
Net cash used in investing activities	(5,079)	(52,323)	(38,847)	(86,380)
Cash flows from financing activities				
Proceeds from loans	19,693	38,438	70,335	113,556
Repayment of loans	(23,685)	(2,043)	(40,255)	(28,729)
Repayment of lease obligations	(20)	(57)	(80)	(92)
Interest paid on lease obligations	(1)	-	(1)	(1)
(Placement)/withdrawal of fixed deposits and bank balances pledged with licensed bank	(107)	23	(505)	23

Interest paid on term loans	(1,845)	(1,125)	(5,052)	(3,280)
Interest paid on medium term note	(2,186)	(234)	(2,875)	(871)
Purchase of treasury shares	-	(200)	-	(1,203)
Interest received	7	12	30	39
Net cash from/(used in) financing activities	(8,121)	34,814	21,597	79,442
Net change in cash and cash equivalents	(7,659)	(6,624)	(1,985)	(16,169)
Effect of exchange rate changes on cash and cash equivalents	1,380	2,000	260	2,267
Cash and cash equivalents at beginning of the period	14,489	14,559	9,935	23,837
Cash and cash equivalents at end of the period (Note 1)	8,210	9,935	8,210	9,935

Note 1

Cash and cash equivalent consist of:

Cash and bank balances

Fixed deposits

Bank overdraft

Total cash, bank balances and fixed deposit (as per statement of financial position)

Less: fixed deposits and cash pledged

Cash and cash equivalent at the end of financial period (as per cash flow statement)

Group	
FY2016	FY2015
S\$'000	S\$'000
11,824	11,061
-	-
(1,983)	-
9,841	11,061
(1,631)	(1,126)
8,210	9,935

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.

Group	Attributable to equity holders of the Company								
	Share capital	Treasury shares	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Retained earning	Total	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2015	59,239	(1,203)	634	142	2,243	116,319	177,374	-	177,374
Loss for the financial period	-	-	-	-	-	(16,938)	(16,938)	-	(16,938)
Other comprehensive loss, net of tax	-	-	-	-	(1,711)	-	(1,711)	-	(1,711)
Total comprehensive loss for the financial period	-	-	-	-	(1,711)	(16,938)	(18,649)	-	(18,649)
Employee share option	-	-	-	99	-	-	99	-	99
Balance as at 30 September 2016	59,239	(1,203)	634	241	532	99,381	158,824	-	158,824
Balance as at 1 October 2014	59,239	(104)	634	85	743	107,798	168,395	52,126	220,521
Profit for the financial period	-	-	-	-	-	8,521	8,521	(605)	7,916
Other comprehensive income, net of tax	-	-	-	-	5,173	-	5,173	1,392	6,565
Total comprehensive income for the financial period	-	-	-	-	5,173	8,521	13,694	787	14,481
Purchase of treasury share	-	(1,099)	-	-	-	-	(1,099)	-	(1,099)
Employee share option	-	-	-	57	-	-	57	-	57
Realization of disposal of subsidiary	-	-	-	-	(3,673)	-	(3,673)	(52,913)	(56,586)
Balance as at 30 September 2015	59,239	(1,203)	634	142	2,243	116,319	177,374	-	177,374

Company	Share capital	Treasury share	Retained earning	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2015	59,239	(1,203)	1,752	59,788
Total comprehensive income for the financial period	-	-	(2,204)	(2,204)
Balance at 30 September 2016	59,239	(1,203)	(452)	57,584
Balance at 1 October 2014	59,239	-	492	59,731
Total comprehensive income for the financial period	-	-	1,260	1,260
Purchase of treasury share	-	(1,203)	-	(1,203)
Balance at 30 September 2015	59,239	(1,203)	1,752	59,788

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.

On 9 July 2012, the shareholders of the Company approved the adoption of: (a) a restricted share scheme; (b) a performance share scheme; and (c) an employee share option scheme ("ESOS").

On 24 April 2013, 4,910,000 shares options, which are capable of being exercised into the same equivalent number of shares of the Company, were issued by the Company pursuant to the ESOS Scheme.

On 28 April 2015, 4,980,000 shares options, which are capable of being exercised into the same equivalent number of shares of the Company, were issued by the Company pursuant to the ESOS Scheme.

Save as disclosed, the Company has no outstanding convertibles as at 30 September 2016 and 30 September 2015.

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.

	<u>As at 30 September 2016</u>	<u>As at 30 September 2015</u>
Total number of issued ordinary shares (excluding treasury shares)	336,548,600	336,548,600

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.

There was no movement on the treasury shares held by the Company during the reporting financial period. The number of treasury shares owned by Company as at 30 September 2016 was 4,201,400.

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.

Save as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the preparing the financial statements for the current financial year as with those used in preparing the audited financial statements as at 30 September 2015.

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 2015, 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 2015.

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	
	FY2016 S\$'000	FY2015 S\$'000
Net profit attributable to shareholders	(16,938)	8,521
Earnings per share		
Basic (Singapore cents)	(5.00) cents*	2.52 cents*
Diluted (Singapore cents)	(5.00) cents*	2.52 cents*

* Basic and diluted earnings per share for FY2016 is computed based on net losses for the period attributable to ordinary shareholders amounting to about S\$16.9 million and the weighted average number of shares of 338,461,125.

** Basic and diluted earnings per share for FY2015 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S\$8.5 million and the weighted average number of shares of 337,716,675.

There were no potential dilutive shares as at 30 September 2016.

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 30 September 2016 S\$'000	As at 30 September 2015 S\$'000	As at 30 September 2016 S\$'000	As at 30 September 2015 S\$'000
Net asset value	158,824	177,374	57,584	59,788
Net asset value per ordinary share based on issued share capital (Singapore cents)	47.2 cents	52.70 cents	17.1 cents	17.8 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

The Group, comprising Marco Polo Marine Ltd (the "Company") and its subsidiaries, is a reputable regional integrated marine logistic company which principally engages in shipping and shipyard businesses.

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

The shipyard business of the Group relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services which are being 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 FY2016 (compared to that of FY2015) and for Q4FY2016 (compared to that of Q4FY2015)

Revenue

The Group's revenue for FY2016 (*vis-à-vis* FY2015) and Q4FY2016 (*vis-à-vis* Q4FY2015) are as follows:

	Q4FY2016		Q4FY2015		Change		FY2016		FY2015		Change	
	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	3.6	56	7	49	(3.4)	(48)	17.1	39	32.4	35	(15)	(47)
Ship Building & Repair Operations	5.2	44	8	51	(2.8)	(35)	29.8	61	61.5	65	(32)	(51)
	8.8	100	15	100	(6.2)	(41)	46.9	100	93.9	100	(47)	(50)

The Group recorded a revenue of S\$8.8 million in Q4FY2016, a decrease of 41% from that of S\$15 million registered in Q4FY2015. On a full year basis, the Group's revenue decreased by 50% from S\$93.9 million in FY2015 to S\$46.9 million in FY2016.

Relative to the corresponding reporting periods of FY2015, the Ship Chartering Operations' revenue of the Group decreased by 48% to S\$3.6 million in Q4FY2016 and decreased by 47% to S\$17.1 million in FY2016. The decrease was mainly due to: (i) the lower utilization of the Group's fleet of tugboats and barges amidst the continued weakened shipping demand in the regions for the shipment of coal and other commodities; and (ii) the lower utilization and charter rate of the Group's OSVs fleet due to the slowdown in the marine and offshore industry following the recent oil price crisis.

The Ship Building & Repair Operations of the Group recorded a decrease in revenue of 35% in Q4FY2016 and 51% in FY2016 relative to the corresponding reporting periods of FY2015. The decrease was due mainly to the lack of new ship building projects.

As a result of lower turnover, the Group recorded a gross loss of S\$1.4 million in Q4FY2016, compared to a gross profit of \$6.6 million in Q4FY2015. On a full year basis, the Group's overall gross profit decreased by 69% in FY2016 compared to FY2015.

On a year-to-year basis, the gross profit margin of the Group was reduced to 17% in FY2016 from 24% in FY2015 mainly as a result of the lower utilization of the Group's fleets and lower revenue contribution by both business segments of the Group in FY2016.

The Group's other operating income increased by S\$1.9 million to S\$6.2 million in Q4FY2016 compared to S\$4.3 million in Q4Y2015, mainly due to a reversal in impairment losses on investment of S\$4.5 million, and decreased by S\$1.6 million to S\$6.7 million in FY2016 from S\$8.2 million in FY2015. The decrease was mainly attributed to a foreign exchange gain registered in FY2015 as contrasted against a foreign exchange loss incurred in FY2016, which was captured under 'Other Operating Expenses'.

The Group's administrative expenses decreased by S\$0.3 million or 16% to S\$1.6 million in Q4FY2016 from S\$1.9 million in Q4FY2015. In line with reduced business activities and as a result of cost containment measures, on a year-to-year basis, the administrative expenses of the Group decreased by S\$1.7 million or 19% to S\$7.2 million in FY2016 from S\$8.9 million in FY2015.

The Group's other operating expenses amounted to S\$3.1 million for Q4FY2016, compared to S\$1.3 million for Q4FY2015, and to S\$9.9 million for FY2016, compared to S\$9.8 million for FY2015, attributed largely to foreign exchange loss sustained for the reporting periods under review and write-off constructions in progress of \$2.3 million.

Due to increased borrowings, the finance costs of the Group increased by S\$0.4 million or 29% to S\$1.7 million in Q4FY2016 from S\$1.4 million in Q4FY2015 and, on a year-to-year basis, by S\$1.7 million or 40% to S\$5.9 million in FY2016 from S\$4.2 million in FY2015.

Notwithstanding the positive contribution of S\$2.8 million from the investment in joint ventures that principally engages in the chartering of Maintenance Work Vessel, the increase in share of losses from joint venture was mainly attributed to the share of losses of PT Pelayaran Nasional Bina Buana Raya of S\$9.6 million, which in turn was due principally to operating losses of S\$4.4 million and share of impairment losses on assets of S\$8 million.

(b) Review of financial position of the Group as at 30 September 2016 compared to that as at 30 September 2015

The non-current assets of the Group decreased by S\$2.4 million or 1% from S\$321.3 million as at 30 September 2015 to S\$318.9 million as at 30 September 2016. The decrease was attributed mainly to the reclassification of S\$33.5 million from 'Construction-In-Progress' to 'Other receivables' (the "Reclassification") as well as share of losses from investment in a joint venture .

The decrease in inventories was in line with reduced business activities.

The amounts due from customers for construction contracts decreased by S\$16.8 million or 26% to S\$47.4 million as at 30 September 2016 from S\$64.2 million as at 30 September 2015, mainly as a result of billing made to the customer in respect of a vessel under construction.

The increase in other receivable, deposits and prepayment from S\$9.7 million to S\$42.6 million as at 30 September 2016 was mainly due to the increase in deposits paid for equipment required for the building of vessels and the Reclassification.

The trade payables of the Group decreased by S\$9.2 million or 48% to S\$10.6 million as at 30 September 2016 from S\$19.2 million as at 30 September 2015. The decrease was mainly due to reduced purchase of raw materials and equipment required for the building of vessels towards the end of 30 June 2016.

The increase in other payables and accruals was mainly due to the receipt of deposit for a new project.

The Group's total interest-bearing borrowings increased by S\$30 million or 14% to S\$249.8 million as at 30 September 2016 from S\$219.8 million as at 30 September 2015, primarily as a result of drawdown of vessel and construction loans.

The Group reported net cash generated in operating activities of S\$15.3 million for FY2016, compared to net cash used in operating activities of S\$9.2 million in FY2015, principally as a result of increased amounts due from contract customers. The cash and cash equivalent of the Group was S\$11.8 million as at 30 September 2016 and S\$11.1 million as at 30 September 2015.

Following from the above:

- (i) the negative working capital of the Group reduced from S\$47.8 million as at 30 September 2015 to S\$26 million as at 30 September 2016. The Loans Restructuring is expected to, if not reversed, significantly further reduce the negative working capital position of the Group;
- (ii) the net gearing of the Group (defined as the ratio of the aggregate of interest bearing loans net of cash and cash equivalents to total equity) increased to 151.1% as at 30 September 2016 from 117.7% as at 30 September 2015; and
- (iii) the net asset value per share of the Group reduced to 47.2 cents as at 30 September 2016 from 52.7 cents as at 30 September 2015.

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.

On 14 October 2016, the Company procured a majority approval (of 96.18%) from the Noteholders of S\$50 million 5.75% fixed rate notes (the "Notes") issued under a S\$300 million multicurrency medium term notes program in extending the maturity of the Notes by three years from 18 October 2016 based on the following terms in restructuring the debt arising from the Notes:

- (i) Additional interest at the rate of 1.5% per annum to be paid on the Notes; and
- (ii) Grant of a second ranking mortgage over a piece land with an approximate area of 152,750 sqm in Batam, Indonesia.

The Group expects the market conditions for the oil and gas industry and hence the offshore industry to remain tough and challenging for the next 12 months. The Group will continue to be prudent in its financial management whilst actively seeking new business opportunities.

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/recommendeded for Q4FY2016.

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 21 January 2016, the following interested person transactions had been entered into during Q4FY2016:

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
PT. Pelayaran Nasional Bina Buana	-	408,946

14. 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

	Ship chartering services S\$'000	Shipbuilding and repair S\$'000	Total operations S\$'000
2016			
External revenue	18,411	28,531	46,942
Reportable segment results from operating activities	(2,611)	(968)	(3,579)
Share of losses in joint ventures	(9,648)	-	(9,648)
Reversal of impairment on investment in a joint venture	4,530	-	4,530
Finance income	9	18	27
Finance costs	(4,424)	(1,463)	(5,887)
Unallocated net finance cost			(1)
Unallocated administrative expenses			(3,576)
Loss before income tax			(18,134)
Income tax expenses			1,196
Loss for the year			(16,938)
Reportable segment assets	275,830	91,393	367,223
Interest in joint ventures	80,691	-	80,691
Unallocated assets			808
Total assets			448,722
Reportable segment liabilities	131,590	106,787	238,377
Unallocated liabilities			51,521
Total liabilities			289,898
Capital expenditure	42,094	115	42,209
<u>Other material non-cash items:</u>			
Depreciation	8,809	2,636	11,445
Allowance for impairment of trade receivable	27	-	27
Allowance for impairment of inventories	-	87	87
Gain on deemed of property, plant and equipment	1,622	-	1,622
Reversal of impairment on investment in a joint venture	(4,530)	-	(4,530)
Write off construction in progress	2,258	-	2,258

Business segments

	Ship chartering services S\$'000	Shipbuilding and repair S\$'000	Total operations S\$'000
2015			
External revenue	32,365	61,528	93,893
Reportable segment results from operating activities	12,375	9,256	21,631
Share of profits in joint ventures	(282)	-	(282)
Finance income	30	6	36
Finance costs	(3,221)	(208)	(3,429)
Unallocated net finance cost			(762)
Unallocated administrative expenses			(6,480)
Profit before income tax			10,714
Income tax expenses			(2,798)
Profit for the year			7,916
Reportable segment assets	191,550	162,840	354,390
Interest in joint ventures	85,957	-	85,957
Unallocated assets			1,958
Total assets			442,305
Reportable segment liabilities	84,692	127,972	212,664
Unallocated liabilities			52,266
Total liabilities			264,930
Capital expenditure	5	83,578	83,583
<u>Other material non-cash items:</u>			
Depreciation	9,384	2,804	12,188
Allowance for impairment of trade receivable	748	-	748
Loss on deemed disposal of subsidiary	768	-	768
Impairment loss on investment in a joint venture	4,530	-	4,530

Geographical Information

Singapore and Indonesia (and to a lesser extent other countries in South East Asia) are the major markets for the Group's ship chartering activities. The Group undertakes its ship building and repairs activities in Indonesia.

For the purpose of segmental reporting by geographical regions, please note the following:

- (i) revenues derived from the external customers of the Group by region refer to the country of origin of the customers and not the destination for which the Group delivered its chartering services or built vessels; and
- (ii) non-current assets (other than the financial instruments and deferred tax assets) of the Group were spread across the countries in which the Group had its assets deployed.

Geographical information 30 September 2016	Revenues S\$'000	%	Non-current assets S\$'000	%
Singapore	9,551	20	227,152	71
Indonesia	21,724	46	41,949	13
Australia	1,638	3	8,765	3
Thailand	1,768	4	-	-
Malaysia	7,799	17	41,003	13
Other Asian countries	3,909	8	-	-
Europe	553	1	-	-
Total	46,942	100	318,869	100

Geographical information 30 September 2015	Revenues S\$'000	%	Non-current assets S\$'000	%
Singapore	14,565	15.5	160,684	50.0
Indonesia	57,412	61.2	76,156	23.7
Australia	2,422	2.6	9,363	2.9
Thailand	8,090	8.6	5,039	1.6
Malaysia	4,458	4.7	70,047	21.8
Other Asian countries	5,641	6.0	-	-
Europe	423	0.5	-	-
Canada	882	0.9	-	-
Total	93,893	100.0	321,289	100.0

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

Overall, the revenue of the group by its geographical segments in Singapore, Indonesia, Thailand and Malaysia and Other Asian countries was decreased mainly due to oil price crisis which led to lack of oil exploration projects and weak demand on deployment of offshore supply vessels.

16. Breakdown of sales.

The Group	2016 S\$'000	2015 S\$'000
Revenue reported for the first quarter	17,014	26,609
Profit after tax before deducting MI reported for the first quarter	19	6,805
Revenue reported for the second quarter	11,942	29,723
Profit after tax before deducting MI reported for the second quarter	(1,120)	3,801
Revenue reported for the third quarter	9,124	22,313
(Loss)/profit after tax before deducting MI reported for the third quarter	(6,409)	344
Revenue reported for the fourth quarter	8,862	15,248
Loss/(profit) after tax before deducting MI reported for the fourth quarter	(9,428)	(3,035)

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary – Special & interim	-	-

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes of duties and position held, if any, during the financial year
Mr Irryanto	60	Brother-in-law to our Executive Chairman and substantial shareholder, Mr Lee Wan Tang; brother to our Non-Executive Director, Mdm Lai Qin Zhi; uncle to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director, Ms Liely Lee.	Director (Shipyard Administration). He is responsible for the administrative function of PT Marco Polo Shipyard, a wholly-owned subsidiary of the Company.	None
Mr Simon Karuntu	65	Brother-in-law to our Executive Chairman and substantial shareholder, Mr Lee Wan Tang; brother-in-law to our Non-Executive Director, Mdm Lai Qin Zhi; uncle to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director, Ms Liely Lee.	Director (Shipyard Operations). He is in charge of overall operations and general administration of PT Marco Polo Shipyard, including handling government, statutory and other regulatory authorities and legal matters, a position he held since 2008.	None
Mr Loa Siong Bun	44	Brother-in-law to our Executive Chairman and substantial shareholder, Mr Lee Wan Tang; brother to our Non-Executive Director, Mdm Lai Qin Zhi; uncle to our CEO and Executive Director, Mr Sean Lee Yun Feng and Executive Director, Ms Liely Lee.	Chief Operating Officer of BBR since 13 Nov 2015.	None

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company is in the process of procuring the said undertakings from all its Directors and Executive Officers.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Liely Lee
Executive Director

29 November 2016