



## MARCO POLO MARINE LTD

(A Member of Marco Polo Marine Group of Companies)

### MEDIA RELEASE

## Near doubling of revenue in Q1FY2014 to S\$30.1 million underpinned by strong performance from chartering of OSVs

- ◆ Ship Chartering Division more than tripled and Ship Building & Repair Division improved by 21.6% in revenue over the same period last financial year
- ◆ Improved operational performance with gross profit increased by 56.5% to S\$9.2 million and profit from operations up by 43.0% to S\$6.1 million in Q1FY2014 *vis-à-vis* Q1FY2013
- ◆ Notwithstanding the payment of the tax exempt one-tier special interim dividend of SGD1.4 cents per ordinary share in Q1FY2014, NAV per share maintained at 47.5 Singapore cents as at 31 December 2013, comparable to 47.8 Singapore cents as at 30 September 2013
- ◆ Group continues to pursue investment opportunities with impetus driven by draw-down of S\$50 million in October 2013 from the recently established S\$300 million multicurrency Medium Term Note programme

**Singapore, 27 January 2014** - Singapore Exchange Mainboard-listed Marco Polo Marine Ltd (the "Company") together with its subsidiaries (the "Group"), a growing reputable regional integrated marine logistic group, is pleased to announce its first quarter results for the financial year ended 30 September 2014 ("Q1FY2014").

### Financial Highlights of the Group

S\$ million	Q1FY2014	%	Q1FY2013	%	Change
Ship Chartering Operations	18.3	60.8	5.5	36.2	232.7%
Ship Building & Repair Operations	11.8	39.2	9.7	63.8	21.6%
Total Revenue	30.1	100.0	15.2	100.0	98.0%
Gross Profit	9.2		5.9		56.5%
Profit from Operations	6.1		4.2		43.0%
Net Profit attributable to Shareholders	3.3		4.5		(27.6%)
<b>Net Asset Value Per Share</b>	<b>47.5</b>		<b>47.8*</b>		<b>(0.6)%</b>

\* As at 30 September 2013

**Note:**

The balance sheet of the Group as at 30 September 2013, the income statements of the Group for FY2013 as well as the cashflow statement of the Group had taken into account and consolidated the relevant financial results/position of PT Pelayaran Nasional Bina Buana Raya Tbk ("BBR") with effect from 21 December 2012, a date when the Company gained a de facto control over BBR's operations (the "Transition").



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### **Revenue**

The Group achieved revenue of S\$30.1 million in Q1FY2014, which almost doubled from S\$15.1 million in Q1FY2013.

The increase in revenue was contributed mainly by the Group's Ship Chartering Operations, particularly its offshore business. The commendable revenue growth of 232.7% attained in Q1FY2014, relative to Q1FY2013, was attributed mainly to BBR, subsequent to the Transition, and the strong demand for Offshore Supply Vessels ("OSVs") in the region.

The increase in revenue of 21.6% registered by the Group's Ship Building & Repair Operations in Q1FY2014, relative to Q1FY2013, was due primarily to increase in new-build programs.

### **Gross Profit and Net Profit**

In tandem with the increased revenue in Q1FY2014, the Group's gross profit increased by 56.5% to S\$9.2 million in Q1FY2014 from S\$5.9 million in Q1FY2013, albeit a decrease in gross profit margin from 38.6% in Q1FY2013 to 30.4% in Q1FY2014 due primarily to the lower utilization of the Group's tug boats and barges amidst weakened demand in Indonesia for shipment of coal and other commodities in Q1FY2014 relative to the corresponding period of FY2013.

The Group's profit after tax and extraordinary item decreased from S\$4.5 million in Q1FY2013 to S\$3.5 million in Q1FY2014, primarily due to reduced other operating income which decreased to S\$0.1 million in Q1FY2014 from S\$1.0 million in Q1FY2013, mainly as a result of a one-off transaction gain on fair value adjustment of convertible bonds issued by BBR to the Group in Q1FY2013, as well as an increase in finance cost to S\$2.0 million in Q1FY2014 from S\$0.3 million in Q1FY2013 in respect of interest expense incurred by BBR in connection with its vessel loans after the Transition and interest expense incurred by the Company in respect of S\$50 million (the "MTN Series 1 Notes") drawn down on 18 October 2013 from its S\$300 million Multicurrency Medium Term Note program (the "MTN") established in June 2013.

### **Comments by CEO**

Mr Sean Lee Yun Feng, CEO of the Company, remarked that:

"We are heartened by our revenue growth and operating performance for Q1FY2014, especially in relation to the strong showing of our OSVs. Had we excluded the one-off fair value gain recognised in Q1FY2013 as well as the increase in finance cost due to the loan drawdown of S\$50 million from the MTN program, our profit performance for Q1FY2014 would have been S\$4.0 million, which is comparable to S\$3.8 million of Q1FY2013.

The offshore oil and gas sector in the region continues to exhibit strengths as seen through the rising charter rates for exploration and production vessels as well as those supporting these vessels. With the MTN program standing by, while working to lower the impact of higher interest cost, we are actively evaluating investment opportunities



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complementary to our existing offshore operations. This is the next phase of our corporate transition to a predominantly offshore oil and gas service provider as we act to generate another stable source of cash flow, earnings accretion that will continue to sustain our growth in the mid to longer term.”

- End -

### **Notes:**

1. “FY” denotes to the financial year ended or ending 30 September (as the case may be) and any “Q” or “H” which precedes it denotes the relevant financial quarter or half year (as the case may be).
2. This press release should be read in conjunction with Marco Polo Marine’s Q1FY2014 results announcement posted on the web site of Singapore Exchange on 27 January 2014.

### **About Marco Polo Marine Ltd**

Listed on the Mainboard of the SGX-ST since 2007, Marco Polo Marine Ltd 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 tug boats 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.

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

### **For media enquiries, please contact:**

#### **Marco Polo Marine Ltd**

Mr. Hsu Chong Pin

Head of Business Development and Investor Relations

Tel: +65 6741 2545

Email: [chongpin.hsu@marcopolomarine.com.sg](mailto:chongpin.hsu@marcopolomarine.com.sg)