MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND FINANCIAL QUARTER ("Q2FY2011") AND HALF FINANICAL YEAR ("H1FY2011") ENDED 31 MARCH 2011 IN RESPECT OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2011 ("FY2011")

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.

	The Group			The Group		
	Q2FY2011	Q2FY2010	%	**H1FY2011**	H1FY2010	%
	S$'000	S$'000	Change	**S$'000**	S$'000	Change
Revenue	**22,135**	15,504	43	**41,502**	27,518	51
Cost of sales	**(16,578)**	(10,527)	57	**(30,556)**	(19,302)	58
Gross profit	**5,557**	4,977	12	**10,946**	8,216	33
Other operating income	**4,217**	2,108	100	**6,570**	6,031	9
Administrative expenses	**(1,793)**	(1,313)	37	**(3,307)**	(2,218)	49
Other operating expenses	**(1,296)**	(810)	60	**(2,344)**	(1,827)	28
Profit from operations	**6,685**	4,962	35	**11,865**	10,202	16
Finance costs	**(774)**	(685)	13	**(1,355)**	(1,361)	-
Share of results of jointly-controlled entities	**199**	3,582	(94)	**133**	3,828	(97)
Profit before tax	**6,110**	7,859	(22)	**10,643**	12,669	(16)
Income tax	**(692)**	(421)	64	**(1,215)**	(421)	189
Net profit attributable to the shareholders	**5,418**	7,438	(27)	**9,428**	12,248	(23)

"Q2FY2011" denotes the second financial quarter of the financial year ended 30 September 2011 ("FY2011").
"H1FY2011" denotes the first half financial year of FY2011.
"Q2FY2010" denotes the second financial quarter of the financial year ended 30 September 2010 ("FY2010").
"H1FY2010" denotes the first half financial year of FY2010.
"% 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		
	Q2FY2011 S$'000	Q2FY2010 S$'000	% Change	**H1FY2011 S$'000**	H1FY2010 S$'000	% Change
Profit for the period	**5,418**	7,438	(27)	**9,428**	12,248	(23)
Exchange differences on translating foreign operations	**(69)**	-	NM	**(250)**	-	NM
Share of comprehensive income of Jointly-controlled entities	**(198)**	-	NM	**(362)**	-	NM
Other comprehensive income, net of tax	**(267)**	-	NM	**(612)**	-	NM
Total comprehensive income for the period	**5,151**	7,438	(31)	**8,816**	12,248	(28)
Profit attributable to equity holders of the Company	**5,418**	7,438	(27)	**9,428**	12,248	(23)
Total comprehensive income attributable to equity holders of the Company	**5,151**	7,438	(31)	**8,816**	12,248	(28)

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

	The Group			The Group		
	Q2FY2011 S$'000	Q2FY2010 S$'000	% Change	**H1FY2011 S$'000**	H1FY2010 S$'000	% Change
Profit before income tax has been arrived at after charging/(crediting)						
Depreciation and amortisation (1)	**1,840**	1,603	15	**3,464**	2,365	46
Net foreign currency exchange loss/(gain)	**(151)**	114	(232)	**(670)**	30	NM
Gain on disposal of property, plant and equipment	**(3,780)**	(2,061)	83	**(5,373)**	(5,749)	(7)
Property, plant and equipment written-off	**-**	-	-	**1**	1	NM
Impairment loss on trade receivables recognised	**162**	-	NM	**162**	-	NM
Amortisation of deferred income - government grant	**(9)**	-	NM	**(15)**	-	NM
Interest income (2)	**(13)**	(20)	(35)	**(94)**	(48)	96
Interest expenses	**774**	685	13	**1,355**	1,361	-
Adjustments for overprovision of tax in respect of prior years	**(679)**	-	NM	**(679)**	-	NM

Notes:

(1) The increase in depreciation and amortization was mainly due to the Group's recent acquisition of three utility vessels in Q1FY2011.
(2) Interest income increased due to higher fixed deposits placed in H1FY2011.

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 2011 S$'000	As at 30 September 2010 S$'000	**As at 31 March 2011 S$'000**	As at 30 September 2010 S$'000
Non-current assets				
Property, plant and equipment	**116,495**	110,792	**-**	-
Investment in subsidiaries	**-**	-	**4,320**	4,320
Deferred tax assets	**132**	-	**-**	-
Jointly-controlled entities	**17,955**	16,774	**-**	-
	134,582	127,566	**4,320**	4,320
Current assets				
Inventories	**4,667**	5,195	**-**	-
Trade receivables	**17,366**	8,981	**-**	-
Due from customers for construction contracts	**7,402**	12,429	**-**	-
Other receivables, deposits & prepayment	**44,966**	3,423	**95**	30
Due from subsidiaries (non-trade)	**-**	-	**53,089**	36,872
Fixed deposits	**2,088**	7,441	**2,088**	3,493
Cash and bank balances	**12,133**	16,197	**180**	83
	88,622	53,666	**55,452**	40,478
Total assets	**223,204**	181,232	**59,772**	44,798
Current liabilities				
Bank overdraft	**8,279**	7,401	**1,307**	91
Trade payables	**25,398**	24,226	**-**	-
Due to customers for construction contracts	**-**	-	**-**	-
Other payables and accruals	**6,413**	10,459	**102**	260
Due to subsidiaries (non-trade)	**-**	-	**-**	-
Borrowings-Interest bearing	**15,155**	13,981	**720**	682
Income tax payable	**1,614**	944	**-**	-
	56,859	57,011	**2,129**	1,033
Non-current liabilities				
Borrowings-Interest bearing	**50,450**	31,927	**42**	416
Deferred tax liabilities	**566**	332	**-**	-
Deferred income - government grant	**51**	66	**-**	-
	51,067	32,325	**42**	416
Total liabilities	**107,926**	89,336	**2,171**	1,449
Net assets	**115,278**	91,896	**57,601**	43,349
Share capital and reserves				
Share capital	**59,239**	44,673	**59,239**	44,673
Translation reserve	**(964)**	(352)	**-**	-
Retained earnings/(Accumulated losses)	**57,003**	47,575	**(1,638)**	(1,324)
Total equity	**115,278**	91,896	**57,601**	43,349

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

	The Group	
	As at 31 March 2011 S$ '000	As at 30 September 2010 S$ '000
Amount repayable in one year or less or on demand		
Secured*	**23,434**	21,382
Amount repayable after one year		
Secured*	**50,450**	31,927

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.
- Assets of certain directors and related parties of 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	
	H1FY2011	H1FY2010
	S$'000	S$'000
Cash flow from operating activities		
Profit before income tax	**10,643**	12,669
Adjustments for:		
Depreciation and amortisation	**3,464**	3,123
Interest expense	**1,355**	1,361
Interest income	**(94)**	(48)
Gain on disposal of property, plant and equipment	**(5,373)**	(5,749)
Share of profits in jointly-controlled entities	**(133)**	(3,828)
Property, plant and equipment written-off	**1**	1
Amortisation of deferred income	**(15)**	-
Curency realignment	**161**	(3)
Operating profit before working capital changes	**10,009**	7,526
Working capital changes:		
Inventories	**528**	206
Trade and other receivables	**(49,929)**	(14,301)
Due from customers for construction contracts	**5,027**	2,248
Trade and other payables	**(2,874)**	(3,719)
Cash generated from operations	**(37,239)**	(8,040)
Interest paid	**(351)**	(311)
Income tax paid	**(444)**	-
Net cash used in operating activities	**(38,034)**	(8,351)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(52,754)**	(40,226)
Proceeds from disposal of property, plant and equipment	**48,959**	53,854
Jointly-controlled entities	**(1,409)**	-
Placement of fixed deposits and cash pledged with licensed bank	**9,737**	-
Interest received	**94**	48
Net cash (used in)/from investing activities	**4,627**	13,676
Cash flows from financing activities		
Proceeds from issue of new share - net	**14,566**	-
(Repayment of)/proceeds from loans - net	**20,287**	(8,655)
Repayment of lease obligations - net	**(591)**	(525)
Interest paid on lease obligations	**(59)**	(84)
Interest paid on term loans	**(945)**	(966)
Net cash from/(used in) financing activities	**33,258**	(10,230)
Net change in cash and cash equivalents	**(149)**	(4,905)
Effect of exchange rate changes on cash and cash equivalents	**(409)**	-
Cash and cash equivalents at beginning of financial year	**3,819**	8,919
Cash and cash equivalents at end of financial year (Note 1)	**3,261**	4,014

Note 1:

Cash and cash equivalents consist of:	The Group	
	H1FY2011	H1FY2010
	S$'000	S$'000
Cash and bank balances	**12,133**	12,881
Fixed deposits	**2,088**	3,578
Bank Overdraft	**(8,279)**	(8,867)
Total cash, bank balances and fixed deposit	**5,942**	7,592
Less: fixed deposits and cash pledged	**(2,681)**	(3,578)
Cash and cash equivalents	**3,261**	4,014

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	Total
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 October 2010	44,673	(352)	47,575	91,896
Total comprehensive income for the year	-	(612)	9,428	8,816
Issue of shares	15,050	-	-	15,050
Share issue expenses	(484)	-	-	(484)
Balance as at 31 March 2011	59,239	(964)	57,003	115,278

	The Group			
	Share Capital	Translation Reserve	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 October 2009	44,673	11	28,456	73,140
Total comprehensive income for the year	-	-	12,248	12,248
Balance as at 31 March 2010	44,673	11	40,704	85,388

	The Company		
	Share Capital	Accumulated Losses	Total
	S$'000	S$'000	S$'000
Balance as at 1 October 2010	44,673	(1,324)	43,349
Total comprehensive income for the year	-	(314)	(314)
Issue of shares	15,050	-	15,050
Share issue expenses	(484)	-	(484)
Balance as at 31 March 2011	59,239	(1,638)	57,601

	The Company		
	Share Capital	Accumulated Losses	Total
	S$'000	S$'000	S$'000
Balance as at 1 October 2009	44,673	(630)	44,043
Total comprehensive income for the year	-	(562)	(562)
Balance as at 31 March 2010	44,673	(1,192)	43,481

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.

Pursuant to a placement carried out in October 2010, the Company issued 35,000,000 new ordinary shares for cash at an issue price of S$0.43 each (the "Placement"). These shares rank *pari passu* in all respect with the existing ordinary shares of the Company and resulted in changes in the issued and paid-up share capital of the Company as follows:

	As at 31 Mar 2011	As at 30 Sep 2010
Issued and paid-up share capital of the Company	S$59.2 million	S$44.6 million

Use of net proceeds from the Placement

As at the date of this announcement, the net proceeds of S$14.5 million raised from the Placement had been fully utilized as follows:

Use of Placement proceeds	As at the date of this announcement
	S$ million
Part payment for the purchase of three utility vessels, two of which for deployment in Australia and the other for the Gulf of Thailand	10.2
Working capital	4.3
Total amount disbursed	14.5

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 2011	As at 30 Sep 2010
Total number of issued ordinary shares (excluding treasury shares)	340,750,000	305,750,000

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 2011.

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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with those in the audited financial statements for the year ended 30 September 2010, except for the new and revised Financial Reporting Statements (FRS) relevant to its operations which took effect from the current financial year as disclosed in paragraph 5 below.

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 adopted the following new and revised FRS relevant to its operations, which took effect from the financial year beginning on or after 1 October 2010:

Amendments to FRS 1 Presentation of Financial Statements
Amendments to FRS 7 Statement of Cash Flows
Amendments to FRS 17 Leases
Amendments to FRS 36 Impairment of Assets
FRS 39 Financial Instruments: Recognition and Measurement
Amendments to FRS 108 Operating Segments

The initial adoption of these new/revised FRS (and their consequential amendments) and INT FRS is not expected to have material impact on the Group's financial statements.

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	
	H1FY2011	H1FY2010
	S$'000	S$'000
Net profit attributable to shareholders	**9,428**	12,248
Earnings per share		
Basic (Singapore cents)	**2.78 cents***	4.00 cents**
Diluted (Singapore cents)	**2.78 cents***	4.00 cents**

* Basic and diluted earnings per share for H1FY2011 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$8.9 million and the weighted average number of shares of 338,634,615.

** Basic and diluted earnings per share for H1FY2010 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$12.2 million and the weighted average number of shares of 305,750,000.

There were no potential dilutive shares as at 31 March 2011.

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 2011 S$'000	As at 30 September 2010 S$'000	**As at 31 March 2011 S$'000**	As at 30 September 2010 S$'000
Net asset value as at the respective balance sheet dates	**115,278**	91,896	**57,601**	43,349
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	**33.83 cents**	30.1 cents	**16.9 cents**	14.2 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 is an integrated marine logistic group that facilitates the growth of and investments in South East Asia through its ship chartering and shipyard businesses.

The Group's ship chartering business provides tugboats and barges to its customers from the mining, commodities, construction, infrastructure, property development and land reclamation industries. In Indonesia, the Group is active in the shipment of coal from the mines in Kalimantan to the power plants in Java and Sumatra. The shipyard in Batam (occupying a land area of approximately 35 hectares with a 650-metre seafront) has two dry docks presently and undertakes ship building, ship repair and conversion services.

(a) Review of financial performance of the Group for H1FY2011 compared to H1FY2010

Our Group's revenues for H1FY2011 and H1FY2010 were as follow:

	H1FY2011		H1FY2010		Change	
	S$ million	**%**	**S$ million**	**%**	**S$ million**	**%**
Ship chartering operations	16.3	39.3	17.3	62.9	(1.0)	(5.8)
Ship building & repair operations	25.2	60.7	10.2	37.1	15.0	147.1
	41.5	100.0	27.5	100.0	14.0	50.9

The Group's total revenue increased by 50.9% to S$41.5 million in H1FY2011 relative to H1FY2010 and by 42.8% to S$22.1 million in Q2FY2011 relative to Q2FY2010. The significant increase in revenue was attributed mainly to the Group's ship building and repair operations.

The increase in revenue from ship building and repair operations was due mainly to the increase in the number of ship repair jobs and higher value ship conversion jobs procured. The strategic location of the Group's shipyard coupled with its high service quality and ability to provide a suite of integrated marine logistics services, including ship conversion, contributed significantly to the improved performance of the shipyard operations.

Ship chartering revenue decreased by S$1.0 million or 5.8% to S$16.3 million in H1FY2011 compared to H1FY2010, mainly attributed to lower contribution from time charters of tugboats and barges due to lower fleet utilisation rate as a result of an unusually long monsoon season in H1FY2011 which hampered operations and re-flagging downtime for some of the existing fleet into Indonesia flagged vessels, which more than offset the maiden contribution from offshore operations of S$2.0 million since December 2010, following the completion of the Group's acquisition of three utility vessels for deployment in the waters of Australia and the Gulf of Thailand.

The Group registered an increase in gross profit of 33.2% in H1FY2011 relative to H1FY2010 and 11.7% in Q2FY2011 relative to Q2FY2010. Despite the increased gross profit, the Group's gross profit margin decreased from 29.9% in H1FY2010 to 26.4% in H1FY2011. The decrease in gross profit margin was attributed mainly to the lower gross profit margin attained by the ship chartering operations, underpinned primarily by a higher proportion of lower margin re-chartering activities, which more than offset the higher gross profit margin generated from its offshore operations which commenced since Q1FY2011.

Other operating income, which increased by 8.9% or S$0.1 million to S$6.6 million in H1FY2011 relative to H1FY2010, comprised principally a gain on disposal of 13 vessels, including a gain on disposal of an AHTS in Q2FY2011, and an increase in foreign exchange gain recognized in H1FY2011 as a result of a depreciating US$ vis-à-vis S$ and its consequential positive impact on the term loans of the Group which are predominantly booked in US$.

The increase in the administrative expenses in H1FY2011 and Q2FY2011 relative to the corresponding periods of FY2010 was attributed mainly to setup costs of newly incorporated entities, particularly in respect of the Group's newly minted offshore operations since the last financial quarter of FY2010, and higher staff costs.

The increase in other operating expenses in H1FY2011 and Q2FY2011 relative to the corresponding periods of FY2010 was attributed mainly to the impairment of trade receivables and increase in travelling and advertising expenses following the Group's stepped-up marketing efforts to promote and raise its profile overseas.

The increase in finance costs, by 12.9% to SS0.8 million in Q2FY2011 compared to Q2FY2010, was attributed mainly to increased bank borrowings to fund the Group's recent acquisition of three utility vessels.

The decrease in contribution from jointly controlled entities in H1FY2011 relative to H1FY2010 was mainly due to the Group's share of gain on disposal of vessels by a jointly controlled entity of S$3.0 million being recognised in H1FY2010.

The increase in income tax expense by S$0.8 million in H1FY2011 relative to H1FY2010 and S$0.3 million in Q2FY2011 relative to Q2FY2010 was attributed mainly to the increase in the shipyard profits of the Group.

Accordingly, the Group registered a net profit of S$9.4 million in H1FY2011 compared to S$12.2 million in H1FY2010.

(b) Review of financial position of the Group as at 31 March 2011 (compared to that as at 30 September 2010)

Following the Placement carried out in Q1FY2011, the shareholders' equity of the Group increased to S$115.3 million as at 31 March 2011 from S$91.9 million as at 30 September 2010.

The total assets of the Group increased by S$42.0 million or 23.2% from S$181.2 million as at 30 September 2010 to S$223.2 million as at 31 March 2011. The increase was attributed mainly to increases in property, plant and equipment, trade receivables and other receivables net of decreases in inventories, fixed deposits and cash and bank balances.

The Group's recent acquisition of the three utility vessels for its offshore operations contributed to the increase in property, plant and equipment.

The increase in trade receivables was in tandem with increased business activities generated from both the ship building operations and ship chartering operations (including the offshore operations).

The increase in other receivables was mainly attributed to receivables resulted from vessel disposals.

The decrease in inventories was mainly due to decrease in raw materials purchased in Q2FY2011.

The net cash and bank balances of the Group, after netting off against bank overdraft, was S$5.9 million as at 31 March 2011 compared to S$16.2 million as at 30 September 2010. The decrease in net cash and bank balances of S$10.3 million was mainly attributed to payments made to suppliers for the purchase of steel plates and vessels equipment.

The total liabilities of the Group increased from S$89.3 million as at 30 September 2010 to S$107.9 million as at 31 March 2011, chiefly as a result of new term loans procured to partially fund the purchase of the two recently acquired utility vessels, net of decreases in trade and other payables following payments made in H1FY2011.

Through better working capital management, the Group reversed from the negative working capital position of S$3.3 million as at 30 September 2010 to a positive working capital position of S$31.8 million as at 31 March 2011. However, due to increased borrowings in funding the Group's offshore expansion, 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 from 32% to 52% over the two financial periods under consideration.

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 economies of South East Asia are expected to continue growing in 2011. The Group's marine logistic and shipyard related services have benefited from strong intra-regional business activities and high foreign demand for a broad range of Indonesian commodities. In addition, the progressive commissioning of new and refurbished coal-fired power plants in Java and Sumatra has boosted domestic demand for coal and this in turn has generated growing demand for tugboats and barges to transport coal on a continuous basis from the mines, predominantly in Kalimantan, to the power plants in Java and Sumatra.

The Group is actively involved in facilitating the export of coal from Indonesia as well as the transportation of coal for domestic use. With the enforcement of the Cabotage Principle in Indonesia, the transportation of coal for domestic use has to be undertaken by Indonesian flagged vessels. Although the Group has engaged in sale-and-leaseback arrangements of tugboats and barges to comply with the Cabotage Principle, this short term solution is progressively being replaced by a long term sustainable business structure through a recent shareholder-sanctioned 49% equity stake in PT Pelayaran Nasional Bina Buana Raya ("BBR"), which, being an Indonesian entity, has its advantages with regard to the compliance of the Cabotage Principle. For BBR to be financially self sustaining, it plans to seek a listing on a reputable regional stock exchange.

The Group will continue to participate in the regional potentials for oil & gas exploration. In doing so, the Group will selectively acquire and expand its fleet of offshore support vessels under its offshore marine division.

Timely investments in prior years to establish ship repair and ship building facilities at the Batam shipyard have paid off. With both dry docks commenced full operations since the last financial year, the Group has established itself as a major ship repair centre in Batam. Both dry docks have enjoyed strong utilization of its facilities from in-house vessels as well as third party ship owners. To cater to the growing demand for shipyard facilities in Batam, the Group is making selective investments to expand its Batam shipyard.

Barring unforeseen circumstances, the Group is optimistic of its performance in FY2011.

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. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, 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 interim dividend has been declared or recommended for H1FY2011.

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 2011, the following interested person transactions had been entered as at 31 March 2011:

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
Sale of a vessel by our subsidiary, Marco Polo Offshore (II) Pte Ltd to PT. Pelayaran Nasional Bina Buana Raya	-	27,759
Sale of vessels by our subsidiary, Marco Polo Shipping Co. Pte Ltd to PT. Pelayaran Nasional Bina Buana Raya	-	21,200

14. Negative Assurance on Interim Financial Statement.

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the Q2FY2011 financial results 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

10 May 2011