MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD FINANCIAL QUARTER ("Q3FY2011") AND NINE MONTHS ("9MFY2011") ENDED 30 JUNE 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		
	Q3FY2011	Q3FY2010	%	**9MFY2011**	9MFY2010	%
	S$'000	S$'000	Change	**S$'000**	S$'000	Change
Revenue	**21,175**	22,026	(4)	**62,677**	49,544	27
Cost of sales	**(16,343)**	(17,009)	(4)	**(46,899)**	(36,311)	29
Gross profit	**4,832**	5,017	(4)	**15,778**	13,233	19
Other operating income	**3,212**	210	1,430	**9,782**	6,241	57
Administrative expenses	**(1,659)**	(1,082)	53	**(4,966)**	(3,300)	50
Other operating expenses	**(1,230)**	(972)	27	**(3,574)**	(2,799)	28
Profit from operations	**5,155**	3,173	62	**17,020**	13,375	27
Finance costs	**(426)**	(603)	(29)	**(1,781)**	(1,964)	(9)
Share of results of jointly-controlled entities	**328**	2,115	(84)	**461**	5,943	(92)
Profit before tax	**5,057**	4,685	8	**15,700**	17,354	(10)
Income tax	**(701)**	(598)	17	**(1,916)**	(1,019)	88
Net profit attributable to the shareholders	**4,356**	4,087	7	**13,784**	16,335	(16)

"Q3FY2011" denotes the third financial quarter of the financial year ended 30 September 2011 ("FY2011").
"9MFY2011" denotes the 9 months of FY2011.
"Q3FY2010" denotes the third financial quarter of the financial year ended 30 September 2010 ("FY2010").
"9MFY2010" denotes the 9 months 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		
	Q3FY2011 S$'000	Q3FY2010 S$'000	% Change	**9MFY2011 S$'000**	9MFY2010 S$'000	% Change
Profit for the period	**4,356**	4,087	7	**13,784**	16,335	(16)
Exchange differences on translating foreign operations	**106**	(3)	NM	**(144)**	(3)	NM
Share of comprehensive income of Jointly-controlled entities	**(344)**	6	NM	**(706)**	6	NM
Other comprehensive income, net of tax	**(238)**	3	NM	**(850)**	3	NM
Total comprehensive income for the period	**4,118**	4,090	1	**12,934**	16,338	(21)
Profit attributable to equity holders of the Company	**4,356**	4,087	7	**13,784**	16,335	(16)
Total comprehensive income attributable to equity holders of the Company	**4,118**	4,090	1	**12,934**	16,338	(21)

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

	The Group			The Group		
	Q3FY2011 S$'000	Q3FY2010 S$'000	% Change	**9MFY2011 S$'000**	9MFY2010 S$'000	% Change
Profit before income tax has been arrived at after charging/(crediting)						
Depreciation and amortisation (1)	**1,727**	1,606	8	**5,191**	4,729	10
Net foreign currency exchange loss/(gain)	**356**	(207)	NM	**(314)**	(177)	77
Gain on disposal of property, plant and equipment	**(3,318)**	70	NM	**(8,691)**	(5,679)	53
Property, plant and equipment written-off	**-**	63	(100)	**1**	64	(98)
Impairment loss on trade receivables recognised	**8**	-	NM	**170**	-	NM
Amortisation of deferred income - government grant	**(6)**	-	NM	**(21)**	-	NM
Interest income	**(5)**	(42)	(88)	**(99)**	(90)	10
Interest expenses	**426**	603	(29)	**1,781**	1,964	(9)
Adjustments for overprovision of tax in respect of prior years	**-**	-	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 FY2011.

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 June 2011 S$'000	As at 30 September 2010 S$'000	**As at 30 June 2011 S$'000**	As at 30 September 2010 S$'000
Non-current assets				
Property, plant and equipment	**97,982**	110,792	**-**	-
Investment in subsidiaries	**-**	-	**4,320**	4,320
Jointly-controlled entities	**17,894**	16,774	**-**	-
	115,876	127,566	**4,320**	4,320
Current assets				
Inventories	**5,514**	5,195	**-**	-
Trade receivables	**13,988**	8,981	**-**	-
Due from customers for construction contracts	**1,022**	12,429	**-**	-
Other receivables, deposits & prepayment	**77,745**	3,423	**435**	30
Due from subsidiaries (non-trade)	**-**	-	**51,018**	36,872
Fixed deposits	**5,137**	7,441	**2,045**	3,493
Cash and bank balances	**10,506**	16,197	**141**	83
	113,912	53,666	**53,639**	40,478
Total assets	**229,788**	181,232	**57,959**	44,798
Current liabilities				
Bank overdraft	**1,896**	7,401	**299**	91
Trade payables	**28,542**	24,226	**-**	-
Other payables and accruals	**4,436**	10,459	**88**	260
Borrowings-Interest bearing	**18,135**	13,981	**591**	682
Income tax payable	**1,945**	944	**-**	-
	54,954	57,011	**978**	1,033
Non-current liabilities				
Borrowings-Interest bearing	**54,876**	31,927	**-**	416
Deferred tax liabilities	**523**	332	**-**	-
Deferred income - government grant	**39**	66	**-**	-
	55,438	32,325	**-**	416
Total liabilities	**110,392**	89,336	**978**	1,449
Net assets	**119,396**	91,896	**56,981**	43,349
Share capital and reserves				
Share capital	**59,239**	44,673	**59,239**	44,673
Translation reserve	**(1,202)**	(352)	**-**	-
Retained earnings/(Accumulated losses)	**61,359**	47,575	**(2,258)**	(1,324)
Total equity	**119,396**	91,896	**56,981**	43,349

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

	The Group	
	As at 30 June 2011 S$ '000	As at 30 September 2010 S$ '000
Amount repayable in one year or less or on demand		
Secured*	**20,031**	21,382
Amount repayable after one year		
Secured*	**54,876**	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	
	9MFY2011	9MFY2010
	S$'000	S$'000
Cash flow from operating activities		
Profit before income tax	**15,700**	17,354
Adjustments for:		
Depreciation and amortisation	**5,191**	4,729
Interest expense	**1,781**	1,964
Interest income	**(99)**	(90)
Gain on disposal of property, plant and equipment	**(8,691)**	(5,679)
Share of profits in jointly-controlled entities	**(461)**	(5,943)
Property, plant and equipment written-off	**1**	64
Amortisation of deferred income	**(21)**	-
Curency realignment	**263**	-
Operating profit before working capital changes	**13,664**	12,399
Working capital changes:		
Inventories	**(318)**	(3,295)
Trade and other receivables	**(79,335)**	(2,907)
Due from customers for construction contracts	**11,407**	(6,398)
Trade and other payables	**(1,706)**	1,965
Cash (used in)/generated from operations	**(56,288)**	1,764
Interest paid	**(413)**	(424)
Income tax paid	**(725)**	(220)
Net cash (used in)/generated from operating activities	**(57,426)**	1,120
Cash flows from investing activities		
Purchase of property, plant and equipment	**(62,009)**	(46,134)
Proceeds from disposal of property, plant and equipment	**78,319**	62,654
Jointly-controlled entities	**(1,365)**	(2,407)
Placement of fixed deposits and cash pledged with licensed bank	**2,849**	-
Interest received	**99**	90
Net cash from investing activities	**17,893**	14,203
Cash flows from financing activities		
Proceeds from issue of new share - net	**14,566**	-
Proceeds from/(repayment) of loans - net	**27,997**	(12,615)
Repayment of lease obligations - net	**(894)**	(511)
Interest paid on lease obligations	**(84)**	(124)
Interest paid on term loans	**(1,284)**	(1,416)
Net cash from/(used in) financing activities	**40,301**	(14,666)
Net change in cash and cash equivalents	**768**	657
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)	**4,178**	9,576

Note 1:

Cash and cash equivalents consist of:	The Group	
	9MFY2011	9MFY2010
	S$'000	S$'000
Cash and bank balances	**10,506**	15,485
Fixed deposits	**5,137**	3,579
Bank Overdraft	**(1,896)**	(5,909)
Total cash, bank balances and fixed deposit	**13,747**	13,155
Less: fixed deposits and cash pledged	**(9,569)**	(3,579)
Cash and cash equivalents	**4,178**	9,576

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	-	(850)	13,784	12,934
Issue of shares	15,050	-	-	15,050
Share issue expenses	(484)	-	-	(484)
Balance as at 30 June 2011	59,239	(1,202)	61,359	119,396

	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	-	3	16,335	16,338
Balance as at 30 June 2010	44,673	14	44,791	89,478

	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	-	(934)	(934)
Issue of shares	15,050	-	15,050
Share issue expenses	(484)	-	(484)
Balance as at 30 June 2011	59,239	(2,258)	56,981

	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	-	(751)	(751)
Balance as at 30 June 2010	44,673	(1,381)	43,292

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 30 Jun 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 30 Jun 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 30 June 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 for Q3FY2011 and 9MFY2011.

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	
	9MFY2011	9MFY2010
	S$'000	S$'000
Net profit attributable to shareholders	**13,784**	16,335
Earnings per share		
Basic (Singapore cents)	**4.06 cents***	5.34 cents**
Diluted (Singapore cents)	**4.06 cents***	5.34 cents**

* Basic and diluted earnings per share for 9MFY2011 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$13.8 million and the weighted average number of shares of 339,339,744.

** Basic and diluted earnings per share for 9MFY2010 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$16.3 million and the weighted average number of shares of 305,750,000.

There were no potential dilutive shares as at 30 June 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 30 June 2011 S$'000	As at 30 September 2010 S$'000	**As at 30 June 2011 S$'000**	As at 30 September 2010 S$'000
Net asset value as at the respective balance sheet dates	**119,396**	91,896	**56,981**	43,349
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	**35.0 cents**	30.1 cents	**16.7 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 9MFY2011 compared to 9MFY2010

Our Group's revenues for 9MFY2011 and 9MFY2010 were as follow:

	9MFY2011		9MFY2010		Change	
	S$ million	%	S$ million	%	S$ million	%
Ship chartering operations	24.4	38.9	26.5	53.5	(2.1)	(7.9)
Ship building & repair operations	38.3	61.1	23.0	46.5	15.3	66.5
	62.7	100.0	49.5	100.0	13.2	26.7

The Group returned a higher revenue of S$62.7 million in 9MFY2011, an increase of 26.7% over S$49.5 million in 9MFY2010. The increase in revenue was mainly due to maiden contribution from offshore operations and higher contribution from ship building and repair operations despite lower contribution from the chartering of tugboats and barges. The Group registered a marginal decrease in revenue of 3.9% to S$21.2 million in Q3FY2011 due to lower contribution from the ship chartering operations as a result of a lower rate of fleet utilization.

Shipyard operations recorded a significant increase in revenue as a result of increased 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$2.1 million or 7.9% to S$24.4 million in 9MFY2011 compared to 9MFY2010, mainly attributed to lower contribution from the time charters of tugboats and barges due to a lower rate of fleet utilization as a result of:

- an unusually long monsoon season in the first half of FY2011 which hampered operations; and
- the re-flagging downtime for some of the existing fleet of the Group into Indonesia flagged vessels,

which collectively more than offset the contribution from the offshore operations 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.

While the gross profit of the Group increased by 19.2%, in tandem with higher revenue in 9MFY2011, over that of 9MFY2010, the gross profit margin of the Group decreased marginally from 26.7% to 25.2% over the financial periods under consideration. 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 the offshore operations which commenced since Q1FY2011.

The gain on disposal of vessels and foreign exchange gain contributed to the significant increase in other operating income in 9MFY2011 and 3QFY2011 over the same corresponding periods in FY2010. The Group recognised a gain on disposal of 18 vessels amounting to S$8.7 million in 9MFY2011, including a gain on disposal of five vessels in Q3FY2011, as compared to a gain on disposal of 20 vessels amounting to S$5.7 million in 9MFY2010. The foreign exchange gain was attributed mainly to the depreciation of US dollars and its accompanying effects on the US dollar loans of the Group.

The increase in the administrative expenses in 9MFY2011 and Q3FY2011 relative to the corresponding periods in 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 9MFY2011 and Q3FY2011 relative to the corresponding periods in FY2010 was attributed mainly due to the increase in travelling and advertising expenses following the Group's stepped-up marketing efforts to promote and raise its profile overseas.

The finance costs of the Group decreased by 29.4% to S$0.4 million in Q3FY2011 mainly as a result of the decrease in the term loan interest rates.

The decrease in contribution from jointly controlled entities in Q3FY2011 and 9MFY2011 over the same corresponding periods in FY2010 was mainly attributed to a lower contribution to operating profit from a jointly controlled entity in Q3FY2011 and 9MFY2011 relative to Q3FY2010 and 9MFY2010 respectively as well as the Group's share of gain on disposal of vessels of S$3.2 million by a jointly controlled being recognised in 9MFY2010.

The increase in income tax expense was attributed mainly to the increase in the shipyard and offshore profits of the Group.

Accordingly, the Group registered a net profit of S$13.8 million in 9MFY2011 compared to S$16.3 million in 9MFY2010.

(b) Review of financial position of the Group as at 30 June 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$119.4 million as at 30 June 2011 from S$91.9 million as at 30 September 2010.

The total assets of the Group increased by S$48.6 million or 26.8% from S$181.2 million as at 30 September 2010 to S$229.8 million as at 30 June 2011. The increase was attributed mainly to increases in trade receivables and other receivables net of decreases in property, plant and equipment, fixed deposits and cash and bank balances.

Property, plant and equipment decreased as a result of the Group's disposal of 18 vessels, including two AHTS, despite the Group's recent acquisition of the three utility vessels for its offshore operations.

The increase in trade receivables was in tandem with increased business activities while the increase in other receivables was mainly attributed to receivables resulting from the additional disposal of vessels.

The net cash and bank balances of the Group, after netting off against bank overdraft, was S$13.7 million as at 30 June 2011 compared to S$16.2 million as at 30 September 2010. The decrease in net cash and bank balances of S$2.5 million was mainly attributed to payments made to suppliers for the purchase of steel plates and vessels equipment in Q3FY2011.

The total liabilities of the Group increased from S$89.3 million as at 30 September 2010 to S$110.4 million as at 30 June 2011, chiefly as a result of new term loans procured to partially fund the purchase of the three recently acquired utility vessels, net of decreases in trade and other payables following payments made in 9MFY2011.

Through better working capital management, the Group reversed from a negative working capital position of S$3.3 million as at 30 September 2010 to a positive working capital position of S$58.9 million as at 30 June 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 50% over the two financial periods under consideration. Due principally to increased vessel disposals with extended payment terms, the Group registered a negative cash flow used in operations of S$57.4 million for 9MFY2011 vis-à-vis a positive cash flow generated from operations of S$1.1 million for 9MFY2010, with the deficit substantially financed by proceeds from the Placement and additional loans.

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 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 will be replaced by a long term sustainable business structure through the Group's recent acquisition of a 49% stake in PT. Pelayaran Nasional Bina Buana Raya ("BBR"), which, being an Indonesian entity, has its advantages with regard to the compliance with the Cabotage Principle.

As regards its offshore operations, the Group will continue to tap opportunities avail by the regional oil & gas exploration activities, and in doing so will selectively and appropriately acquire and expand its fleet of offshore support vessels.

With regard to the Group's shipyard operations, 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. In view of the strong demand from ship repair and ship conversion projects, the Group had in Q2FY2011 commenced the construction of a bigger and deeper third drydock, measuring 190m x 45m x 9m, which is scheduled for completion in Q1FY2012.

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 such as the uncertainties of the pace of recovery of the United States of America economy, continued concerns of sovereign debt sustainability in Europe, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia. 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 interim dividend has been declared or recommended for 9MFY2011.

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 30 June 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	-	48,385

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 Q3FY2011 financial results to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng	**Liely Lee**
CEO	**Executive Director**

12 August 2011