MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH FINANCIAL QUARTER ("Q4FY2011") AND FULL FINANCIAL YEAR ENDED 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		
	Q4FY2011	Q4FY2010	%	**FY2011**	FY2010	%
	S$'000	S$'000	Change	**S$'000**	S$'000	Change
Revenue	**20,341**	14,727	38	**83,018**	64,271	29
Cost of sales	**(12,788)**	(9,482)	35	**(59,687)**	(45,793)	30
Gross profit	**7,553**	5,245	44	**23,331**	18,478	26
Other operating income	**1,710**	792	116	**11,492**	6,856	68
Administrative expenses	**(2,917)**	(1,357)	115	**(7,883)**	(4,657)	69
Other operating expenses	**(2,894)**	(1,634)	77	**(6,468)**	(4,256)	52
Profit from operations	**3,452**	3,046	13	**20,472**	16,421	25
Finance costs	**(1,188)**	(584)	103	**(2,969)**	(2,548)	17
Share of results of associated companies	**1,881**	-	NM	**1,881**	-	NM
Share of results of jointly-controlled entities	**779**	292	167	**1,240**	6,235	(80)
Profit before tax	**4,924**	2,754	79	**20,624**	20,108	3
Income tax	**(1,400)**	30	(4,767)	**(3,316)**	(989)	235
Net profit attributable to the shareholders	**3,524**	2,784	27	**17,308**	19,119	(9)

"Q4FY2011" denotes the fourth financial quarter of the financial year ended 30 September 2011 ("FY2011").
"FY2011" denotes the full financial year of FY2011.
"Q4FY2010" denotes the fourth financial quarter of the financial year ended 30 September 2010 ("FY2010").
"FY2010" denotes the full 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		
	Q4FY2011 S$'000	Q4FY2010 S$'000	% Change	**FY2011 S$'000**	FY2010 S$'000	% Change
Profit for the period	**3,524**	2,784	26	**17,308**	19,119	(9)
Exchange differences on translating foreign operations	**107**	1	100	**(35)**	(2)	1,750
Share of comprehensive income of Jointly-controlled entities	**480**	(367)	NM	**(224)**	(361)	(38)
Other comprehensive income, net of tax	**587**	(366)	NM	**(259)**	(363)	(29)
Total comprehensive income for the period	**4,111**	2,418	70	**17,049**	18,756	(9)
Profit attributable to equity holders of the Company	**3,524**	2,784	26	**17,308**	19,119	(9)
Total comprehensive income attributable to equity holders of the Company	**4,111**	2,418	70	**17,049**	18,756	(9)

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

	The Group			The Group		
	Q4FY2011 S$'000	Q4FY2010 S$'000	% Change	**FY2011 S$'000**	FY2010 S$'000	% Change
Profit before income tax has been arrived at after charging/(crediting)						
Depreciation and amortisation	**1,674**	1,918	(13)	**6,865**	6,647	3
Net foreign currency exchange (gain)/loss	**(1,142)**	877	NM	**(1,456)**	700	NM
Gain on disposal of property, plant and equipment	**(311)**	(412)	(25)	**(9,002)**	(6,091)	48
Property, plant and equipment written-off	**-**	8	NM	**1**	72	(99)
Impairment loss on trade receivables recognised	**1,464**	13	11,162	**1,634**	13	12,469
Amortisation of deferred income - government grant	**(8)**	(33)	(76)	**(29)**	(33)	(12)
Interest income	**(22)**	(20)	10	**(121)**	(110)	10
Interest expenses	**555**	584	(5)	**2,336**	2,548	(8)
Fair value adjustment of derivative contract	**633**	-	NM	**633**	-	NM
Adjustments for overprovision of tax in respect of prior years	**-**	(28)	NM	**(679)**	(28)	2,325

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 2011 S$'000	As at 30 September 2010 S$'000	**As at 30 September 2011 S$'000**	As at 30 September 2010 S$'000
Non-current assets				
Property, plant and equipment	**96,577**	110,792	**-**	-
Investment in subsidiaries	**-**	-	**4,320**	4,320
Investment in associated company	**17,439**	-	**-**	-
Jointly-controlled entities	**19,258**	16,774	**-**	-
	133,274	127,566	**4,320**	4,320
Current assets				
Inventories	**10,138**	5,195	**-**	-
Trade receivables	**8,350**	8,981	**-**	-
Due from customers for construction contracts	**9,108**	12,429	**-**	-
Other receivables, deposits & prepayment	**9,708**	3,423	**73**	30
Due from associated company (non-trade)	**19,785**	-	**-**	-
Due from subsidiaries (non-trade)	**-**	-	**50,656**	36,872
Fixed deposits	**4,644**	7,441	**2,144**	3,493
Cash and bank balances	**13,685**	16,197	**293**	83
	75,418	53,666	**53,166**	40,478
Total assets	**208,692**	181,232	**57,486**	44,798
Current liabilities				
Bank overdraft	**999**	7,401	**-**	91
Trade payables	**26,644**	24,226	**-**	-
Other payables and accruals	**7,863**	10,459	**414**	260
Borrowings-Interest bearing	**20,586**	13,981	**418**	682
Derivate financial instruments	**633**	-	**-**	-
Income tax payable	**2,633**	944	**-**	-
	59,358	57,011	**832**	1,033
Non-current liabilities				
Borrowings-Interest bearing	**24,556**	31,927	**-**	416
Deferred tax liabilities	**1,236**	332	**-**	-
Deferred income - government grant	**31**	66	**-**	-
	25,823	32,325	**-**	416
Total liabilities	**85,181**	89,336	**832**	1,449
Net assets	**123,511**	91,896	**56,654**	43,349
Share capital and reserves				
Share capital	**59,239**	44,673	**59,239**	44,673
Translation reserve	**(611)**	(352)	**-**	-
Retained earnings/(Accumulated losses)	**64,883**	47,575	**(2,585)**	(1,324)
Total equity	**123,511**	91,896	**56,654**	43,349

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

	The Group	
	As at 30 September 2011 S$ '000	As at 30 September 2010 S$ '000
Amount repayable in one year or less or on demand		
Secured*	**21,585**	21,382
Amount repayable after one year		
Secured*	**24,556**	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.

Corporate guarantees given to PT Pelayaran Nasional Bina Buana Raya ("BBR"), an associated company

(a) As at the date of the announcement, the Company has provided corporate guarantees to two lenders of BBR in respect of 49% of the vessel loans aggregating approximately US$30 million procured by BBR.

(b) The Company has, subsequent to FY2011, provided corporate guarantees to the investors of BBR in respect of 49% of the issuance of redeemable preference shares and convertible loans by BBR and its subsidiary in November 2011 at an aggregate consideration of US$8.33 million.

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	
	FY2011	FY2010
	S$'000	S$'000
Cash flow from operating activities		
Profit before income tax	**20,624**	20,108
Adjustments for:		
Depreciation and amortisation	**6,865**	6,647
Interest expense	**2,336**	2,548
Interest income	**(121)**	(110)
Gain on disposal of property, plant and equipment	**(9,002)**	(6,091)
Fair value adjustment of derivative contracts	**633**	-
Share of profits in jointly-controlled entities	**(1,240)**	(6,235)
Share of profits in associated company	**(1,881)**	-
Property, plant and equipment written-off	**1**	73
Amortisation of deferred income	**(29)**	(33)
Currency realignment	**121**	395
Operating profit before working capital changes	**18,307**	17,302
Working capital changes:		
Inventories	**(4,943)**	(1,534)
Trade and other receivables	**(6,307)**	110
Due from associated company	**(19,785)**	-
Due from customers for construction contracts	**3,321**	(3,605)
Trade and other payables	**469**	323
Cash (used in)/generated from operations	**(8,938)**	12,596
Interest paid	**(222)**	(550)
Income tax paid	**(725)**	(251)
Net cash (used in)/generated from operating activities	**(9,885)**	11,795
Cash flows from investing activities		
Purchase of property, plant and equipment	**(74,413)**	(59,730)
Proceeds from disposal of property, plant and equipment	**90,765**	68,048
Jointly-controlled entities	**(1,466)**	(2,347)
Investment in associated company	**(15,559)**	
Placement of fixed deposits and cash pledged with licensed bank	**5,612**	(8,839)
Interest received	**121**	110
Net cash from investing activities	**5,060**	(2,758)
Cash flows from financing activities		
Proceeds from issue of new share - net	**14,566**	-
(Repayment of)/proceeds from loans - net	**435**	(4,163)
(Repayment of)/proceeds from notes payable	**-**	(6,359)
Repayment of lease obligations	**(1,201)**	(1,175)
Interest paid on lease obligations	**(106)**	(167)
Interest paid on term loans	**(2,008)**	(1,831)
Net cash from/(used in) financing activities	**11,686**	(13,695)
Net change in cash and cash equivalents	**6,861**	(4,658)
Effect of exchange rate changes on cash and cash equivalents	**(156)**	(442)
Cash and cash equivalents at beginning of financial year	**3,819**	8,919
Cash and cash equivalents at end of financial year (Note 1)	**10,524**	3,819

Note 1:

Cash and cash equivalents consist of:

	The Group	
	FY2011	FY2010
	S$'000	S$'000
Cash and bank balances	**13,685**	16,197
Fixed deposits	**4,644**	7,441
Bank Overdraft	**(999)**	(7,401)
Total cash, bank balances and fixed deposit	**17,330**	16,237
Less: fixed deposits and cash pledged	**(6,806)**	(12,418)
Cash and cash equivalents	**10,524**	3,819

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	-	(259)	17,308	17,049
Issue of shares	15,050	-	-	15,050
Share issue expenses	(484)	-	-	(484)
Balance as at 30 September 2011	59,239	(611)	64,883	123,511

	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	-	(363)	19,119	18,756
Balance as at 30 September 2010	44,673	(352)	47,575	91,896

	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	-	(1,261)	(1,261)
Issue of shares	15,050	-	15,050
Share issue expenses	(484)	-	(484)
Balance as at 30 September 2011	59,239	(2,585)	56,654

	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	-	(694)	(694)
Balance as at 30 September 2010	44,673	(1,324)	43,349

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 Sep 2011	**As at 30 Sep 2010**
Issued and paid-up share capital of the Company	S$59.2 million	S$44.7 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 net proceeds	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 Sep 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 1 July 2011. Neither had there been any sale, transfer, disposal, cancellation and/or use of treasury shares during Q4FY2011.

2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 30 September 2010.

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 2010, 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 2010.

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	
	FY2011	FY2010
	S$'000	S$'000
Net profit attributable to shareholders	**17,308**	19,119
Earnings per share		
Basic (Singapore cents)	**5.1 cents***	6.3 cents**
Diluted (Singapore cents)	**5.1 cents***	6.3 cents**

* Basic and diluted earnings per share for FY2011 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$17.3 million and the weighted average number of shares of 339,695,205.

** Basic and diluted earnings per share for FY2010 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$19.1 million and the weighted average number of shares of 305,750,000.

There were no potential dilutive shares as at 30 September 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 September 2011 S$'000	As at 30 September 2010 S$'000	**As at 30 September 2011 S$'000**	As at 30 September 2010 S$'000
Net asset value as at the respective balance sheet dates	**123,511**	91,896	**56,654**	43,349
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	**36.2 cents**	30.1 cents	**16.6 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 FY2011 compared to FY2010

Our Group's revenues for FY2011 and FY2010 were as follow:

	FY2011		FY2010		Change	
	S$ million	**%**	**S$ million**	**%**	**S$ million**	**%**
Ship Chartering Operations	30.8	37.1	32.5	50.5	(1.7)	(5.2)
Ship Building & Repair Operations	52.2	62.9	31.8	49.5	20.4	64.2
	83.0	100.0	64.3	100.0	18.7	29.1

The Group achieved record full year revenue in FY2011, which grew by 29.1% to S$83.0 million from S$64.3 million in FY2010. The increase in revenue was attributed mainly to the Group's Ship Building & Repair Operations.

The strategic location of the Group's shipyard coupled with high service quality and ability to provide a suite of integrated marine logistics services, including ship conversion, facilitated its Ship Building & Repair Operations in securing more ship repair jobs and higher value ship conversion jobs. Accordingly, the operations posted strong growth of 64.2% to S$52.2 million from S$31.8 million in FY2010.

The Group's ship chartering revenue decreased by 5.2% to S$30.8 million from S$32.5 million in FY2010, mainly attributed to:

1. lower contribution from time charters of tugboats and barges due to lower fleet utilization rate as a result of an unusually long monsoon season in 1HFY2011 which hampered operations; and
2. re-flagging downtime for some of the existing fleet into Indonesia flagged vessels,

which collectively more than offset the maiden contribution from offshore operations of S$6.4 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.

In respect of Q4FY2011, the Group's revenue increased by 38.1% to S$20.3 million from S$14.7 million in the corresponding period of the last financial year, brought about by growth in both its Ship Chartering and Ship Building & Repair Operations, particularly the latter which grew at 58.0% to S$13.9 million from S$8.8 million in the same quarter last financial year.

In tandem with its revenue growth. the Group's gross profit increased by 26.3% to S$23.3 million from S$18.5 million in FY2010, with its gross profit margin maintained at about 28%. In respect of 4FY2011, the Group's gross profit margin increased to 37.1% from 35.6% in the same quarter of the last financial year, attributed mainly to higher revenue generated and higher yielding projects procured by its Ship Building & Repair Operations.

While the gains on foreign exchange and disposal of vessels contributed to the bulk of the increase in the other operating income of the Group by 67.6% to S$11.5 million from S$6.9 million in FY2010, the gain on foreign exchange chiefly accounted for the increase in the Group's other operating income by 115.9% to S$1.7 million from S$0.8 million in Q4FY2010.

The increases in the administrative expenses in FY2011 and Q4FY2011 relative to the respective corresponding periods of FY2010 were mainly attributed to setup costs for the new offshore business which commenced operations since Q1FY2011; expenses incurred in preparing for the intended listing of the Company's Taiwan Depository Receipts ("TDR"); and higher staff costs.

The increases in other operating expenses in FY2011 and Q4FY2011 relative to the respective corresponding periods of FY2010 were mainly due to the impairment of certain trade receivables and the increase in travelling and advertising expenses following the Group's stepped-up marketing efforts to promote and raise its profile overseas.

The Group's finance costs increased by 103.4% to S$1.2 million in Q4FY2011 from S$0.6 million in the same quarter of the last financial year, due mainly to the mark-to-market losses of S$0.6 million on forward contracts which hedged the Group's US$ sales revenue against S$.

The Group's share of results of associated companies in Q4FY2011 was attributed to BBR, a 49%-owned associated company which the Company, via its subsidiary, Marco Polo Shipping Co. Pte Ltd, acquired in July 2011 (the "Acquisition") following the approval procured from the shareholders of the Company at an extraordinary general meeting convened on 18 April 2011. The share of results of BBR was chiefly the result of a negative goodwill being recognized pursuant to the Acquisition being carried out at below fair market value. Prior to the Acquisition, BBR was wholly-owned by the Lee Family, comprising Mr Lee Wan Tang, the Executive Chairman and a substantial shareholder of the Company, Mdm Lai Qin Zhi, a Non-Executive Director of the Company, Mr Sean Lee Yun Feng, the CEO and an Executive Director of the Company, and Ms Liely Lee, an Executive Director of the Company. Subsequent to the Acquisition, BBR was 51% and 49% owned by the Lee Family and the Group respectively. In September 2011, the Lee Family disposed part of their equity interests in BBR to a third-party, which resulted in BBR being 29.6%, 21.4% and 49% owned by the Lee Family, the third-party and the Group respectively.

The decrease in the Group's share of results of jointly controlled entities in FY2011 was due mainly to lower operating profit contribution from a jointly controlled entity in FY2011 coupled with the fact that an one time gain on disposal of a vessel was recognized in FY2010 by that jointly controlled entity vis-à-vis that of none in FY2011.

The increase in income tax expense was attributed mainly to:

1. the increase in the Group's shipyard profits in FY2011 relative to FY2010; these profits, which were derived solely from Indonesia, were subject to the country's high corporate income tax rate of 25% (compared to that of Singapore's 17%); and
2. the new offshore profits the Group sourced in FY2011 from Australia; these profits were subject to the country's comparatively much higher corporate income tax rate of 30%.

Following the reflagging exercise as mentioned in paragraph 10 below and coupled with the expected continue increase in profit contribution from the Group's shipyard in Indonesia and the Group's offshore business which currently is predominantly sourced from Australia, the Group expects the effective tax rate for its income tax in the foreseeable future to gear at rates above the Singapore's prevailing corporate income tax rate of 17%.

(b) Review of financial position of the Group as at 30 September 2011 compared to FY2010

Following the Placement carried out in Q1FY2011, the Group's share capital increased to S$59.2 million as at 30 September 2011 from S$44.7 million as at 30 September 2010.

The Group's total assets increased by 15.5% to S$209.3 million as at 30 September 2011 from S$181.2 million as at 30 September 2010. The increase was mainly attributed to the Group's 49% acquisition in BBR as well as increases in inventories and other receivables net of decreases in property, plant and equipment, fixed deposits and cash and bank balances.

The Group's property, plant and equipment decreased as a result of the disposal of 28 vessels, including two AHTS, despite the Group's recent acquisition of three utility vessels which it deployed for its offshore operations.

The Group's inventories increased by 95.1% to S$10.1 million as at 30 September 2011 from S$5.2 million as at 30 September 2010 in tandem with the growth in the Group's Ship Building & Repairs Operations.

The other receivable, deposit and prepayment increased mainly due to advance payments made to the vessel equipment makers and a receivable due from a vessel buyer.

The net cash and bank balances of the Group, after netting off against bank overdraft, was S$17.3 million as at 30 September 2011 compared to S$16.2 million as at 30 September 2010.

The Group experienced an operating cash outflow in FY2011 mainly due to:

1. an outstanding balance of S$19.8 million due from the associated company, BBR, in connection with the Group's disposal of 20 vessels to BBR pursuant to the Acquisition with a view to comply with Indonesia's Cabotage Principle in a sustainable manner; and
2. increase in advance payments made to the vessel equipment makers for the expansion of the Group's Ship Building & Repair Operations.

Notwithstanding the operating cash outflow position mentioned above, with the proceeds from the Placement and the disposal of vessels:

1. the working capital position of the Group drastically reversed from a negative S$3.3 million as at 30 September 2010 to a positive S$16.1 million as at 30 September 2011;
2. the net tangible asset per share of the Company increased from S$0.30 in FY2010 to S$0.36 in FY2011; and
3. 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) decreased to 22.5% from 32.3% over the two financial years 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.

As at the date of the announcement, the Group has substantially completed the reflagging exercise, via its Indonesian associate BBR, in respect of all its vessels earmarked for plying in Indonesian waters The reflagging exercise is necessary to be carried out in order to comply with Indonesia's cabotage principle, which requires all vessels plying Indonesian waters to be Indonesia flagged and such Indonesia flagged vessels must be owned by Indonesian entities controlled by Indonesian persons.

The construction of a bigger and deeper third drydock, measuring 190m x 45m x 9m, by the Group's shipyard in Batam since Q2FY2011 is expected to be completed by Q2FY2012. When the third drydock becomes fully operational, the Group will be well-poised to take advantage of the buoyant demand for ship repair and conversion businesses boosted chiefly by the thriving commodity shipping, oil and gas activities.

For the financial year ending 30 September 2012 ("FY2012"), barring unforeseen circumstances, the Group expects its ship chartering results to be lifted from the Group's newly set up offshore business which targets the promising oil and gas activities in Indonesia. A further pick-up in its ship building and repair results is also expected following the Group's scheduled delivery of two additional units of OSV by Q3FY2012.

Interim Special Cash Dividend

In a separate announcement of even date, the Company has announced that a tax-exempt one-tier interim special dividend of S$0.01 per ordinary share of the Company for FY2012 will be declared out of the profits of the Company. The dividend payout, being the maiden one-off special cash dividend declared following the Board's review of the Group's cashflow position, will be paid to the shareholders of the Company on 22 December 2011.

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 or recommended for the financial year ended 30 September 2011.

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 into during FY2011:

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 the Company's subsidiary, Marco Polo Offshore (II) Pte Ltd, to BBR prior to the Acquisition	-	27,759
Sale of vessels by the Company's subsidiary, Marco Polo Shipping Co. Pte Ltd, to BBR prior to the Acquisition	-	48,385

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.

The Group adopted FRS 108 - Operating Segments with effect from 1 October 2009 and identified the following as its operating segments:

a. Ship chartering – Relates to charter hire activities
b. Shipyard – Relates to ship building, ship repair and ship conversion activities
c. Others – Relates to general corporate activities

Segment profit before tax represents operating revenue less expenses. Corporate expenses represent the cost of the Group's function not allocated to the reportable segments.

Performance is measured based on segment profit before income tax and is reviewed regularly by the CEO of the Group. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these business environments. Inter-segment pricing is determined on an arm's length basis.

Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment.

Segment liabilities represent liabilities directly managed by each segment, and primarily include payables and financial liabilities.

The comparative figures for FY2010 were restated to be consistent with the presentation for FY2011.

Business segments

	Ship chartering sevices $'000	%	Shipbuidling and repair services $'000	%	Total operations $'000
Year ended 30 September 2011					
External revenue	30,771	37.1%	52,247	62.9%	83,018
Reportable segment results from operating activities	12,995		10,666		23,661
Share of results of jointly controlled entity, net of tax	1,240		-		1,240
Share of results of associated company, net of tax	1,881		-		1,881
Finance income	39		79		118
Finance costs	(1,874)		(1,040)		(2,914)
Unallocated expenses					(3,362)
Profit before income tax					20,624
Income tax expenses					(3,316)
Profit for the year					17,308
Reportable segment assets	86,590		82,891		169,481
Investment in joint ventures	16,946		-		16,946
Investment in associate company	17,439		-		17,439
Unallocated assets					4,826
Total assets					208,692
Reportable segment liabilities	33,267		51,070		84,337
Unallocated liabilities					844
Total liabilities					85,181
Capital expenditure	67,434		6,979		74,413
Other material non-cash items:					
Depreciation	3,599		3,266		6,865
Gain on disposal of plant and equipment	9,002		-		9,002

Business segments

	Ship chartering sevices		Shipbuilding and repair services		Total operations
	$'000	%	$'000	%	$'000
Year ended 30 September 2010					
External revenue	32,448	50.5%	31,823	49.5%	64,271
Reportable segment results from operating activities	11,914		6,650		18,564
Share of results of jointly controlled entity, net of tax	6,235		-		6,235
Finance income	66		32		98
Finance costs	(1,441)		(979)		(2,420)
Unallocated expenses					(2,369)
Profit before income tax					20,108
Income tax expenses					(989)
Profit for the year					19,119
Reportable segment assets	100,044		59,800		159,844
Investment in joint ventures	14,427		-		14,427
Unallocated assets					6,961
Total assets					181,232
Reportable segment liabilities	40,982		46,101		87,083
Unallocated liabilities					2,253
Total liabilities					89,336
Capital expenditure	58,907		1,198		60,105
Other material non-cash items:					
Depreciation	3,479		3,168		6,647
Gain on disposal of plant and equipment	6,091		-		6,091

*The amount includes capital expenditure acquired by lease obligation amounting to $375,000.

Geographical Information

The Group operates mainly in Singapore and Indonesia, with Singapore and Indonesia (and to a lesser extent other regional countries in South East Asia) being its major markets for ship chartering activities and Indonesia as its major market for ship building and repairs activities.

Revenues from the external customers of the Group were derived based on the country of origin of the customers and not the destination for the delivery of the Group's chartering services or built vessels.

Non-current assets (other than financial instruments and deferred tax assets) of the Group were spread across Singapore (being the Company's country of domicile) and Indonesia in which the Group holds its assets.

Geographical information 30 September 2011	Revenues S$'000	%	Non-current assets S$'000	%
Singapore	19,611	23.6%	63,537	47.7%
Indonesia	40,455	48.7%	36,930	27.7%
Australia	4,343	5.3%	26,757	20.1%
Other Asian countries	18,609	22.4%	6,050	4.5%
Total	83,018	100.0%	133,274	100.0%

30 September 2010	Revenues S$'000	%	Non-current assets S$'000	%
Singapore	26,243	40.8%	101,886	79.9%
Indonesia	23,238	36.2%	25,680	20.1%
Other Asian countries	14,790	23.0%	-	0.0%
Total	64,271	100.0%	127,566	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.

By business segments, the percentage contributions to turnover by the Group's Ship Chartering Operations and Ship Building & Repair Operations were 50.5% and 49.5% respectively in FY2010 and 37.1% and 62.9% respectively in FY2011. The reversal in percentage contributions was attributed mainly to the Group's gradual transfer of certain part of its Ship Chartering Operations to its associated company, BBR, to comply with Indonesia's Cabotage Principle as well as the increase in demand for the Group's ship repair and conversion services.

With the three utilities vessels acquired during FY2011, the Group has expanded its geographical reach to include Australia and Thailand, and, with its gradual shift in business emphasis from Singapore to Indonesia in respect of both its Ship Chartering Operations and Ship Building & Repair Operations, the percentage contribution to turnover from Indonesia had increased from 36.2% in FY2010 to 48.7% in FY2011 while that from Singapore had decreased from 40.8% in FY2010 to 23.6% in FY2011.

16. Breakdown of sales.

The Group	2011 $'000	2010 $'000
Revenue reported for the first quarter	19,367	12,014
Profit after tax before deducting MI reported for the first quarter	4,010	4,810
Revenue reported for the second quarter	22,135	15,504
Profit after tax before deducting MI reported for the second quarter	5,418	7,438
Revenue reported for the third quarter	21,175	22,026
Profit after tax before deducting MI reported for the third quarter	4,356	4,087
Revenue reported for the fourth quarter	20,341	14,727
Profit after tax before deducting MI reported for the fourth quarter	3,524	2,784

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

Not applicable.

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	55	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 (Shipping, Marketing & Operations) and Director (Shipyard Administration). He is responsible for the marketing and management of the Group's shipping operations, a position held since 2004. He is also a Director of Shipyard Division.	Subsequent to the Acquisition, Mr Irryanto is concurrently responsible for the management and marketing of shipping operations of BBR.
Mr Simon Karuntu	61	Brother-in-law to our Executive Chairman and substantial shareholder, Mr Lee Wan Tang and 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 shipyard, including handling government, statutory and other regulatory authorities and legal matters, a position he held since 2008.	None
Mr Loa Siong Bun	39	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.	Commissioner of PT Marcopolo Indonesia, a subsidiary of the Company, a position he held since March 2010.	Subsequent to the Acquisition, Mr Loa has concurrently been appointed as the CEO and an executive director of BBR.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
CEO

Liely Lee
Executive Director

24 November 2011