MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH FINANCIAL QUARTER ("Q4FY2012") AND FULL FINANCIAL YEAR ENDED 30 SEPTEMBER 2012 ("FY2012")

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		
	Q4FY2012 S$'000	Q4FY2011 S$'000	% Change	**FY2012 S$'000**	FY2011 S$'000	% Change
Revenue	**19,806**	20,341	(3)	**89,787**	83,018	8
Cost of sales	**(13,023)**	(12,788)	2	**(60,583)**	(59,687)	2
Gross profit	**6,783**	7,553	(10)	**29,204**	23,331	25
Other operating income	**1,138**	1,710	(33)	**3,923**	11,492	(66)
Administrative expenses	**(1,432)**	(2,917)	(51)	**(6,783)**	(7,883)	(14)
Other operating expenses	**(2,460)**	(2,894)	(15)	**(4,657)**	(7,101)	(34)
Profit from operations	**4,029**	3,452	17	**21,687**	19,839	9
Finance costs	**(264)**	(1,188)	(78)	**(1,425)**	(2,336)	(39)
Share of results of an associate	**788**	1,881	(58)	**3,310**	1,881	76
Share of results of jointly–controlled entities	**375**	779	(52)	**1,452**	1,240	17
Profit before tax	**4,928**	4,924	NM	**25,024**	20,624	21
Income tax	**(1,064)**	(1,400)	(24)	**(3,689)**	(3,316)	11
Net profit attributable to the shareholders	**3,864**	3,524	10	**21,335**	17,308	23

"Q4FY2012" denotes the fourth financial quarter of the financial year ended 30 September 2012 ("FY2012").

"FY2012" denotes the full financial year of FY2012.

"Q4FY2011" denotes the fourth financial quarter of the financial year ended 30 September 2011 ("FY2011").

"FY2011" denotes the full financial year of FY2011.

"% 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		
	Q4FY2012 S$'000	Q4FY2011 S$'000	% Change	**FY2012 S$'000**	FY2011 S$'000	% Change
Profit for the period	**3,864**	3,524	10	**21,335**	17,308	23
Exchange differences on translating foreign operations	**(58)**	107	NM	**(73)**	(35)	109
Share of comprehensive income of jointly-controlled entities	**(647)**	480	NM	**(212)**	(224)	(5)
Other comprehensive income, net of tax	**(705)**	587	NM	**(285)**	(259)	10
Total comprehensive income for the period	**3,159**	4,111	(23)	**21,050**	17,049	23
Profit attributable to equity holders of the Company	**3,864**	3,524	10	**21,335**	17,308	23
Total comprehensive income attributable to equity holders of the Company	**3,159**	4,111	(23)	**21,050**	17,049	23

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

	The Group			The Group		
	Q4FY2012 S$'000	Q4FY2011 S$'000	% Change	**FY2012 S$'000**	FY2011 S$'000	% Change
Profit before income tax has been arrived at after charging / (crediting)						
Depreciation and amortization	**1,652**	1,674	(1)	**6,610**	6,865	(4)
Net foreign currency exchange loss / (gain)	**1,516**	(1,142)	NM	**1,367**	(1,456)	NM
Gain on disposal of property, plant and equipment	**(285)**	(311)	(8)	**(1,470)**	(9,002)	(84)
Property, plant and equipment written-off	**22**	-	NM	**42**	1	100
Impairment loss on trade receivables recognized	**15**	1,464	(99)	**118**	1,634	(93)
Amortization of deferred income – government grant	**-**	(8)	NM	**(31)**	(29)	7
Interest income	**(17)**	(22)	(23)	**(66)**	(121)	(45)
Interest expenses	**265**	555	(52)	**1,425**	2,336	(39)
Fair value adjustment of derivative contract	**-**	633	NM	**(633)**	633	NM
Adjustment for over-provision of tax in respect of prior years	**-**	-	NM	**-**	(679)	NM

1.(b)(i) A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	As at 30 September 2012 S$'000	As at 30 September 2011 S$'000	**As at 30 September 2012 S$'000**	As at 30 September 2011 S$'000
Non-current assets				
Property, plant and equipment	**107,068**	96,577	**-**	-
Investment in subsidiaries	**-**	-	**4,320**	4,320
Investment in associated company	**19,581**	17,439	**-**	-
Convertible bond in associated company	**21,550**	-	**-**	-
Derivative on convertible bond in associated company	**3,616**	-	**-**	-
Jointly-controlled entities	**24,345**	19,258	**3,965**	-
	176,160	133,274	**8,285**	4,320
Current assets				
Inventories	**3,125**	10,138	**-**	-
Trade receivables	**7,768**	6,966	**-**	-
Due from associated company (trade)	**17,230**	1,384	**-**	-
Due from customers for construction contracts	**1,667**	9,108	**-**	-
Other receivables, deposits & prepayment	**2,724**	9,708	**62**	73
Due from associated company (non-trade)	**180**	19,785	**-**	-
Due from subsidiaries (non-trade)	**-**	-	**54,560**	50,656
Derivative financial instruments	**-**	-	**-**	-
Fixed deposits	**3,450**	4,644	**2,033**	2,144
Cash and bank balances	**12,501**	13,685	**1,328**	293
	48,645	75,418	**57,983**	53,166
Total assets	**224,805**	208,692	**66,268**	57,486
Current liabilities				
Bank overdraft	**1,619**	999	**-**	-
Trade payables	**11,500**	26,644	**-**	-
Other payables and accruals	**10,306**	7,863	**208**	414
Due to customers for construction contracts	**-**	-	**-**	-
Borrowings – interest bearing	**33,488**	20,586	**-**	418
Derivative financial instruments	**-**	633	**-**	-
Income tax payable	**5,687**	2,633	**-**	-
	62,600	59,358	**208**	832
Non-current liabilities				
Borrowing – interest bearing	**20,231**	24,556	**-**	-
Deferred tax liabilities	**821**	1,236	**-**	-
Deferred income – government grant	**-**	31	**-**	-
	21,052	25,823	**-**	-
Total liabilities	**83,652**	85,181	**208**	832
Net assets	**141,153**	123,511	**66,060**	56,654
Share capital and reserves				
Share capital	**59,239**	59,239	**59,239**	59,239
Translation reserve	**(896)**	(611)	**-**	-
Retained earnings/(Accumulated losses)	**82,810**	64,883	**6,821**	(2,585)
Total equity	**141,153**	123,511	**66,060**	56,654

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

	The Group	
	As at 30 September 2012 S$ '000	As at 30 September 2011 S$ '000
Amount repayable in one year or less or on demand		
Secured*	**35,107**	21,585
Amount repayable after one year		
Secured*	**20,231**	24,556

Details of any collateral

* These are secured by:

- Mortgages over certain property, plant and equipment of subsidiaries.
- Assignment of certain charter income and insurance policies of vessels of a subsidiary.
- Corporate guarantees by the Company and a related company.
- 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	
	FY2012	FY2011
	S$'000	S$'000
Cash flow from operating activities		
Profit before income tax	**25,024**	20,624
Adjustments for:		
Depreciation and amortization	**6,610**	6,865
Allowance for impairment of trade receivable	**118**	1,585
Interest expense	**1,425**	2,336
Interest income	**(66)**	(121)
Gain on disposal of property, plant and equipment	**(1,470)**	(9,002)
Fair value adjustment of derivative contracts	**(633)**	633
Share of profits in jointly-controlled entities	**(1,452)**	(1,240)
Share of profits in associated company	**(3,310)**	(1,881)
Property, plant and equipment written-off	**42**	1
Amortization of deferred income	**(31)**	(29)
Provision for deferred income	**1,170**	-
Currency realignment	**575**	119
Operating profit before working capital changes	**28,002**	19,890
Working capital changes:		
Inventories	**7,013**	(4,943)
Trade and other receivables	**9,823**	(8,926)
Due from customers for construction contracts	**3,508**	3,321
Trade and other payables	**(12,702)**	(184)
Cash from operations	**35,644**	9,158
Interest paid	**(96)**	(222)
Income tax paid	**(1,050)**	(725)
Net cash from operating activities	**34,498**	8,211
Cash flows from investing activities		
Purchase of property, plant and equipment	**(30,440)**	(74,413)
Proceeds from disposal of property, plant and equipment	**18,700**	72,667
Jointly-controlled entities	**(3,965)**	(1,465)
Investment in associated company	**-**	(15,558)
Convertible bond in associated company	**(25,166)**	-
Placement of fixed deposits and cash pledged with licensed bank	**4,773**	5,612
Interest received	**66**	121
Net cash used in investing activities	**(36,032)**	(13,036)
Cash flows from financing activities		
Proceeds from issue of new share – net	**-**	14,566
Proceeds from loans – net	**9,432**	435
Repayment of lease obligations	**(856)**	(1,201)
Interest paid on lease obligations	**(34)**	(106)
Interest paid on term loans	**(1,295)**	(2,008)
Dividend paid	**(3,408)**	-
Net cash from financing activities	**3,839**	11,686
Net change in cash and cash equivalents	**2,305**	6,861
Effect of exchange rate changes on cash and cash equivalents	**(530)**	(156)
Cash and cash equivalents at beginning of financial year	**10,524**	3,819
Cash and cash equivalents at end of financial year (Note 1)	**12,299**	10,524

Note 1:
Cash and cash equivalents consist of:

	The Group	
	FY2012	FY2011
	S$'000	S$'000
Cash and bank balances	**12,501**	13,685
Fixed deposits	**3,450**	4,644
Bank overdraft	**(1,619)**	(999)
Total cash, bank balances and fixed deposit	**14,332**	17,330
Less: fixed deposits and cash pledged	**(2,033)**	(6,806)
Cash and cash equivalents	**12,299**	10,524

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 S$'000	Translation Reserve S$'000	Retained Earnings S$'000	Total S$'000
Balance as at 1 October 2011	59,239	(611)	64,883	123,511
Total comprehensive income for the year	-	(285)	21,335	21,050
Dividend paid	-	-	(3,408)	(3,408)
Balance as at 30 September 2012	59,239	(896)	82,810	141,153

	The Group			
	Share Capital S$'000	Translation Reserve S$'000	Retained Earnings S$'000	Total S$'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 Company		
	Share Capital S$'000	Retained Earnings S$'000	Total S$'000
Balance as at 1 October 2011	59,239	(2,585)	56,654
Total comprehensive income for the year	-	12,814	12,814
Dividend on ordinary shares	-	(3,408)	(3,408)
Balance as at 30 September 2012	59,239	6,821	66,060

	The Company		
	Share Capital S$'000	Accumulated Losses S$'000	Total 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

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.

There was no change in the Company's share capital during FY2012.

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 2012	As at 30 Sep 2011
Total number of issued ordinary shares (excluding treasury shares)	**340,750,000**	340,750,000

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 has had no treasury shares as at 1 October 2011. Neither had there been any sale, transfer, disposal, cancellation and/or use of treasury shares during FY2012.

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 had 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 had 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 2011.

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 2011, where applicable. The adoption of these standards did not have a material impact on the financial statements of the Group and of the Company as at 1 October 2011.

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	
	FY2012	FY2011
	S$'000	S$'000
Net profit attributable to shareholders	**21,335**	17,308
Earnings per share		
Basic (Singapore cents)	**6.3***	5.1**
Diluted (Singapore cents)	**6.3***	5.1**

* Basic and diluted earnings per share for FY2012 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$21.3 million and the weighted average number of shares of 340,750,000.

** 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.

There were no potential dilutive shares as at 30 September 2012.

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 2012 S$'000	As at 30 September 2011 S$'000	**As at 30 September 2012 S$'000**	As at 30 September 2011 S$'000
Net asset value as at the respective balance sheet dates	**141,153**	123,511	**66,060**	56,654
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	**41.4**	36.2	**19.4**	16.6

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 Ltd is an integrated marine logistic company which has expanded to become a reputable player in the marine industry in the region.

The Group's ship chartering business provides Offshore Supply Vessels (OSVs) including mainly Anchor Handling Tug Supply (AHTS) vessels which are being deployed in regional waters including Gulf of Thailand and Indonesia as well as tugboats and barges to its customers especially in the mining, commodities, construction, infrastructure and land reclamation industries.

The Group's shipyard business undertakes ship building and maintenance as well as repair, outfitting and conversion services in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 metres, the modern shipyard also houses three dry docks which have led to the Group scaling up its technical capabilities and service offerings to undertake projects involving work on mid-sized and sophisticated vessels.

(a) Review of the financial performance of the Group for FY2012 (compared to that of FY2011) and for Q4FY2012 (compared to that of Q4FY2011)

Revenue

Our Group's revenues for FY2012 (*vis-à-vis* FY2011) and Q4FY2012 (*vis-à-vis* Q4FY2011) were as follow:

	FY2012		FY2011		*Change*		Q4FY2012		Q4FY2011		*Change*	
	S$'m	%	S$'m	%	*S$'m*	*%*	S$'m	%	S$'m	%	*S$'m*	*%*
Ship Chartering Operations	20.5	22.8	30.8	37.1	*(10.3)*	*(33.4)*	4.7	24.2	6.4	31.5	*(1.7)*	*(26.6)*
Ship Building & Repair Operations	69.3	77.2	52.2	62.9	*17.1*	*32.8*	15.1	75.8	13.9	68.5	*1.2*	*8.6*
	89.8	100.0	83.0	100.0	*6.8*	*8.2*	19.8	100.0	20.3	100.0	*(0.5)*	*(2.5)*

The Group's total revenue increased by 8.2% to S$89.8 million in FY2012 relative to that of FY2011, albeit the Group's total revenue decreased by 2.5% to S$19.8 million in Q4FY2012 (*vis-à-vis* Q4FY2011's S$20.3 million) and the Group's revenue from Ship Chartering Operations decreased by 33.4% to S$20.5 million in FY2012 (*vis-à-vis* FY2011's S$30.8 million).

Ship Chartering Operations

Following the completion of the Group's acquisition of the 49% equity interest in PT Pelayaran Nasional Bina Buana Raya ("BBR") and the accompanying reflagging exercise in FY2011, 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 shipping business of the Group has been confined to waters beyond Indonesia (with BBR assuming the shipping business within Indonesian waters) (the "Business Demarcation"). As a consequence of the Business Demarcation, the Group's ship chartering revenue declined by 33.4% to S$20.5 million in FY2012 from S$30.8 million in FY2011, and by 26.6% to S$4.7 million in Q4FY2012 from S$6.4 million in Q4FY2011.

Ship Building & Repair Operations

The Group's ship building and repair operations posted strong growth of 32.8% to S$69.3 million in FY2012 from S$52.2 million in FY2011, and 8.6% to S$15.1 million in Q4FY2012 relative to the same quarter last year.

The commendable revenue growth attained in FY2012 (*vis-à-vis* FY2011*)* and in Q4FY2012 (*vis-à-vis* Q4FY2011*)* were attributed particularly to more ship repair jobs and higher value ship conversion and outfitting jobs having been completed, especially since early Q3FY2012 when the Group's third dry dock, which is capable of docking merchant vessels of up to 45,000 dwt, swung into full operation.

Gross profit

In tandem with its revenue growth, the Group's gross profit increased by 25.2% in FY2012 relative to FY2011 against improved gross profit margin from 28.1% in FY2011 to 32.5% in FY2012. The markedly improved gross profits and margins were due primarily to the Group's Ship Repair Operations which generated substantial increases in ship repair and outfitting revenues at higher yields, especially since Q3FY2012 when all its three dry docks were in full operation.

Other operating income

The Group registered decreased other operating incomes in FY2012 (*vis-à-vis* FY2011) and Q4FY2012 (*vis-à-vis* Q4FY2011), chiefly as a result of lower gains on disposal of vessels being recognized in FY2012 and Q4FY2012, aggravated by the foreign exchange gains taken up in FY2011 and Q4FY2011 (as contrasted against foreign exchange losses incurred in FY2012 and Q4FY2012).

Administrative expenses

The decreases in the administrative expenses in FY2012 and Q4FY2012 relative to the respective corresponding periods in FY2011 were mainly due to a one-time expense recorded in FY2011 for the aborted listing exercise of the Company's planned Taiwan Depository Receipts.

Other operating expenses

The decreases in other operating expenses registered in FY2012 and Q4FY2012 relative to the respective corresponding periods of FY2011 were mainly attributed to the impairment of certain trade receivables and increased in travelling and advertising expenses following the Group's stepped-up marketing efforts to promote and raise its profile overseas in FY2011.

Operating profit

Accordingly, the Group achieved an operating profit of S$21.7 million for FY2012 and S$4.0 million for Q4FY2012 compared to that of S$19.8 million for FY2011 and S$3.5 million for Q4FY2011. Eliminating the effects attributed to the gain on disposal of vessels and gain on foreign exchange, the operating profit of the Group for FY2012 would have more than doubled to S$21.6 million from S$9.4 million in FY2011 and to S$5.3 million from S$2.0 million in Q4FY2011.

Finance costs

The Group's finance costs decreased by 39.0% to S$1.4 million in FY2012 relative to that in FY2011 and by 77.8% to S$0.3 million in Q4FY2012 relative to that in Q4FY2011, chiefly as a result of lower average monthly outstanding loans.

Share of results of an associate

The shares of results of an associate for FY2012 and Q4FY2012 were in relation to BBR, which the Group acquired a 49% equity interest in Q4FY2011 (the "Acquisition"). The higher share of results of BBR in Q4FY2011 (relative to Q4FY2012's) was chiefly attributed to the negative goodwill being recognized pursuant to the Acquisition carried out at below fair market value. Nevertheless, on a full year basis, the Group's share of result of BBR grown by 76.0% to S$3.3 million in FY2012 relative to FY2011.

Share of results of jointly controlled entities

The decrease in the Group's share of results of jointly controlled entities in Q4FY2012 was chiefly due to the lower operating profit contribution from a jointly controlled entity as well as start-up costs incurred by a newly forged jointly controlled entity in Q4FY2012.

(b) Review of the financial position of the Group as at 30 September 2012 compared to that as at 30 September 2011

Non-current assets

The capitalization of the Group's third dry dock coupled with the acquisition of seven vessels, net of eight vessels which were reflagged to BBR and four vessels sold to a third-party, resulted in the Group's property, plant and equipment increased by S$10.5 million to S$107.1 million as at 30 September 2012 compared to S$96.6 million as at 30 September 2011.

In tandem with the Group's plan to diversify into bunker barge chartering business through joint ventures as a start (as announced by the Company on 23 April 2012), the Group's investment in jointly-controlled entities has since increased by S$5.1 million to S$24.3 million as at 30 September 2012 from S$19.3 million as at 30 September 2011.

Current assets and current liabilities

The decreases in inventories and trade payables were mainly due to decreased raw materials purchased towards the end of Q4FY2012.

In line with increased business activities, trade receivables as at 30 September 2012 increased by 11.5% to S$7.8 million compared to S$7.0 million as at 30 September 2011.

The decreases in other receivables, deposits and prepayments were mainly due to reduction in the advanced payments made to the vessel equipment makers.

The amounts due from customers for construction contracts decreased by 81.7% to S$1.7 million as at 30 September 2012 from S$9.1 million as at 30 September 2011 mainly as a result of completed works having been billed as trade receivables. On the other hand, following the completion of a project and the corresponding accrual of some of the costs, the other payables and accruals increased by S$2.4 million to S$10.3 million as at 30 September 2012 from S$7.9 million as at 30 September 2011.

The amount due from an associated company was in relation to BBR. The outstanding amount increased by S$15.8 million to S$17.2 million from S$1.4 million, mainly due to the delivery of one of the two AHTS 5,400bhp units as announced by the Company on 17 October 2011.

BBR Convertible Bonds

The Group converted US$20 million of the current amounts due to it by BBR (the "Current Receivables") through the subscription of 20,000,000 1.5-year convertible bonds of US$1.00 each issued by BBR (the "BBR Convertible Bonds") on 30 June 2012. The BBR Convertible Bonds carry an interest of 10% per annum and are to be fully converted into new shares of BBR based on a pre-determined formula in the event that BBR is successfully listed on the Indonesia Stock Exchange. With the BBR Convertible Bonds classified as non-current assets (in contrast to the Current Receivables which were previously classified as current assets), the Group registered a negative working capital of S$10.0 as at 30 September 2012 compared to a positive working capital of S$16.1 million as at 30 September 2011.

Interest-bearing borrowings

The increase in interest-bearing borrowings was attributed mainly to higher vessel construction loans procured in financing the building of higher value vessels, such as AHTS.

Cash flow from operations/Working capital

Through increased revenue and improved debt collections, the Group:

1. maintained a healthy cash balance of S$14.3 million as at 30 September 2012 (relative to S$17.3 million as at 30 September 2011), albeit a maiden interim dividend, aggregating S$3.4 million, paid in Q1FY2012;

2. grew four folds of its operating cash inflow from S$8.2 million in FY2011 to S$34.5 million in FY2012, notwithstanding a reversal in its working capital position as explained above and a marginal increase in its relative low net gearing (defined as the ratio of the aggregate of interest bearing loans net of cash and cash equivalents to total equity) from 22.5% to 27.9% over the two periods under consideration;

3. increased its earnings per share by 23.5% from 5.1 Singapore cents for FY2011 to 6.3 Singapore cents for FY2012; and

4. enhanced its net asset value per share by 14.4% from 36.2 Singapore cents as at 30 September 2011 to 41.4 Singapore cents as at 30 September 2012.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no variance between the prospect statement and the actual results; in line with Paragraph 9 of the Q3FY2012 results announcement made by the Company on 6 August 2012, the Group has outperformed its revenue and profitability in FY2012 over that of FY2011 by 8.2% and 23.3% respectively.

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 shipyard operations of the Group are expected to continue to drive the overall revenue of the Group for FY2013. With the Group's three dry docks swung into full operation since Q3FY2012, the Group is able to and has been undertaking more contracts of increasing scale and complexity While new-build orders have moderated, the Group continues to receive enquiries for ship building, ship repair, outfitting and conversion services.

With regard to the Group's ship chartering business, the Group expects its offshore business to continue to spearhead the growth. Charter rates in both the offshore vessel division as well as the tug and barge division have stabilized and, based on the recent enquiries and indications, are expected to continue to remain stable in the foreseeable future.

Subsequent to the incorporation of the joint venture as announced by the Company on 23 April 2012, the said joint venture has taken delivery of the two bunkering vessels mentioned in the announcement in July 2012 and has since secured long-term contracts in tapping the niche buoyant chartering market which leverages on Singapore's leading position as a bunkering hub. As it is only operational in Q4FY2012, the said joint venture is envisaged to provide a stable source of income to the Group from FY2013 and thereafter.

Amidst the uncertain global macroeconomic environment, prompted particularly by the prolonged Euro zone debt crisis, the imminent US fiscal cliff predicament and the potential soft landing of the Chinese economy, barring any unforeseen circumstances, the Group is optimistic about its performance for the next 12 months.

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/recommended for Q4FY2012.

During Q1FY2012, the Company declared a tax exempt one-tier special interim dividend of one Singapore cent per ordinary share for FY2012 and the dividends, aggregating S$3.4 million, were paid on 22 December 2011.

13. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

No 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 30 January 2012 had been entered into as at 30 September 2012.

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:

1. Ship Chartering – Relates to charter hire activities
2. Ship Building and Repair – Relates to ship building, ship repair and ship conversion activities

Business segments

	Ship chartering services	%	Ship building and repair services	%	Total operations
	$'000		$'000		$'000
Year ended 30 September 2012					
External revenue	20,536	22.8	69,251	77.2	89,787
Reportable segment results from operating activities	8,730		15,478		24,208
Share of profits in jointly controlled entities	1,452		-		1,452
Share of profits in an associate	3,310		-		3,310
Finance income	26		33		59
Finance costs	(726)		(694)		(1,420)
Unallocated net finance cost					(5)
Unallocated administrative expenses					(2,580)
Profit before income tax					25,024
Income tax expenses					(3,689)
Profit for the year					21,335
Reportable segment assets	75,062		77,224		152,286
Interest in jointly controlled entities	24,345		-		24,345
Investment in an associate	19,580		-		19,580
Convertible bonds and derivative financial instruments investment in associate company	25,166		-		25,166
Unallocated assets					3,428
Total assets					224,805
Reportable segment liabilities	26,284		57,155		83,439
Unallocated liabilities					213
Total liabilities					83,652
Capital expenditure	24,772		5,668		30,440
Other material non-cash items:					
Depreciation	3,234		3,376		6,610
Allowance for impairment of trade receivable	118		-		118
Gain on disposal of plant and equipment	1,470		-		1,470

*The amount includes capital expenditure acquired by lease obligation amounting to S$109,000

Business segments

	Ship chartering services $'000	%	Ship building 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	12,676		10,352		23,028
Share of profits in jointly controlled entities	1,240		-		1,240
Share of profits in an associate	1,881		-		1,881
Finance income	39		79		118
Finance costs	(1,555)		(726)		(2,281)
Unallocated net finance cost					(55)
Unallocated administrative expenses					(3,307)
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
Interest in jointly controlled entities	16,946		-		16,946
Investment in an associate	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
Allowance for impairment of trade receivable	1,585		-		1,585
Gain on disposal of plant and equipment	9,002		-		9,002

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 2012	Revenues S$'000	%	Non-current assets S$'000	%
Singapore	31,249	34.8	88,283	50.1
Indonesia	35,532	39.6	39,016	22.1
Australia	5,034	5.6	25,500	14.5
Thailand	2,828	3.1	23,361	13.3
Other Asian countries	15,144	16.9	-	-
Total	89,787	100.0	176,160	100.0

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

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.

Chiefly as a consequence of the Business Demarcation, the Ship Building and Repair Operations further intensified its dominance to be the main thrust in powering the revenue growth of the Group in FY2012 relative to FY2011.

The increase in revenue contribution from Singapore (resulting in a corresponding decrease in contribution from Indonesia) in FY2012, relative to FY2011, was attributed mainly to more ship repair/conversion contracts being procured with Singapore customers.

16. Breakdown of sales.

The Group	2012 S$'000	2011 S$'000
Revenue reported for the first quarter	**24,565**	19,367
Profit after tax before deducting MI reported for the first quarter	**4,352**	4,010
Revenue reported for the second quarter	**31,013**	22,135
Profit after tax before deducting MI reported for the second quarter	**4,228**	5,418
Revenue reported for the third quarter	**14,403**	21,175
Profit after tax before deducting MI reported for the third quarter	**8,893**	4,356
Revenue reported for the fourth quarter	**19,806**	20,341
Profit after tax before deducting MI reported for the fourth quarter	**3,864**	3,524

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

	Latest Full Year (S$'000)	Previous Full Year (S$'000)
Ordinary – Special & interim	**3,408**	-

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	57	Brother-in-law to our Executive Chairman and substantial shareholder, Mr Lee Wan Tang; brother to our Non-Executive Director, Mdm Lai Qin Zhi; uncle to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director, Ms Liely Lee.	Director (Shipyard Administration). He is responsible for the administrative function of PT Marco Polo Shipyard, a wholly-owned subsidiary of the Company.	None
Mr Simon Karuntu	62	Brother-in-law to our Executive Chairman and substantial shareholder, Mr Lee Wan Tang; brother-in-law to our Non-Executive Director, Mdm Lai Qin Zhi; uncle to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director, Ms Liely Lee.	Director (Shipyard Operations). He is in charge of overall operations and general administration of PT Marco Polo Shipyard, including handling government, statutory and other regulatory authorities and legal matters, a position he held since 2008.	None
Mr Loa Siong Bun	41	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

26 November 2012