MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH FINANCIAL QUARTER ("Q4FY2013") AND FULL FINANCIAL YEAR ENDED 30 SEPTEMBER 2013 ("FY2013")

PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), FULL YEAR RESULTS

The balance sheet of the Group as at 30 September 2013, the income statements of the Group for Q4FY2013 and FY2013 as well as the cashflow statement of the Group for FY2013 had taken into account and consolidated the relevant financial results/position of PT Pelayaran Nasional Bina Buana Raya Tbk ("BBR"), a former associated company turned a subsidiary of the Group with effect from 21 December 2012, a date when the company gained a de facto control over BBR's operations (the "Transition").

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		
	Q4FY2013 S$'000	Q4FY2012 S$'000	% Change	**FY2013 S$'000**	FY2012 S$'000	% Change
Revenue	**28,457**	19,806	44	**93,539**	89,787	4
Cost of sales	**(18,750)**	(13,023)	44	**(58,749)**	(60,583)	(3)
Gross profit	**9,707**	6,783	43	**34,790**	29,204	19
Other operating income	**704**	1,138	(38)	**2,331**	3,923	(41)
Administrative expenses	**(2,386)**	(1,432)	67	**(8,744)**	(6,783)	29
Other operating expenses	**(1,644)**	(2,460)	(33)	**(4,442)**	(4,657)	(5)
Profit from operations	**6,381**	4,029	58	**23,935**	21,687	10
Finance costs	**(1,608)**	(264)	509	**(5,006)**	(1,425)	251
Share of results of associated companies	**55**	788	(93)	**1,150**	3,310	(65)
Share of results of jointly–controlled entities	**493**	375	31	**2,333**	1,452	61
Profit before exceptional item	**5,321**	4,928	8	**22,412**	25,024	(10)
Exceptional item						
Gain on equity interest	**209**	-	NM	**5,890**	-	NM
Profit before taxation	**5,530**	4,928	12	**28,302**	25,024	13
Income tax	**(1,425)**	(1,064)	34	**(3,102)**	(3,689)	(16)
Profit after taxation	**4,105**	3,864	6	**25,200**	21,335	18
Profit attributable to:-						
Owners of the parent	**4,226**	3,864	9	**22,339**	21,335	5
Non-controlling interests	**(121)**	-	NM	**2,861**	-	NM
	4,105	3,864		**25,200**	21,335	

"Q4FY2013" denotes the fourth financial quarter of the financial year ended 30 September 2013 ("FY2013").

"FY2013" denotes the full financial year of FY2013.

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

"FY2012" denotes the full financial year of FY2012.

"% 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		
	Q4FY2013 S$'000	Q4FY2012 S$'000	% Change	**FY2013 S$'000**	FY2012 S$'000	% Change
Profit for the period	**4,105**	3,864	6	**25,200**	21,335	18
Exchange differences on translating foreign operations	**(548)**	(705)	(22)	**3,597**	(285)	NM
Other comprehensive income, net of tax	**(548)**	(705)	(22)	**3,597**	(285)	NM
Total comprehensive income for the period	**3,557**	3,159	13	**28,797**	21,050	37
Total comprehensive income attributable to:-						
Owners of the parent	**3,884**	3,159	23	**24,892**	21,050	18
Non-controlling interest	**(327)**	-	NM	**3,905**	-	NM
	3,557	3,159	13	**28,797**	21,050	37

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

	The Group			The Group		
	Q4FY2013 S$'000	Q4FY2012 S$'000	% Change	**FY2013 S$'000**	FY2012 S$'000	% Change
Profit before income tax has been arrived at after charging/(crediting)						
Depreciation and amortisation	**5,188**	1,652	214	**16,765**	6,610	154
Net foreign currency exchange (gain)/loss	**133**	1,516	(91)	**(715)**	1,367	NM
Gain on disposal of property, plant and equipment	**(306)**	(285)	7	**(317)**	(1,470)	(78)
Property, plant and equipment written-off	**-**	22	NM	**67**	42	60
Impairment loss on trade receivables recognized	**1,037**	118	7,788	**1,148**	118	873
Amortisation of deferred income – government grant	**-**	-	NM	**-**	(31)	NM
Interest income	**(107)**	(17)	529	**(382)**	(66)	479
Interest expenses	**1,608**	265	507	**5,006**	1,425	251
Share-based payment expenses	**-**	-	NM	**28**	-	NM
Fair value adjustment of derivative contract	**(116)**	-	NM	**5**	(633)	NM
Gain on equity interest	**209**	-	NM	**(5,890)**	-	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 2013 S$'000	As at 30 September 2012 S$'000	**As at 30 September 2013 S$'000**	As at 30 September 2012 S$'000
Non-current assets				
Property, plant and equipment	**292,778**	107,068	**-**	-
Investment in subsidiaries	**-**	-	**4,320**	4,320
Investment in an associate	**-**	19,581	**-**	-
Convertible bond in an associate	**-**	21,550	**-**	-
Derivative on convertible bond	**-**	3,616	**-**	-
Goodwill	**5,250**	-	**-**	-
Investment in jointly controlled entities	**28,135**	24,345	**3,965**	3,965
	326,163	176,160	**8,285**	8,285
Current assets				
Inventories	**4,658**	3,125	**-**	-
Trade receivables	**16,826**	26,127	**-**	-
Due from customers for construction contracts	**7,058**	5,706	**-**	-
Other receivables, deposits & prepayment	**21,937**	2,904	**204**	62
Due from subsidiaries (non-trade)	**-**	-	**54,008**	54,560
Fixed deposits	**2,264**	3,450	**-**	2,033
Cash and bank balances	**7,628**	12,501	**1,410**	1,328
	60,371	53,813	**55,622**	57,983
Total assets	**386,534**	229,973	**63,907**	66,268
Current liabilities				
Bank overdraft	**1,897**	1,619	**-**	-
Trade payables	**19,158**	11,461	**-**	-
Other payables and accruals	**9,839**	10,666	**298**	208
Due to customers for construction contracts	**-**	4,847	**-**	-
Borrowings – interest bearing	**45,674**	33,493	**-**	-
Derivative financial instruments	**5**	-	**-**	-
Income tax payable	**5,795**	5,687	**17**	-
	82,368	67,773	**315**	208
Non-current liabilities				
Borrowings – interest bearing	**90,050**	20,226	**-**	-
Deferred tax liabilities	**910**	821	**-**	-
	90,960	21,047	**-**	-
Total liabilities	**173,328**	88,820	**315**	208
Net assets	**213,206**	141,153	**63,592**	66,060
Share capital and reserves				
Share capital	**59,239**	59,239	**59,239**	59,239
Foreign currency translation reserve	**1,657**	(896)	**-**	-
Share-based payment reserve	**28**	-	**-**	-
Capital reserve	**(465)**	-	**-**	-
Retained earnings	**102,423**	82,810	**4,353**	6,821
	162,882	141,153	**63,592**	66,060
Non-controlling interests	**50,324**	-	**-**	-
Total equity	**213,206**	141,153	**63,592**	66,060

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

	The Group	
	As at 30 September 2013 S$ '000	As at 30 September 2012 S$ '000
Amount repayable in one year or less or on demand		
Secured*	**47,571**	35,112
Amount repayable after one year		
Secured*	**90,050**	20,226

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.
- 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			
	Q4FY2013 S$'000	Q4FY2012 S$'000	**FY2013 S$'000**	FY2012 S$'000
Cash flow from operating activities				
Profit before income tax	**5,530**	4,927	**28,302**	25,024
Adjustments for:				
Depreciation and amortization	**5,188**	1,652	**16,765**	6,610
Allowance for impairment of trade receivables	**1,037**	118	**1,148**	118
Recovery of allowance for impairment of trade receivables made in prior year	**-**	(748)	**-**	(748)
Interest expense	**1,608**	265	**5,006**	1,425
Interest income	**(107)**	(17)	**(382)**	(66)
Gain on disposal of property, plant and equipment	**(306)**	(285)	**(317)**	(1,470)
Fair value adjustment of derivative contracts	**(116)**	70	**5**	(633)
Share of profits in jointly-controlled entities	**(493)**	(374)	**(2,333)**	(1,451)
Fair value gain of derivative on convertible bond	**-**	(64)	**-**	(64)
Amortisation of fair value adjustment on convertible bond	**-**	(589)	**-**	(589)
Share of profits in an associate	**(55)**	(788)	**(1,150)**	(3,310)
Property, plant and equipment written-off	**-**	22	**67**	42
Amortisation of deferred income – government grant	**-**	-	**-**	(31)
Share-based payment expenses	**-**	-	**28**	-
Gain on equity interest	**(209)**	-	**(5,890)**	-
Currency realignment	**(818)**	474	**1,466**	639
Operating profit before working capital changes	**11,259**	4,663	**42,715**	25,496
Working capital changes:				
Inventories	**(682)**	2,066	**(1,398)**	7,013
Trade and other receivables	**11,111**	(10,572)	**(16,071)**	(2,571)
Due from associated company	**-**	14,470	**-**	-
Due from customers for construction contracts	**(152)**	4,785	**(6,200)**	8,249
Trade and other payables	**5,031**	1,307	**(48)**	(11,211)
Cash from operations	**26,567**	16,719	**18,998**	26,976
Interest paid	**(38)**	(15)	**(95)**	(96)
Income tax paid	**(2,912)**	(924)	**(2,905)**	(1,050)
Net cash from operating activities	**23,617**	15,780	**15,998**	25,830
Cash flows from investing activities				
Purchase of property, plant and equipment **(Note 2)**	**(28,085)**	(5,916)	**(42,903)**	(34,264)
Proceeds from disposal of property, plant and equipment	**2,456**	(10,450)	**2,471**	6,200
Advances to jointly-controlled entities	**-**	(2,875)	**-**	(2,875)
Acquisition of investment in jointly-controlled entities	**-**	-	**-**	(1,090)
Acquisition of subsidiary, net of cash acquired	**-**	-	**11,159**	-
Withdrawal of fixed deposits and bank balances pledged with licensed bank	**4**	75	**1,370**	4,773
Interest received	**107**	17	**382**	66
Net cash used in investing activities	**(25,518)**	(19,149)	**(27,521)**	(27,190)
Cash flows from financing activities				
Proceeds from loans	**-**	2,338	**61,121**	19,442
Repayment of loans	**(2,428)**	(2,843)	**(46,760)**	(10,009)
Repayment of lease obligations	**(76)**	(654)	**(156)**	(965)
Interest paid on lease obligations	**(10)**	(4)	**(15)**	(34)
Interest paid on term loans	**(1,560)**	(246)	**(4,896)**	(1,295)
Dividend paid	**-**	-	**(2,726)**	(3,408)
Net cash (used in)/from financing activities	**(4,074)**	(1,409)	**6,568**	3,731
Net change in cash and cash equivalents	**(5,975)**	(4,778)	**(4,955)**	2,371
Effect of exchange rate changes on cash and cash equivalents	**(117)**	(421)	**(12)**	(596)
Cash and cash equivalents at beginning of the period	**13,424**	17,498	**12,299**	10,524
Cash and cash equivalents at end of the period (Note 1)	**7,332**	12,299	**7,332**	12,299

Note 1:
Cash and cash equivalents consist of:

	The Group	
	FY2013 S$'000	FY2012 S$'000
Cash and bank balances	**7,628**	12,501
Fixed deposits	**2,264**	3,450
Bank overdraft	**(1,897)**	(1,619)
Total cash, bank balances and fixed deposit	**7,995**	14,332
Less: fixed deposits and cash pledged	**(663)**	(2,033)
Cash and cash equivalents	**7,332**	12,299

Note 2:
During the financial year under review, the Group acquired fixed assets with an aggregate cost of S$42,903,000 (FY2012: S$34,264,000) of which S$28,780,000 (FY2012: S$28,041,000) was acquired by means of bank borrowings and S$14,123,000 (FY2012: S$6,784,000) in cash.

During the financial quarter under review, the Group acquired fixed assets with an aggregate cost of S$28,085,000 (Q4FY2012: S$5,916,000) of which S$Nil (Q4FY2012: S$Nil) was acquired by means of bank borrowings and S$1,842,000 (Q4FY2012: S$5,916,000) in cash and S$26,243,000 was transferred from advance payment to property, plant and equipment upon completion.

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	Capital Reserve	Share-based Payment Reserve	Translation Reserve	Retained earnings	Non-controlling interest	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 October 2012	59,239	-	-	(896)	82,810	-	141,153
Profit net of tax	-	-	-	-	22,339	2,861	25,200
Other comprehensive income	-	-	-	2,553	-	1,044	3,597
Total comprehensive income for the year	-	-	-	2,553	22,339	3,905	28,797
Non-controlling interest at acquisition date	-	-	-	-	-	21,869	21,869
Capital contribution by Non-controlling interest	-	-	-	-	-	24,550	24,550
Capital reserve	-	(465)	-	-	-	-	(465)
Share-based payment reserve	-	-	28	-	-	-	28
Dividend paid	-	-	-	-	(2,726)	-	(2,726)
Balance as at 30 September 2013	59,239	(465)	28	1,657	102,423	50,324	213,206

	The Group			
	Share capital	Translation Reserve	Retained earnings	Total
	S$'000	S$'000	S$'000	S$'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 Company		
	Share capital	Retained Earnings	Total
	S$'000	S$'000	S$'000
Balance as at 1 October 2012	59,239	6,821	66,060
Total comprehensive income for the year	-	258	258
Dividend on ordinary shares	-	(2,726)	(2,726)
Balance as at 30 September 2013	59,239	4,353	63,592

	The Company		
	Share capital	Retained Earnings	Total
	S$'000	S$'000	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

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.

On 9 July 2012, the shareholders of the Company approved the adoption of (a) restricted share scheme; (b) performance share scheme; (c) employee share option scheme ("ESOS"). As at 24 April 2013, there were 4,910,000 shares options issued pursuant to the ESOS Scheme, which are capable of being exercised into the same equivalent number of shares of the Company (30 September 2012: Nil) save for the options issued under ESOS scheme, the Company has no other outstanding convertibles and treasury shares as at 30 September 2013 and 30 September 2012.

The number of total outstanding share options as at 30 September 2013 are 4,910,000 shares (30 September 2012: Nil).

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 2013	As at 30 Sep 2012
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 had no treasury shares as at 30 September 2013 and as at 30 September 2012. Neither had there been any sale, transfer, disposal, cancellation and/or use of treasury shares during FY2013.

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 2012.

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 2012, 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 2012.

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	
	FY2013 S$'000	FY2012 S$'000
Net profit attributable to shareholders	**22,339**	21,335
Earnings per share		
Basic (Singapore cents)	**6.56 cents***	6.26 cents**
Diluted (Singapore cents)	**6.46 cents***	6.26 cents**

* Basic and diluted earnings per share for FY2013 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S$22.3 million and the weighted average number of shares of 340,750,000.

** 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.

There were no potential dilutive shares as at 30 September 2013.

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 2013 S$'000	As at 30 September 2012 S$'000	**As at 30 September 2013 S$'000**	As at 30 September 2012 S$'000
Net asset value as at the respective balance sheet dates	**162,882**	141,153	**63,592**	66,060
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	**47.8 cents**	41.4 cents	**18.7 cents**	19.4 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

The Group, comprising Marco Polo Marine Ltd (the "Company") and its subsidiaries, is a reputable regional integrated marine logistic company which principally engages in shipping and shipyard businesses.

The shipping business of the Group relates to the chartering of Offshore Supply Vessels ("OSVs"), which comprise mainly Anchor Handling Tug Supply (AHTS) vessels for deployment in the regional waters, including the Gulf of Thailand, Malaysia and Indonesia, as well as the chartering of tug boats and barges to customers, especially those which engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

The shipyard business of the Group relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services which are being carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks which boosted the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

(a) Review of the financial performance of the Group for FY2013 (compared to that of FY2012) and for Q4FY2013 (compared to that of Q4FY2012)

Revenue

Our Group's revenues for FY2013 (*vis-à-vis* FY2012) and Q4FY2013 (*vis-à-vis* Q4FY2012) were as follow:

	FY2013		**FY2012**		***Change***		**Q4FY2013**		**Q4FY2012**		***Change***	
	S$'m	**%**	**S$'m**	**%**	***S$'m***	***%***	**S$'m**	**%**	**S$'m**	**%**	***S$'m***	***%***
Ship Chartering Operations	56.9	60.9	20.5	22.8	*36.4*	*177.6*	17.6	61.8	4.7	23.7	*12.9*	*274.5*
Ship Building & Repair Operations	36.6	39.1	69.3	77.2	*(32.7)*	*(47.2)*	10.8	38.2	15.1	76.3	*(4.3)*	*(28.5)*
	93.5	100.0	89.8	100.0	*3.7*	*4.1*	28.4	100.0	19.8	100.0	*8.6*	*43.4*

Our Group achieved record full year revenue of S$93.5 million in FY2013, which grew by 4.1% from S$89.8 million in FY2012.

The increase in revenue was attributed mainly to the Group's Ship Chartering Operations. The commendable revenue growth attained in FY2013 (*vis-à-vis* FY2012) and in Q4FY2013 (*vis-à-vis* Q4FY2012) were attributed mainly to BBR, subsequent to the Transition, and strong demand for OSVs in the region.

The decreases in revenue registered by the Group's Ship Building & Repair Operations in FY2013 and Q4FY2013, relative to their respective periods of comparison, were mainly due to fewer repair jobs and slower uptake of new-build orders.

The Group's overall gross profit increased by 19.1% to S$34.8 million in FY2013 relative to FY2012 at improved gross profit margin from 32.5% to 37.2%, attributable mainly to the expansion of the high yield offshore chartering business by the Group's Ship Chartering Operations.

The decrease in the Group's other operating income in FY2013 (*vis-à-vis* FY2012) was chiefly a result of lower gain on disposal of vessels; lower mark-to-market gain on forward contracts in hedging the Group's sales in US$ against S$; and lower sales of scrap materials. The decrease in the Group's other operating income in Q42013 (*vis-à-vis* Q42012) was due mainly to decreased sales of scrap materials, though mitigated by gain on disposal of vessels and mark-to-market gain on forward contracts.

The increases in administrative expenses of 28.9% in FY2013 relative to FY2012 and of 66.6% in Q4FY2013 relative to Q4FY2012 were mainly attributed to increased personnel expenses.

The decreases in other operating expenses in FY2013 and Q4FY2013 relative to the respective corresponding periods of FY2012 mainly attributed to the decreased in Group's foreign currency exchange loss.

The Group's finance costs increased by 251.3% in FY2013 relative to FY2012 and by 509.1% in Q4FY2013 relative to Q4FY2012, brought about mainly by interest expense incurred by BBR in connection with the vessel loans of its enlarged fleet size.

The share of profit of an associated company was in relation to BBR prior to the Transition.

The share of results from jointly controlled companies increased by 60.7% in FY2013 relative to FY2012 and by 31.5% in Q4FY2013 relative to Q4FY2012, attributed mainly to the contribution from the bunker tanker business of the jointly controlled entity forged in Q4FY2012.

The exceptional gain of S$5.9 million in FY2013 was a re-measurement gain in connection with a deemed disposal required to be recognized under *FRS 103 – Business Combinations*, which stipulates that the Group's equity interest in BBR prior to the Transition (the "Pre-Transition Group") be re-measured as if the stake had been disposed.

(b) Review of financial position of the Group as at 30 September 2013 compared to that as at 30 September 2012

The Group's non-current assets increased by 85.2% to S$326.3 million as at 30 September 2013 from S$176.2 million as at 30 September 2012. The increase was attributed mainly to:

1. 71 vessels from BBR, worth about S$161.8 million, having been newly consolidated into the balance sheet of the Group following the Transition;
2. the reclassification of the 'investment in BBR' and the related 'BBR's convertible bonds' subscribed by the Pre-Transition Group to an 'investment in a subsidiary' following the Transition;
3. the goodwill on consolidation flowing from the Transition; and
4. the acquisition for a newly built 9,000 BHP AHTS vessel, MP Prevail, as announced by the Group on 21 June 2013 (the "Vessel Acquisition")

The other receivables, deposits and prepayment increased by S$19.0 million to S$21.9 million as at 30 September 2013 from S$2.9 million as at 30 September 2012, attributed mainly to the advanced payments made by the Group for materials and equipment, including vessel engine, required for the building of vessels, particularly for the construction of two AHTS with an engine size of 8160bhp since Q2FY2013.

The increases in inventories and trade payables were mainly due to increase in raw materials purchased towards the end of Q4FY2013.

In line with the shipyard business activities, trade receivables as at 30 September 2013 decreased by 35.6% to S$16.8 million compared to S$26.1 million as at 30 September 2012.

With a new ship building program kick started only in Q2FY2013, the amounts due from customers for construction contracts increased marginally by 23.7% to S$7.1 million as at 30 September 2013 from S$5.7 million as at 30 September 2012. Separately, following the delivery of completed vessels to customer, all amounts due to customers for construction contracts, if any, had been fully settled as at 30 September 2013.

The Group's total interest-bearing borrowings increased by S$82.3 million to S$137.6 million as at 30 September 2013 from S$55.3 million as at 30 September 2012, primarily attributed to BBR's vessel loans following the Transition and the Vessel Acquisition.

Following from the above:

1. the cash and cash equivalent of the Group decreased by S$5.0 million to S$7.3 million as at 30 September 2013 from S$12.3 million as at 30 September 2012 as the Group continues with its expansion plan via the investment in OSVs;
2. the negative working capital of the Group widened from S$14.0 million as at 30 September 2012 to a S$22.0 million as at 30 September 2013, attributed primarily to BBR's vessel loans;
3. the gearing ratio (defined as the ratio of aggregate of interest-bearing loans net of fixed deposit and cash balances to total equity) of the Group increased from 27.9% as at 30 September 2012 to 61.4% as at 30 September 2013 chiefly as a result of BBR's vessel loans; and
4. the net asset value per share of the Group enhanced by 15.5% cents to 47.8 cents as at 30 September 2013 from 41.4 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.

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 Ship Building and Repair Operations are expected to continue to be affected by the global subdued economic outlook.

Riding on the present buoyant offshore oil and gas exploration and production activities in the region coupled with the Group's acquisition of MP Prevail in June 2013 which is currently being deployed on a time charter, the Group expects the offshore business of its Ship Chartering Operations to continue to spearhead its growth for the next 12 months.

The recent establishment of a S$300 million multicurrency Medium Term Note programme by the Company, with the maiden S$50 million been tapped in October 2013, also makes avail an additional source of fund in furthering the expansion plans of the Group.

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 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 the 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 Q4FY2013.

During Q1FY2013, the Company declared a tax exempt one-tier special interim dividend of 0.8 cents per ordinary share for FY2013 and the dividends, aggregating S$2.7 million, were paid on 21 December 2012.

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 24 January 2013, the following interested person transactions had been entered into during Q3FY2013:

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
None	-	-

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 $'000	Shipbuilding and repair services $'000	Total operations $'000
Year ended 30 September 2013			
External revenue	56,949	36,590	93,539
Reportable segment results from operating activities	16,339	10,336	26,675
Share of profits in an associate	1,150	-	1,150
Share of profits in jointly controlled entities	2,333	-	2,333
Gain on equity interest	5,890	-	5,890
Finance income	372	8	380
Finance costs	(4,716)	(287)	(5,003)
Unallocated net finance cost			-
Unallocated administrative expenses			(3,123)
Profit before income tax			28,302
Income tax expenses			(3,102)
Profit for the year			25,200
Reportable segment assets	296,553	54,981	351,534
Interest in jointly controlled entities	28,135	-	28,135
Goodwill	5,250	-	5,250
Unallocated assets			1,615
Total assets			386,534
Reportable segment liabilities	133,122	39,883	173,005
Unallocated liabilities			323
Total liabilities			173,328
Capital expenditure *	201,486	2,722	204,208
<u>Other material non-cash items</u>:			
Depreciation	13,359	3,406	16,765
Allowance for impairment of trade receivable			
- made during the year	1,148	-	1,148
Gain on disposal of plant and equipment	(309)	(8)	(317)

* The amount includes capital expenditures acquired by lease obligation amounting of S$28,000.

Business segments

	Ship chartering services $'000	Shipbuilding and repair services $'000	Total operations $'000
Year ended 30 September 2012			
External revenue	20,536	69,251	89,787
Reportable segment results from operating activities	8,730	15,478	24,208
Share of profits in an associate	3,310	-	3,310
Share of profits in jointly controlled entities	1,451	-	1,451
Finance income	26	33	59
Finance costs	(726)	(694)	(1,420)
Unallocated net finance cost			(5)
Unallocated administrative expenses			(2,579)
Profit before income tax			25,024
Income tax expenses			(3,689)
Profit for the year			21,335
Reportable segment assets	78,418	79,036	157,454
Investment in an associate	19,581	-	19,581
Interest in jointly controlled entities	24,345	-	24,345
Convertible bond in an associate	21,550	-	21,550
Derivative on convertible bond	3,616	-	3,616
Unallocated assets			3,427
Total assets			229,973
Reportable segment liabilities	26,284	62,323	88,607
Unallocated liabilities			213
Total liabilities			88,820
Capital expenditure *	28,202	6,171	34,373
Other material non-cash items:			
Reversal of fair value on derivative financial instruments	(633)	-	(633)
Amortisation of fair value adjustments on convertible bond	(589)	-	(589)
Depreciation	3,234	3,376	6,610
Allowance for impairment of trade receivable			
- made during the year	118	-	118
- reversed during the year	(748)	-	(748)
Gain on disposal of plant and equipment	(1,470)	-	(1,470)

* The amount includes capital expenditures acquired by lease obligation amounting of S$109,000.

Geographical Information

The Group operates mainly in Singapore and Indonesia. Singapore and Indonesia (and to a lesser extent other regional countries in South East Asia) are the major markets for the Group's ship chartering activities. The Group undertakes its ship building and repairs activities in Indonesia.

For the purpose of segmental reporting by geographical region, revenues from the external customers of the Group by region refer to the country of origin of the customers and not the destination for which the Group delivered its chartering services or built vessels while the non-current assets (other than financial instruments and deferred tax assets) of the Group were spread across the countries in which the Group had its assets deployed.

Geographical information 30 September 2013	**Revenues S$'000**	**%**	**Non-current assets S$'000**	**%**
Singapore	38,401	41.1	80,411	24.7
Indonesia	40,096	42.8	213,053	65.3
Australia	3,337	3.6	10,423	3.2
Thailand	6,481	6.9	22,276	6.8
Other Asian countries	5,224	5.6	-	-
Total	93,539	100.0	326,163	100.0

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

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.

The Group's share of revenue and non-current assets in Indonesia had increased substantially following the Transition as it rides the booming ship chartering business in Indonesia waters.

The increase in revenue contribution from Singapore and Thailand in FY2013 relative to FY2012 with a contemporaneous decrease in contribution from Australia and other Asian countries was attributed mainly to more ship building and repair contracts procured with Singapore customers as well as the redeployment of an OSV from Australia water to Thailand water in FY2013.

16. Breakdown of sales.

The Group	**2013 S$'000**	**2012 S$'000**
Revenue reported for the first quarter	**15,157**	24,565
Profit after tax before deducting MI reported for the first quarter	**4,493**	4,352
Revenue reported for the second quarter	**21,336**	31,013
Profit after tax before deducting MI reported for the second quarter	**10,926**	4,228
Revenue reported for the third quarter	**28,589**	14,403
Profit after tax before deducting MI reported for the third quarter	**5,676**	8,893
Revenue reported for the fourth quarter	**28,457**	19,806
Profit after tax before deducting MI reported for the fourth quarter	**4,105**	3,864

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	**2,726**	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	58	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	63	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	42	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.	Mr Loa has concurrently been appointed as the CEO and an executive director of BBR.	None

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
CEO

Liely Lee
Executive Director

26 November 2013