MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST FINANCIAL QUARTER ("Q1FY2018") ENDED 31 DECEMBER 2017 IN RESPECT OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2018 ("FY2018")

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.

	Group		
	3 months ended 31 December		
	Q1FY2018	Q1FY2017	% Change
	S$'000	S$'000	
Revenue	7,461	11,411	(34)
Cost of sales	(5,331)	(7,586)	(30)
Gross Profit	2,130	3,825	(44)
Other operating income	44	3,918	(99)
Administrative expenses	(1,578)	(1,627)	(3)
Other operating expenses	(4,074)	(746)	NM
(Loss)/profit from operations	(3,478)	5,370	NM
Finance cost	(1,673)	(1,968)	(15)
Share of (loss)/profit in joint ventures	(2,007)	693	NM
(Loss)/profit before income tax	(7,158)	4,095	NM
Income tax	517	(710)	NM
(Loss)/profit for the financial period	(6,641)	3,385	NM
(Loss)/profit for the financial period attributable to:			
Equity holders of the Company	(6,641)	3,385	NM
Non-controlling interests	-	-	-
	(6,641)	3,385	NM

"Q1FY2018" denotes the first financial quarter of the financial year ended 30 September 2018 ("FY2018").

"Q1FY2017" denotes the first financial quarter of the financial year ended 30 September 2017 ("FY2017").

"% 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.

	Group		
	3 months ended 31 December		
	Q1FY2018	Q1FY2017	% Change
	S$'000	S$'000	
(Loss)/profit for the period	(6,641)	3,385	NM
Other comprehensive income:			
Exchange differences on translating foreign operations	1,617	6,058	(63)
Total comprehensive income for the period	(5,024)	9,443	(63)
Total comprehensive income attributable to:			
Equity holders of the Company	(5,024)	9,443	NM
Non-controlling interest	-	-	-
	(5,024)	9,443	NM

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

	Group		
	3 months ended 31 December		
	Q1FY2018	Q1FY2017	% Change
(Loss)/profit before income tax has been arrived at after charging/(crediting):	S$'000	S$'000	
Depreciation and amortization	1,807	3,743	(52)
Net foreign currency exchange loss/(gain)	985	(3,815)	NM
Interest income	(1)	(3)	(67)
Interest expenses	1,673	1,968	(15)
Share-based payment expense	20	35	(43)
Gain on fair value adjustment of derivative contract	-	(47)	NM
Allowance for doubtful trade receivables	1,934	-	NM

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

	Group		Company	
	As at 31 December 2017 S$'000	As at 30 September 2017 S$'000	As at 31 December 2017 S$'000	As at 30 September 2017 S$'000
Non-current assets				
Property, plant and equipment	78,675	80,765	-	-
Investments in subsidiary companies	-	-	4,320	4,320
Investments in jointly controlled entities	16,585	18,830	3,929	3,965
	95,260	99,595	8,249	8,285
Current assets				
Inventories	15,160	15,080	-	-
Trade receivables	4,507	4,530	-	-
Gross amount due from customers for contract work	524	3,015	-	-
Other receivables, deposits & prepayment	2,514	3,196	475	52
Amounts owing by subsidiary companies	-	-	95,621	96,836
Cash and bank balances	2,924	4,781	79	6
	25,629	30,602	96,175	96,894
Total assets	120,889	130,197	104,424	105,179
Current liabilities				
Bank overdraft	2,000	2,000	-	-
Trade payables	9,900	10,291	-	-
Other payables and accruals	20,840	22,066	11,320	10,412
Borrowings - interest bearing	243,679	245,837	50,000	50,000
Income tax payable	1,691	1,655	5	-
	278,110	281,849	61,325	60,412
Non-current liabilities				
Borrowings - interest bearing	18	35	-	-
Deferred tax liabilities	407	955	-	-
	425	990	-	-
Total liabilities	278,535	282,839	61,325	60,412
Net (liabilities)/assets	(157,646)	(152,642)	43,099	44,767
Equity attributable to equity of the Company				
Share capital	59,239	59,239	59,239	59,239
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Other reserve	194	194	-	-
Employee share option reserve	373	353	-	-
Foreign currency translation reserve	3,067	1,450	-	-
Accumulated losses	(219,950)	(213,309)	(14,937)	(13,269)
Total equity	(157,646)	(152,642)	43,099	44,767

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

	As at 31 December 2017 S$'000	As at 30 September 2017 S$'000
Amount repayable in one year or less or on demand (secured)*	243,679	245,837
Amount repayable after one year (secured)*	18	35

Details of any collateral

* These borrowings and debts securities are currently secured by the following:

- 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.
- Certain property, plant and equipment are under finance lease arrangements.

* Upon the successful Completion of the Debt Restructuring Exercise (as defined in paragraph 5 below), these collaterals (other than certain property, plant and equipment that are subject-matter of the finance lease agreements entered into by the Group and amounting to S$86,000) are expected to be released and discharged.

1.(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	3 months ended 31 December	
	Q1FY2018	Q1FY2017
	S$'000	S$'000
Cash flow from operating activities :		
(Loss)/profit before taxation	(7,158)	4,094
Adjustments for :		
Depreciation and amortization	1,807	3,743
Interest income	(1)	(3)
Interest expense	1,673	1,968
Gain on fair value adjustment of derivative contracts	-	(41)
Share-based payment expense	20	35
Share of loss/(profit) in joint ventures	2,007	(693)
Allowance for doubtful trade receivables	1,934	-
Foreign exchange difference	1,354	(1,630)
Operating profit before working capital changes	1,636	7,473
Movements in working capital		
Inventories	(80)	30
Trade and other receivables	(1,228)	(2,834)
Amount due from customers for construction contracts	2,491	1,231
Trade and other payables	(3,116)	(6,588)
Cash used in operations	(297)	(688)
Interest paid	(49)	(20)
Income tax refund/(paid)	3	(140)
Net cash used in operating activities	(343)	(848)
Cash flow from investing activities :		
Purchase of property, plant and equipment	(162)	(45)
Net cash used in investing activities	(162)	(45)
Cash flow from financing activities :		
Withdrawal of fixed deposits and bank balances	1,131	276
Repayment of bank borrowings	(1,065)	(2,032)
Repayment of lease obligations	(17)	(7)
Interest paid on finance lease payables	(2)	-
Interest paid on term loan	(123)	(1,517)
Interest paid on medium term note	-	(428)
Interest received	1	3
Net cash used in financing activities	(75)	(3,705)
Net decrease in cash and cash equivalents	(580)	(4,598)
Cash and cash equivalents at beginning of the period	1,650	8,210
Effects of exchange rate changes on cash and cash equivalents	(146)	548
Cash and cash equivalents at end of the financial period	924	4,160

Note 1:

Cash and cash equivalents consist of:

	Group	
	3 months ended 31 December	
	Q1FY2018	Q1FY2017
	S$'000	S$'000
Cash and bank balances	2,924	8,003
Bank overdraft	(2,000)	(2,489)
Total cash, bank balances and fixed deposit	924	5,514
Less: fixed deposits and cash pledged	-	(1,354)
Cash and cash equivalents	924	4,160

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.

Group	**Share capital**	**Treasury shares**	**Capital reserve**	**Employee share option reserve**	**Foreign currency translation reserve**	**Retained earning**	**Other reserves**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 October 2017	59,239	(1,203)	634	353	1,450	(213,309)	194	(152,642)
Loss for the financial period	-	-	-	-	-	(6,641)	-	(6,641)
Other comprehensive income, net of tax	-	-	-	-	1,617	-	-	1,617
Total comprehensive income for the financial period	-	-	-	-	1,617	(6,641)	-	(5,024)
Employee share option	-	-	-	20	-	-	-	20
Balance as at 31 December 2017	59,239	(1,203)	634	373	3,067	(219,950)	194	(157,646)
Balance as at 1 October 2016	59,239	(1,203)	634	241	532	99,381	-	158,824
Profit for the financial period	-	-	-	-	-	3,385	-	3,385
Other comprehensive income, net of tax	-	-	-	-	6,058	-	-	6,058
Total comprehensive income for the financial period	-	-	-	-	6,058	3,385	-	9,443
Employee share option	-	-	-	34	-	-	-	34
Balance as at 31 December 2016	59,239	(1,203)	634	275	6,590	102,766	-	168,301

Company	**Share capital $'000**	**Treasury share $'000**	**Foreign currency translation reserve S$'000**	**Retained earning $'000**	**Total $'000**
Balance at 1 October 2017	59,239	(1,203)	-	(13,269)	44,767
Total comprehensive income for the financial period	-	-	-	(1,668)	(1,668)
Balance at 31 December 2017	59,239	(1,203)	-	(14,937)	43,099
Balance at 1 October 2016	59,239	(1,203)	-	(452)	57,584
Total comprehensive income for the financial period	-	-	3,260	704	3,964
Balance at 31 December 2016	59,239	(1,203)	3,260	251	61,548

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) a restricted share scheme; (b) a performance share scheme; and (c) an employee share option scheme ("ESOS").

As at 31 December 2017, 3,430,000 share options were outstanding (31 December 2016: 3,490,000), which when exercised will result in the allotment and issue of an equivalent number of ordinary shares in the capital of the Company. The aforesaid share options were granted on 24 April 2013 under the ESOS (2013 Option).

As at 31 December 2017, 4,220,000 share options were outstanding (31 December 2016: 4,590,000), which when exercised will result in the allotment and issue of an equivalent number of ordinary shares in the capital of the Company. The aforesaid share options were granted on 28 April 2015 under the ESOS (2015 Option).

Save as disclosed, the Company has no outstanding convertibles as at 31 December 2017 and 31 December 2016.

1.(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 2017	As at 30 September 2017
Total number of issued ordinary shares (excluding treasury shares)	336,548,600	336,548,600

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.

There was no movement on the treasury shares held by the Company during the reporting financial period. The number of treasury shares owned by Company as at 31 December 2017 was 4,201,400.

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.

Save as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the preparing the financial statements for the current financial year as with those used in preparing the audited financial statements as at 30 September 2017.

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.

Basis of preparation

As at 31 December 2017, the Group recorded a net liabilities position of S$157.6 million (30 September 2017: S$152.6 million), largely attributed to its borrowings aggregating S$243.7 million. S$243.6 million of the borrowings will be derecognized in the Group's financial statements for the next financial quarter ending 31 March 2018 following the completion of the Group's debt refinancing and restructuring exercise (which includes the receipt of fresh funds aggregating S$60 million from nine investors (the "Investors") (the "Investment") on 25 January 2018 (the "Debt Restructuring Exercise") (the "Completion of the Debt Restructuring Exercise"). Details of the Completion of the

Debt Restructuring Exercise are more particularly disclosed in the Company's announcement dated 25 January 2018.

A summary of the Debt Restructuring Exercise together with the date of the conditions met is provided below. This summary should be read in conjunction with the circular dated 28 November 2017 issued to the Shareholders (the "Circular"). Unless otherwise defined, all capitalized terms stated herein shall have the same meaning as that ascribed in the Circular, a copy of which is available on the website of the Singapore Exchange Limited. In essence, the Debt Restructuring Exercise was constituted by:

(a) a consent solicitation exercise (the "CSE") to deal with and obtain consensual agreement for the settlement and full discharge of all outstanding debts and liabilities owing under the Notes to the holders of the Notes (the "Noteholders"). The requisite approval was granted by the Noteholders on 15 November 2017;

(b) a scheme of arrangement (the "MPML Scheme") pursuant to Section 210 of the Companies Act (Cap. 50) of Singapore (the "Companies Act") entered into between the Company and the MPML Scheme Creditors. The requisite Court sanction was granted on 21 November 2017 and the court order for the MPML Scheme was lodged with the Accounting and Corporate Regulatory Authority ("ACRA") on 5 December 2017;

(c) a scheme of arrangement (the "MPSY Scheme") pursuant to Section 210 of the Companies Act entered into between MPSY and the MPSY Scheme Creditors. The requisite Court sanction was granted on 21 November 2017 and the court order for the MPSY Scheme was lodged with ACRA on 5 December 2017;

(d) the "Penundaan Kewajiban Pembayaran Utang" ("PKPU") Indonesian court supervised debt restructuring proceedings commenced by PT Marcopolo Shipyard ("PTMS") in accordance with Indonesian Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment (the "PKPU Restructuring"). PTMS has obtained the requisite court declaration made in response to the PKPU Restructuring Proposal that has been submitted, namely, that a valid debt restructuring has been agreed to by PTMS and the relevant creditors. Accordingly, the Commercial Court of Medan has endorsed the agreed debt restructuring under the PKPU Restructuring Proposal and ordered PTMS and the relevant creditors to comply with the said proposal as declared on 18 December 2017;

(e) the restructuring of the secured debts of PT BBR, by way of an inter-creditor deed to be entered into between PT BBR and certain of its secured creditors, on terms that ensure that PT BBR is able to continue as a going concern following the post-Completion of the Debt Restructuring Exercise. The standstill inter-creditor deed was signed off by the respective secured lenders on 17 January 2018; and

(f) the Investment that forms an integral part of the Debt Restructuring Exercise signed from 11 September 2017 to 7 November 2017.

As at the date of this announcement, following the Completion of the Debt Restructuring Exercise, the Group has fully discharged its obligations due to the respective scheme creditors under the MPML Scheme and the MPSY Scheme, the Noteholders and the PKPU Secured Creditors as prescribed above. The Completion of the Debt Restructuring Exercise has enabled the Group to strengthen its financial position as well as to continue its operations as a going concern.

Accordingly, the unaudited financial statements for Q1FY2018 are prepared based on the ability of the Group to continue as a going concern. The financial impacts arising from the Debt Restructuring Exercise will be reflected in the next reporting quarter ending 31 March 2018 with the Group's net liability position to be reversed to a net current asset position and its deficit equity to a positive equity position.

Adoption of Singapore Financial Reporting Standards (FRSs)

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 2017, 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 2017.

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.

	Group	
	Q1FY2018	Q1FY2017
	S$'000	S$'000
Loss attributable to equity holders	**(6,641)**	3,385

	Q1FY2018		Q1FY2017	
Earnings per share	**Number of shares**	**Singapore cents**	Number of shares	Singapore cents
Basic	**336,548,600**	**(1.97)**	336,548,600	1.01
Diluted	**341,877,600**	**(1.97)**	340,019,600	0.99

* Basic earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

** Diluted earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 31 December 2017 S$'000	As at 30 September 2017 S$'000	**As at 31 December 2017 S$'000**	As at 30 September 2017 S$'000
Net asset value	**(157,646)**	**(152,642)**	**43,099**	**44,767**
Net asset value per ordinary share based on issued share capital (Singapore cents)	**(46.8) cents**	(45.4) cents	**12.8 cents**	13.3 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, Indonesia and Australia, as well as the chartering of tugboats 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 financial performance of the Group for Q1FY2018 compared to Q1FY2017

Our Group's revenues for Q1FY2018 and Q1FY2017 were as follow:

	Q1FY2018		**Q1FY2017**		**Change**	
	S$ million	**%**	**S$ million**	**%**	**S$ million**	**%**
Ship Chartering Operations	**4.0**	**53**	4.4	39	(0.4)	(9)
Ship Building & Repair Operations	**3.5**	**47**	7.0	61	(3.5)	(50)
	7.5	**100**	11.4	100	(3.9)	(34)

The Group recorded a revenue of S$7.5 million in Q1FY2018, a decrease of 34% from that of S$11.4 million in Q1FY2017.

Relative to Q1FY2017, the Ship Chartering Operations' revenue of the Group decreased by 9% to S$4.0 million in Q1FY2018. The decrease was mainly due to reduced contributions from the Group's offshore fleet.

The Ship Building & Repair Operations of the Group also recorded a decrease in revenue of 50% in Q1FY2018 relative to Q1FY2017. The decrease was due mainly to reduced ship building projects and ship repair jobs.

The Group recorded a gross profit margin of 29% in Q1FY2018 relative to that of 34% in Q1FY2017, chiefly attributed to lower yielding projects being contracted at our Shipyard.

The other operating income of the Group decreased by S$3.9 million to S$44,000 in Q1FY2018 from S$3.9 million in Q1Y2017. The decrease was mainly due to an unrealized foreign exchange gain recorded in Q1FY2017.

The Group's administrative expenses remained comparable at S$1.6 million in both Q1FY2018 and Q1FY2017.

The Group's other operating expenses increased by S$3.4 million to S$4.1 million in Q1FY2018 and from S$0.7 million in Q1FY2017, attributed largely to an unrealized foreign exchange loss and a provision for doubtful debts in respect of certain trade receivables recorded in Q1FY2018.

The finance costs of the Group decreased by S$0.3 million or 15% to S$1.7 million in in Q1FY2018 from S$2.0 million in Q1FY2017, primarily due to the conclusion of the MPML Scheme and the MPSY Scheme with the relevant borrowing costs being accrued up to 5 December 2017.

The share of results from jointly controlled companies reversed from a profit of S$0.7 million in Q1FY2017 to a loss of S$2.0 million in Q1FY2018. The share of losses from jointly-controlled companies was mainly attributable to share of losses of BBR and share of impairment loss on asset recorded by a joint venture entity.

(b) Review of financial position of the Group as at 31 December 2017 compared to that as at 30 September 2017

The non-current assets of the Group decreased by S$4.3 million or 4% from S$99.6 million as at 30 September 2017 to S$95.3 million as at 31 December 2017. The decrease was mainly due to depreciation of vessels and share of losses in jointly-controlled entities.

The amounts due from customers for construction contracts decreased by S$2.5 million or 83% to S$0.5 million as at 31 December 2017 from S$3.0 million as at 30 September 2017, mainly due to progress billing made to a contract customer.

The decrease in other receivable, deposits and prepayment from S$3.2 million or 21% to S$2.5 million as at 31 December 2017 was attributed mainly to the reversal of certain deposits due to the cancellation of purchase of equipment.

The trade payables of the Group decreased by S$0.4 million or 4% to S$9.9 million as at 31 December 2017 from S$10.3 million as at 30 September 2017. The decrease was in line with reduced business activities.

The decrease in other payables and accruals was mainly due to reduction in accrued project cost.

The Group maintained its total interest-bearing borrowings at S$243.7 million as at 31 December 2017 compared to S$245.9 million as at 30 September 2017.

The Group reported a net cash used in operating activities of S$0.3 million for 1QFY2018 compared to net cash generated in operating activities of S$0.8 million in 1QFY2017, principally as a result of a decrease in trade and other payables brought about as a result of reduced project costs.

Following from the above:

(i) The negative working capital of the Group widened to S$252.5 million as at 31 December 2017 from S$251.2 million as at 30 September 2017;

(ii) 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 154.0% as at 31 December 2017 from 159.3% as at 30 September 2017; and

(iii) a negative net asset value per share of the Group weakened to 46.8 cents as at 31 December 2017 from 45.4 cents as at 30 September 2017.

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 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.

On 25 January 2018, the Group has successfully completed its Debt Restructuring Exercise. Following which, the Group has fully discharged its obligations to the respective scheme creditors under the MPML Scheme and the MPSY Scheme, the Noteholders and the PKPU Secured Creditors (as prescribed in paragraph 5 of this announcement).

The Company has also completed the allotment and issuance of new shares to its Investors on 25 January 2018 and allotment and issuance of warrants to its existing shareholders on 30 January 2018.

On 2 February 2018, the Company has resumed its shares trading on the Singapore Stock Exchange.

The Completion of the Debt Restructuring Exercise couple with the injection of fresh funds from the Investment, which provides additional working capital to the Group, strengthens the financial position of the Group. The Group is now better positioned to move ahead. The financial impacts of the Completion of the Debt Restructuring Exercise will be reflected in the subsequent reporting period and the Group is expected to be reversed to a net current asset and a positive equity position.

The offshore marine business remains challenging and competitive in the next 12 months with demands still under pressure. Notwithstanding which, the closure of the chapter for the Group's Debt Restructuring Exercise and the resumption of share trading enable the management of the Group to be more focused in its marketing efforts in improving the topline performance while continuing its cost containment measures to keep costs down.

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 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 Q1FY2018.

13. Interested Person Transactions

Pursuant to Rule 907 of the SGX-ST Listing Manual and the new IPT General Mandate procured from the shareholders of the Company on 20 January 2017, the following interested person transactions had been entered into during Q1FY2018:

Name of Interested Persons	Aggregate value of all interested person transactions during the financial period 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**
PT. Pelayaran Nasional Bina Buana	-	-

14. Negative Assurance on Interim Financial Statement.

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for Q1FY2018 to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Liely Lee
Executive Director

13 February 2018