MARCO POLO MARINE LTD
Incorporated in the Republic of Singapore
(Company Registration Number: 200610073Z)

MEDIA RELEASE

- The Group reported a net loss of S$6.6 million against a negative net equity position of S$157.6 million for the first financial quarter ended 31 December 2017.

- With the successful completion of the Group's debt restructuring exercise on 25 January 2018, the financial impacts of the exercise, which will be taken up in the next reporting financial quarter, will reflect a significant amount of outstanding debts of the Group to be derecognized accordingly and hence have the negative net equity position of the Group to be revised to a positive position.

- The completion of the debt restructuring exercise coupled with the injection of fresh funds from new investors also provide for additional working capital to the Group in strengthening its financial position moving forward.

Singapore, 13 February 2018 – Singapore Exchange Mainboard-listed Marco Polo Marine Ltd ("**Marco Polo Marine**" or the "**Company"**) together with its subsidiaries (the "**Group**") reported its first quarter results ended 31 December 2017 ("**Q1FY2018**") for the financial year ended 30 September 2018 ("**FY2018**").

Financial Highlights of the Group

	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)
Total Revenue	**7.5**	**100**	11.4	100	(3.9)	(34)
Gross profit	**2.1**		3.8		(1.7)	(44)
(Loss)/Gain from operations	**(3.5)**		5.4			NM
Net (loss)/gain attributable to equity holders of the Company	**(6.6)**		3.4			NM

As at	**31 December 2017**	**30 September 2017**
Net current liabilities	**(252.4)**	(251.2)
Net equity	**(157.6)**	(152.6)
Net asset value per share (cents)	**(46.8)**	(45.4)

Revenue
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.

Revenue from the Ship Chartering Operations of the Group decreased by 9% to S$4.0 million in Q1FY2018 due mainly to reduced contributions from the Group's offshore fleet while revenue from the Ship Building & Repair Operations of the Group decreased by 50% in Q1FY2018 due mainly to reduced ship building projects and ship repair jobs.

Gross profit
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.

Net loss
The Group recorded a net loss of S$6.6 million in Q1FY2018 relative to a net profit of 3.4 million in Q1FY2017, primarily due to lower revenue, impairment of certain trade receivables, foreign exchange losses and share of losses from jointly controlled companies.

Financial position
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 negative equity position of the Group widened to S$157.6 million as at 31 December 2017 from S$152.6 million as at 30 September 2017; and

(iii) The 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.

Commenting on the performance of the Group for Q1FY2018, Mr Sean Lee Yun Feng, CEO of the Company, remarked that:

"The results for the first financial quarter ended 31 December 2017 did not fully reflect the outcome of the Debt Restructuring Exercise which was only successfully concluded on 25 January 2018. As such, the financial impacts arising from the Debt Restructuring Exercise will only be fully reflected in the next reporting financial quarter of the Group for the period ending 31 March 2018, and the financial impacts are expected to result in a reversal of the negative equity position of the Group to a positive one".

Mr Sean Lee added that:

"The completion of the Debt Restructuring Exercise coupled with the injection of fresh funds from the new investors provide for additional working capital to the Group in strengthening its financial position moving forward. While the offshore marine business remains challenging and competitive in the next 12 months with demands still under pressure, the closure of the chapter for the Group's Debt Restructuring Exercise and the resumption of the share trading of the Company on 2 February 2018 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".

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About Marco Polo Marine Ltd

The Company listed on the Mainboard of the SGX-ST since 2007. 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.

For more information, please refer to our corporate website: www.marcopolomarine.com.sg

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