



Marco Polo Marine Ltd.

(Company Registration No: 200610073Z)
(Incorporated in the Republic of Singapore)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS AND FULL YEAR ENDED 30 SEPTEMBER 2022**



MARCO POLO MARINE LTD
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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			Group		
	H2FY2022	H2FY2021	Change %	FY2022	FY2021	Change %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	58,453	24,990	134	86,095	46,106	87
Cost of sales	(39,153)	(18,006)	117	(58,617)	(34,095)	72
Gross profit	19,300	6,984	176	27,478	12,011	129
Other operating income	2,770	6,937	(60)	13,420	14,223	(6)
Administrative expenses	(7,852)	(3,213)	144	(12,210)	(6,066)	101
Other operating expenses	(2,576)	(1,651)	56	(5,562)	(4,954)	12
Profit from operations	11,642	9,057	29	23,126	15,214	52
Finance costs	(67)	(75)	(11)	(129)	(136)	(5)
Share of profits in joint ventures	85	211	(60)	255	191	34
Profit before income tax	11,660	9,193	27	23,252	15,269	52
Income tax expense	(376)	(365)	3	(1,226)	(493)	149
Profit for the financial year	11,284	8,828	28	22,026	14,776	49
Profit attributable to:-						
Equity holders of the Company	10,528	8,828	19	21,343	14,776	44
Non-controlling interest	756	-	NM	683	-	NM
	11,284	8,828		22,026	14,776	
Other comprehensive income:						
Exchange difference arising from translation foreign operations	2,770	443	525	2,856	422	577
Total comprehensive income	14,054	9,271	52	24,882	15,198	64
Total comprehensive income attributable to:-						
Equity holders of the Company	12,547	9,271	35	23,451	15,198	54
Non-controlling interest	1,507	-	NM	1,431	-	NM
	14,054	9,271		24,882	15,198	
Earnings per share						
Basic (in cents)	0.32	0.25	28	0.62	0.42	48
Diluted (in cents)	0.32	0.25	28	0.62	0.42	48

Notes

"H2FY2022" denotes the second half financial year ended 30 September 2022 ("FY2022").

"FY2022" denotes the full financial year of FY2022.

"H2FY2021" denotes the second half financial year ended 30 September 2021 ("FY2021").

"FY2021" denotes the full financial year of FY2021.

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.

"NM" denotes not meaningful.

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B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 30 September 2022 S\$'000	As at 30 September 2021 S\$'000	As at 30 September 2022 S\$'000	As at 30 September 2021 S\$'000
Non-current assets				
Property, plant and equipment	94,711	60,941	-	-
Right-of-use assets	579	329	-	-
Investments in subsidiaries	-	-	4,320	4,320
Investments in joint ventures	-	-	-	-
Amounts due from joint ventures	12,931	22,227	12,931	22,227
	108,221	83,497	17,251	26,547
Current assets				
Inventories	1,631	1,249	-	-
Trade receivables	17,357	12,028	-	-
Other receivables, deposits and prepayment	3,572	1,418	80	71
Amounts due from subsidiaries (non-trade)	-	-	147,361	95,081
Amounts due from joint ventures (non-trade)	450	21,039	450	20,819
Cash and cash equivalents	53,514	20,348	11,786	5,528
	76,524	56,082	159,677	121,499
Assets held for sale	3,368	-	-	-
	79,892	56,082	159,677	121,499
Total assets	188,113	139,579	176,928	148,046
Current liabilities				
Contract liabilities	-	347	-	-
Trade payables	11,988	7,226	-	-
Other payables and accruals	15,592	5,269	3,831	389
Deferred income	171	339	-	-
Lease liabilities	298	206	-	-
Borrowings- interest bearing	966	966	-	-
Income tax payable	1,552	935	-	-
	30,567	15,288	3,831	389
Non-current liabilities				
Deferred income	2,887	6,109	-	-
Lease liabilities	209	53	-	-
Borrowings- interest bearing	2,284	3,250	-	-
Deferred tax liabilities	504	-	-	-
	5,884	9,412	-	-
Total liabilities	36,451	24,700	3,831	389
Net assets	151,662	114,879	173,097	147,657
Share capital and reserves				
Share capital	156,300	155,752	156,300	155,752
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Employee share option reserve	560	560	-	-
Other reserve	158	158	-	-
Foreign currency translation reserve	3,721	1,613	-	-
Accumulated losses	(21,292)	(42,635)	18,000	(6,892)
	138,878	114,879	173,097	147,657
Non-controlling interest	12,784	-	-	-
Total equity	151,662	114,879	173,097	147,657

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Accumulated losses	Other reserves	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2021	155,752	(1,203)	634	560	1,613	(42,635)	158	114,879	-	114,879
Issuance of ordinary shares pursuant to exercise of warrants	548	-	-	-	-	-	-	548	-	548
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	10,298	10,298
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	1,055	1,055
Profit for the financial year	-	-	-	-	-	21,343	-	21,343	683	22,026
Other comprehensive income, net of tax	-	-	-	-	2,108	-	-	2,108	748	2,856
Total comprehensive income for the financial year	-	-	-	-	2,108	21,343	-	23,451	1,431	24,882
Balance as at 30 September 2022	156,300	(1,203)	634	560	3,721	(21,292)	158	138,878	12,784	151,662
Balance as at 1 October 2020	155,752	(1,203)	634	560	1,191	(57,411)	158	99,681	-	99,681
Profit for the financial year	-	-	-	-	-	14,776	-	14,776	-	14,776
Other comprehensive income, net of tax	-	-	-	-	422	-	-	422	-	422
Total comprehensive income for the financial year	-	-	-	-	422	14,776	-	15,198	-	15,198
Balance as at 30 September 2021	155,752	(1,203)	634	560	1,613	(42,635)	158	114,879	-	114,879

<u>Company</u>	Share capital	Treasury share	Accumulated losses/(profit)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2021	155,752	(1,203)	(6,892)	147,657
Issuance of ordinary shares pursuant to exercise of warrants	548	-	-	548
Total comprehensive income for the financial year	-	-	24,892	24,892
Balance at 30 September 2022	156,300	(1,203)	18,000	173,097
Balance at 1 October 2020	155,752	(1,203)	(13,247)	141,302
Total comprehensive income for the financial year	-	-	6,355	6,355
Balance at 30 September 2021	155,752	(1,203)	(6,892)	147,657

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D. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Cash flow from operating activities		
Profit before income tax	23,252	15,269
Adjustments for:		
Depreciation of right-of-use assets	381	364
Depreciation of property, plant and equipment	8,680	6,637
Loss allowance on trade receivables	411	168
Loss allowance on other receivables	181	-
Bad debts recovered	(249)	(114)
Reversal of impairment loss on receivables due from a subsidiary previously held as a joint venture	(4,229)	-
Interest expense	129	136
Interest income	(692)	(693)
Share of profits in joint ventures	(255)	(191)
Gain on acquisition of debt	-	(6,238)
Gain on remeasurement of previously held equity interest	(5,172)	-
Gain on bargain purchase	(612)	-
Gain on disposal of property, plant and equipment	(985)	(6,265)
Impairment on property, plant and equipment	150	-
Inventories written off	12	-
Foreign exchange difference	(210)	519
Operating profit before working capital changes	20,792	9,592
Movement in working capital		
Inventories	(367)	(346)
Trade and other receivables	5,391	(3,984)
Trade and other payables	3,877	4,625
Contract liabilities	(347)	(654)
Cash generated from operations	29,346	9,233
Income tax	(690)	(406)
Net cash generated from operating activities	28,656	8,827
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,593)	(2,228)
Proceeds from disposal of property, plant and equipment	3,395	-
Repayment from a joint venture	1,396	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	3,236	-
Net cash generated from/(used in) in investing activities	3,434	(2,228)
Cash flows from financing activities		
Interest paid	(109)	-
Interest received	499	298
Proceeds from term loans	-	5,000
Proceeds from exercise of warrants	548	-
Repayment of lease liabilities, net	(403)	(389)
Repayment of term loans	(966)	(896)
Placement of fixed deposits pledged	(1,379)	(500)
Acquisition of debt	-	(3,835)
Capital contribution by non-controlling interest	1,055	-
Net cash used in financing activities	(755)	(322)
Net increase in cash and cash equivalents	31,335	6,277
Cash and cash equivalents at beginning of the year	19,848	13,593
Effect of exchange rate changes on cash and cash equivalents	452	(22)
Cash and cash equivalents at end of the financial year (Note 1)	51,635	19,848

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Note 1

Cash and cash equivalent consist of:

Cash and bank balances

Fixed deposits

Total cash, bank balances and fixed deposit (as per statement of financial position)

Less: fixed deposits and cash pledged

Cash and cash equivalent at the end of financial year (as per cash flow statement)

35,959	14,252
17,555	6,096
53,514	20,348
(1,879)	(500)
51,635	19,848

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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Marco Polo Marine Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months and full year ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the Group).

The address of the Company's registered office and principal place of business is 66 Kallang Pudding Road, #05-01 Hor Kew Business Centre, Singapore 349324.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are:

- a. Shipbuilding and ship repair; and
- b. Ship chartering, leasing and management.

2. Basis of Preparation

The condensed interim consolidated financial statements for the six months and full year ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2021.

The accounting policies adopted are consistent with those of previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group has identified the operating segments as described below, which are the Group's Strategic business units.

- (i) Ship chartering services – Relates to charter hire activities
- (ii) Ship building and repair services – Relates to sales of goods, ship building and ship repair activities

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4.1 Business segments

	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
FY2022			
External revenue	44,686	41,409	86,095
Reportable segment results from operating activities	11,202	7,018	18,220
Share of profits in joint ventures	255	-	255
Finance income	87	19	106
Finance costs	(110)	(19)	(129)
Unallocated other corporate income, net			4,800
Profit before income tax			23,252
Income tax expense			(1,226)
Profit for the financial year			22,026
Reportable segment assets	132,348	43,495	175,843
Unallocated assets			12,270
Total assets			188,113
Reportable segment liabilities	14,750	14,332	29,082
Unallocated liabilities			7,369
Total liabilities			36,451
Capital expenditure	1,544	3,049	4,593
	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
FY2021			
External revenue	20,098	26,008	46,106
Reportable segment results from operating activities	16,792	(6,635)	10,157
Share of profits in joint ventures	191	-	191
Finance income	25	5	30
Finance costs	(112)	(24)	(136)
Unallocated other corporate income, net			5,027
Profit before income tax			15,269
Income tax expense			(493)
Profit for the financial year			14,776
Reportable segment assets	81,356	31,803	113,159
Unallocated assets			26,420
Total assets			139,579
Reportable segment liabilities	6,531	11,326	17,857
Unallocated liabilities			6,843
Total liabilities			24,700
Capital expenditure	1,314	914	2,228

4.2 Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Ship chartering services		Ship building and repair services		Sales of goods		Total	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Geographical markets^(a)								
Singapore	7,151	12,345	22,869	10,160	-	-	30,020	22,505
Taiwan	20,321	3,143	-	-	-	-	20,321	3,143
Indonesia	5,547	537	11,734	10,218	1,811	980	19,092	11,735
Thailand	7,328	-	-	-	-	-	7,328	-
Malaysia	3,460	1,002	339	81	-	-	3,799	1,083
Korea	-	-	1,937	-	-	-	1,937	-
France	879	-	748	-	-	-	1,627	-
Hong Kong	-	-	1,125	-	-	-	1,125	-
China	-	1,433	-	-	-	-	-	1,433
India	-	356	-	928	-	-	-	1,284
Vietnam	-	1,282	-	-	-	-	-	1,282
Australia	-	-	-	1,362	-	-	-	1,362
Others	-	-	846	2,279	-	-	846	2,279
Total	44,686	20,098	39,598	25,028	1,811	980	86,095	46,106
Goods or services transferred at a point in time	-	-	37,174	21,187	1,811	980	38,985	22,167
Goods or services transferred overtime	44,686	20,098	2,424	3,841	-	-	47,110	23,939
Total	44,686	20,098	39,598	11,259	1,811	980	86,095	46,106

^(a) The disaggregation is based on the location of customers from which revenue was generated.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2022 and 30 September 2021:

	The Group		The Company	
	30 September 2022 S\$'000	30 September 2021 S\$'000	30 September 2022 S\$'000	30 September 2021 S\$'000
Financial Assets				
Cash and bank balances and trade and other receivables (Amortised cost)	86,715	76,110	172,565	143,663
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	28,437	16,928	3,827	389

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6. Profit before income tax**Significant items**

				Group		
	H2FY2022	H2FY2021	Change	FY2022	FY2021	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income						
Gain on bargain purchase	330	-	NM	612	-	NM
Gain on remeasurement of previously held equity interest	-	-	NM	5,172	-	NM
Reversal of impairment loss on receivables due from a subsidiary previously held as a joint venture	78	-	NM	4,229	-	NM
Interest income	361	329	10	692	693	-
Sale of scrap materials	333	166	101	518	197	163
Bad debts recovered	113	42	169	249	114	118
Gain on disposal of property, plant and equipment	679	6,265	(89)	985	6,265	(84)
Gain on acquisition of debt	-	-	NM	-	6,238	(100)
Net foreign currency exchange gain	1,261	93	NM	717	-	NM
Expenses						
Depreciation of property, plant and equipment	5,350	3,236	65	8,680	6,637	31
Depreciation of right-of-use assets	210	183	15	381	364	5
Loss allowance on trade receivables	411	168	145	411	168	145
Loss allowance on other receivables	181	-	NM	181	-	NM
Legal and professional fees	414	200	107	741	317	134
Net foreign currency exchange loss	-	-	NM	-	758	(100)
Interest expenses	66	75	(12)	129	136	(5)

7. Income tax expense

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Current income tax		
- current financial year	1,226	128
Income tax expense	1,226	128

8. Dividend

No dividend has been declared or recommended for the financial year ended 30 September 2022 (30 September 2021: Nil).

9. Net asset value

	Group		Company	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value	151,662	114,879	173,097	147,657
Net asset value per ordinary share based on issued share capital (Singapore cents)	4.3 cents	3.3 cents	4.9 cents	4.2 cents

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10. Property, plant and equipment

During the financial year ended 30 September 2022, the Group acquired property, plant and equipment for an amounting of S\$4,593,000 (30 September 2021: S\$2,228,000) and disposed and wrote off assets amounting to S\$2,602,000 (30 September 2021: S\$9,156,000).

11. Borrowings

	Group		Company	
	30 September 2022 S\$'000	30 September 2021 S\$'000	30 September 2022 S\$'000	30 September 2021 S\$'000
<u>Amount repayable within one year, or in demand</u>				
Secured	966	966	-	-
<u>Amount repayable after one year</u>				
Secured	2,284	3,250	-	-

The bank borrowings of the Group are secured by corporate guarantees and fixed deposit pledged.

12. Share capital

	Group and Company			
	30 September 2022 Number of shares	30 September 2021 Number of shares	30 September 2022 S\$'000	30 September 2021 S\$'000
Issued and fully paid:				
At beginning of financial year	3,526,818,503	3,526,818,503	155,752	155,752
Exercise of warrants ⁽¹⁾	15,659,725	-	548	-
At end of financial year	<u>3,542,478,228</u>	<u>3,526,818,503</u>	<u>156,300</u>	<u>155,752</u>

(1) Issuance of 15,659,725 consideration shares at exercise price of S\$0.035 per share upon exercise of warrants on 18 February 2022. All ordinary shares were fully paid.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2022 and 30 September 2021.

13. Treasury shares

	Group and Company			
	30 September 2022 Number of shares	30 September 2021 Number of shares	30 September 2022 S\$'000	30 September 2021 S\$'000
At beginning/end of the financial year	<u>4,201,400</u>	<u>4,201,400</u>	<u>1,203</u>	<u>1,203</u>

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14. Acquisition of subsidiary

- (A) On 16 March 2022, the Company has made an announcement that the rights issue undertaken by PT Pelayaran Nasional Bina Buana Raya Tbk ("PT BBR Rights Issue") has been completed and PT Marco Polo Indonesia ("PT MPI"), an indirect wholly-owned subsidiary of the Company, has been allotted and issued 4,752,086,826 PT BBR Rights Shares for a consideration of S\$22,611,000. The gain recognised on remeasurement of previously held equity interest in PT BBR prior to the date of acquisition was S\$5,172,000. Together with the existing shares held by PT MPI prior to the PT BBR Rights Issue, PT MPI holds 70.73% of the enlarged and paid-up share capital of PT BBR.

Purchase consideration	S\$'000
Cash paid	3,426
Conversion of outstanding loan	19,185
	<u>22,611</u>

The business combination was accounted for using the acquisition method and the fair values of the assets and liabilities of PT BBR as at the date of the acquisition are:

	S\$'000
<hr/>	
Cash and cash equivalents	10,265
Property, plant and equipment	36,450
Trade and other receivables	4,839
Inventories	27
Trade and other payables	(15,968)
Deferred tax liabilities	<u>(543)</u>
Net identifiable assets	35,070
Non-controlling interests	<u>(10,298)</u>
Net identifiable assets on acquisition	24,772
Reversal of deferred income	3,135
Bargain purchase	(124)
Remeasurement of previously held equity interest	<u>(5,172)</u>
Purchase consideration	22,611
Less: Consideration settled in cash	<u>(19,185)</u>
Consideration settled in cash	3,426
Less: Cash and cash equivalents of the subsidiary acquired	<u>(10,265)</u>
Net cash inflow on acquisition of subsidiary	<u>6,839</u>

The above fair values of assets and liabilities and consequently the bargain purchase computed have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

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- (B) On 6 May 2022, the Company has made an announcement that its 49% owned joint venture company, Oceanic Crown Offshore Marine Services Company Ltd has completed its share purchase agreement with Kerry TJ Logistics Co. Ltd and Posh Investment Holdings (Taiwan) Pte. Ltd. to acquire the entire share capital of PKR Offshore Co. Ltd. ("PKRO").

Purchase consideration	S\$'000
Cash paid	4,604

The business combination was accounted for using the acquisition method and the fair values of the assets and liabilities of PT BBR as at the date of the acquisition are:

	S\$'000
Cash and cash equivalents	1,001
Property, plant and equipment	4,695
Trade and other receivables	3,412
Trade and other payables	(4,016)
Net identifiable assets	5,092
Net identifiable assets on acquisition	5,092
Bargain purchase	(488)
Purchase consideration	4,604
Consideration settled in cash	4,604
Less: Cash and cash equivalents of the subsidiary acquired	(1,001)
Net cash outflow on acquisition of subsidiary	(3,603)

The above fair values of assets and liabilities and consequently the bargain purchase computed have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

15. Subsequent events

There are no subsequent events in relation to the financial statements for FY2022 at this juncture.

OTHER INFORMATION REQUIRED BY LISITNG RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Marco Polo Marine Ltd. and its subsidiaries as at 30 September 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended 30 September 2022 and certain explanatory notes have not been audited or reviewed.

2. Review of financial performance of the Group

Our Group's revenues for FY2022 (vis-à-vis FY2021) and H2FY2022 (vis-a-vis H2FY2021) were as follow:

	H2FY2022		H2FY2021		Change		FY2022		FY2021		Change	
	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	34.2	58	10.7	43	23.5	220	44.7	52	20.1	44	24.6	122
Ship Building & Repair Operations	24.3	42	14.3	57	10.0	70	41.4	48	26.0	56	15.4	59
	58.5	100	25.0	100	33.5	134	86.1	100	46.1	100	40.0	87

The Group recorded a revenue of S\$58.5 million in H2FY2022, an increase of 134% from that of S\$25.0 million registered in H2FY2021, and a revenue of S\$86.1 million in FY2022, an increase of 87% from that of S\$46.1 million registered in FY2021.

The revenue derived from the Ship Chartering Operations of the Group increased by 220% to S\$34.2 million in H2FY2022 from S\$10.7 million in H2FY2021, and an increase of 122% to S\$44.7 million in FY2022 from S\$20.1 million in FY2021. This increase was mainly due to the consolidation of results of PT BBR and PKRO from March and May 2022 onwards respectively. PT BBR has contributed a revenue of S\$6.9 million whereas PKRO has contributed a revenue of S\$10.4 million from the point of consolidation. In addition, the Group has achieved higher average utilization rates for both of the Group's fleet of Offshore vessels and the Group's fleet of tugboats and barges. The Group has also managed to obtain higher charter rates for its fleet of Offshore vessels in the current year.

The Ship Building & Repair Operations of the Group recorded an increase in revenue of 70% to S\$24.3 million in H2FY2022 from S\$14.3 million in H2FY2021, and an increase of 59% to S\$41.4 million in FY2022 from S\$26.0 million in FY2021. The increase in revenue was mainly attributed to the increase in volume and contract values of the repair projects during the year.

The Group's gross profit has increased to S\$19.3 million in H2FY2022 from S\$7.0 million in H2FY2021 with gross profit margin increasing to 33% in H2FY2022 from 28% in H2FY2021. On a full year basis, the gross profit increased to S\$27.5 million in FY2022 from S\$12.0 million in FY2021 with gross profit margin increasing to 32% in FY2022 from 26% in FY2021. The increase in gross profit in both H2FY2022 and FY2022 were contributed by the rise in revenue for both Ship Chartering and Shipyard Operations and an improvement in gross profit margin from Shipyard Operations.

The Group's other operating income decreased to S\$2.8 million in H2FY2022 from S\$6.9 million in H2FY2021, primarily due to the decrease in gains from non-recurring items. The Group's other income in H2FY2022 mainly consist of foreign exchange gains of S\$1.3 million and gains on disposal of fixed assets of S\$0.7 million, whereas the Group's other income in H2FY2021 mainly consist of gains on disposal of fixed assets of S\$6.3 million. On a full year basis, the Group's other operating income decreased to S\$13.4 million in FY2022 from S\$14.2 million in FY2021. The Group's other income in FY2022 mainly consist of the remeasurement of previously held equity interest in PT BBR amounting to S\$5.2 million¹ and the reversal of impairment loss on receivables due from a subsidiary (PT BBR) which was previously held as a joint venture entity amounting to S\$4.2 million². Comparatively, the Group's other income in FY2021 mainly consist of the gain on acquisition of debt which amounted to S\$6.2 million and gain on disposal of property, plant and equipment of S\$6.3 million.

¹ There was a significant gain of S\$5.2 million in remeasurement of previously held equity interest in PT BBR as the Company has previously impaired the carry value of investment in PT BBR to zero. With the completion of the PT BBR Rights Issue and consequently the consolidation of PT BBR, the Group is required to remeasure this previously held investment at fair value as at the date of consolidation (i.e. completion date of PT BBR Rights Issue).

² With the consolidation of PT BBR into the Group, any impairments in receivables that were provided previously, had to be reversed and recognised as a gain in the income statement accordingly. This is to allow for proper elimination of intercompany balances between companies of the same Group.

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The Group's administrative expenses increased to S\$7.8 million in H2FY2022 from S\$3.2 million in H2FY2021. On a full year basis, the administrative expenses increased to S\$12.2 million in FY2022 from S\$6.1 million in FY2021. The increase was mainly due to increase in staff costs by S\$5.4 million primarily due to payout of variable bonuses consisting of S\$0.7 million additional bonus paid to staff and S\$4.1 million³ incentives recognized for key management personnel.

The Group's other operating expenses increased to S\$2.6 million in H2FY2022 from S\$1.7 million in H2FY2021 due primarily to increase in legal and professional fee by S\$0.2 million mainly due to the corporate exercises carried out during the year and increase in impairment of receivables by S\$0.4 million. On a full year basis, the Group's other operating expenses increased to S\$5.6 million in FY2022 from S\$5.0 million in FY2021, attributed primarily to S\$0.4 million increase in legal and professional fee.

The share of profits from jointly controlled company decreased to S\$85,000 in H2FY2022 from S\$0.2 million in H2FY2021 and increased to S\$0.3 million in FY2022 from S\$0.2 million in FY2021. The share of profits from jointly-controlled company in H2FY2022 and FY2022 were mainly attributable to the share of profits in the Group's joint venture Pelayaran Era Sdn Bhd.

As a result of the above, we registered a net profit attributed to owners of the Company of S\$10.5 million in H2FY2022 compared to S\$8.8 million in H2FY2021 and a net profit attributed to owners of the Company of S\$21.3 million in FY2022 compared to S\$14.8 million in FY2021.

Excluding foreign exchange gain and one-off items (including the abovementioned incentives of S\$4.1 million recognized in FY2022), the Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group increased to S\$18.1 million in H2FY2021 from S\$6.1 million in H2FY2021, and increased to S\$24.2 million in FY2022 from S\$10.0 million in FY2021.

3. Review of financial position of the Group as at 30 September 2022 compared to that as at 30 September 2021

The non-current assets of the Group increased significantly by S\$24.7 million or 30% to S\$108.2 million as at 30 September 2022 from S\$83.5 million as at 30 September 2021 due mainly to the completion of the PT BBR Rights Issue and acquisition of PKRO. The increase was mainly due to an increase in property, plant and equipment of S\$33.7 million mainly attributed to the consolidation of PT BBR which had property, plant and equipment of S\$36.4 million as at the date of acquisition. The increase in non-current assets was partially offset by a decrease in amount due from joint ventures by S\$9.3 million mainly attributed to the consolidation of PT BBR as the intercompany balances between companies within the same Group were fully eliminated.

Trade receivables increased to S\$17.4 million at 30 September 2022 from S\$12.0 million at 30 September 2021 mainly attributed to increase in overall group revenue for the year as revenue has increased by S\$40.0 million or 87% to S\$86.1 million in FY2022 from S\$46.1 million in FY2021. As disclosed in the Group's financial statements that was published in the FY2021 Annual Report, the Group uses an allowance matrix to measure its expected credit loss for trade receivables and based on this allowance matrix, the Group has assessed that the provision for impairment of trade receivables is adequate at this juncture.

Other receivables, deposits and prepayment increased by S\$2.2 million to S\$3.6 million as at 30 September 2022 from S\$1.4 million as at 30 September 2021, mainly attributed to the consolidation of PT BBR and PKRO which had other receivables of S\$2.5 million in total as at year end.

Amount due from joint ventures (current) decreased significantly to S\$0.5 million as at 30 September 2022 from S\$21.0 million as at 30 September 2021 due mainly to the recent completion of the PT BBR Rights Issue. As disclosed in the Company's Shareholders' Circular dated 31 December 2021 in relation to the PT BBR Rights Issue, a part of the PT BBR Rights Issue subscription amounting to US\$14.0 million (or equivalent to S\$19.2 million) will be satisfied by way of in-kind contribution for the receivables owing by PT BBR to the Company. Upon completion of PT BBR Rights Issue, the existing debt was converted into shares of PT BBR and consequently the amount due from joint ventures decreased significantly.

PT BBR entered into a Sale and Purchase Agreement to dispose a fleet of tugboats and barges in view of streamlining the business operations of the PT BBR group. Accordingly, these assets amounting to S\$3.4 million in net book value were reclassified from plant, property and equipment to assets held for sale as at 30 September 2022.

Trade payables of the Group increased by S\$4.8 million to S\$12.0 million as at 30 September 2022 from S\$7.2 million as at 30 September 2021 mainly attributed to the consolidation of PT BBR and PKRO which had trade payables of S\$4.4 million in total as at year end. The increase in trade payables was also in line with the increase in the Group's business activities during the year.

³ As stated in the Shareholders' Circular dated 28 November 2017, the Investors have agreed to the implementation of an incentive plan for the Key Management Personnel on a profit-sharing basis (the "Incentive Plan") after completion of the Group's Debt Restructuring Exercise. The amount of incentive recognised with respect to FY2022's financial performance is approximately S\$3.4 million whereas the amount of incentive that were paid out with respect to FY2021's financial performance is approximately S\$0.7 million. The Incentive Plan, which is valid for 5 years, will expire after the incentives in relation to FY2022 are paid out.

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Other payables and accruals increased by S\$10.3 million to S\$15.6 million as at 30 September 2022 from S\$5.3 million as at 30 September 2021, mainly attributed to the consolidation of PT BBR and PKRO which had other payables of S\$4.9 million in total as at year end, accrued incentive of S\$3.4 million payable to key management personnel and accrued project expenses of S\$ 1.5 million.

Interest bearing loans decrease to S\$3.3 million as at 30 September 2022 from S\$4.2 million as at 30 September 2021 due to repayments being made by the Group.

The decrease in deferred income (current and non-current) of S\$3.3 million to S\$3.1 million as at 30 September 2022 from S\$6.4 million as at 30 September 2021, was mainly due to the consolidation of PT BBR. The carrying amount of S\$3.1 million that was previously recognised from the disposal of 2 vessels that were sold to PT BBR have been fully reversed and derecognized from the Group's balance sheet accordingly.

The initial recognition of deferred tax liabilities of S\$0.5 million as at 30 September 2022 arose from the purchase price allocation exercise in relation to the acquisition of the PT BBR.

The Group reported a net cash generated from operating activities of S\$28.7 million for FY2022, principally as a result of improvement in the performance of the Group as business activities continued to gain traction. The net cash from investing activities has also generated S\$3.4 million for FY2022 mainly due to the acquisition of PT BBR and proceeds from the sale of vessel which was partially offset by the capital expenditure in relation to the extension program for the shipyard's dry dock 1. Overall, the cash and cash equivalent of the Group increased to S\$53.5 million as at 30 September 2022 as compared to S\$20.4 million in as at 30 September 2021.

Following from the above:

- (i) the working capital of the Group increased to S\$49.3 million as at 30 September 2022 from S\$40.8 million as at 30 September 2021;
- (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) remained at nil as at 30 September 2022 and 30 September 2021; and
- (iii) the net asset value per share of the Group increased to 4.3 cents as at 30 September 2022 from 3.3 cents as at 30 September 2021.

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

Not applicable.

5. 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 broader market in the offshore and shipping industries continues to face uncertainties as macroeconomic and geopolitical situations are expected to remain challenging. War-induced commodity price increases and broadening price pressures have led to rising inflation this year which resulted in an increase in cost of doing business. Against this backdrop, the Group will continue to improve its operational efficiency and tighten cost control to enhance its competitiveness. The Group is also expected to further extend its reach in segments such as the renewable energy sector as we have done in the past year.

For the ship chartering business, the Group will continue to explore opportunities to support the booming offshore windfarm market after having to establish our presence via our joint venture Oceanic Crown Offshore Marine Services Ltd. and the completion of our acquisition of PKR Offshore Co. Ltd. in Taiwan. Oil prices has increased significantly in the recent months with the on-going geopolitical tensions and the Group expects this to have a positive effect on our daily charter rates and utilisation rates for our fleet of OSVs.

For the shipyard division, the Group has expanded its dry-docking capacity with the dock 1 extension program completed earlier this year. The Group will continue to focus on securing ship repair and maintenance orders by expanding its customer base internationally. The Group has also stepped up its marketing effort on the ship building front by actively engaging local ship owners in Indonesia.

As an overall strategy, the Group will focus our collective efforts as we continue the journey of transition towards renewable energy sources as we expand our footprint in the renewable energy sector.

The Company will release further updates on its business and operations on 6 December 2022.

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.

- 6. 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”).

On 24 April 2013, pursuant to the ESOS, the Company granted 5,110,000 share options to the Directors of the Company and employees of the Group, each of which is capable of being exercised into a new ordinary share of the Company (the “Share”) at an exercise price of S\$0.415 each (the “2013 ESOS Options”).

On 28 April 2015, pursuant to the ESOS, the Company granted 5,720,000 share options to the Directors of the Company and employees of the Group, each of which is capable of being exercised into a new Share at an exercise price of S\$0.275 each (the “2015 ESOS Options”).

On 30 January 2018, the Company issued and allotted 269,238,877 free warrants (the “Warrants”) on the basis of eight Warrants for every 10 Shares held by the Shareholders as at the end of the books closure date on 24 January 2018. Each of the Warrants would entitle the holder a right to subscribe for one new Share at an exercise price of S\$0.035 each and each Warrant can only be exercised during the period commencing on and including the date six months from the date of listing of the Warrants on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 2 February 2018 and expiring on the date immediately preceding 30 January 2023, being the fifth anniversary of the date of issue of the Warrants.

As at 30 September 2022, the following securities, which are capable of being exercised into Shares, remain outstanding:

1. 2,690,000 2013 ESOS Options (30 September 2021: 2,690,000);
2. 2,830,000 2015 ESOS Options (30 September 2021: 2,830,000); and
3. 251,130,410 Warrants (30 September 2021: 266,790,135 Warrants)

Save as disclosed, the Company has no outstanding convertibles as at 30 September 2022 and 30 September 2021.

There were no changes to the Company’s share capital and total number of issued ordinary shares during the current financial period and as well as the corresponding period of the immediate preceding financial year.

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7. 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 Lee Wan Tang	73	Father to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director and CFO, Ms Liely Lee.	Appointed in 2020 as Advisor to the Company. Advising on the setting of Group's business strategy and direction.	None
Mr Irryanto	67	Brother-in-law to our substantial shareholder, Mr Lee Wan Tang; uncle to our CEO and Executive Director, Mr Sean Lee Yun Feng, and Executive Director and CFO, 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

8. 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.

9. If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared or recommended as the Company would like to conserve cash for Group's capital expenditure requirements in the coming financial year.

10. Interested Person Transactions

The Company has not obtained any general IPT mandate from its shareholders and did not have any interested person transactions during the financial period under review (excluding transactions less than S\$100,000).

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11. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Liely Lee
Chief Financial Officer

24 November 2022