



Marco Polo Marine Ltd.

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

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED 31 MARCH 2024**



MARCO POLO MARINE LTD
Company Registration No. 200610073Z

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		
	1HFY2024	1HFY2023	Change %
	S\$'000	S\$'000	
Revenue	61,571	55,944	10
Cost of sales	(39,350)	(38,248)	3
Gross profit	22,221	17,696	26
Other operating income	2,472	2,248	10
Administrative expenses	(8,197)	(5,562)	47
Other operating expenses	(3,272)	(7,535)	(57)
Profit from operations	13,224	6,847	93
Finance costs	(120)	(55)	118
Share of profits in joint ventures	86	86	-
Profit before income tax	13,190	6,878	92
Income tax expense	(1,185)	(1,044)	14
Profit for the financial period	12,005	5,834	106
Profit attributable to:-			
Equity holders of the Company	11,021	4,249	159
Non-controlling interest	984	1,585	(38)
	12,005	5,834	
Other comprehensive income:			
Exchange difference arising from translation foreign operations	(377)	(3,583)	(89)
Total comprehensive income	11,628	2,251	417
Total comprehensive income attributable to:-			
Equity holders of the Company	10,641	1,183	799
Non-controlling interest	987	1,068	(8)
	11,628	2,251	
Earnings per share			
Basic (in cents)	0.29	0.12	142
Diluted (in cents)	0.29	0.12	142

Notes

"1HFY2024" denotes the first half financial year ended 30 September 2024 ("FY2024").

"1HFY2023" denotes the first half financial year ended 30 September 2023 ("FY2023").

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

"NM" denotes not meaningful.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 31 March 2024 S\$'000	As at 30 September 2023 S\$'000	As at 31 March 2024 S\$'000	As at 30 September 2023 S\$'000
Non-current assets				
Property, plant and equipment	122,915	92,765	-	-
Right-of-use assets	5,424	6,284	-	-
Investments in subsidiaries	-	-	4,320	4,320
Investments in joint ventures	-	-	-	-
Amount due from joint venture	9,291	10,485	9,291	10,485
	137,630	109,534	13,611	14,805
Current assets				
Inventories	9,532	8,366	-	-
Contract assets	3,556	3,495	-	-
Trade receivables	22,573	22,840	-	-
Other receivables, deposits and prepayment	15,432	21,737	1,388	71
Amount due from subsidiaries (non-trade)	-	-	136,822	136,946
Amount due from joint venture (non-trade)	-	9	-	-
Cash and cash equivalents	49,919	63,100	20,563	25,177
	101,012	119,547	158,773	162,194
Total assets	238,642	229,081	172,384	176,999
Current liabilities				
Trade payables	15,701	15,030	-	-
Other payables and accruals	14,597	12,999	321	405
Deferred income	171	171	-	-
Lease liabilities	1,416	1,553	-	-
Borrowings- interest bearing	966	966	-	-
Income tax payable	6,217	5,279	-	-
	39,068	35,998	321	405
Non-current liabilities				
Deferred income	2,630	2,747	-	-
Lease liabilities	4,014	4,732	-	-
Borrowings- interest bearing	781	1,290	-	-
Deferred tax liabilities	387	426	-	-
	7,812	9,195	-	-
Total liabilities	46,880	45,193	321	405
Net assets	191,762	183,888	172,063	176,594
Share capital and reserves				
Share capital	163,838	163,838	163,838	163,838
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	2,182	2,562	-	-
Retained earnings	8,555	1,288	9,428	13,959
	174,724	167,837	172,063	176,594
Non-controlling interest	17,038	16,051	-	-
Total equity	191,762	183,888	172,063	176,594

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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

<u>Group</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Employee share option reserve</u>	<u>Foreign currency translation reserve</u>	<u>Retained earnings</u>	<u>Other reserves</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance as at 1 October 2023	163,838	(1,203)	634	560	2,562	1,288	158	167,837	16,051	183,888
Profit for the financial period	-	-	-	-	-	11,021	-	11,021	984	12,005
Other comprehensive income, net of tax	-	-	-	-	(380)	-	-	(380)	3	(377)
Total comprehensive income for the financial period	-	-	-	-	(380)	11,021	-	10,641	987	11,628
Dividends paid	-	-	-	-	-	(3,754)	-	(3,754)	-	(3,754)
Balance as at 31 March 2024	163,838	(1,203)	634	560	2,182	8,555	158	174,724	17,038	191,762
Balance as at 1 October 2022	156,300	(1,203)	634	560	3,721	(21,292)	158	138,878	12,784	151,662
Issuance of ordinary shares pursuant to exercise of warrants	7,538	-	-	-	-	-	-	7,538	-	7,538
Profit for the financial period	-	-	-	-	-	4,249	-	4,249	1,585	5,834
Other comprehensive income, net of tax	-	-	-	-	(3,066)	-	-	(3,066)	(517)	(3,583)
Total comprehensive income for the financial period	-	-	-	-	(3,066)	4,249	-	1,183	1,068	2,251
Balance as at 31 March 2023	163,838	(1,203)	634	560	655	(17,043)	158	147,599	13,852	161,451

D. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

	Group	
	1HFY2024	1HFY2023
	S\$'000	S\$'000
Cash flow from operating activities		
Profit before income tax	13,190	6,878
Adjustments for:		
Depreciation of right-of-use assets	835	190
Depreciation of property, plant and equipment	5,706	5,236
Bad debts recovered	(5)	(144)
Interest expense	120	55
Interest income	(1,203)	(773)
Share of profits in joint ventures	(86)	(86)
Gain on disposal of property, plant and equipment	(730)	(499)
Foreign exchange difference	(714)	2,561
Operating profit before working capital changes	17,113	13,418
Movement in working capital		
Inventories	(1,166)	(4,666)
Trade and other receivables	(2,661)	(7,971)
Contract assets	(61)	(3,515)
Trade and other payables	2,268	(1,269)
Cash generated from/(used in) operations	15,493	(4,003)
Income tax	(176)	(75)
Net cash generated from/(used in) operating activities	15,317	(4,078)
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,612)	(2,744)
Proceeds from disposal of property, plant and equipment	1,452	4,663
Repayment from a joint venture	1,203	2,122
Deposit paid for the purchase of property, plant and equipment	-	(5,759)
Net cash used in investing activities	(23,957)	(1,718)
Cash flows from financing activities		
Interest received	1,159	737
Proceeds from exercise of warrants	-	7,538
Repayment of lease liabilities	(921)	(180)
Repayment of term loans	(539)	(538)
Dividends paid to equity holders of the parent	(3,754)	-
Net cash (used in)/generated from financing activities	(4,055)	7,557
Net increase in cash and cash equivalents	(12,695)	1,761
Cash and cash equivalents at beginning of the period	61,285	51,635
Effect of exchange rate changes on cash and cash equivalents	(486)	(2,286)
Cash and cash equivalents at end of the financial period (Note 1)	48,104	51,110

Note 1

Cash and cash equivalent consist of:

Cash and bank balances	16,206	21,158
Fixed deposits	33,713	31,831
Total cash, bank balances and fixed deposits (as per statement of financial position)	49,919	52,989
Less: fixed deposits pledged	(1,815)	(1,879)
Cash and cash equivalent at the end of financial period (as per cash flow statement)	48,104	51,110

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 ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the Group).

The address of the Company's registered office and principal place of business is 1 Tai Seng Avenue, #06-13, Tai Seng Exchange Tower A, Singapore 536464 .

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 ended 31 March 2024 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 2023.

The accounting policies adopted are consistent with those of the 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 the Singapore Financial Reporting 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 2023.

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 period.

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

4.1 Business segments

	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
1HFY2024			
External revenue	32,864	28,707	61,571
Reportable segment results from operating activities	10,672	4,154	14,826
Share of profits in joint ventures	86	-	86
Finance income	484	21	505
Finance costs	(627)	(4)	(631)
Unallocated other corporate expenses, net			(1,596)
Profit before income tax			13,190
Income tax expense			(1,185)
Profit for the financial year			12,005
Reportable segment assets	157,720	58,901	216,621
Unallocated assets			22,021
Total assets			238,642
Reportable segment liabilities	17,448	27,076	44,524
Unallocated liabilities			2,356
Total liabilities			46,880
Capital expenditure	25,973	639	26,612

	Ship chartering services S\$'000	Ship building and repair services S\$'000	Total operations S\$'000
1HFY2023			
External revenue	24,533	31,411	55,944
Reportable segment results from operating activities	3,741	5,222	8,963
Share of profits in joint ventures	86	-	86
Finance income	184	84	268
Finance costs	(45)	(11)	(56)
Unallocated other corporate expenses, net			(2,383)
Profit before income tax			6,878
Income tax expense			(1,044)
Profit for the financial year			5,834
Reportable segment assets	117,606	56,957	174,563
Unallocated assets			22,249
Total assets			196,812
Reportable segment liabilities	9,885	21,919	31,804
Unallocated liabilities			3,557
Total liabilities			35,361
Capital expenditure	1,252	1,551	2,803

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	
	1H	1H	1H	1H	1H	1H	1H	1H
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Geographical markets^(a)								
Singapore	2,432	2,173	850	12,342	-	-	3,282	14,515
Indonesia	3,695	3,397	20,636	15,311	1,671	1,379	26,002	20,087
Taiwan	14,943	8,065	-	-	-	-	14,943	8,065
Thailand	8,547	7,077	4,200	-	-	-	12,747	7,077
Malaysia	3,247	3,820	823	107	-	-	4,070	3,927
Nauru	-	-	-	1,151	-	-	-	1,151
Others	-	-	527	1,122	-	-	527	1,122
Total	32,864	24,532	27,036	30,033	1,671	1,379	61,571	55,944
Goods or services transferred at a point in time	-	-	16,126	21,738	1,671	1,379	17,797	23,117
Goods or services transferred overtime	32,864	24,532	10,910	8,295	-	-	43,774	32,827
Total	32,864	24,532	27,036	30,033	1,671	1,379	61,571	55,944

^(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 31 March 2024 and 30 September 2023:

	The Group		The Company	
	31 March 2024	30 September 2023	31 March 2024	30 September 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Cash and bank balances, trade and other receivables and amounts due from joint ventures (Amortised cost)	84,459	97,503	166,888	172,646
Financial Liabilities				
Trade and other payables, lease liabilities and borrowings (Amortised cost)	37,475	35,814	321	405

6. Profit before income tax

Significant items

	Group		
	1HFY2024	1HFY2023	Change
	S\$'000	S\$'000	%
<u>Income</u>			
Interest income	1,203	773	55
Gain on disposal of property, plant and equipment	730	499	46
Sale of scrap materials	403	395	2
Insurance claim income	8	380	(98)
Bad debts recovered	5	144	(97)
<u>Expenses</u>			
Depreciation of property, plant and equipment	5,706	5,236	57
Net foreign currency exchange loss	851	4,038	(79)
Depreciation of right-of-use assets	835	190	NM
Legal and professional fees	238	101	NM
Interest expenses	120	55	NM

7. Income tax expense

	Group	
	1HFY2024	1HFY2023
	S\$'000	S\$'000
Current income tax		
- current financial year	1,173	1,044
- under provision in respect of prior year	51	-
	<u>1,224</u>	<u>1,044</u>
Deferred tax		
- Origination and reversal of temporary differences	(39)	-
	<u>1,185</u>	<u>1,044</u>
Income tax expense	<u><u>1,185</u></u>	<u><u>1,044</u></u>

8. Dividend

No dividend has been declared or recommended for the financial period ended 31 March 2024 (30 September 2023: S\$0.001 per ordinary share).

9. Net asset value

	Group		Company	
	31 March	30 September	31 March	30 September
	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value	<u>191,762</u>	<u>183,888</u>	<u>172,063</u>	<u>176,594</u>
Net asset value per ordinary share based on issued share capital (Singapore cents)	<u><u>5.1 cents</u></u>	<u><u>4.9 cents</u></u>	<u><u>4.6 cents</u></u>	<u><u>4.7 cents</u></u>

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10. Property, plant and equipment

During the financial period ended 31 March 2024, the Group acquired property, plant and equipment amounting to S\$26,612,000 (30 September 2023: S\$13,353,000) and disposed and wrote off assets amounting to S\$722,000 (30 September 2023: S\$2,279,000).

11. Borrowings

	Group		Company	
	31 March 2024 S\$'000	30 September 2023 S\$'000	31 March 2024 S\$'000	30 September 2023 S\$'000
<u>Amount repayable within one year, or in demand</u>				
Secured	966	966	-	-
<u>Amount repayable after one year</u>				
Secured	781	1,290	-	-

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

12. Share capital

	Group and Company			
	31 March 2024 Number of shares	30 September 2023 Number of shares	31 March 2024 S\$'000	30 September 2023 S\$'000
Issued and fully paid:				
At beginning of financial year/period	3,757,850,480	3,542,478,228	163,838	156,300
Exercise of warrants ⁽¹⁾	-	215,372,252	-	7,538
At end of financial year/period	3,757,850,480	3,757,850,480	163,838	163,838

(1) Issuance of 215,372,252 new shares at exercise price of S\$0.035 per share upon exercise of warrants during the period from 1 October 2022 to 30 September 2023. All ordinary shares were fully paid.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2024 and 30 September 2023.

13. Treasury shares

	Group and Company			
	31 March 2024		30 September 2023	
	Number of shares	S\$'000	Number of shares	S\$'000
At beginning/end of the financial year/period	4,201,400	1,203	4,201,400	1,203

	Group and Company	
	31 March 2024	30 September 2023
Total number of issued Shares (excluding treasury shares)	3,753,649,080	3,753,649,080

There are 4,201,400 treasury shares and a total of 3,538,276,828 issued shares (excluding treasury shares) as at 31 March 2024.

14. Subsequent events

There were no subsequent events in relation to the financial period ended 31 March 2024.

F. 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 31 March 2024 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 period ended 31 March 2024 and certain explanatory notes have not been audited or reviewed.

2. Review of financial performance of the Group

Our Group's revenues for 1HFY2024 (vis-à-vis 1HFY2023) were as follow:

	1HFY2024		1HFY2023		Change	
	S\$ m	%	S\$ m	%	S\$ m	%
Ship Chartering Operations	32.9	53	24.5	44	8.4	34
Ship Building & Repair Operations	28.7	47	31.4	56	(2.7)	(9)
	61.6	100	55.9	100	5.7	10

The Group recorded a revenue of S\$61.6 million in 1HFY2024, an increase of 10% from that of S\$55.9 million registered in 1HFY2023.

The revenue derived from the Ship Chartering Operations of the Group increased by 34% to S\$32.9 million in 1HFY2024 from S\$24.5 million in 1HFY2023. The increase was primarily attributed to higher charter rates achieved for its fleet of Offshore vessels in 1HFY2024 as compared to 1HFY2023. In addition, there was an increase in rechartering of 3rd party vessels in the current period.

The Ship Building & Repair Operations of the Group recorded a decrease in revenue to S\$28.7 million in 1HFY2024 from S\$31.4 million in 1HFY2023 mainly due to a decrease in ship repair volume which was partially offset by an increase in ship building activities.

The Group's gross profit increased to S\$22.2 million in 1HFY2024 from S\$17.7 million in 1HFY2023 with gross profit margin increasing to 36% in 1HFY2024 from 32% in 1HFY2023. The increase in gross profit was contributed by the rise in revenue from Ship Chartering operations and the improvement of gross profit margin was primarily driven by higher charter rates from Ship Chartering operations as well.

The Group's other operating income increased to S\$2.5 million in 1HFY2024 from S\$2.2 million in 1HFY2023, mainly due to increase in interest income by S\$0.4 million, an increase in gain on disposal of property, plant and equipment by S\$0.3 million which was partially offset by decrease in insurance claim income by S\$0.4 million.

The Group's administrative expenses increased to S\$8.2 million in 1HFY2024 from S\$5.6 million in 1HFY2023. The increase was mainly due to a rise in staff costs by S\$2.6 million, which resulted from an increase in performance based bonus payouts (with reference to prior year's performance) of S\$2.0 million and a rise in salaries of S\$0.6 million from the increase in staff headcount across the Group.

The Group's other operating expenses decreased to S\$3.3 million in 1HFY2024 from S\$7.5 million in 1HFY2023. The decrease was mainly due to a reduction in foreign exchange losses by S\$3.2 million which were predominately unrealised in nature.

The share of profits from the jointly controlled company maintained at S\$86,000 for both periods. This share of profits was mainly attributable to the profits recognised from the Group's joint venture Pelayaran Era Sdn Bhd.

As a result of the above, we registered a net profit attributable to owners of the Company of S\$11.0 million in 1HFY2024 compared to S\$4.2 million in 1HFY2023.

Excluding foreign exchange gains or losses, and one-off items the Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group increased to S\$18.8 million in 1HFY2024 from S\$15.5 million in 1HFY2023.

3. Review of financial position of the Group as at 31 March 2024 compared to that as at 30 September 2023

The non-current assets of the Group increased by S\$28.1 million to S\$137.6 million as of 31 March 2024 from S\$109.5 million as of 30 September 2023. The increase was mainly attributed to the addition of property, plant and equipment, partially offset with the depreciation of property, plant and equipment, depreciation of right-of-use assets and the repayment of amounts due from a joint venture.

Inventories of the Group increased by S\$1.1 million to S\$9.5 million as of 31 March 2024 from S\$8.4 million as of 30 September 2023, mainly attributed to purchase of equipment and raw materials for ship building projects.

Trade receivables of the Group decreased marginally by S\$0.2 million to S\$22.6 million as of 31 March 2024 from S\$22.8 million as of 30 September 2023. As disclosed in the Group's financial statements that was published in the FY2023 Annual Report which was prepared in accordance with SFRS(I), 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.

The Group's other receivables, deposits and prepayment decreased by S\$6.3 million to S\$15.4 million as at 31 March 2024 from S\$21.7 million as at 30 September 2023. The decrease was primarily due to a reduction in deposits paid for purchase of equipment related to shipbuilding projects.

The Group's trade payables increased by S\$0.7 million to S\$15.7 million as at 31 March 2024 from S\$15.0 million as at 30 September 2023. The increase was mainly related to the purchase of raw materials during the period for current ship building projects.

The Group's other payables and accruals increased by S\$1.6 million to S\$14.6 million as at 31 March 2024 from S\$13.0 million as at 30 September 2023. Other payables and accruals mainly consist of accrued operating expenses related to ship building and ship repair projects and the increase in other payables and accruals was mainly due to the increase in volume of such projects towards the end of the current financial period.

Lease liabilities of the Group decreased by S\$0.9 million to S\$5.4 million as at 31 March 2024 from S\$6.3 million from 30 September 2023. The decrease was mainly due to repayments made during the period.

The Group's interest-bearing loans decrease to S\$1.7 million as at 31 March 2024 from S\$2.3 million as at 30 September 2023 due to repayments being made by the Group.

The Group's income tax payable increased by S\$0.9 million to S\$6.2 million as at 31 March 2024 from S\$5.3 million as at 30 September 2023 primarily due to the accrual of taxable profits for the current financial period.

The Group reported a net cash generated from operating activities of S\$15.3 million for 1HFY2024, primarily attributed to better business performance during the current financial period. The net cash used in investing activities of S\$23.9 million for 1HFY2024 mainly due to the capital expenditure for the purchase of property, plant and equipment which was partially offset by the proceeds from disposal of property, plant and equipment and repayment received from a joint venture. The net cash used in financing activities of S\$4.1 million, primarily due to payment of dividends, repayment of term loans and lease liabilities which was partially offset by interest income received. Overall, the cash and cash equivalent of the Group decreased to S\$49.9 million as at 31 March 2024 as compared to S\$63.1 million as at 30 September 2023.

Following from the above:

- (i) the working capital of the Group decreased to S\$61.9 million as at 31 March 2024 from S\$83.5 million as at 30 September 2023;
- (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 31 March 2024 and 30 September 2023; and
- (iii) the net asset value per share of the Group increased to 5.1 cents as at 31 March 2024 from 4.9 cents as at 30 September 2023.

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 offshore and shipping industries are currently facing challenges due to geopolitical instabilities. This includes ongoing tensions in the Taiwan Straits and South China Sea, the Russo-Ukrainian war and the recent Israel-Hamas skirmish. Amid these uncertainties beyond its control, the offshore activities in oil and gas and wind markets continue to show growth and improvement in recent periods. In addition, the Group remains focused and committed to its strategic plan into expanding in the growing renewable energy sector.

For the ship chartering business, the OSV market remains robust due to high demand from offshore wind farms and the oil and gas industries. The Group anticipates this trend to persist and underpin higher average charter rates. In addition, the Group has recently secured the APAC CTV Framework Agreement with Siemens Gamesa as the Group looks to expand its presence in the offshore wind farm sector beyond Taiwan.

For the shipyard division, the outlook remains positive as the Group foresees ship repair volumes picking up with the stabilisation of China's reopening. As announced by the Company in September 2023, the Group is expanding its dry-docking capacity with the construction of the fourth dry dock to capitalise on the buoyant demand for ship repairs. To date, preliminary work has begun and the construction is scheduled to be completed in 1HFY2025. Shipbuilding activities are also expected to continue their momentum in relation to the construction of barges with progressive deliveries up to 1HFY2025.

With regards to the construction of our Commissioning Service Operation Vessel as announced in September last year, the physical construction of vessel is approximately 69% completed as at 31 March 2024 and the Group is targeting to commence operation of the CSOV in October 2024.

Looking ahead, the Group remains focused on expanding our footprint in the renewable energy and offshore wind farm sectors. The Company will release further updates on its business and operations on 15 May 2024.

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.

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- 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 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").

As at 31 March 2024, there are 2,830,000 2015 ESOS Options (30 September 2023: 2,830,000) outstanding which are capable of being exercised into Shares.

Save as disclosed, the Company has no outstanding convertibles as at 31 March 2024 and 30 September 2023.

The information on the changes in the Company's share capital and total number of issued ordinary shares can be found on page 10, Note 12 of this announcement.

7. 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.

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

No dividend has been declared for the six months ended 31 March 2024 by the Company as the declaration of dividends will be determined at year end.

9. 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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10. 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

13 May 2024