

CIRCULAR DATED 28 NOVEMBER 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Marco Polo Marine Ltd (the "**Company**"). If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the Company held through CDP, you need not forward this Circular with the Notice of EGM and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this Circular with the Notice of EGM and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements made, opinions expressed or reports contained in this Circular. Approval in-principle granted by the SGX-ST to the Company for the listing and quotation of the Investment Shares, the Warrants, the Warrant Shares, the Placement Shares and the Consideration Shares on the Mainboard of the SGX-ST is not to be taken as an indication of the merits of the Proposed Investment, the Proposed Warrants Issue, the Proposed Placement, the Proposed Fee Settlement, the Debt Restructuring Exercise, the Proposed Securities Issuance, the Investment Shares, the Warrants, the Warrant Shares, the Placement Shares, the Consideration Shares, the Shares, the Company and its subsidiaries.



MARCO POLO MARINE LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 200610073Z)

CIRCULAR TO SHAREHOLDERS

in relation to

- (I) **THE PROPOSED ISSUE AND ALLOTMENT OF UP TO 2,142,857,141 INVESTMENT SHARES TO CERTAIN PERSONS PURSUANT TO THE INVESTMENT AGREEMENTS ENTERED INTO FROM 11 SEPTEMBER 2017 TO 7 NOVEMBER 2017 AT AN ISSUE PRICE OF S\$0.028 FOR EACH INVESTMENT SHARE (THE "PROPOSED INVESTMENT")**;
- (II) **THE PROPOSED BONUS ISSUE OF 269,238,880 FREE WARRANTS TO EXISTING SHAREHOLDERS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) WARRANT SHARE AT THE EXERCISE PRICE OF S\$0.035 FOR EACH WARRANT SHARE, ON THE BASIS OF EIGHT (8) WARRANTS FOR EVERY 10 SHARES HELD BY THE SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "PROPOSED WARRANTS ISSUE")**;
- (III) **THE PROPOSED ISSUE AND ALLOTMENT OF UP TO 1,000,594,259 PLACEMENT SHARES TO NOTEHOLDERS, SCHEME CREDITORS, MPSY SCHEME CREDITORS AND CERTAIN UNSECURED CREDITORS PURSUANT TO THE DEBT RESTRUCTURING EXERCISE AT AN ISSUE PRICE OF S\$0.035 FOR EACH PLACEMENT SHARE (THE "PROPOSED PLACEMENT")**;
- (IV) **THE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO APRICOT CAPITAL PTE. LTD. OR A RELATED CORPORATION OF APRICOT CAPITAL PTE. LTD.) ARISING FROM THE PROPOSED SECURITIES ISSUANCE (THE "TRANSFER OF CONTROLLING INTEREST")**; AND
- (V) **THE PROPOSED ISSUE AND ALLOTMENT OF 57,142,857 CONSIDERATION SHARES (IN LIEU OF CASH PAYMENT) FOR THE SETTLEMENT OF CERTAIN PROFESSIONAL FEES AT AN ISSUE PRICE OF S\$0.035 FOR EACH CONSIDERATION SHARE (THE "PROPOSED FEE SETTLEMENT")**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 12 December 2017 at 10 a.m.
Date and time of Extraordinary General Meeting	: 14 December 2017 at 10 a.m.
Place of Extraordinary General Meeting	: Level 28 Gateway East 152 Beach Road, Singapore 189721

TABLE OF CONTENTS

DEFINITION	2
LETTER TO SHAREHOLDERS	11
1. INTRODUCTION	11
2. RECEIPT OF AIP FROM THE SGX-ST	12
3. THE DEBT RESTRUCTURING EXERCISE	13
4. THE PROPOSED INVESTMENT	15
5. THE PROPOSED PLACEMENT	23
6. THE PROPOSED WARRANTS ISSUE	24
7. RATIONALE FOR THE PROPOSED SECURITIES ISSUANCE	32
8. THE PROPOSED FEE SETTLEMENT	32
9. DIRECTORS' CONFIRMATION	33
10. FINANCIAL EFFECTS OF THE PROPOSED SECURITIES ISSUANCE AND THE PROPOSED FEE SETTLEMENT	33
11. BUSINESS PLAN AFTER COMPLETION OF THE DEBT RESTRUCTURING EXERCISE	35
12. INTERESTS IN THE SHARES	36
13. RECOMMENDATIONS BY THE DIRECTORS	42
14. EXTRAORDINARY GENERAL MEETING	42
15. ACTIONS TO BE TAKEN BY SHAREHOLDERS	42
16. DIRECTORS' RESPONSIBILITY STATEMENT	43
17. DOCUMENTS AVAILABLE FOR INSPECTION	43
APPENDIX A – INFORMATION ON THE GROUP	A-1
APPENDIX B – SUMMARY OF THE DEBT RESTRUCTURING EXERCISE	B-1
APPENDIX C – KEY TERMS AND CONDITIONS OF THE INVESTMENT	C-1
APPENDIX D – BACKGROUND INFORMATION ON THE INVESTORS	D-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“3Q2017”		Shall have the meaning ascribed to it in Section 10.1 of this Circular.
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore.
“AIP”	:	The approval in-principle more particularly described in Section 2 of this Circular.
“Apricot Capital Pte. Ltd.”	:	Apricot Capital Pte. Ltd. or its related corporation which has been nominated to subscribe for the relevant Investment Shares in place of Apricot Capital Pte. Ltd..
“associates”	:	Shall have the meaning ascribed to it in the Listing Manual.
“Board”	:	The board of directors of the Company as at the Latest Practicable Date.
“Books Closure Date”	:	The time and date, to be determined by the Directors and announced by the Company at a later date, at and on which the Register of Members and share transfer books of the Company will be closed to determine the allotments of Warrants of Entitled Scripholders and, in the case of Entitled Depositors, at and on which date their allotments of Warrants are determined, under the Proposed Warrants Issue.
“Business Day”	:	A day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) on which commercial banks are open for business in Singapore and “Business Days” shall be construed accordingly.
“CDP”	:	The Central Depository (Pte) Limited.
“Chief Executive Officer”	:	The chief executive officer for the time being of the Company.
“Circular”	:	This circular to the Shareholders dated 28 November 2017 issued by the Company.
“Closing”	:	The financial closing of the Proposed Investment pursuant to which the Investors shall complete the subscription of the Investment Shares against payment of the Investment Sums in accordance with the terms set out in the Investment Agreements on the Completion Date.
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time.
“Completion”	:	The completion of the Debt Restructuring Exercise which includes, amongst others, the issuance of the Placement Shares in accordance with the terms of the Scheme and the MPSY Scheme, the Consent Solicitation Exercise, and the issue of the Investment Shares in accordance with the terms of the Investment Agreements.
“Completion Date”	:	The date of completion of the Debt Restructuring Exercise, being the fifth (5 th) Business Day immediately after the Effective Date, or such other date as may be determined by

DEFINITIONS

		the Company with the consent of the Investors (such consent not to be unreasonably withheld or delayed), and which date shall also be the date of Closing of the Proposed Investment.
“Conditions”	:	Shall have the meaning ascribed to it in Section 4.6 of this Circular and “Condition” shall be construed accordingly.
“Constitution”	:	The constitution of the Company, as amended, supplemented or modified from time to time.
“Consent Solicitation Exercise”		Shall have the meaning ascribed to it in Section 3.2(c) of this Circular.
“Consent Solicitation Statement”	:	The statement issued to the Noteholders in connection with the Consent Solicitation Exercise.
“Consideration Share Price”	:	Shall have the meaning ascribed to it in Section 8.1 of this Circular (i.e., the issue price of S\$0.035 per Consideration Share).
“Consideration Shares”	:	The new Shares to be issued and allotted (in lieu of cash payment) to RSM Corporate Advisory Pte. Ltd. pursuant to the Proposed Fee Settlement, and each a “Consideration Share” .
“Court”	:	The High Court of the Republic of Singapore.
“Debt Restructuring Exercise”	:	Shall have the meaning ascribed to it in Section 3.1 of this Circular.
“Directors”	:	The directors of the Company as at the Latest Practicable Date and “Director” shall be construed accordingly.
“Effective Date”	:	The latest of: (a) the date on which the Scheme becomes effective in accordance with the terms of the Scheme, being the date on which a copy of the Scheme Court Order is lodged with ACRA pursuant to the Companies Act or such earlier date as the Court may determine and as may be specified in the Scheme Court Order; (b) the date on which the MPSY Scheme becomes effective in accordance with the terms of the MPSY Scheme, being the date on which a copy of the MPSY Scheme Court Order is lodged with ACRA pursuant to the Companies Act or such earlier date as the Court may determine and as may be specified in the Scheme Court Order; (c) the date on which the settlement and full discharge of all outstanding debts and liabilities owing to Noteholders become effective in accordance with the terms and conditions of the Consent Solicitation Exercise; (d) the date on which the PKPU Restructuring is completed; or (e) the date on which the PT BBR Intercreditor Agreement takes effect.
“Effective Investment Share Price”	:	The Investment Sum divided by the total number of Investment Shares less the total number of the Management Award Shares.
“EGM”	:	The extraordinary general meeting of the Company to be held on 14 December 2017 at 10 a.m. at Level 28 Gateway East, 152 Beach Road, Singapore 189721, the notice of which is set out on pages N-1 to N-4 of this Circular.

DEFINITIONS

“Encumbrance”	:	Any mortgage, charge, lien, pledge, option, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including a retention of title arrangement, and “Encumbrances” shall be construed accordingly.
“Enlarged Share Capital”	:	Based on the Existing Share Capital, the enlarged share capital of the Company (excluding treasury shares) as at Closing of the Proposed Investment, assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares) and the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares) (being approximately S\$155,747,898 comprising 3,480,000,000 Shares). For the avoidance of doubt, the definition of “Enlarged Share Capital” does not take into consideration the Proposed Warrants Issue (and the issue of the Warrants and the Warrant Shares) and the Proposed Fee Settlement.
“Entitled Depositors”	:	The Shareholders with Shares standing to the credit of their Securities Accounts as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.
“Entitled Key Personnel Group”	:	Shall have the meaning ascribed to it in Section 4.2 of this Circular.
“Entitled Scripholders”	:	The Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.
“Entitled Shareholders”	:	The Entitled Depositors and the Entitled Scripholders.
“EPS”		Earnings per Share.
“Excluded Entities”	:	Shall have the meaning ascribed to it in Section 3.2(iii) of this Circular.
“Exercise Period”	:	The period during which the Warrants may be exercised commencing on and including the date six (6) months from the date of listing of the Warrants on the SGX-ST and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, but excluding such period(s) during which the register of

DEFINITIONS

		Warrantholders of the Company may be closed pursuant to the terms and conditions of the Warrants set out in the Warrants Deed Poll.
“Exercise Price”	:	The sum payable in respect of each Warrant Share to which a Warrantholder will be entitled to subscribe upon the exercise of a Warrant, being S\$0.035, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Warrants Deed Poll.
“Existing Share Capital”	:	The issued and paid-up share capital of the Company (excluding treasury shares) as at the Latest Practicable Date (being approximately S\$60,727,099 comprising 336,548,600 Shares).
“Existing Shareholders”	:	The Shareholders of the Company prior to the issue and allotment of any Investment Shares, Placement Shares, Warrants, Warrant Shares or Consideration Shares.
“First Tranche Management Award Shares”	:	The first 5% Management Award Shares (i.e., one-third of the total number of Management Award Shares) to be issued and allotted to the Key Management Personnel upon the execution of the relevant service agreements between the Company and each Key Management Personnel pursuant to the terms and conditions of the Investment Agreements. Please refer to Paragraph 3 of <u>Appendix C</u> of this Circular for further details on the Management Award Shares.
“Foreign Shareholders”	:	The Shareholders of the Company with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Company, as the case may be, addresses in Singapore for service of notices and documents.
“Fully Enlarged Share Capital”	:	Based on the Existing Share Capital, the fully enlarged share capital of the Company (excluding treasury shares) as at Closing of the Proposed Investment, assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares), the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares), up to 269,238,880 Warrant Shares (assuming the exercise of all 269,238,880 Warrants) and 57,142,857 Consideration Shares (being approximately S\$167,171,259 comprising 3,806,381,737 Shares).
“FY”	:	Financial year ended or ending (as the case may be) 30 September of a particular year as stated.
“Group”	:	The Company and its subsidiaries.
“Incentive Amount”	:	Shall have the meaning ascribed to it in Section 4.2 of this Circular.
“Incentive Plan”	:	Shall have the meaning ascribed to it in Section 4.2 of this Circular.
“Investment Agreements”	:	The various agreements entered into from 11 September 2017 to 7 November 2017 between the Company and the Investors, pursuant to which the Company agreed to issue, and the Investors agreed to subscribe for, the Investment Shares.

DEFINITIONS

“Investment Shares”	:	The new Shares to be issued and allotted to the Investors pursuant to the Proposed Investment and the Investment Agreements, and each an “Investment Share” .
“Investment Share Price”	:	Shall have the meaning ascribed to it in Section 4.2 of this Circular (i.e., the issue price of S\$0.028 per Investment Share).
“Investment Sum”	:	The total subscription price payable by an Investor under the relevant Investment Agreement and “Investment Sums” shall be construed accordingly.
“Investors”	:	The persons who have entered into the Investment Agreements to subscribe for Investment Shares, and each, an “Investor” .
“Key Management Personnel”	:	The key management personnel of the Company (as approved by the Investors after taking into consideration the recommendations of the Chief Executive Officer of the Company).
“Latest Practicable Date”	:	24 November 2017, being the latest practicable date prior to the printing of this Circular.
“Long Stop Date”	:	28 February 2018, or such other date as the Company and the Investors may agree in writing.
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
“LPS”	:	Loss per Share.
“Management Award Shares”	:	The Shares to be awarded to the Key Management Personnel pursuant to the Investment Agreements under which each Investor has undertaken to set aside a proportion of the Investment Shares (pro rata to the quantum that its proportion of the Investment Shares bears to the total number of Investment Shares subscribed to by all the Investors pursuant to the Proposed Investment), and each a “Management Award Share” . Please refer to Paragraph 3 of <u>Appendix C</u> of this Circular for further details on the Management Award Shares.
“Market Day”	:	A day on which the SGX-ST is open for trading of securities.
“Maximum No. of Investment Shares”	:	Up to 2,142,857,141 Investment Shares, being the maximum number of Investment Shares issued and allotted or to be issued and allotted pursuant to the Investment Agreements collectively.
“Maximum No. of Placement Shares”	:	Up to 1,000,594,259 Placement Shares, being the maximum number of Placement Shares issued and allotted pursuant to the Debt Restructuring Exercise.
“Maximum Valuation Limit”	:	Shall have the meaning ascribed to it in Section 4.4(i) of this Circular.
“MPSY”	:	Marco Polo Shipyard Pte. Ltd..

DEFINITIONS

“MPSY Scheme”	:	Shall have the meaning ascribed to it in Section 3.2(b) of this Circular.
“MPSY Scheme Creditors”	:	The creditors of MPSY placed or proposed to be placed under and bound by the MPSY Scheme.
“Notes”	:	The Series 001 \$50,000,000 5.75% Fixed Rate Notes due 2016 issued by the Company.
“Noteholders”	:	The holders of the Notes.
“Notice of EGM”	:	The notice of the EGM dated 28 November 2017 as set out on pages N-1 to N-4 of this Circular.
“NTA”	:	Net tangible assets of the Company attributable to the Shareholders.
“Operating EBITDA”	:	Earnings <u>before</u> interest, tax, depreciation, amortisation, minority interests, any gain or loss from extraordinary items, any write-backs arising from any recovery of debts provided for or written off, any fair value and revaluation adjustments on the property, plant and equipment of the Group and any realised gains from the sales of the current fleet of offshore supply vessels owned by the Group.
“Ordinary Resolutions”	:	The ordinary resolutions set out in the Notice of EGM.
“PKPU Creditors”	:	The creditors of PTMS placed or proposed to be placed under and bound by the PKPU Restructuring.
“PKPU Secured Creditors”	:	The secured creditors of PTMS placed or proposed to be placed under and bound by the PKPU Restructuring.
“PKPU Restructuring”	:	Shall have the meaning ascribed to it in Section 3.2(d) of this Circular.
“Placement Shares”	:	The new Shares to be issued and allotted to the Scheme Creditors, the MPSY Scheme Creditors, the Noteholders and the Unsecured Creditors pursuant to the Proposed Placement and the Debt Restructuring Exercise, and each a “Placement Share” .
“Placement Share Price”	:	Shall have the meaning ascribed to it in Section 5.2 of this Circular (i.e., the issue price of S\$0.035 per Placement Share).
“Previous Announcements”	:	Shall have the meaning ascribed to it in Section 1.1 of this Circular.
“Proposed Fee Settlement”	:	The issue and allotment of 57,142,857 Consideration Shares at the Consideration Share Price for the payment of the professional fees of RSM Corporate Advisory Pte. Ltd., subject to completion of the Debt Restructuring Exercise being successful.
“Proposed Investment”	:	The subscription by the Investors of the Investment Shares at the Investment Share Price amounting to an aggregate purchase price of S\$60.0 million, subject to the terms and conditions contained in the Investment Agreements.

DEFINITIONS

“Proposed Placement”	:	The issue and allotment of up to the Maximum No. of Placement Shares at the Placement Share Price as partial settlement of the obligations and liabilities due and owing to the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders.
“Proposed Securities Issuance”	:	Shall have the meaning ascribed to it in Section 1.2 of this Circular and for the avoidance of doubt, excludes the issue and allotment of the Consideration Shares pursuant to the Proposed Fee Settlement.
“Proposed Warrants Issue”	:	The proposed issue of the Warrants on the basis of eight (8) Warrants for every 10 existing Shares held by the Shareholders at the Books Closure Date, fractional entitlements to be disregarded, subject to the terms and conditions of the Warrants Deed Poll.
“Proxy Form”	:	The form of the proxy form as set out in this Circular.
“PTMS”	:	PT Marcopolo Shipyard.
“PT BBR”	:	PT Pelayaran Nasional Bina Buana Raya Tbk.
“PT BBR Intercreditor Agreement”	:	The intercreditor agreement or such legally binding document to be entered into, on terms reasonably acceptable to the Investors, by and among certain secured creditors of PT BBR together with PT BBR in connection with the restructuring of the secured debts of PT BBR.
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company), on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.
“Register of Members”	:	The register of members containing the names and addresses of the members of the Company.
“Remaining Liabilities”	:	Shall have the meaning ascribed to it in Section 9 of this Circular.
“Remuneration Committee”	:	The remuneration committee of the Company constituted by the Board.
“Scheme”	:	Shall have the meaning ascribed to it in Section 3.2(a) of this Circular.
“Scheme Creditors”	:	The creditors of the Company placed or proposed to be placed under and bound by the Scheme.
“Scheme Court Order”	:	The order or orders of the Court sanctioning the Scheme and the MPSY Scheme.
“Scheme Documents”	:	The documents relating to the Scheme and/or the MPSY Scheme.

DEFINITIONS

“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent and “Securities Accounts” shall be construed accordingly.
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	Registered holders of the Shares, including Depositors whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST, and “Shareholder” shall be construed accordingly.
“Shares”	:	Ordinary shares in the capital of the Company, and each, a “Share” .
“Share Registrar”	:	B.A.C.S. Private Limited.
“Substantial Shareholders”	:	A person who has an interest or interests in voting Shares in the Company representing not less than 5% of all the voting Shares of the Company, as defined under Section 81 of the Companies Act.
“Transfer Form”		Shall have the meaning ascribed to it in Section 6.2 of this Circular.
“Transfer of Controlling Interest”	:	The transfer of controlling interest (as defined in the Listing Manual) in the Company to Apricot Capital Pte. Ltd. arising from the Proposed Securities Issuance.
“Unsecured Creditors”	:	Creditors to whom unsecured debts and liabilities are due and owing from the Group, such debts and liabilities being made subject-matter of the Scheme and/or the MPSY Scheme.
“VWAP”	:	Volume weighted average price.
“Warrant Agent”	:	B.A.C.S. Private Limited.
“Warrant Shares”		The new Shares which may be issued and allotted to the Warrantholders from time to time pursuant to the exercise of the Warrants in accordance with the terms and conditions of the Warrants Deed Poll, and each a “Warrant Share” .
“Warrantholders”	:	Registered holders of the Warrants except that where CDP is the registered holder, the term “Warrantholders” shall, in relation to such Warrants and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Warrants.
“Warrants”	:	The free warrants in registered form to be issued and allotted by the Company pursuant to the Proposed Warrants Issue and the Warrants Deed Poll, and where the context so admits, such additional warrants as may be permitted to be issued by the Company in accordance with the terms and conditions of the Warrants Deed Poll (any such additional warrants to rank <i>pari passu</i> with the Warrants to be issued pursuant to the Proposed Warrants Issue and for all purposes to form part of the same

DEFINITIONS

series), and each a **“Warrant”**, and each such Warrant entitling its holder to subscribe for one (1) Warrant Share at the Exercise Price, subject to the terms and conditions of the Warrants Deed Poll.

“Warrants Deed Poll”

The deed poll to be executed by the Company, constituting the Warrants (as the same may be amended or supplemented from time to time) and containing, *inter alia*, provisions for the protection of the rights and interests of the Warrantholders.

Currencies and Units of Measurement

“S\$” and “cents” : Singapore dollars and cents, respectively, being the lawful currency of Singapore.

“per cent.” or “%” : Per centum or percentage.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or the SFA or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the Listing Manual or the SFA or any modification thereof, as the case may be, unless the context otherwise requires.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the figures included in this Circular between the listed amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be arithmetic aggregations of the figures that precede them.

Any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS

MARCO POLO MARINE LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200610073Z)

Directors:

Lee Wan Tang (Executive Chairman)
Sean Lee Yun Feng (Chief Executive Officer)
Liely Lee (Executive Director)
Lai Qin Zhi (Non-Executive Director)
Lim Han Boon (Lead Independent Director)
Peter Sim Swee Yam (Independent Director)
Kelvin Lee Kiam Hwee (Independent Director)

Registered Office:

66 Kallang Pudding Road
#05-01 Hor Kew
Business Centre,
Singapore 349324

28 November 2017

To: The Shareholders of Marco Polo Marine Ltd

Dear Sir / Madam

- (I) THE PROPOSED ISSUE AND ALLOTMENT OF UP TO 2,142,857,141 INVESTMENT SHARES TO CERTAIN PERSONS PURSUANT TO THE INVESTMENT AGREEMENTS ENTERED INTO FROM 11 SEPTEMBER 2017 TO 7 NOVEMBER 2017 AT AN ISSUE PRICE OF S\$0.028 FOR EACH INVESTMENT SHARE;
- (II) THE PROPOSED BONUS ISSUE OF 269,238,880 FREE WARRANTS TO EXISTING SHAREHOLDERS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) WARRANT SHARE AT THE EXERCISE PRICE OF S\$0.035 FOR EACH WARRANT SHARE, ON THE BASIS OF EIGHT (8) WARRANTS FOR EVERY 10 SHARES HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;
- (III) THE PROPOSED ISSUE AND ALLOTMENT OF UP TO 1,000,594,259 PLACEMENT SHARES TO NOTEHOLDERS, SCHEME CREDITORS, MPSY SCHEME CREDITORS AND CERTAIN UNSECURED CREDITORS PURSUANT TO THE DEBT RESTRUCTURING EXERCISE AT AN ISSUE PRICE OF S\$0.035 FOR EACH PLACEMENT SHARE;
- (IV) THE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO APRICOT CAPITAL PTE. LTD. OR A RELATED CORPORATION OF APRICOT CAPITAL PTE. LTD.) ARISING FROM THE PROPOSED SECURITIES ISSUANCE; AND
- (V) THE PROPOSED ISSUE AND ALLOTMENT OF 57,142,857 CONSIDERATION SHARES (IN LIEU OF CASH PAYMENT) FOR THE SETTLEMENT OF CERTAIN PROFESSIONAL FEES AT AN ISSUE PRICE OF S\$0.035 FOR EACH CONSIDERATION SHARE

1. INTRODUCTION

1.1 Overview

The Board refers to the following previous announcements of the Company (the “**Previous Announcements**”):

- (a) dated 13 April 2017 in connection with, *inter alia*, the Debt Restructuring Exercise;
- (b) dated 18 May 2017 in connection with, *inter alia*, the Scheme and the MPSY Scheme;
- (c) dated 8 November 2017 in connection with, *inter alia*, the Debt Restructuring Exercise, the Proposed Securities Issuance, the Transfer of Controlling Interest and the Proposed Fee Settlement;

LETTER TO SHAREHOLDERS

- (d) dated 15 November 2017 in relation to the announcement of the outcome of the vote by the Noteholders on the proposals tabled under the Consent Solicitation Exercise;
- (e) dated 16 November 2017 in relation to the announcement of the outcome of the vote by the relevant creditors on the Scheme and MPSY Scheme;
- (f) dated 21 November 2017 in connection with the applications submitted for the sanction of the Scheme and the MPSY Scheme; and
- (g) dated 24 November 2017 in connection with the receipt of the approval-in-principle (the “AIP”) from the SGX-ST for the listing and quotation of up to 2,142,857,141 Investment Shares, up to 1,000,594,259 Placement Shares, up to 269,238,880 Warrants, up to 269,238,880 Warrant Shares and 57,142,857 Consideration Shares pursuant to the Proposed Securities Issuance and the Proposed Fee Settlement.

Copies of the Previous Announcements are available on the website of the SGX-ST at <http://www.sgx.com>.

1.2 Purpose of this Circular

The Directors are convening an extraordinary general meeting to be held on 14 December 2017 at 10 a.m. at Level 28 Gateway East, 152 Beach Road, Singapore 189721 (the “EGM”) to seek approval from the Shareholders pursuant to Section 161 of the Companies Act as well as Rule 803 and Rule 805 of the Listing Manual for the Proposed Investment (which will result in the Transfer of Controlling Interest to one of the Investors), the Proposed Placement and the Proposed Warrants Issue (collectively, the “**Proposed Securities Issuance**”), as well as the Proposed Fee Settlement.

The purpose of this Circular is to provide the Shareholders with relevant information relating to the Proposed Securities Issuance, the Transfer of Controlling Interest and the Proposed Fee Settlement, and to seek approval from the Shareholders in relation thereto at the EGM. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose. The Notice of EGM is set out on Pages N-1 to N-4 of this Circular.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.

2. RECEIPT OF AIP FROM THE SGX-ST

On 24 November 2017, the Company announced that it had received the AIP from the SGX-ST for the listing and quotation of up to 2,142,857,141 Investment Shares, up to 1,000,594,259 Placement Shares, up to 269,238,880 Warrants, up to 269,238,880 Warrant Shares and 57,142,857 Consideration Shares pursuant to the Proposed Securities Issuance and the Proposed Fee Settlement subject to, *inter alia*, the following conditions:

- (a) compliance with the SGX-ST’s listing requirements;
- (b) the approval of the Shareholders for the Proposed Securities Issuance (including the Transfer of Controlling Interest) and the Proposed Fee Settlement having been obtained;
- (c) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds to be raised from the Proposed Investment and the Proposed Warrants Issue (assuming all the Warrants are issued and exercised) and where such proceeds are to be used for working capital purposes, a breakdown with specific details will be disclosed in the relevant announcement and the annual report;

LETTER TO SHAREHOLDERS

- (d) a written confirmation from the Company that it will comply with Rule 803 of the Listing Manual in relation to the transfer of controlling interest in the Company;
- (e) a written confirmation from the Company that it will not issue the Investment Shares, the Placement Shares and the Consideration Shares to prohibited persons as set out in Rule 812(1) of the Listing Manual;
- (f) a written confirmation from the Company that the terms of the Proposed Warrants Issue comply with Rule 829(1) of the Listing Manual;
- (g) a written undertaking from the Company to announce any adjustments made in respect of the Warrants pursuant to Rule 829(1) of the Listing Manual;
- (h) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual in relation to alterations to the terms of the Proposed Warrants Issue; and
- (i) a written confirmation from the Company that there will be sufficient spread of holdings of the Warrants to provide for an orderly market for the listing of the Warrants as required under Rule 826 of the Listing Manual.

The AIP is not an indication of the merits of the Proposed Investment, the Proposed Warrants Issue, the Proposed Placement, the Proposed Fee Settlement, the Debt Restructuring Exercise, the Proposed Securities Issuance as a whole, the Investment Shares, the Warrants, the Warrant Shares, the Placement Shares, the Consideration Shares, the Shares, the Company and its subsidiaries. The Company will proceed to satisfy the conditions of the AIP and provide the relevant disclosures in due course.

3. THE DEBT RESTRUCTURING EXERCISE

- 3.1 The Company intends to undertake a refinancing and debt restructuring exercise of itself and two of its subsidiaries, MPSY and PTMS, and an associated company, PT BBR, of all of its current secured and certain unsecured debts (excluding, if deemed necessary by the Company, trade debts incurred or to be incurred in the ordinary course of business), as well as the outstanding debts and liabilities under the Notes issued by the Company, to strengthen its cash flow and working capital position as well as to enable the Company to continue as a going concern (the “**Debt Restructuring Exercise**”). Further details on the Group are set out in Appendix A of this Circular.
- 3.2 The Debt Restructuring Exercise, a summary of which is set out in Appendix B of this Circular, is proposed to be primarily carried out by way of the following:
 - (a) a scheme of arrangement on terms acceptable to the Investors pursuant to Section 210 of the Companies Act to be entered into between the Company and the Scheme Creditors (the “**Scheme**”). The Scheme was approved by the requisite majority of the Scheme Creditors on 16 November 2017 and the court hearing for the sanctioning of the Scheme is scheduled to be held on 30 November 2017;
 - (b) a scheme of arrangement pursuant to Section 210 of the Companies Act to be entered into between MPSY and the MPSY Scheme Creditors (the “**MPSY Scheme**”). The MPSY Scheme was approved by the requisite majority of the MPSY Scheme Creditors on 16 November 2017 and the court hearing for the sanctioning of the MPSY Scheme is scheduled to be held on 30 November 2017;
 - (c) a consent solicitation exercise to deal with and obtain consensual agreement for the settlement and full discharge of all outstanding debts and liabilities owing to the Noteholders under the Notes (the “**Consent Solicitation Exercise**”). The Consent Solicitation Exercise was approved by the requisite majority of the Noteholders on

LETTER TO SHAREHOLDERS

15 November 2017 and a supplemental trust deed will be executed by, *among others*, the Company and the trustee (for the Noteholders) to provide for the relevant amendments to the trust deed that are necessary to achieve the aforesaid settlement and full discharge of all outstanding debts and liabilities owing under the Notes;

- (d) the “*Penundaan Kewajiban Pembayaran Utang*” Indonesian court-supervised debt restructuring proceedings commenced by PTMS on 18 May 2017 in accordance with Indonesian Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment (the “**PKPU Restructuring**”). Pursuant to this application, a team of administrators has been designated to assist PTMS in managing its assets. The terms of the PKPU Restructuring are currently being determined and are subject to final acceptance by the relevant creditors as well as the approval of the Indonesian court; and
- (e) the restructuring of the secured debts of PT BBR via the PT BBR Intercreditor Agreement on terms ensuring that PT BBR is able to continue as a going concern post-Completion of the Debt Restructuring Exercise. The terms of the PT BBR Intercreditor Agreement are currently being determined and are subject to negotiations with and final acceptance by the relevant creditors.

The Company has proposed to include only the Company, MPSY, PTMS and PT BBR in the Debt Restructuring Exercise for the following reasons:

- (i) a substantial portion (i.e., more than 80%) of the debts and liabilities overdue and payable are with the Company, MPSY, PTMS and PT BBR;
- (ii) except for debts and liabilities due and payable to: (1) the advisers and professional parties supporting the Group in the Debt Restructuring Exercise; (2) other parties who provide or charge for essential operating and regulatory services of a recurring nature; and (3) certain entities related to the Group who have agreed to subordinate their claims, all the debts and liabilities due and payable by the Company, MPSY, PTMS and PT BBR are made subject to the Debt Restructuring Exercise. In order to continue with the engagement of and receiving support from the aforesaid advisers, professional parties and service providers, the Group has agreed not to subject their fees and costs to the Debt Restructuring Exercise;
- (iii) whilst the rest of the entities within the Group (the “**Excluded Entities**”) have and would have debts and liabilities that remain unpaid from now till the Completion of the Debt Restructuring Exercise, such debts and liabilities are either current or of amounts that the Group, barring any unforeseen circumstances, would be able to settle and discharge fully using either the proceeds from the Proposed Investment or the internal funds available from the ordinary course of business of the Group;
- (iv) further, after taking into consideration: (1) the respective amount of debts and liabilities owed or owing by the Excluded Entities; (2) the number of the Excluded Entities; (3) the total amount of such debts and liabilities being within the ability of the Group to settle and discharge in full (as noted in the preceding sub-section 3.2(iii)); and (4) the likelihood of success as well as the costs associated with implementing any refinancing and debt restructuring of such debts and liabilities, the Company has concluded that the costs of including the Excluded Entities in the Debt Restructuring Exercise outweigh the benefits of doing so. Accordingly, the Debt Restructuring Exercise as proposed includes only the Company, MPSY, PTMS and PT BBR. Details of the principal amounts, interest and other amounts owing to each group of creditors as well as the amounts to be repaid and waived in respect of such debts and liabilities are set out in Appendix B of this Circular.

- 3.3 It is intended that pursuant to the Debt Restructuring Exercise, the Company will discharge its obligations to the Scheme Creditors, the MPSY Scheme Creditors, the Noteholders and the

LETTER TO SHAREHOLDERS

PKPU Creditors through repayment in part using the cash proceeds to be raised through the Proposed Investment and in part by way of the issue and allotment by the Company of the Placement Shares. Subject to the grant of the requisite approvals from, amongst others, the Shareholders, the Scheme Creditors, the MPSY Scheme Creditors, the Noteholders and the PKPU Creditors, the Company proposes to raise equity funding in an aggregate amount of S\$60,000,000 and has requested the Investors to subscribe for the Investment Shares on the terms and conditions contained in the relevant Investment Agreements. A summary of the key terms and conditions of the Investment Agreements are set out in Appendix C of this Circular.

- 3.4 Barring unforeseen circumstances or delay, the remaining key milestones and indicative timeline in relation to the Debt Restructuring Exercise are as follows:

Date	Event
30 November 2017	Court hearing in respect of the Scheme and the MPSY Scheme
By mid-December 2017	EGM
By mid-December 2017	Finalisation of the terms of the PKPU Restructuring
By mid-December 2017	Finalisation of the terms of the PT BBR Intercreditor Agreement
By early-January 2018	Closing and conclusion of the Debt Restructuring Exercise, including completion of the Proposed Investment (which will result in the Transfer of Controlling Interest to one of the Investors, namely, Apricot Capital Pte. Ltd.), the Proposed Warrants Issue, the Proposed Placement and the Proposed Fee Settlement

4. THE PROPOSED INVESTMENT

4.1 Background of the Proposed Investment

The Debt Restructuring Exercise, as proposed and tabled for consideration by the affected creditors of the Company and two of its subsidiaries, MPSY and PTMS, and an associated company, PT BBR, includes, amongst others, the partial settlement of the outstanding debts and liabilities due and owing to the affected creditors of the Company by way of cash. In addition, in order for the Group to continue to operate as a going concern following completion of the Debt Restructuring Exercise, the Company requires fresh funding to meet its working capital requirements. Accordingly, the Company is proposing an equity fund-raising exercise as a component of the Debt Restructuring Exercise to raise an aggregate amount of S\$60,000,000. As at the date of this Circular, the Board is pleased to note that the Company has entered into several Investment Agreements with Investors with a total commitment by such Investors to subscribe for the Investment Shares at an aggregate subscription price of S\$60,000,000 pursuant to the terms and conditions of each relevant Investment Agreement. Please note that the implementation of the Proposed Investment (which will result in the Transfer of Controlling Interest to one of the Investors, namely, Apricot Capital Pte. Ltd.) is subject, among others, to approval from the Shareholders being obtained in respect of the Proposed Placement and the Proposed Warrants Issue as they are each an integral part of the Debt Restructuring Exercise. Accordingly, all of these matters have been set out in a single Ordinary Resolution in the Notice of EGM.

The rationale for the Proposed Investment is set out in Section 7 of this Circular.

LETTER TO SHAREHOLDERS

4.2 Terms of the Proposed Investment

The number of the Investment Shares to be subscribed for by each of the Investors is as follows:

Investor	Investment Sum (S\$)	Number of Investment Shares	Investment Shares as a Percentage of the Fully Enlarged Share Capital ⁽¹⁾⁽²⁾	Investment Shares less the First Tranche Management Award Shares as a Percentage of the Fully Enlarged Share Capital ⁽¹⁾⁽³⁾
Apricot Capital Pte. Ltd.	20,000,000	714,285,714	18.77%	17.83%
Azure All-Star Fund Pte. Ltd.	2,500,000	89,285,714	2.35%	2.23%
Chua Chuan Leong Ventures Pte. Ltd.	5,000,000	178,571,428	4.69%	4.46%
Lim Chap Huat	5,000,000	178,571,428	4.69%	4.46%
Singapore Enterprises Private Limited	5,000,000	178,571,428	4.69%	4.46%
Yanlord Capital Pte. Ltd.	10,000,000	357,142,857	9.38%	8.91%
Penguin International Limited	10,000,000	357,142,857	9.38%	8.91%
Ho Lee Group Pte Ltd (or its nominated subsidiary)	1,500,000	53,571,429	1.41%	1.34%
Low See Ching	1,000,000	35,714,286	0.94%	0.89%
Total	60,000,000	2,142,857,141	56.30%	53.49%

Notes:-

- (1) Based on the number of the Investment Shares held by each of the Investors divided by the Fully Enlarged Share Capital (i.e., 3,806,381,737 Shares).
- (2) The Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares) represent in aggregate 636.72% of the Company's Existing Share Capital (i.e., 336,548,600 Shares).
- (3) The Management Award Shares are granted in tranches to the Key Management Personnel pursuant to the Investment Agreements under which each Investor has undertaken to set aside a proportion of the Investment Shares. Please refer to Paragraph 3 of Appendix C of this Circular for further details on the Management Award Shares.

Under the terms of each of the Investment Agreements, the Company has agreed with the relevant Investors to issue and allot, and each such Investor has agreed to subscribe for, the number of the Investment Shares stated against each Investor's name in the table above at an issue price of S\$0.028 per Investment Share (the "**Investment Share Price**"), the aggregate of the Investment Sums being equal to S\$60,000,000, payable in cash on Closing.

In addition, the Investors have agreed that after completion of the Debt Restructuring Exercise, the Company shall implement a cash incentive plan (the "**Incentive Plan**") for the Key Management Personnel on a profit-sharing basis. Depending on the Operating EBITDA achieved by the Group based on its audited accounts, the Company may distribute to the Key Management Personnel, in the aggregate, a sum equal to the amount calculated in

LETTER TO SHAREHOLDERS

accordance with the second column of the table in Paragraph 3.3 of Appendix C corresponding to the relevant Operating EBITDA amount, in cash (the **"Incentive Amount"**). The Incentive Plan shall expire on the earlier of: (a) the tenth (10th) Business Day from the issuance of the audited financial statements of the Company for the financial year ending 30 September 2022; or (b) when the total aggregate of the amount payable and/or to be paid pursuant to the Incentive Plan equals S\$10 million. The decision as to which Key Management Personnel (the **"Entitled Key Personnel Group"**) shall be awarded a portion of the Incentive Amount, and the quantum and time of payment, shall be approved and determined by the Remuneration Committee taking into consideration the recommendation of the Chief Executive Officer, and shall be dependent on and subject to the performance of the Company and other key performance indicators as shall be determined by the Remuneration Committee. For the avoidance of doubt, no Shares will be issued and allotted to the Entitled Key Management Personnel pursuant to the Incentive Plan.

Independent of the Incentive Plan, the Investors have also agreed to set aside a proportion of the Investment Shares as the Management Award Shares provided that: (i) the Management Award Shares shall constitute not more than 15% of the aggregate number of the Investment Shares; (ii) the Management Award Shares shall be granted in three (3) equal tranches in accordance with the milestones set out in Paragraph 3.5(b) of Appendix C provided that where the Group attains an Operating EBITDA of S\$5 million or more in any financial year, the Management Award Shares shall be granted and vested in full; (iii) the terms of the award of the Management Award Shares shall be determined and approved by the Remuneration Committee after taking into consideration the recommendation of the Chief Executive Officer; and (iv) the Management Award Shares shall be subject to a five (5) year moratorium save in respect of any dealing or transfer of the Management Award Shares in response to any mandatory, voluntary or partial general offer for Shares (including without limit by way of a scheme of arrangement) or after the close of such offer where there is an effective change of control.

The rationale for putting in place the Incentive Plan and awarding the Management Award Shares is two-fold:

- (a) to align the interests of the key management personnel with those of the Group as well as the Shareholders (including the Investors in their capacity as Shareholders after the completion of the Proposed Investment); and
- (b) to incentivise the key management personnel to work towards improving the Operating EBITDA of the Group and achieving the target Operating EBITDA for the benefit of the Company and the Shareholders as a whole.

The key terms and conditions of the Proposed Investment are summarised and set out in Appendix C of this Circular.

4.3 Information on the Investors

Please refer to Appendix D of this Circular for some background information on each of the Investors. The information in this section of the Circular relating to the Investors is based on publicly available information or the information provided and/or representations made by the Investors. The Board has not conducted an independent review or verification of the accuracy of the statements and information on the Investors. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/ or reproduced in this Circular in its proper form and context.

The Investors were identified through the business networks of the Chief Executive Officer of the Company, Mr. Sean Lee Yun Feng and based on the factors detailed in Appendix D of this Circular. While the Investors and Mr. Sean Lee Yun Feng are business acquaintances, they do

LETTER TO SHAREHOLDERS

not have any business relationships with each other. As such, the Directors are of the opinion that the Proposed Investment will not give rise to any material conflict of interest, also taking into consideration the fact that the Investment Share Price was determined following arm's length negotiations between the Company and the Investors taking into consideration the factors set out in Section 4.4 of this Circular.

Save as disclosed above and in Appendix D, and to the best of the knowledge of the Directors, none of: (a) the Investors which are corporate entities, its directors and substantial shareholders; and (b) the Investors who are natural persons and his associates, have any connection (including business dealings) with the Company, its Directors and Substantial Shareholders.

To the best of the knowledge of the Directors, save as disclosed in Appendix D, none of the Investors will be holding the Investment Shares in trust or as a nominee.

4.4 Basis of the Investment Share Price

The Investment Share Price has been arrived at following arm's length negotiations between the Company and the Investors taking into consideration the following factors:

- (a) the net asset value of the Company after Completion of the Debt Restructuring Exercise;
- (b) the industry outlook and existing market conditions of the oil & gas as well as the offshore marine sectors;
- (c) the risk position and investment strategy adopted by each of the Investors; and
- (d) the Investors' agreement to provide the Management Award Shares to the Key Management Personnel.

The Investment Share Price is subject to the following basis and assumption:

- (i) the total valuation accorded to the Company being not more than S\$125 million (the "**Maximum Valuation Limit**") computed based on the Effective Investment Share Price multiplied by the Fully Enlarged Share Capital (i.e., 3,806,381,737 Shares); and
- (ii) the assumption that ownership of the offshore supply vessels listed and agreed with the Investors at the time of signing the Investment Agreements remains with the Group and, to the extent that any of such vessels have been pledged or otherwise secured in favour of any creditors, the creditors have not enforced the forfeiture or sale of such vessels.

For the avoidance of doubt, based on the aforesaid basis and assumption, every S\$25 million of the Investment Sum is expected to entitle an Investor to a percentage shareholding of 20.0% based on the Fully Enlarged Share Capital and accordingly, the percentage shareholding shall be pro-rated for any lesser amount.

The Investment Share Price represents a discount of approximately 52.5% to the VWAP of S\$0.059 of the Shares for trades done on the SGX-ST on 28 April 2017, being the last full market day immediately preceding the trading suspension. The Investment Share Price also represents a discount of approximately 20% to the Placement Share Price and the Exercise Price, such discount being negotiated on an arm's length basis between the Company and the Investors, and after taking into consideration the factors detailed in Section 4.4(c) and Section 4.4(d) of this Circular.

LETTER TO SHAREHOLDERS

To the extent that one or both of the above bases and assumptions does not or do not hold true at the time of Closing of the Proposed Investment, the Company and the Investors are required to enter into negotiations in good faith to agree on the adjustment to the consideration for the Proposed Investment by way of an adjustment to the number of Warrants to be issued to the Existing Shareholders such that the Maximum Valuation Limit is not breached. Arriving at an agreement on any required adjustment is a pre-requisite for Closing of the Proposed Investment.

Should there be a requirement to make an adjustment to the number of the Warrants as aforesaid, the Company will inform the Shareholders by way of an announcement that the adjustment has been agreed with the Investors before the issue of the Warrants. Suffice to say that at this stage based on the information available to the Company, no adjustment to the number of the Warrants is envisaged.

4.5 The Investment Shares

The Investment Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all Encumbrances, be fully transferable and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Investment Shares.

Assuming that the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares) are issued and allotted to the Investors, the Maximum No. of Investment Shares will represent approximately 636.72% of the Existing Share Capital, and approximately 61.58% of the Enlarged Share Capital and 56.30% of the Fully Enlarged Share Capital.

4.6 Conditions of the Proposed Investment

Closing of the Proposed Investment is subject to, amongst others, the following conditions (the “**Conditions**”) being fulfilled on or before the Completion Date, unless waived in accordance with the provisions of the Investment Agreements:

- (a) the Debt Restructuring Exercise not having been suspended, terminated or otherwise discontinued in any manner whatsoever;
- (b) the approval for the Scheme by the Scheme Creditors in compliance with the requirements of Section 210 of the Companies Act having been obtained, such approval not having been revoked. The Scheme was approved by the requisite majority of the Scheme Creditors on 16 November 2017;
- (c) the approval for the MPSY Scheme by MPSY Scheme Creditors in compliance with the requirements of Section 210 of the Companies Act having been obtained, such approval not having been revoked. The MPSY Scheme was approved by the requisite majority of the MPSY Scheme Creditors on 16 November 2017;
- (d) the approval for the Consent Solicitation Exercise by the Noteholders having been obtained, such approval not having been revoked. The Consent Solicitation Exercise was approved by the requisite majority of the Noteholders on 15 November 2017;
- (e) the approval for the PKPU Restructuring by the PKPU Creditors with the sanction of the Indonesian Court having been obtained, such approval not having been revoked;
- (f) the approval for the Proposed Securities Issuance and all matters incidental to or in connection with the Debt Restructuring Exercise (where applicable) by the Shareholders having been obtained at the EGM;

LETTER TO SHAREHOLDERS

- (g) the Scheme Court Order pursuant to Section 210 of the Companies Act having been granted, and such Scheme Court Order having become effective upon lodgement of the same with ACRA, and if granted subject to conditions, such conditions being reasonably acceptable to the party to which such conditions apply;
- (h) the MPSY Scheme Court Order pursuant to Section 210 of the Companies Act having been granted, and such MPSY Scheme Court Order having become effective upon lodgement of the same with ACRA, and if granted subject to conditions, such conditions being reasonably acceptable to the party to which such conditions apply;
- (i) the Debt Restructuring Exercise having been completed, the liabilities (whether actual or contingent) remaining of the Company and its subsidiaries and associated companies consisting only of (i) existing trade debts and trade debts incurred in the ordinary course of business; and (ii) reasonable costs and expenses associated with the Debt Restructuring Exercise and its implementation thereof as well as reasonable fees and expenses payable to their professional advisers and service providers in connection with the Debt Restructuring Exercise (including, but not limited to, the legal and financial advisers to the Company and its subsidiaries and associated companies, as well as the legal and financial advisers to the parties involved (i.e. the trustee) in the Consent Solicitation Exercise);
- (j) post-Completion of the Debt Restructuring Exercise, all corporate guarantees issued by the Group (including but not limited to those issued for the benefit of MPSY to the MPSY Scheme Creditors) having been discharged and released, and the Group not incurring any liability for any corporate guarantee provided by any associated companies and/or joint venture entities of the Group;
- (k) there being no material deterioration of the business and financial position and/or prospects of the Group as a whole, having taken into consideration the existing state of affairs of the Group and the current circumstances surrounding it;
- (l) any ongoing material litigation or disputes involving the Company or any of its subsidiaries as defendants (other than for certain trade claims and the on-going arbitration claim which shall be included as an unsecured trade debt under the Scheme) having been settled, discontinued or otherwise resolved to the reasonable satisfaction of the Investors;
- (m) the consolidated net book value of the Company (based on the audited financial statements as at 30 September 2017 and taking into account Completion of the Debt Restructuring Exercise) not being less than S\$107 million;
- (n) the total liabilities of the Company (excluding liabilities that are included and made subject to the Scheme, the MPSY Scheme and the Consent Solicitation Exercise) not being more than S\$12 million as of the last day of the month immediately prior to Closing of the Proposed Investment;
- (o) all debts of PT BBR having been restructured by way of the PT BBR Intercreditor Agreement with its secured creditors to a level and on terms which allow PT BBR to continue as a going concern post-Completion of the Debt Restructuring Exercise. For the purpose of this sub-paragraph (o), “**going concern**” shall mean PT BBR being able to continue its operations and being able to carry out its commitments and obligations without the threat of liquidation in the reasonably foreseeable future;
- (p) no injunction or other order of any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Debt Restructuring Exercise (including but not limited to the Scheme, the MPSY Scheme, the Consent Solicitation Exercise or the transactions proposed herein or any part thereof) having been issued;

LETTER TO SHAREHOLDERS

- (q) no event, development or state of facts which has had or would reasonably be expected to have a material adverse effect in the context of the Investment Agreements between the date of the Investment Agreements and the Effective Date having occurred or arisen;
- (r) all necessary consents, approvals, waivers, exemptions or other acts from any governmental agencies or authorities as reasonably required to implement the Scheme, the MPSY Scheme and the Consent Solicitation Exercise, to perform the Investment Agreements having been duly authorised or obtained or otherwise completed (as the case may be) at Completion of the Debt Restructuring Exercise and being in full force and effect on the Effective Date;
- (s) all other necessary approvals, consents, waivers, exemptions or other acts as may be required for the purposes of implementing the Debt Restructuring Exercise or performing the Investment Agreements having been obtained;
- (t) the representations and warranties given by the Company under the Investment Agreements being true and correct as of the date of the Completion Date as though made on and as of such date except to the extent any such representation or warranty expressly relates to a prescribed date (in which case as of such prescribed date);
- (u) the Company having, as of the Completion Date, performed and complied in all material respects with all obligations, covenants and agreements contained in the Investment Agreements which are required to be performed by or complied with by it, on or prior to the Completion Date;
- (v) the Company having entered into the following service agreements with key management executives to take effect after Closing of the Proposed Investment:
 - (i) a service agreement to appoint Mr. Sean Lee Yun Feng as chief executive officer on terms acceptable to the parties for a fixed term of five (5) years during which he shall not be entitled to resign except under certain conditions; and
 - (ii) a service agreement to appoint Ms. Liely Lee as an executive director (finance) on terms acceptable to the parties for a fixed term of three (3) years during which she shall not be entitled to resign during the first 18 months of such three (3) year term; and
- (w) the completion of the Proposed Warrants Issue.

4.7 Closing of the Proposed Investment

Closing of the Proposed Investment shall take place at the offices of the Company five (5) Business Days after satisfaction or waiver of the last of the Conditions, or at such other place or on such other date as the Company and the Investors may agree in writing, and in any event no later than the Long Stop Date, unless extended by the mutual agreement of the Company and the relevant Investors in writing.

Each Investor may, at its or his absolute discretion, nominate a person other than itself or himself to subscribe for and accept the relevant Investment Shares as the registered holder.

LETTER TO SHAREHOLDERS

4.8 Proposed Use of Proceeds from the Proposed Investment

The Company intends to use the proceeds raised from the Proposed Investment in the following manner:

	Estimated amount (S\$ '000)	Estimated amount for each dollar of the gross proceeds from the Proposed Investment (S\$)	As a percentage of the gross proceeds from the Proposed Investment
Gross Proceeds	60,000	1.00	100%
Amount set aside to settle the cash component of the Debt Restructuring Exercise for the settlement of outstanding debts and liabilities due and owing to the Scheme Creditors, the Noteholders and the PKPU Secured Creditors. Details of the principal amounts, interest and other amounts owing to each group of creditors are set out in Appendix B of this Circular.	45,000	0.75	75%
General Working Capital (including partial settlement of professional fees and costs (estimated to be approximately S\$2.5 million) incurred in connection with the Debt Restructuring Exercise) and partial cash payments proposed to be made to the MPSY Scheme Creditors pursuant to the MPSY Scheme and PKPU unsecured creditors.	15,000	0.25	25%

The Company will provide the Shareholders with a status report and breakdown with specific details on the use of such proceeds in the interim and full year financial statements of the Company issued pursuant to Rule 705 of the Listing Manual and in its annual report. Pending the deployment of the proceeds for the uses mentioned above, the proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

4.9 Transfer of Controlling Interest and Rule 803 of the Listing Manual

Pursuant to the terms of the relevant Investment Agreement entered into between the Company and Apricot Capital Pte. Ltd., the subscription by Apricot Capital Pte. Ltd. of the relevant Investment Shares will result in a transfer of controlling interest to it (as well as persons deriving a controlling interest through it) under Rule 803 of the Listing Manual. Accordingly, the Directors are seeking approval from the Shareholders for the Transfer of Controlling Interest under **Ordinary Resolution 1**.

LETTER TO SHAREHOLDERS

5. THE PROPOSED PLACEMENT

5.1 Background of the Proposed Placement

As noted in Section 3 of this Circular and as announced on 7 November 2017, the Debt Restructuring Exercise as proposed by the Company includes partial settlement of the obligations and liabilities due and owing to the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders by way of the issuance and allotment by the Company of the Placement Shares. Please note that the closing of the Proposed Placement is subject, among others, to approval from the Shareholders being obtained in respect of the Proposed Investment (which will result in the Transfer of Controlling Interest to one of the Investors, namely, Apricot Capital Pte. Ltd.) and the Proposed Warrants Issue as they are each integral parts of the Debt Restructuring Exercise. Accordingly, all of these matters have been set out in a single Ordinary Resolution in the Notice of EGM.

5.2 Terms of the Proposed Placement

The Maximum No. of Placement Shares proposed to be issued and allotted to the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders collectively pursuant to the Debt Restructuring Exercise is 1,000,594,259 Placement Shares. Each Placement Share will be issued at an issue price of S\$0.035 per Placement Share (the **"Placement Share Price"**), which was determined based on the factors detailed in Section 4.4(a) and Section 4.4(b) of this Circular. As the Placement Shares are to be issued pursuant to "debt-to-equity" conversions on and subject to the terms of the Scheme, the MPSY Scheme and the Consent Solicitation Exercise, no additional cash proceeds will be raised from the issue of the Placement Shares and the Proposed Placement.

Under the Debt Restructuring Exercise as proposed by the Company, the Placement Shares are to be issued and allotted at the Placement Share Price to the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders as follows:

(a)	Scheme Creditors	:	727,040,373 ⁽¹⁾ Placement Shares
(b)	MPSY Scheme Creditors	:	4,593,886 ⁽¹⁾ Placement Shares
(c)	PKPU Secured Creditors	:	64,000,000 Placement Shares
(d)	Noteholders	:	204,960,000 Placement Shares

Note:

- (1) Subject to change as the actual number of Placement Shares to be allotted and issued will be based on the outstanding debts incurred up to the date on which the Scheme and the MPSY Scheme are sanctioned by the Court.

5.3 Basis of the Placement Share Price

The Placement Share Price has been arrived at after taking into consideration the feedback received following informal discussions with various creditor and stakeholders, and the Investors, as well as the net realisable values of certain assets of the Group (including the offshore supply vessels) currently owned by the Group but which are mortgaged or pledged to certain of the Scheme Creditors, the MPSY Scheme Creditors and the PKPU Secured Creditors, in particular, taking into account the following factors:

- (a) the net asset value of the Company after completion of the Debt Restructuring Exercise; and
- (b) the industry outlook and existing market conditions of the oil & gas as well as the offshore marine sectors.

LETTER TO SHAREHOLDERS

The Placement Share Price represents a discount of approximately 40.7% to the VWAP of S\$0.059 of the Shares for trades done on the SGX-ST on 28 April 2017, being the last full market day immediately preceding the trading suspension.

5.4 The Placement Shares

The Placement Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all Encumbrances, be fully transferable and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Placement Shares.

Assuming that the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares) are issued and allotted to the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders, the Maximum No. of Placement Shares will represent approximately 297.31% of the Existing Share Capital, and approximately 28.75% of the Enlarged Share Capital and 26.29% of the Fully Enlarged Share Capital.

5.5 Conditions of the Proposed Placement

The completion of the issuance and allotment of the Placement Shares is subject to, *inter alia*, the following:

- (a) the Closing of the Proposed Investment;
- (b) the Scheme Court Order pursuant to Section 210 of the Companies Act having been granted for the Scheme, and such Scheme Court Order having become effective upon lodgement of the same with ACRA, and if granted subject to conditions, such conditions being reasonably acceptable to the party to which such conditions apply;
- (c) the Scheme Court Order pursuant to Section 210 of the Companies Act having been granted for the MPSY Scheme, and such Scheme Court Order having become effective upon lodgement of the same with ACRA, and if granted subject to conditions, such conditions being reasonably acceptable to the party to which such conditions apply;
- (d) the approval for the Consent Solicitation Exercise by the Noteholders having been obtained, such approval not having been revoked; and
- (e) the completion of the Proposed Warrants Issue.

6. THE PROPOSED WARRANTS ISSUE

6.1 Basis of the Proposed Warrants Issue

Based on the Existing Share Capital (i.e., 336,548,600 Shares), up to 269,238,880 Warrants will be issued to the Existing Shareholders pursuant to the Proposed Warrants Issue. Assuming that all the Warrants to be issued pursuant to the Proposed Warrants Issue are fully exercised and converted into the Warrant Shares, the issued share capital of the Company will increase by 269,238,880 Shares representing approximately 80.0% of the Existing Share Capital, and approximately 7.74% of the Enlarged Share Capital and 7.07% of the Fully Enlarged Share Capital.

In light of the very significant dilutive effect of the Proposed Investment and the Proposed Placement on the shareholding interests of the Existing Shareholders, the Company (with the concurrence of the Investors) has recommended the Proposed Warrants Issue to allow the Existing Shareholders an opportunity and option to participate further in the Company after a successful Debt Restructuring Exercise.

LETTER TO SHAREHOLDERS

The Exercise Price for each Warrant is the same as the Placement Share Price, that is to say, S\$0.035, representing a discount of approximately 40.7% to the VWAP of S\$0.059 of the Shares for trades done on the SGX-ST on 28 April 2017, being the last full market day immediately preceding the trading suspension. The Company has determined that the Exercise Price payable by the Existing Shareholders, being last in line in terms of liquidation preference, for each Warrant Share should not be more favourable than the issue price payable by creditors for the Placement Shares. Accordingly, and with the concurrence of the Investors, the Company has proposed that each Warrant Share be issued at the same issue price at which the Placement Shares are issued to the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders (i.e., S\$0.035 per Warrant Share). Each Warrant may be exercised at any time during the course of the next five (5) years following the issue of the Warrants.

The Exercise Price and the number of Warrants to be issued pursuant to the Proposed Warrants Issue will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the Warrants Deed Poll. For the avoidance of doubt, the Warrants will be issued free on the basis of eight (8) Warrants for every 10 Shares held by the Shareholders as at the Books Closure Date. The Warrants are exercisable during the Warrants Exercise Period, and will expire at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants. An announcement on the expiry of the Warrants will be made through SGXNET and a notice will be sent to all Warrant holders at least one (1) month before the expiry of the Warrants Exercise Period.

In other words, the Warrants cannot be exercised during the first six (6) months immediately after the issue of such Warrants. This is in view of the exemption accorded under Regulation 24(1) of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005, which exempts the Company from issuing any prospectus, profile statement or offer information statement in relation to, and for the purpose of, the issue of Warrants structured in this manner.

On 24 November 2017, the Company announced that it had received the AIP from the SGX-ST for the listing and quotation of, *inter alia*, up to 269,238,880 Warrants and up to 269,238,880 Warrant Shares. Please refer to Section 2 of this Circular for more information on the AIP.

The Warrants will be traded on the Mainboard of the SGX-ST under the book-entry (scripless) settlement system upon the listing of and quotation for the Warrants on the Mainboard of the SGX-ST, subject to, *inter alia*, an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

Please note that the Proposed Warrants Issue is subject, among others, to approval from the Shareholders being obtained in respect of the Proposed Investment (which will result in the Transfer of Controlling Interest to one of the Investors, namely, Apricot Capital Pte. Ltd.) and the Proposed Placement as they are each integral parts of the Debt Restructuring Exercise. Accordingly, all of these matters have been set out in a single Ordinary Resolution in the Notice of EGM.

6.2 Principal Terms of the Warrants

Basis of Allotment	: Eight (8) Warrants for every 10 Shares held by the Shareholders as at the Books Closure Date.
Number of Warrants	: Based on the Existing Share Capital (i.e., 336,548,600 Shares), up to 269,238,880 Warrants will be issued.
Warrants Issue Price	: The Warrants will be issued free to the Entitled Shareholders.

LETTER TO SHAREHOLDERS

- Warrants Exercise Price** : Each Warrant will entitle the Warrantholder to subscribe for one (1) Warrant Share at the Exercise Price of S\$0.035, payable in full on exercise of the Warrant, subject to adjustments under certain circumstances in accordance with the terms and conditions of the Warrants to be set out in the Warrants Deed Poll.
- Listing and Trading of the Warrants** : AIP for the listing of and quotation for up to 269,238,880 Warrants and up to 269,238,880 Warrant Shares on the Mainboard of the SGX-ST has been granted on 24 November 2017 subject to certain conditions, the details of which are set out in Section 2 of this Circular. The AIP is not to be taken as an indication of the merits of, *inter alia*, the Proposed Warrants Issue, the Warrants, the Warrant Shares, the Shares, the Company and its subsidiaries.
- Each board lot of Warrants will consist of 100 Warrants or such other number as may be notified by the Company.
- Warrants Exercise Period** : Commencing on and including the date six (6) months from the date of listing of the Warrants on the SGX-ST and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, but excluding such period(s) during which the register of Warrantholders of the Company may be closed pursuant to the terms and conditions of the Warrants set out in the Warrants Deed Poll.
- Form and Subscription Rights** : The Warrants will be issued in registered form and will be constituted by the Warrants Deed Poll. Subject to the terms and conditions of the Warrants Deed Poll, each Warrant will entitle the Warrantholder, at any time during the Exercise Period, to subscribe for one (1) Warrant Share at the Exercise Price in force on the relevant exercise date.
- Status of New Shares** : The Warrant Shares will upon issue and allotment, rank *pari passu* in all respects with the then existing Shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions where the Record Date is before the date of issue and allotment of the Warrant Shares.
- Transfer and Transmission** : The Warrants shall be transferable in lots entitling Warrantholders to subscribe for a whole number of Warrant Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants to be set out in the Warrants Deed Poll, including, amongst others, the following:
- (i) lodgement during normal business hours of the relevant warrant certificate(s) registered in the name of the Warrantholder at the specified office of the Warrant Agent together with an instrument of transfer

LETTER TO SHAREHOLDERS

in respect thereof (the “**Transfer Form**”), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Company and the Warrant Agent may dispense with requiring the Depository to sign as transferee any Transfer Form for the transfer of Warrants to it; and

- (ii) the executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company as having any title to the Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the fees and expenses set out in the Warrants Deed Poll be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warrantholder could have made

Adjustments

- : The Exercise Price and the number of Warrants to be held by the Warrantholders are subject to adjustments under certain circumstances provided for in the terms and conditions of the Warrants as contained in the Warrants Deed Poll. Such circumstances relate to:
- (i) issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves;
 - (ii) a capital distribution made by the Company to the Shareholders whether on a reduction of capital or otherwise;
 - (iii) an offer or invitation made by the Company to the Shareholders whereunder they may acquire or subscribe for Shares by way of rights or bonus issue of company warrants;
 - (iv) an issue (otherwise than (a) pursuant to a rights issue available to all the Shareholders; (b) an issue of Shares in respect of which the Shareholders may elect to receive Shares in lieu of cash or other dividend or an issue of Shares arising from rights of conversion into, or exchange or subscription for Shares; or (c) the issue of Shares pursuant to the transactions announced by the Company on 8 November 2017) of Shares by the Company, if the total effective consideration for each Share is less than 90.0% of the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed in relation to such issue; or

LETTER TO SHAREHOLDERS

- (v) any consolidation, subdivision, reclassification or conversion of the Shares.

Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants issued under the Proposed Warrants Issue and will for all purposes form part of the same series. Any such adjustments will (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on the SGXNET.

Alteration to Terms

- : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantholders shall be made, unless the alterations are made pursuant to the terms and conditions of the Warrants or the prior approval of the Shareholders in general meeting has been sought, and, if necessary, the SGX-ST.

Winding Up

- : In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up by the Company and:
 - (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholder shall be a party, the terms of such scheme of arrangement shall be binding on the Warrantholder; and
 - (b) in any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantholder shall be entitled upon and subject to the Warrants Deed Poll and the terms and conditions of the Warrants, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with all payments payable under the terms and conditions of the Warrants, to elect to be treated as if he had had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrantholders in accordance with the Warrants Deed Poll and the terms and conditions of the Warrants of the passing of any such resolution within seven (7) days after the passing thereof.

LETTER TO SHAREHOLDERS

Subject to the foregoing, if the Company is wound-up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Further Issue : Subject to the terms and conditions of the Warrants, the Company shall be at liberty to issue Shares to the Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

Warrant Agent : B.A.C.S. Private Limited and its successors in title or such other warrant agent for the Warrants as may from time to time be appointed by the Company under the agency agreement in relation to the Warrants

Governing Law : Laws of the Republic of Singapore

6.3 Exercise Price

The Exercise Price of S\$0.035 per Warrant Share represents a discount of approximately 40.7% to the VWAP of S\$0.059 of the Shares for trades done on the SGX-ST on 28 April 2017, being the last full market day immediately preceding the trading suspension.

6.4 The Warrant Shares

Assuming the full exercise of the Warrants, the maximum number of Warrant Shares to be issued and allotted by the Company is 269,238,880 Warrant Shares which represent approximately 80.0% of the Existing Share Capital, and approximately 7.74% of the Enlarged Share Capital and 7.07% of the Fully Enlarged Share Capital.

The Warrant Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all Encumbrances, be fully transferable and shall rank *pari passu* in all respects with the existing Shares (save as may otherwise be provided in the terms and conditions of the Warrants Deed Poll), save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the relevant exercise date of the Warrants. The Warrant Shares will be listed and traded on the Mainboard of the SGX-ST. Shareholders who hold odd lots of Warrant Shares and who wish to trade in odd lots may do so on the Unit Share Market of the SGX-ST.

6.5 Adjustment and Modification

In compliance with Rule 829 and Rule 830 of the Listing Manual, the Company will:

- (a) announce any adjustment made to the Exercise Price pursuant to Rule 829(1) of the Listing Manual;
- (b) announce the expiry of the Warrants and send a notice of the expiry to the Warrantholders at least one (1) month before the expiry date; and
- (c) obtain approval from the Shareholders at a general meeting for any material modification to the terms of the Warrants which is for the benefit of the Warrantholders unless such modification is made pursuant to the terms of the Warrants.

LETTER TO SHAREHOLDERS

6.6 Conditions for the Proposed Warrants Issue

The Shareholders should note that the Proposed Warrants Issue is subject to, *inter alia*, the following conditions:

- (a) the receipt of an AIP from the SGX-ST for the listing and quotation of the Warrants and the Warrant Shares on the Mainboard of the SGX-ST which AIP has been obtained on 24 November 2017; and
- (b) the approval of the Shareholders being obtained for the Proposed Warrants Issue at the EGM.

6.7 Eligibility of the Shareholders to participate in the Proposed Warrants Issue

(a) Entitled Shareholders

The Entitled Shareholders will be entitled to participate in the Proposed Warrants Issue.

The Entitled Scripholders are encouraged to open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so as to enable CDP to credit their Securities Accounts with the Warrants. The Entitled Scripholders should note that their Securities Accounts will only be credited with the Warrants on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

The Entitled Depositors should note that all correspondences and notices will be sent to the addresses last registered with CDP. The Entitled Scripholders should note that all correspondences and notices will be sent to their registered addresses as stated in the Register of Members.

All fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with the entitlements not allotted or taken up for any reason, be dealt with in such manner as the Directors in their absolute discretion deem fit.

(b) Foreign Shareholders

The Foreign Shareholders will not be entitled to participate in the Proposed Warrants Issue. Accordingly, no allotment of the Warrants will be made to the Foreign Shareholders.

Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Proposed Warrants Issue should provide such an address in Singapore not later than three (3) Market Days before the Books Closure Date to be announced by notifying the Company (c/o the Share Registrar), B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544.

Depositors whose addresses registered with CDP are not in Singapore and who wish to be eligible to participate in the Proposed Warrants Issue should provide an address in Singapore for the service of notices and documents not later than three (3) Market Days before the Books Closure Date by notifying CDP at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Warrants which would otherwise have been allotted to the Foreign Shareholders to be sold on the Mainboard of the SGX-ST.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to the Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered

LETTER TO SHAREHOLDERS

against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, the Warrant Agent or CDP in connection therewith.

Where such Warrants are sold on the Mainboard of the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, the Warrant Agent or CDP in respect of such sales or the proceeds thereof.

If such Warrants cannot be or are not sold on the Mainboard of the SGX-ST as aforesaid for any reason, the Warrants shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, the Warrant Agent or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

6.8 Proposed Use of Proceeds from the Proposed Warrants Issue

As the Warrants are offered free, there will be no proceeds raised directly from the Proposed Warrants Issue.

Assuming all the 269,238,880 Warrants are issued and exercised, the Company will raise approximately S\$9.42 million of gross proceeds from the exercise of the Warrants. For the avoidance of doubt, the aforementioned sum is raised only upon the exercise of the Warrants, which is optional, not at the point of issuance of the Warrants but over the Exercise Period. Conversely, in the event that none of the Warrants are exercised, no proceeds will be raised by the Company at all.

The Company intends to utilise the net proceeds from the exercise of the Warrants (if any) for working capital purposes. As the actual amount of net proceeds received by the Company from the exercise of the Warrants (if any) will depend on when and the extent to which such Warrants are exercised, the percentage allocation for the aforementioned intended uses cannot be determined as at the date of this Circular. The Company will make the necessary announcements through SGXNET and subsequently provide a status report on the use of such net proceeds in the interim and full year financial statements of the Company and in its annual report.

Pending the deployment of the net proceeds (if any) for the aforementioned purpose, such proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or debt instruments, or used for any other purpose on a short term basis as the Directors may deem appropriate in the interests of the Company.

The Directors are of the opinion that there is no minimum amount which must be raised under the Proposed Warrants Issue and pursuant to the exercise of the Warrants.

6.9 Books Closure Date

The Books Closure Date for the purpose of determining the Entitled Shareholders' entitlements under the Proposed Warrants Issue will be announced at a later date through SGXNET.

LETTER TO SHAREHOLDERS

7. RATIONALE FOR THE PROPOSED SECURITIES ISSUANCE

The Board is of the opinion that the Proposed Securities Issuance is in the best interests of the Company and Shareholders generally for the following reasons:

- (a) the Debt Restructuring Exercise (which includes, amongst others, the Scheme, the MPSY Scheme and the Consent Solicitation Exercise), when successfully completed, would resolve substantially all of the actual and contingent liabilities¹ of the Group, resulting in the reinstatement of the Company as a going concern. The Proposed Securities Issuance is a critical component of the Debt Restructuring Exercise as it enables the Company to offer cash and Shares as full and final settlement of the aforesaid actual and contingent liabilities pursuant to the Scheme, MPSY Scheme, the Consent Solicitation Exercise and the PKPU Restructuring;
- (b) in the absence of a successful Debt Restructuring Exercise, the immediate options remaining for the Company are: (i) to bring itself under judicial management; or (ii) to file for liquidation and winding-up. Under the current financial condition of the Group (in particular, taking into consideration the aggregate amount of the Group's outstanding debts and liabilities and the fact that substantially all of the Group's assets have been pledged, mortgaged or otherwise secured in favour of certain creditors), the implication associated with either of such options is that the Shareholders are highly unlikely to see any value or material value in the Shares that they hold;
- (c) the oil & gas as well as the offshore marine sectors are expected to continue to be gloomy or sluggish in terms of performance for the next two (2) to three (3) years; and
- (d) the Warrants, which are to be issued and allotted on a pro rata basis to all the Shareholders on a nil-paid basis, grants each of the Existing Shareholders an opportunity and option to further invest in the Company (and, accordingly, the Group) at the same price at which the Placement Shares are issued pursuant to the Debt Restructuring Exercise at any time during the course of the next five (5) years following the issue of the Warrants. This, hopefully, would allow the Existing Shareholders to recoup some of the losses sustained, especially in light of the very significant dilution of their shareholding interests as a result of the Proposed Investment and the Proposed Placement.

8. THE PROPOSED FEE SETTLEMENT

8.1 Background of the Proposed Fee Settlement

In order to conserve cash for its working capital requirements after Completion of the Debt Restructuring Exercise, the Company has proposed to pay the professional fees of RSM Corporate Advisory Pte. Ltd. through the issue and allotment of 57,142,857 Consideration Shares (in lieu of cash payment), each Consideration Share to be issued at an issue price of S\$0.035 (the "**Consideration Share Price**"). For the avoidance of doubt, pursuant to the terms of engagement entered into with RSM Corporate Advisory Pte. Ltd., the Proposed Fee Settlement is conditional on Completion of the Debt Restructuring Exercise being successful. The Consideration Share Price was arrived at by mutual agreement between the Company and RSM Corporate Advisory Pte. Ltd. after taking into consideration the Placement Share Price and the Exercise Price.

The Consideration Share Price represents a discount of approximately 40.7% to the VWAP of S\$0.059 of the Shares for trades done on the SGX-ST on 28 April 2017, being the last full market day immediately preceding the trading suspension.

¹ The contingent liabilities of the Group as at 30 June 2017, being the cut-off date for the determination of the entitlements of the Scheme Creditors and the MPSY Scheme Creditors, consisted of: (a) the corporate guarantees provided by the Company to financial institutions for loans extended to the Group; and (b) liabilities arising from certain contractual obligations pursuant to the Group's termination of purchase contracts with its suppliers.

LETTER TO SHAREHOLDERS

8.2 The Consideration Shares

The Consideration Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all Encumbrances, be fully transferable and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Consideration Shares.

The Consideration Shares will, in aggregate, represent approximately 16.98% of the Existing Share Capital, and approximately 1.64% of the Enlarged Share Capital and 1.50% of the Fully Enlarged Share Capital.

9. DIRECTORS' CONFIRMATION

The Board is of the opinion that after taking into consideration: (a) the proceeds from the Proposed Investment to be set aside for the Group's working capital requirements; (b) the effect of the Debt Restructuring Exercise when completed as described in Section 3 of this Circular; and (c) the on-going contracts that the Group has been engaged to perform, the Company has sufficient working capital to meet its requirements after Completion of the Debt Restructuring Exercise.

Further, the Company notes that the total amount of liabilities that is not included for settlement and discharge (and that will therefore remain unpaid immediately following the Completion of the Debt Restructuring Exercise) (the "**Remaining Liabilities**") will not be in excess of S\$12 million. The Board is of the opinion that after taking into consideration: (a) the proceeds from the Proposed Investment to be set aside for the Group's working capital requirements; (b) the effect of the Debt Restructuring Exercise when completed as described in Section 3 of this Circular; and (c) the on-going contracts that the Group has been engaged to perform, the Company is able to settle and discharge the Remaining Liabilities as and when they fall due.

10. FINANCIAL EFFECTS OF THE PROPOSED SECURITIES ISSUANCE AND THE PROPOSED FEE SETTLEMENT

For illustrative purposes only, the pro forma financial effects of the Proposed Securities Issuance and the Proposed Fee Settlement on the Group are set forth below and were prepared based on the unaudited consolidated financial statements of the Company for the nine-month period ended 30 June 2017 ("**3Q2017**"), being the most recently completed financial period in respect of which the quarterly and half-yearly results announcement has been made, subject to the following assumptions:

- (a) the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares) are fully issued and allotted by the Company in accordance with the terms of the Proposed Investment and the use of net proceeds arising from the Proposed Investment is as outlined in Section 4.8 of this Circular;
- (b) the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares) are fully issued and allotted by the Company in accordance with the terms of the Debt Restructuring Exercise;
- (c) the 57,142,857 Consideration Shares are fully issued and allotted by the Company to pay the professional fees of RSM Corporate Advisory Pte. Ltd. pursuant to the Proposed Fee Settlement;
- (d) the maximum of 269,239,880 Warrants are fully issued by the Company and have been fully exercised;
- (e) the expenses incurred by the Company in connection with the Proposed Securities Issuance and the Proposed Fee Settlement are disregarded for the purposes of calculating the financial effects;

LETTER TO SHAREHOLDERS

- (f) for the purpose of computing the NTA per Share, it is assumed that the Proposed Securities Issuance and the Proposed Fee Settlement were completed on 30 June 2017; and
- (g) for the purpose of computing the LPS and EPS of the Company, it is assumed that the Proposed Securities Issuance and the Proposed Fee Settlement were completed on 1 October 2016.

The pro forma financial effects are presented for illustration purposes only, and are not intended to reflect the actual or future financial situation of the Company.

10.1 Share Capital

	Before Completion of the Proposed Securities Issuance and the Proposed Fee Settlement	After Completion of the Proposed Securities Issuance (excluding the Proposed Warrants Issue and the Proposed Fee Settlement)	After Completion of the Proposed Securities Issuance and the Proposed Fee Settlement ⁽¹⁾
Issued and paid-up share capital (S\$'000)	60,727	155,171	167,171
Number of Shares	336,548,600	3,480,000,000	3,806,381,737

Note:-

- (1) Assuming that as at 30 June 2017: (a) all 269,238,880 Warrants had been exercised and the resultant 269,238,880 Warrant Shares had been issued and allotted by the Company; (b) the 57,142,857 Consideration Shares had been issued and allotted by the Company; and (c) the Debt Restructuring Exercise has been Completed.

10.2 NTA

	Before Completion of the Proposed Securities Issuance and the Proposed Fee Settlement	After Completion of the Proposed Securities Issuance (excluding the Proposed Warrants Issue and the Proposed Fee Settlement)	After Completion of the Proposed Securities Issuance and the Proposed Fee Settlement ⁽¹⁾
NTA of the Company attributable to Shareholders (S\$'000)	(150,835)	123,548	114,124
Number of Shares	336,548,600	3,480,000,000	3,806,381,737
NTA per Share ⁽²⁾ (cents)	(44.82)	3.55	3.00

Notes:-

- (1) Assuming that as at 30 June 2017: (a) all 269,238,880 Warrants had been exercised and the resultant 269,238,880 Warrant Shares had been issued and allotted by the Company; (b) the 57,142,857 Consideration Shares had been issued and allotted by the Company; and (c) the Debt Restructuring Exercise has been Completed.
- (2) NTA per Share is computed based on the NTA of the Company attributable to the Shareholders divided by the number of Shares.

LETTER TO SHAREHOLDERS

10.3 LPS

	Before Completion of the Proposed Securities Issuance and the Proposed Fee Settlement	After Completion of the Proposed Securities Issuance (excluding the Proposed Warrants Issue and the Proposed Fee Settlement)	After Completion of the Proposed Securities Issuance and the Proposed Fee Settlement ⁽¹⁾
Net loss of the Company attributable to Shareholders (S\$'000)	(18,134)	151,805	149,805
Weighted average number of Shares	338,461,125	3,481,912,525	3,808,294,262
(LPS)/EPS ⁽²⁾ (cents)	(5.36)	4.36	3.93

Notes:-

- (1) Assuming that as at 30 June 2017: (a) all 269,238,880 Warrants had been exercised and the resultant 269,238,880 Warrant Shares had been issued and allotted by the Company; (b) the 57,142,857 Consideration Shares had been issued and allotted by the Company; and (c) the Debt Restructuring Exercise has been Completed.
- (2) (LPS)/EPS is computed based on the net loss of the Company attributable to the Shareholders divided by the weighted average number of Shares.

10.4 Gearing

	Before Completion of the Proposed Securities Issuance and the Proposed Fee Settlement	After Completion of the Proposed Securities Issuance (excluding the Proposed Warrants Issue and the Proposed Fee Settlement)	After Completion of the Proposed Securities Issuance and the Proposed Fee Settlement ⁽¹⁾
Total debt (S\$'000)	249,926	-	-
Total equity (S\$'000)	(150,835)	114,124	114,124
Gearing ratio	(165.7)	-	-

Note:-

- (1) Assuming that as at 30 June 2017: (a) all 269,238,880 Warrants had been exercised and the resultant 269,238,880 Warrant Shares had been issued and allotted by the Company; (b) the 57,142,857 Consideration Shares had been issued and allotted by the Company; and (c) the Debt Restructuring Exercise has been Completed.

10.5 Dividends

The Company did not declare any dividends for 3Q2017. The Directors are of the opinion that following the Proposed Securities Issuance and the Proposed Fee Settlement, there will not be any significant difference in the ability of the Company to declare dividends in the near future. However, the quantum of future dividends will nevertheless be subject to various factors such as the level of retained earnings and the actual financial performance of the Company.

11. BUSINESS PLAN AFTER COMPLETION OF THE DEBT RESTRUCTURING EXERCISE

- 11.1 The Group is a regional integrated marine logistics company which principally engages in shipping and shipyard businesses. The shipping division comprises two sub-divisions: the offshore support services and the marine logistic services. The shipping business of the Group relates to the chartering of offshore supply vessels which are mainly anchor handling tug supply vessels for deployment in regional waters, as well as the chartering of tugboats and

LETTER TO SHAREHOLDERS

barges to customers, especially those which are engaged in the mining, commodities, construction, infrastructure and land reclamation industries. The shipyard division comprises the shipyard business of the Group, which includes 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 metres, 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.

- 11.2 The Group has no intention of changing its core businesses after completion of the Debt Restructuring Exercise. The Group will continue to focus on its shipping and shipyard businesses, and will work towards increasing and improving the utilisation of its vessels, especially its offshore supply vessels which are currently not deployed, tapping on the Southeast Asian oil & gas markets. As at the date of this Circular, approximately 60% to 70% of the Group's tugs and barges are deployed under existing contracts. Apart from ramping up their utilisation, the Group hopes to be able to secure better charter rates for new contracts. The recent activities at the Group's shipyard have been limited to maintenance and repair works. With the Group returning to a healthier financial state after completion of the Debt Restructuring Exercise, the Group hopes to resume its other commercial activities in the shipyard including, if commercially viable, taking on shipbuilding assignments.

12. INTERESTS IN THE SHARES

12.1 Interests of the Directors and the Substantial Shareholders in the Shares

As at the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders in the Shares are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Lee Wan Tang ⁽²⁾	-	-	208,645,174 ⁽²⁾	62.00 ⁽²⁾
Sean Lee Yun Feng ⁽³⁾	-	-	770,000 ⁽³⁾	0.23 ⁽³⁾
Liely Lee ⁽⁴⁾	-	-	770,000 ⁽⁴⁾	0.23 ⁽⁴⁾
Lai Qin Zhi	-	-	-	-
Lim Han Boon ⁽⁵⁾	364,101	0.11	200,000 ⁽⁵⁾	0.06 ⁽⁵⁾
Peter Sim Swee Yam ⁽⁶⁾	150,000	0.04	100,000 ⁽⁶⁾	0.03 ⁽⁶⁾
Kelvin Lee Kiam Hwee ⁽⁷⁾	-	-	100,000 ⁽⁷⁾	0.03 ⁽⁷⁾
Substantial Shareholders (other than Directors)				
Nautical International Holdings Ltd ⁽²⁾	-	-	200,418,974 ⁽²⁾	59.55 ⁽²⁾
RHB Securities Singapore Pte Ltd ⁽⁸⁾	209,088,174	62.13	-	-

Notes:-

- (1) Based on the Existing Share Capital (i.e., 336,548,600 Shares).
- (2) Lee Wan Tang is deemed interested in: (a) the 200,418,974 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd; and (b) 8,226,200 Shares held by RHB Securities Singapore Pte Ltd as his nominee.
- (3) Sean Lee Yun Feng is deemed interested in 770,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the employee share option scheme of the Company ("MPM ESOS").
- (4) Liely Lee is deemed interested in 770,000 Shares which will be issued and allotted to her upon the exercise of the employee share options granted to her under the MPM ESOS.

LETTER TO SHAREHOLDERS

- (5) Lim Han Boon is deemed interested in 200,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (6) Peter Sim Swee Yam is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (7) Kelvin Lee Kiam Hwee is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (8) Nautical International Holdings Ltd is deemed interested in 200,418,974 Shares held by RHB Securities Singapore Pte Ltd as its nominee.

12.2 Interests of the Directors, the Substantial Shareholders and the Investors in the Shares pursuant to the Proposed Investment

Assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares), the interests of the Directors, the Substantial Shareholders and the Investors in the Shares pursuant to the Proposed Investment are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Lee Wan Tang ⁽²⁾	-	-	208,645,174 ⁽²⁾	8.42 ⁽²⁾
Sean Lee Yun Feng ⁽³⁾	-	-	770,000 ⁽³⁾	0.03 ⁽³⁾
Liely Lee ⁽⁴⁾	-	-	770,000 ⁽⁴⁾	0.03 ⁽⁴⁾
Lai Qin Zhi	-	-	-	-
Lim Han Boon ⁽⁵⁾	364,101	0.015	200,000 ⁽⁵⁾	0.008 ⁽⁵⁾
Peter Sim Swee Yam ⁽⁶⁾	150,000	0.006	100,000 ⁽⁶⁾	0.004 ⁽⁶⁾
Kelvin Lee Kiam Hwee ⁽⁷⁾	-	-	100,000 ⁽⁷⁾	0.004 ⁽⁷⁾
Substantial Shareholders (other than Directors)				
Nautical International Holdings Ltd ⁽²⁾	-	-	200,418,974 ⁽²⁾	8.08 ⁽²⁾
RHB Securities Singapore Pte Ltd ⁽⁸⁾	209,088,174	8.43	-	-
Investors				
Apricot Capital Pte. Ltd.	714,285,714	28.81	-	-
Azure All-Star Fund Pte. Ltd.	89,285,714	3.60	-	-
Chua Chuan Leong Ventures Pte. Ltd.	178,571,428	7.20	-	-
Lim Chap Huat	178,571,428	7.20	-	-
Singapore Enterprises Private Limited	178,571,428	7.20	-	-
Yanlord Capital Pte. Ltd.	357,142,857	14.40	-	-
Zhong Sheng Jian	200,000	0.008	357,142,857 ⁽⁹⁾	14.40 ⁽⁹⁾
Penguin International Limited	357,142,857	14.40	-	-
Ho Lee Group Pte Ltd (or its nominated subsidiary)	62,571,429 ⁽¹⁰⁾	2.52 ⁽¹⁰⁾	-	-
Low See Ching	35,714,286	1.44	-	-

Notes:-

- (1) Based on the share capital of the Company pursuant to the Proposed Investment (i.e., 2,479,405,741 Shares), assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares).
- (2) Lee Wan Tang is deemed interested in: (a) the 200,418,974 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd; and (b) 8,226,200 Shares held by RHB Securities Singapore Pte Ltd as his nominee.
- (3) Sean Lee Yun Feng is deemed interested in 770,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.

LETTER TO SHAREHOLDERS

- (4) Liely Lee is deemed interested in 770,000 Shares which will be issued and allotted to her upon the exercise of the employee share options granted to her under the MPM ESOS.
- (5) Lim Han Boon is deemed interested in 200,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (6) Peter Sim Swee Yam is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (7) Kelvin Lee Kiam Hwee is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (8) Nautical International Holdings Ltd is deemed interested in 200,418,974 Shares held by RHB Securities Singapore Pte Ltd as its nominee.
- (9) Zhong Sheng Jian has a deemed interest in the 357,142,857 Shares held by Yanlord Capital Pte. Ltd.
- (10) Includes 9,000,000 shares currently held by Ho Lee Group Pte Ltd.

12.3 Interests of the Directors, the Substantial Shareholders, the Investors, the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders in the Shares pursuant to the Proposed Investment and the Proposed Placement

Assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares) and the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares), the interests of the Directors, the Substantial Shareholders, the Investors, the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors and the Noteholders in the Shares pursuant to the Proposed Investment and the Proposed Placement are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Lee Wan Tang ⁽²⁾	-	-	208,645,174 ⁽²⁾	6.00 ⁽²⁾
Sean Lee Yun Feng ⁽³⁾	-	-	770,000 ⁽³⁾	0.02 ⁽³⁾
Liely Lee ⁽⁴⁾	-	-	770,000 ⁽⁴⁾	0.02 ⁽⁴⁾
Lai Qin Zhi	-	-	-	-
Lim Han Boon ⁽⁵⁾	364,101	0.010	200,000 ⁽⁵⁾	0.006 ⁽⁵⁾
Peter Sim Swee Yam ⁽⁶⁾	150,000	0.004	100,000 ⁽⁶⁾	0.003 ⁽⁶⁾
Kelvin Lee Kiam Hwee ⁽⁷⁾	-	-	100,000 ⁽⁷⁾	0.003 ⁽⁷⁾
Substantial Shareholders (other than Directors)				
Nautical International Holdings Ltd ⁽²⁾	-	-	200,418,974 ⁽²⁾	5.76 ⁽²⁾
RHB Securities Singapore Pte Ltd ⁽⁸⁾	209,088,174	6.01	-	-
Investors				
Apricot Capital Pte. Ltd.	714,285,714	20.53	-	-
Azure All-Star Fund Pte. Ltd.	89,285,714	2.57	-	-
Chua Chuan Leong Ventures Pte. Ltd.	178,571,428	5.13	-	-
Lim Chap Huat	178,571,428	5.13	-	-
Singapore Enterprises Private Limited	178,571,428	5.13	-	-
Yanlord Capital Pte. Ltd.	357,142,857	10.26	-	-
Zhong Sheng Jian	200,000	0.006	357,142,857 ⁽⁹⁾	10.26 ⁽⁹⁾
Penguin International Limited	357,142,857	10.26	-	-
Ho Lee Group Pte Ltd (or its nominated subsidiary)	62,571,429 ⁽¹⁰⁾	1.80 ⁽¹⁰⁾	-	-
Low See Ching	35,714,286	1.03	-	-

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Creditors				
Scheme Creditors	727,040,373	20.89	-	-
MPSY Scheme Creditors	4,593,886	0.13	-	-
PKPU Secured Creditors	64,000,000	1.84	-	-
Noteholders	204,960,000	5.89	-	-

Notes:-

- (1) Based on the Enlarged Share Capital (i.e., 3,480,000,000 Shares). Please note that the numbers are subject to change as the actual number of Placement Shares to be allotted and issued will be based on the outstanding debts incurred up to the date on which the Scheme and the MPSY Scheme are sanctioned by the Court
- (2) Lee Wan Tang is deemed interested in: (a) the 200,418,974 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd; and (b) 8,226,200 Shares held by RHB Securities Singapore Pte Ltd as his nominee.
- (3) Sean Lee Yun Feng is deemed interested in 770,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (4) Liely Lee is deemed interested in 770,000 Shares which will be issued and allotted to her upon the exercise of the employee share options granted to her under the MPM ESOS.
- (5) Lim Han Boon is deemed interested in 200,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (6) Peter Sim Swee Yam is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (7) Kelvin Lee Kiam Hwee is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (8) Nautical International Holdings Ltd is deemed interested in 200,418,974 Shares held by RHB Securities Singapore Pte Ltd as its nominee.
- (9) Zhong Sheng Jian has a deemed interest in the 357,142,857 Shares held by Yanlord Capital Pte. Ltd.
- (10) Includes 9,000,000 shares currently held by Ho Lee Group Pte Ltd.

12.4 Interests of the Directors, the Substantial Shareholders, the Investors, the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors, the Noteholders and RSM Corporate Advisory Pte. Ltd. in the Shares pursuant to the Proposed Investment, the Proposed Placement and the Proposed Fee Settlement

Assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares), the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares) and 57,142,857 Consideration Shares, the interests of the Directors, the Substantial Shareholders, the Investors, the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors, the Noteholders and RSM Corporate Advisory Pte. Ltd. in the Shares pursuant to the Proposed Investment, the Proposed Placement and the Proposed Fee Settlement are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Lee Wan Tang ⁽²⁾	-	-	208,645,174 ⁽²⁾	5.90 ⁽²⁾
Sean Lee Yun Feng ⁽³⁾	-	-	770,000 ⁽³⁾	0.02 ⁽³⁾
Liely Lee ⁽⁴⁾	-	-	770,000 ⁽⁴⁾	0.02 ⁽⁴⁾
Lai Qin Zhi	-	-	-	-
Lim Han Boon ⁽⁵⁾	364,101	0.010	200,000 ⁽⁵⁾	0.006 ⁽⁵⁾
Peter Sim Swee Yam ⁽⁶⁾	150,000	0.004	100,000 ⁽⁶⁾	0.003 ⁽⁶⁾
Kelvin Lee Kiam Hwee ⁽⁷⁾	-	-	100,000 ⁽⁷⁾	0.003 ⁽⁷⁾
Substantial Shareholders (other than Directors)				
Nautical International Holdings Ltd ⁽²⁾	-	-	200,418,974 ⁽²⁾	5.67 ⁽²⁾

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
RHB Securities Singapore Pte Ltd ⁽⁸⁾	209,088,174	5.91	-	-
Investors				
Apricot Capital Pte. Ltd.	714,285,714	20.19	-	-
Azure All-Star Fund Pte. Ltd.	89,285,714	2.52	-	-
Chua Chuan Leong Ventures Pte. Ltd.	178,571,428	5.05	-	-
Lim Chap Huat	178,571,428	5.05	-	-
Singapore Enterprises Private Limited	178,571,428	5.05	-	-
Yanlord Capital Pte. Ltd.	357,142,857	10.10	-	-
Zhong Sheng Jian	200,000	0.006	357,142,857 ⁽⁹⁾	10.10 ⁽⁹⁾
Penguin International Limited	357,142,857	10.10	-	-
Ho Lee Group Pte Ltd (or its nominated subsidiary)	62,571,429 ⁽¹⁰⁾	1.77 ⁽¹⁰⁾	-	-
Low See Ching	35,714,286	1.01	-	-
Creditors				
Scheme Creditors	727,040,373	20.55	-	-
MPSY Scheme Creditors	4,593,886	0.13	-	-
PKPU Secured Creditors	64,000,000	1.81	-	-
Noteholders	204,960,000	5.79	-	-
Professionals				
RSM Corporate Advisory Pte. Ltd.	57,142,857	1.62		

Notes:-

- (1) Based on the share capital of the Company pursuant to the Proposed Investment, the Proposed Placement and the Proposed Fee Settlement (i.e., 3,537,142,857 Shares), assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares), the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares) and 57,142,857 Consideration Shares. Please note that numbers are subject to change as the actual number of Placement Shares to be allotted and issued will be based on the outstanding debts incurred up to the date on which the Scheme and the MPSY Scheme are sanctioned by the Court.
- (2) Lee Wan Tang is deemed interested in: (a) the 200,418,974 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd; and (b) 8,226,200 Shares held by RHB Securities Singapore Pte Ltd as his nominee.
- (3) Sean Lee Yun Feng is deemed interested in 770,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (4) Liely Lee is deemed interested in 770,000 Shares which will be issued and allotted to her upon the exercise of the employee share options granted to her under the MPM ESOS.
- (5) Lim Han Boon is deemed interested in 200,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (6) Peter Sim Swee Yam is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (7) Kelvin Lee Kiam Hwee is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (8) Nautical International Holdings Ltd is deemed interested in 200,418,974 Shares held by RHB Securities Singapore Pte Ltd as its nominee.
- (9) Zhong Sheng Jian has a deemed interest in the 357,142,857 Shares held by Yanlord Capital Pte. Ltd.
- (10) Includes 9,000,000 shares currently held by Ho Lee Group Pte Ltd.

LETTER TO SHAREHOLDERS

12.5 Interests of the Directors, the Substantial Shareholders, the Investors, the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors, the Noteholders and RSM Corporate Advisory Pte. Ltd. in the Shares pursuant to the Proposed Securities Issuance and the Proposed Fee Settlement

Assuming the issuance and allotment of the Maximum No. of Investment Shares (i.e., 2,142,857,141 Investment Shares), the Maximum No. of Placement Shares (i.e., 1,000,594,259 Placement Shares), up to 269,238,880 Warrant Shares (assuming the exercise of all 269,238,880 Warrants) and 57,142,857 Consideration Shares, the Interests of the Directors, the Substantial Shareholders, the Investors, the Scheme Creditors, the MPSY Scheme Creditors, the PKPU Secured Creditors, the Noteholders and RSM Corporate Advisory Pte. Ltd. in the Shares pursuant to the Proposed Securities Issuance and the Proposed Fee Settlement are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Lee Wan Tang ⁽²⁾	-	-	208,645,174 ⁽²⁾	5.48 ⁽²⁾
Sean Lee Yun Feng ⁽³⁾	-	-	770,000 ⁽³⁾	0.02 ⁽³⁾
Liely Lee ⁽⁴⁾	-	-	770,000 ⁽⁴⁾	0.02 ⁽⁴⁾
Lai Qin Zhi	-	-	-	-
Lim Han Boon ⁽⁵⁾	364,101	0.006	200,000 ⁽⁵⁾	0.005 ⁽⁵⁾
Peter Sim Swee Yam ⁽⁶⁾	150,000	0.004	100,000 ⁽⁶⁾	0.003 ⁽⁶⁾
Kelvin Lee Kiam Hwee ⁽⁷⁾	-	-	100,000 ⁽⁷⁾	0.003 ⁽⁷⁾
Substantial Shareholders (other than Directors)				
Nautical International Holdings Ltd ⁽²⁾	-	-	200,418,974 ⁽²⁾	5.27 ⁽²⁾
RHB Securities Singapore Pte Ltd ⁽²⁾	209,088,174	5.49	-	-
Investors				
Apricot Capital Pte. Ltd.	714,285,714	18.77	-	-
Azure All-Star Fund Pte. Ltd.	89,285,714	2.35	-	-
Chua Chuan Leong Ventures Pte. Ltd.	178,571,428	4.69	-	-
Lim Chap Huat	178,571,428	4.69	-	-
Singapore Enterprises Private Limited	178,571,428	4.69	-	-
Yanlord Capital Pte. Ltd.	357,142,857	9.38	-	-
Zhong Sheng Jian	200,000	0.005	357,142,857 ⁽⁹⁾	9.38 ⁽⁹⁾
Penguin International Limited	357,142,857	9.38	-	-
Ho Lee Group Pte Ltd (or its nominated subsidiary)	62,571,429 ⁽¹⁰⁾	1.64 ⁽¹⁰⁾	-	-
Low See Ching	35,714,286	0.94	-	-
Creditors				
Scheme Creditors	727,040,373	19.10	-	-
MPSY Scheme Creditors	4,593,886	0.12	-	-
PKPU Secured Creditors	64,000,000	1.68	-	-
Noteholders	204,960,000	5.38	-	-

LETTER TO SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%(1)	No. of Shares	%(1)
Professionals				
RSM Corporate Advisory Pte. Ltd.	57,142,857	1.50		

Note:

- (1) Based on the Fully Enlarged Share Capital (i.e., 3,806,381,737 Shares). Please note that the numbers are subject to change as the actual number of Placement Shares to be allotted and issued will be based on the outstanding debts incurred up to the date on which the Scheme and the MPSY Scheme are sanctioned by the Court.
- (2) Lee Wan Tang will be deemed interested in: (a) the 360,754,153 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd; and (b) 14,807,160 Shares held by RHB Securities Singapore Pte Ltd as his nominee.
- (3) Sean Lee Yun Feng will be deemed interested in 770,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (4) Liely Lee is deemed interested in 770,000 Shares which will be issued and allotted to her upon the exercise of the employee share options granted to her under the MPM ESOS.
- (5) Lim Han Boon is deemed interested in 200,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (6) Peter Sim Swee Yam is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (7) Kelvin Lee Kiam Hwee is deemed interested in 100,000 Shares which will be issued and allotted to him upon the exercise of the employee share options granted to him under the MPM ESOS.
- (8) Nautical International Holdings Ltd is deemed interested in 360,754,153 Shares held by RHB Securities Singapore Pte Ltd as its nominee.
- (9) Zhong Sheng Jian has a deemed interest in the 357,142,857 Shares held by Yanlord Capital Pte. Ltd.
- (10) Includes 9,000,000 shares currently held by Ho Lee Group Pte Ltd.

13. RECOMMENDATION BY THE DIRECTORS

13.1 The Proposed Securities Issuance

Having considered, *inter alia*, the terms of, the rationale for and the benefits of the Proposed Securities Issuance as set out in Section 7 of this Circular, the Directors are of the opinion that the Proposed Securities Issuance is in the best interests of the Company and the Shareholders generally. Accordingly, the Directors recommend that the Shareholders vote in favour of **Ordinary Resolution 1** for the Proposed Securities Issuance. The Directors further recommend that the Shareholders vote in favour of **Ordinary Resolution 1** for the Proposed Securities Issuance notwithstanding that the proposed issue and allotment of the Investment Shares will result in the Transfer of Controlling Interest to Apricot Capital Pte. Ltd. for the purposes of Rule 803 of the Listing Manual.

13.2 The Proposed Fee Settlement

Having considered, *inter alia*, the terms of, the rationale for and the benefits of the Proposed Fee Settlement as set out in Section 8.1 of this Circular, the Directors are of the opinion that the Proposed Fee Settlement is in the best interests of the Company and the Shareholders generally. Accordingly, the Directors recommend that the Shareholders vote in favour of **Ordinary Resolution 2** for the Proposed Fee Settlement.

14. EXTRAORDINARY GENERAL MEETING

The Notice of EGM which is set out on pages N-1 to N-4 of this Circular, will be held on 14 December 2017 at 10 a.m. at Level 28 Gateway East, 152 Beach Road, Singapore 189721

LETTER TO SHAREHOLDERS

for the purpose of considering, and if thought fit, passing (with or without any modifications), the Ordinary Resolutions set out in the Notice of EGM.

15. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register at least 48 hours before the time fixed for the EGM.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the action, proposals and transactions described in this Circular (including, in particular, the Debt Restructuring Exercise and the Proposed Securities Issuance), and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/ or reproduced in this Circular in its proper form and context.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 66 Kallang Pudding Road, #05-01 Hor Kew Business Centre, Singapore 349324, during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Investment Agreements;
- (b) the Consent Solicitation Statement;
- (c) the Scheme Documents;
- (d) the Warrants Deed Poll;
- (e) the Constitution of the Company; and
- (f) the annual report of the Company for FY2016.

Yours faithfully,

For and on behalf of the Board of Directors of
MARCO POLO MARINE LTD

Sean Lee Yun Feng
Chief Executive Officer
28 November 2017

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APPENDIX A – INFORMATION ON THE GROUP

Further details on the subsidiaries within the Group are as follows:

Name	Principal Activities	Place of Incorporation / Place of Business	Effective Interest held by the Group
<u>Held by the Company</u>			
Marco Polo Shipping Co. Pte Ltd	Ship chartering	Singapore	100%
Marco Polo Shipyard Pte Ltd (formerly known as Bina Marine Pte. Ltd.)*	Provision of contract services and trading activities	Singapore	100%
MP Marine Pte. Ltd	Investment holding	Singapore	100%
MP Ventures Pte. Ltd.	Investment holding	Singapore	100%
Marco Polo Drilling Pte. Ltd.	Investment holding	Singapore	100%
<u>Held by subsidiaries</u>			
PT. Marcopolo Shipyard*	Shipbuilding and ship repair	Indonesia	100%
MP Shipping Pte. Ltd.	Ship chartering	Singapore	100%
Marcopolo Shipping (Hong Kong) Limited	Investment holding	Hong Kong	100%
Marco Polo Offshore Pte Ltd	Ship chartering, leasing and management	Singapore	100%
MP Offshore Pte Ltd	Ship chartering	Singapore	100%
Marco Polo Offshore (II) Pte Ltd	Ship chartering	Singapore	100%
Marco Polo Offshore (III) Pte Ltd	Ship chartering	Singapore	100%
Marco Polo Drilling (I) Pte Ltd	Investment holding	Singapore	100%
PT Marco Polo Indonesia	Management consultancy and marketing	Indonesia	100%
Marco Polo Offshore (V) Pte Ltd	Ship chartering	Labuan, Malaysia	100%
Marco Polo Offshore (VI) Pte Ltd	Ship chartering	Singapore	100%
Marco Polo Offshore (VII) Pte Ltd	Ship chartering	Singapore	100%

* denotes entities which are involved in the Debt Restructuring Exercise

APPENDIX A – INFORMATION ON THE GROUP

Further details on the joint ventures of the Group are as follows:

Name	Principal Activities	Place of Incorporation / Place of Business	Effective Interest held by the Group
<u>Held by the Group</u>			
MPST Marine Pte. Ltd	Investment holding	Singapore	50%
Rig Tenders Offshore Pte Ltd	Ship chartering	Singapore	30%
MPMT Pte Ltd	Investment Holding	Singapore	50%
Marco Polo Offshore (IV) Pte Ltd	Ship chartering	Labuan, Malaysia	50%
PT Pelayaran Nasional Bina Buana Raya Tbk*	Ship chartering	Indonesia	34.8%
<u>Held by joint venture entities</u>			
Alpine Marine Limited	N.A. as it is in the process of being struck off	British Virgin Islands	50%
BBR Shipping Pte Ltd	Management consultancy, marketing and ship chartering	Singapore	34.8%
MPMT 1 Tankers Pte Ltd	Ship chartering	Singapore	50%
SK Marco Polo Sdn Bhd	Ship chartering	Malaysia	50%

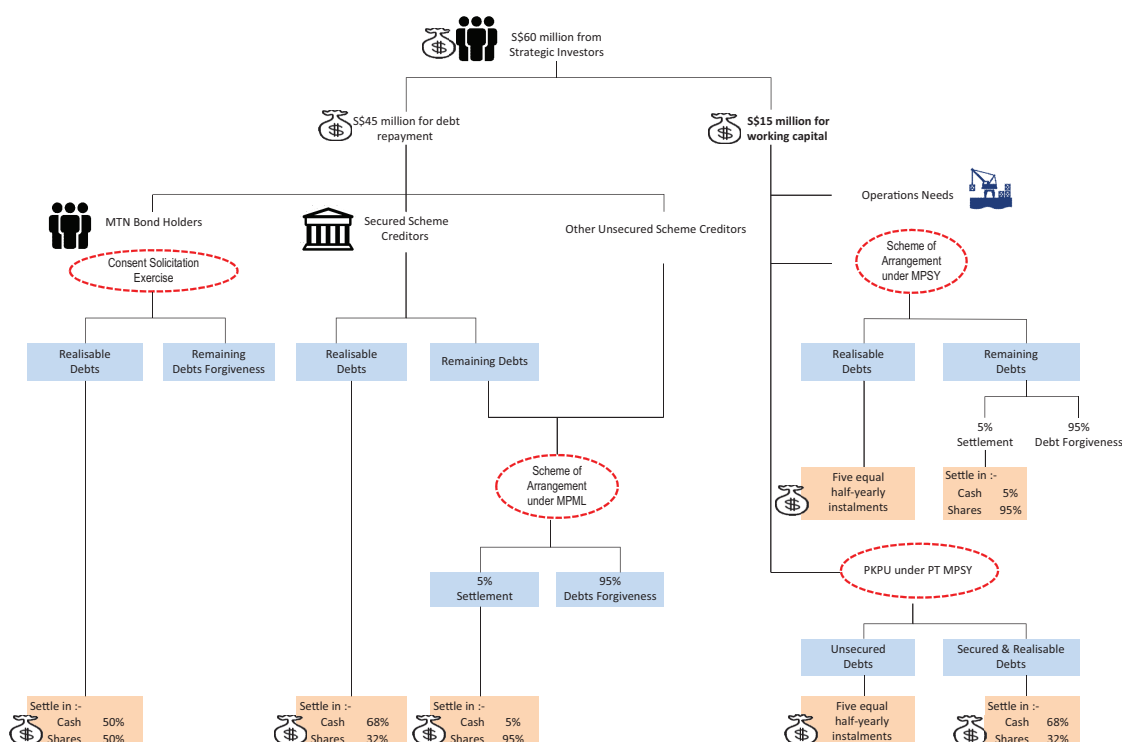
* denotes entities which are involved in the Debt Restructuring Exercise

APPENDIX B – SUMMARY OF THE DEBT RESTRUCTURING EXERCISE

Unless otherwise defined in this Circular, capitalised terms used in this Appendix B shall have the meanings ascribed to them in the Scheme Documents.

(A) Overview

- A1. Total Investment Sum from the Investors S\$60 million
- A2. Amount set aside to settle the cash component of the Debt Restructuring Exercise for the settlement of outstanding debts and liabilities due and owing to the Scheme Creditors, the Noteholders and the PKPU Secured Creditors. S\$45 million
- A3. General Working Capital (including partial settlement of professional fees and costs (estimated to be approximately S\$2.5 million) incurred in connection with the Debt Restructuring Exercise) and partial cash payments proposed to be made to the MPSY Scheme Creditors pursuant to the MPSY Scheme and PKPU unsecured creditors. S\$15 million



(B) Outline of the MPML Scheme

- B1. The MPML Scheme shall apply to all MPML Scheme Creditors who are not MPML Excluded Creditors i.e., the MPML Scheme shall apply to all persons who have a claim against MPML as at 30 June 2017, other than MPML Scheme Creditors who fall within the definition of “MPML Excluded Creditors”.

APPENDIX B – SUMMARY OF THE DEBT RESTRUCTURING EXERCISE

B2. For purposes of ascertaining entitlement under the MPML Scheme, the approved/adjudicated debt of each MPML Scheme Creditor will be divided (where applicable) into the following three components:

- (a) the Realisable MPML Lender Debts (amounting to approximately S\$47,830,000);
- (b) the Remaining MPML Lender Debts (amounting to approximately S\$181,936,414); and
- (c) the Other MPML Debts (amounting to approximately S\$31,911,916).

The debt amounts are based on outstanding debts as at 30 June 2017 adjudicated and approved by the managers of the Scheme plus a provision of additional interests and costs up to the effective date of the Scheme as determined in accordance with Section 210(5) of the Act.

B3. The Realisable MPML Lender Debts and the Remaining MPML Lender Debts only apply to the MPML Scheme Creditors who are Lenders i.e., banks and/or financial institutions who have one or more existing credit facilities with MPML or any of the entities within the Group, for which MPML has provided a corporate guarantee as collateral. The Realisable MPML Lender Debts refer to the portion of the Lender's debt which is equal to the net realisable value of the Group's collateral (i.e., OSVs and tugs and barges) held by that Lender. The remaining portion of that Lender's debt is the Remaining MPML Lender Debt. The Other MPML Debts refer to MPML's debts to MPML Scheme Creditors who are not Lenders.

B4. The Realisable MPML Lender Debts of an MPML Scheme Creditor are to be settled in the following manner:

- (a) 68% of the Realisable MPML Lender Debts shall be settled by cash payment; and
- (b) 32% of the Realisable MPML Lender Debts shall be settled by the issuance of such number of Placement Shares at an issue price of \$0.035 per Placement Share, equivalent to the value of 32% of the Realisable MPML Lender Debt.

B5. The Remaining MPML Lender Debts and the Other MPML Debts of an MPML Scheme Creditor are to be settled in the following manner:

- (a) 95% of the Remaining MPML Lender Debts or the Other MPML Debts (where applicable) shall be irrevocably waived, released, discharged and extinguished; and
- (b) of the balance 5% of the Remaining MPML Lender Debts or the Other MPML Debts (where applicable): (i) 5% of that amount shall be settled by cash payment; and (ii) 95% of that amount shall be settled by the issuance of such number of Placement Shares at an issue price of \$0.035 per Placement Share, equivalent to the value of 95% of that amount.

(C) Outline of the MPSY Scheme

C1. The MPSY Scheme shall apply to all MPSY Scheme Creditors who are not MPSY Excluded Creditors i.e., the MPSY Scheme shall apply to all persons who have a claim against MPSY as at 30 June 2017, other than MPSY Scheme Creditors who fall within the definition of "*MPSY Excluded Creditors*".

C2. For purposes of ascertaining entitlement under the MPSY Scheme, the approved/adjudicated debt of each MPSY Scheme Creditor will be divided (where applicable) into the following two components:

- (a) Realisable MPSY Creditor Debts (amounting to approximately S\$2,361,646); and
- (b) Remaining MPSY Creditor Debts (amounting to approximately S\$3,384,969).

C3. The Realisable MPSY Creditor Debts refer to debts arising from goods delivered and/or services rendered by MPSY Scheme Creditors to MPSY prior to 30 June 2017, which have been invoiced to MPSY but have not been paid (in part or in full) as at 30 June 2017. The remaining portion of the MPSY Scheme Creditor's approved debts, which are not the Realisable MPSY Creditor Debts are the Remaining MPSY Creditor Debts.

APPENDIX B – SUMMARY OF THE DEBT RESTRUCTURING EXERCISE

- C4. The Realisable MPSY Creditor Debts of a MPSY Scheme Creditor are to be settled in full by cash payments over five equal half-yearly instalments commencing from January 2018.
- C5. The Remaining MPSY Creditor Debts are to be settled in the following manner:
- (a) 95% of the Remaining MPSY Creditor Debts shall be irrevocably waived, released, discharged and extinguished; and
 - (b) of the balance 5% of the Remaining MPSY Creditor Debts: (i) 5% of that amount shall be settled by cash payment; over five equal half-yearly instalments commencing from January 2018 and (ii) 95% of that amount shall be settled by the issuance of such number of Placement Shares at an issue price of \$0.035 per Placement Share, equivalent to the value of 95% of that amount.

(D) Outline of the Consent Solicitation Exercise

- D1. The key terms of the proposal under the Consent Solicitation Exercise to restructure the Notes are as follows:
- (a) the waiver of the non-payment of all interest and additional interest on the Notes that were or would have been due and payable, amounting to approximately \$2,365,611;
 - (b) the waiver of the occurrence of any event of default or, as the case may be, potential event of default under certain conditions of the Notes which may have occurred or may occur in connection with the Debt Restructuring Exercise, the Proposed Investment and the PPL Litigation, and the waiver of any requirement, covenant and term in the trust deed and the Notes which would be breached as a result of or arising in connection with the Debt Restructuring Exercise, the Proposed Investment and the PPL Litigation;
 - (c) the Company to redeem the Notes in full based on the redemption amount of \$71,736 for each \$250,000 in denomination amount of the Notes redeemed, payable partially in cash amounting to \$35,868 and partially in the form of 1,024,800 Placement Shares at an issue price of \$0.035 per Placement Share.

(E) Outline of the PKPU Restructuring

- E1. It is proposed that pursuant to the PKPU Restructuring, the unsecured trade debts of PTMS (amounting to approximately S\$6,868,801 (or 67.314 billion Indonesian Rupiah) shall be settled in full by cash over five equal half-yearly instalments commencing from January 2018.
- E2. In addition to the unsecured trade debts, there is a secured debt (amounting to S\$7 million) which is secured over the land and dry dock of PTMS. This secured debt is proposed to be settled in full as follows:
- (a) 68% to be settled by cash payment; and
 - (b) 32% to be settled by the issuance of such number of Placement Shares at an issue price of S\$0.035 per Placement Share, equivalent to the value of 32% of that amount.

(F) Outline of the Proposed Debt Restructuring of the Secured Debts of PT BBR

- F1. Pursuant to the proposed debt restructuring of the secured debts of PT BBR (amounting to approximately US\$56,903,302), the Group shall seek consensual agreement from all secured creditors of PT BBR to permit the settlement of such secured debts in cash by way of a cash sweep mechanism, i.e., an agreed upon percentage of the cash on hand at the end of each month shall be applied to settle the interest and then the principal owing to such secured lenders.
- F2. The restructuring period is proposed to be up to 60 months.
- F3. Any other terms are to be mutually agreed with the secured lenders of PT BBR and PT BBR.

APPENDIX B – SUMMARY OF THE DEBT RESTRUCTURING EXERCISE

(G) Details on the Debts Outstanding

* Based on an exchange rate of US\$1 : S\$1.3773	Debt Outstanding			Settlement			Waiver of Debts (S\$)
	Principal (S\$)	Interest and Other Amounts (S\$)	Total (S\$)	Total (S\$)	Value in Shares (S\$)	Cash (S\$)	
Scheme Creditors⁽¹⁾	242,916,423	18,761,907	261,678,330	58,504,538	25,446,413	33,058,125	203,173,792
Realisable Lender Debts	47,830,000	-	47,830,000	47,830,000	15,305,600	32,524,400	-
Remaining Lender Debts	165,570,884	16,365,530	181,936,414	9,078,942	8,624,997	453,945	172,857,472
Other MPML Debts	29,515,539	2,396,377	31,911,916	1,595,596	1,515,816	79,780	30,316,320
MPSY Scheme Creditors⁽¹⁾	5,692,841	53,774	5,746,615	2,530,894	160,786	2,370,108	3,215,721
Realisable Creditor Debts	2,307,872	53,774	2,361,646	2,361,646	-	2,361,646 ⁽⁴⁾	-
Remaining Creditor Debts	3,384,969	-	3,384,969	169,248	160,786	8,462 ⁽⁴⁾	3,215,721
Noteholders	50,000,000	2,365,611	52,365,611	14,347,200	7,173,600	7,173,600	38,018,411
PKPU Creditors	13,868,801	-	13,868,801	13,868,801	2,240,000	11,628,801	-
Realisable Secured Debt	7,000,000	-	7,000,000	7,000,000	2,240,000	4,760,000	-
Remaining Secured Debt	-	-	-	-	-	-	-
Other Unsecured Debts	6,868,801	-	6,868,801	6,868,801	-	6,868,801 ⁽²⁾	-
PT BBR Creditors⁽³⁾	56,491,654	411,648	56,903,302	56,903,302	-	56,903,302	-
	Principal (US\$)	Interest and Other Amounts (US\$)	Total (US\$)	Total (US\$)	Value in Shares (US\$)	Cash (US\$)	
	56,491,654	411,648	56,903,302	56,903,302	-	56,903,302	-

Notes:-

- (1) Based on the debt amounts as at 30 June 2017 adjudicated and approved by the managers of the Scheme and the MPSY Scheme plus a provision of additional interests and costs up to the effective date of the Scheme and the MPSY Scheme as determined in accordance with Section 210(5) of the Act.
- (2) The debts will be settled in Indonesian Rupiah (amounting to 67.314 billion Indonesian Rupiah) over five (5) equal half-yearly instalments commencing from January 2018.
- (3) The secured debts owing to the PT BBR Creditors as at 30 September 2017 will be settled in accordance with the terms of the PT BBR Intercreditor Agreement.
- (4) The debts will be settled over five (5) equal half-yearly instalments commencing from January 2018.

APPENDIX C – KEY TERMS AND CONDITIONS OF THE INVESTMENT

1. DEFINITIONS

In this Appendix C, unless otherwise defined below or the context otherwise requires, the capitalised words and expressions used shall bear the same meanings as defined in this Circular.

- “Defaulting Party”** : has the meaning ascribed to it in Paragraph 5.1(a) of this Appendix C
- “Nominating Committee”** : the nominating committee of the Company constituted by the Board
- “Non-Defaulting Party”** : has the meaning ascribed to it in Paragraph 5.1(a)(i) of this Appendix C

2. THE PROPOSED INVESTMENT AND INVESTMENT SUMS

- 2.1 Subject to the terms and conditions of the Investment Agreements, each of the Investors has independently of the other Investors agreed to subscribe for the number of Investment Shares set out against its name as stated in Section 4.2 of this Circular.
- 2.2 The subscription price payable for each Investment Share is S\$0.028 and the aggregate amount of the subscription monies to be raised from the issue of the Investment Shares is S\$60 million.
- 2.3 Under the terms of the Investment Agreements, the proceeds of the issuance of the Investment Shares shall, upon receipt by the Company, be utilised for the purposes of effecting, *inter alia*, the Debt Restructuring Exercise in the following manner, unless otherwise agreed to by the Investors:
- (a) S\$12 million for the purposes of meeting the working capital requirements of the Group following the completion of the Debt Restructuring Exercise (including but not limited to the settlement of professional costs and expenses incurred in connection with the Debt Restructuring Exercise);
 - (b) S\$3 million for the purposes of meeting the initial repayments to the PKPU Creditors and the MPSY Creditors; and
 - (c) the balance (of which shall not be less than S\$45 million) for the purposes of settlement of all cash payments required under the Debt Restructuring Exercise.

3. INCENTIVE PLAN FOR KEY MANAGEMENT PERSONNEL

- 3.1 The Investors have agreed that after completion of the Debt Restructuring Exercise, the Company shall put in place an incentive plan, on terms reasonably acceptable to the Investors, for the key management personnel of the Company on a profit-sharing basis.
- 3.2 Depending on the Operating EBITDA achieved by the Group based on its audited accounts, the Company may distribute to the key management personnel, in the aggregate, a sum equal to the amount calculated in accordance with the second column of the table in Paragraph 3.3 of this Appendix C corresponding to the relevant Operating EBITDA amount, in cash (i.e., the Incentive Amount). The decision as to which key management personnel (i.e., the Entitled Key Personnel Group) is awarded a portion of the Incentive Amount, the quantum and time of payment, shall be approved and determined by the Remuneration Committee taking into consideration the recommendation of the Chief Executive Officer, and shall be dependent on and subject to the performance of the Company and other key performance indicators as shall be determined by the Remuneration Committee.
- 3.3 Under the terms of the Investment Agreements and subject to the limitation set out in Paragraph 3.4 of this Appendix C, the Entitled Key Personnel Group shall receive the Incentive

APPENDIX C – KEY TERMS AND CONDITIONS OF THE INVESTMENT

Amount within 10 Business Days from the issuance of the audited financial statements of the Company for the relevant financial year in accordance with the following formula (the entitlement of each member of the Entitled Key Personnel Group to his portion of such payout being as determined by the Remuneration Committee):

Operating EBITDA for a financial year	Aggregate Incentive Amount to be granted to all key management employees (measured as % of the Operating EBITDA)
For the first S\$5 million	10%
For the next amount that is in excess of S\$5 million and up to (and including) S\$10 million	12%
For the next amount that is in excess of S\$10 million and up to (and including) S\$15 million	15%
For the next amount that is in excess of S\$15 million and up to (and including) S\$20 million	18%
For the next amount that is in excess of S\$20 million and up to (and including) S\$40 million	20%
For the next amount that is in excess of S\$40 million	20%

3.4 Notwithstanding the aforesaid, the Incentive Plan shall expire on the earlier of (i) the 10th Business Day from the issuance of the audited financial statements of the Issuer for financial year ending 30 September 2022, or (ii) when the total aggregate of the amount payable and/or to be paid as the Incentive Amount equals to S\$10 million.

3.5 The Investors have also agreed with the Company that, upon Completion, they would undertake to enter into an arrangement whereby each Investor will set aside a proportion of the Investment Shares (pro rata to the quantum that its proportion of the Investment Shares bears to the Investment Shares subscribed to by all the Investors pursuant to the Proposed Investment) to be granted to the key members of the management (as approved by the Investors after taking into consideration the recommendations of the Chief Executive Officer) of the Company (collectively with such total number of Investment Shares set aside by all the Investors, the “**Management Award Shares**”), provided always that:

- (a) the Management Award Shares which shall be awarded shall constitute not more than 15% of the aggregate number of Investment Shares to be subscribed by all the Investors pursuant to the Proposed Investment;
- (b) the Management Award Shares shall be granted in three (3) tranches of equal amounts, each tranche to be granted and vested (i.e., awarded) as follows:

Award Tranche	% of Management Award Shares awarded
Upon the signing of the Service Agreements	5%
Upon the Group attaining positive Operating EBITDA in any of the FYs that falls within the Incentive Period	5%
Upon the Group attaining an Operating EBITDA of not less than S\$1 million in respect of any FY that falls within the Incentive Period	5%

Provided Always that in the event where the Group attains an Operating EBITDA of S\$5 million or more in any financial year, all the Management Award Shares which have not been granted and vested shall be granted and vested (i.e., awarded) in full;

- (c) the terms of the award of such Management Award Shares shall be determined and approved by the Remuneration Committee after taking into consideration the recommendation of the Chief Executive Officer; and

APPENDIX C – KEY TERMS AND CONDITIONS OF THE INVESTMENT

- (d) any Management Award Shares awarded shall be subject to moratorium on dealing and trading for a period of 5-year period commencing on the date of award of the first tranche, Provided Always That the above-mentioned moratorium undertaking shall not apply to any dealing or transfer of Management Award Shares in response to any mandatory, voluntary or partial general offer for Shares (including without limit by way of a scheme of arrangement) or after the close of such offer where there is an effective change of control.

4. CERTAIN OBLIGATIONS OF THE COMPANY AND CONDITIONS PRECEDENT TO CLOSING

4.1 *Certain Obligations.* Under the terms of the Investment Agreements, the Company is obliged to execute all documents and do all acts and things necessary and reasonably required on its part for the implementation of, amongst others, the Debt Restructuring Exercise and the Proposed Securities Issuance, as expeditiously as practicable, including but not limited to the following:

- (a) *No Undertaking of Liabilities* – prior to the completion of the Debt Restructuring Exercise, the Company and its subsidiaries and associated companies shall not incur any additional debts (whether interest bearing or otherwise) other than trade debts that arise in the ordinary course of business and operations and the costs and expenses associated with the Debt Restructuring Exercise, the Proposed Securities Issuance and the implementation thereof;
- (b) *Irrevocable Undertakings from majority Shareholder* – the Company shall procure an irrevocable undertaking from the majority Shareholder to vote in favour of any and all resolutions to be tabled to the Shareholders in connection with and for the purposes of the Proposed Investment, the Scheme, the MPSY Scheme and the Consent Solicitation Exercise;
- (c) *Court Order* – if the Scheme is approved by the requisite majority of the Scheme Creditors, and the MPSY Scheme is approved by the requisite majority of the MPSY Scheme Creditors, promptly (and in any event not later than ten (10) Business Days from the Scheme Meeting for the Scheme, and the Scheme Meeting for the MPSY Scheme, whichever is later) use best endeavours in applying to the Court for the sanction of the approved Scheme and MPSY Scheme;
- (d) *ACRA Registration* – following the grant of the Scheme Court Order, and as soon as practicable, lodging the same with ACRA;
- (e) *Entry into the PT BBR Intercreditor Agreement* – the Company shall procure that PT BBR takes best endeavours to negotiate with and enter into the PT BBR Intercreditor Agreement with its secured creditors on terms acceptable to the Investors (acting reasonably);
- (f) *Compliance with the PKPU Restructuring process* – the Issuer shall procure that PTMS complies with and takes best endeavours to comply with all relevant laws and regulations (including to Law No 37 of 2004 on Bankruptcy and Suspension of Obligation for Payment of Debts) relating to the PKPU regime, such endeavours including (but not limited to) preparation of the PKPU Scheme Documents and the despatch of such documents to PKPU Creditors (as applicable).
- (g) *No Action* – the Company will take no action which may be prejudicial to the completion of the Debt Restructuring Exercise (or any part thereof); and
- (h) *Board Seats* – Apricot Capital Pte. Ltd. and Penguin International Limited shall each be entitled to appoint one (1) director to the Board and the nominee of Apricot Capital Pte. Ltd. shall be appointed to the Remuneration Committee, provided always that each such appointment shall be approved by the Nominating Committee (acting

APPENDIX C – KEY TERMS AND CONDITIONS OF THE INVESTMENT

reasonably), taking into account the suitability of the candidate proposed to be appointed and in compliance with the guidelines and principles set out in the Singapore Code of Corporate Governance 2012.

- 4.2 *Closing.* The Closing is conditional upon certain conditions precedent, amongst others, as set out in Section 4.6 of this Circular. Each party to the Investment Agreements agrees to use its or his best endeavours to procure that each of the conditions precedent set out in the Investment Agreements is satisfied as soon as practicable after the entry into the Investment Agreements and in any event, by the Long-Stop Date. Without limiting the generality of the foregoing, (i) the Company shall promptly apply for all necessary approvals from, amongst others, the relevant government authorities for the purposes of implementing the Debt Restructuring Exercise and the Proposed Securities Issuance, and (ii) between the date of the Investment Agreements and the Effective Date, the Company and the Investors will not take or omit to take any action that would make (a) any representation or warranty of the Company or the Investors, as the case may be, which is qualified as to materiality, untrue or incorrect in any material respect, and (b) any representation or warranty of the Company or any Investor, as the case may be, which is not qualified as to materiality, untrue or incorrect. If any of the conditions precedents is not waived by the Investors or fulfilled by the Long-Stop Date (or such other date as may be agreed between the parties), the Investment Agreements shall *ipso facto* cease and determine and none of the parties shall have any claim against the others for costs, damages, compensation or otherwise, save for any claim by an Investor against the Company arising from a breach of the Company's undertaking contained in this paragraph.

5. TERMINATION RIGHTS

- 5.1 Each of the parties to the Investment Agreements may by notice in writing to the other parties given at any time on or prior to Closing, terminate the Investment Agreements in any of the following circumstances:
- (a) if there shall have come to the notice of the first-mentioned party (the “**Non-Defaulting Party**”) of:
 - (i) any material breach of, or any event rendering a representation or warranty of any of the other Parties (the “**Defaulting Party**”):
 - (aa) (in the case of any representation or warranty that is qualified as to materiality), untrue, incorrect, or misleading in any material respect; and
 - (bb) (in the case of any representation or warranty that is not so qualified as to materiality), untrue, incorrect, or misleading; or
 - (ii) any failure by or inability of the Defaulting Party to perform any of the obligations under the Investment Agreements (in each case within the timeline prescribed herein, if any) that may be applicable to it,and provided always that if such breach or failure is capable of remedy, such breach or failure not being remedied to the satisfaction of the Non-Defaulting Party within 14 days of the receipt of a written notice by the Defaulting Party from the Non-Defaulting Party requesting that such breach or failure be remedied;
 - (b) if the SGX-ST indicates that the proposal (or any part thereof) would not be acceptable to or approved by it, and it could reasonably be determined that the parties to the Investment Agreements would at that point of time not have sufficient time to revise the Debt Restructuring Exercise to the satisfaction of the SGX-ST by the Long-Stop Date;
 - (c) if: (a) the requisite majority of the Scheme Creditors do not vote in support of the Scheme; (b) the requisite majority of the MPSY Scheme Creditors do not vote in

APPENDIX C – KEY TERMS AND CONDITIONS OF THE INVESTMENT

support of the MPSY Scheme; or (b) the Court declines or refuses to grant the Scheme Court Order; and/or the Debt Restructuring Exercise (or any material part thereof) cannot be proceeded with for any other reason;

- (d) if the requisite majority of the Noteholders do not approve the Consent Solicitation Exercise or if the Consent Solicitation Exercise cannot be proceeded with for any other reason;
- (e) if PT BBR fails to enter into the PT BBR Intercreditor Agreement with its secured creditors;
- (f) if any court of competent jurisdiction or regulatory authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the implementation of the Debt Restructuring Exercise or the Proposed Securities Issuance (or any part thereof) or any transaction contemplated under the Investment Agreements, or has refused to do anything necessary to permit the implementation of the Debt Restructuring Exercise or the Proposed Securities Issuance (or any part thereof) or any transaction contemplated under the Investment Agreements, and such order, decree, ruling, other action or refusal shall have become final and non-appealable; or
- (g) upon the occurrence of any event, development or state of facts which has had or would reasonably be expected to have a material adverse effect in the context of the Investment Agreements between the date of the Investment Agreements and the Effective Date.

5.2 Upon notice being given:

- (a) the Investment Agreements shall terminate and cease to have any further force or effect, other than this Paragraph 5.2 and any other clauses as expressly provided in the Investment Agreements which shall survive termination; and
- (b) each party to the Investment Agreements shall cease to have further rights or obligations under the respective Investment Agreements,

but such termination shall be without prejudice to any rights or liabilities of any party to the Investment Agreements which may have accrued prior to such termination.

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APPENDIX D – BACKGROUND INFORMATION ON THE INVESTORS

Apricot Capital Pte. Ltd. (“Apricot Capital”)

Apricot Capital is a private investment vehicle of Mr. David Teo Kee Bock (“**Mr. Teo**”) and his family. Mr. Teo is a founding member of the Super Group Ltd, a leading instant food and beverage brand owner and manufacturer with portfolio of over 160 instant food and beverage products which are distributed in over 65 countries. The Super Group Ltd was listed on the SGX Mainboard until 6 June 2017 when it was delisted after a Dutch firm Jacobs Douwe Egberts acquired the group for S\$1.45 billion.

Recognised for his entrepreneurial vision and achievement, Mr. Teo was named the Ernst & Young Entrepreneur of the Year Singapore in 2006 and the Category Winner in Manufacturing and Business Services.

Yanlord Capital Pte. Ltd. (“Yanlord Capital”)

Yanlord Capital is the private investment arm of Mr. Zhong Sheng Jian (“**Mr. Zhong**”), the founder, chairman and CEO of Yanlord Land Group Limited, which is listed on the SGX Mainboard, and is one of the largest non-government-owned real estate developers in China. Mr. Zhong is an Existing Shareholder and currently holds 200,000 Shares.

Mr. Zhong has received numerous prestigious recognitions and awards both in the PRC and in Singapore for his invaluable contributions and achievements, including the Public Service Medal (Pingat Bakti Masyarakat), a Singapore National Day Award, awarded by the Singapore Government.

Chua Chuan Leong Ventures Pte. Ltd. (“CCL Ventures”)

CCL Ventures is the private investment arm of the Chua Family which owns the Goldbell Group. It has over 7,500 industrial vehicles on lease in Singapore and are distributors of an extensive network of internationally renowned brands including Fuso and Fiat Professional. Its diversified business portfolio operates under three main business pillars: distribution, leasing, and financial services with business operations that span across the Asia Pacific region with presence in Malaysia, Vietnam, and Australia.

Lim Chap Huat

Mr. Lim Chap Huat (“**Mr. Lim**”) is the co-founder and executive chairman of Soilbuild Construction Group Ltd, which is listed on the SGX Mainboard and is a leading builder with a long and successful track record of constructing a sterling award-winning portfolio of residential and business space properties. Since its inception in 1976, Soilbuild charts over 40 years of success in offering a full spectrum of real estate services which includes Civil Engineering, Design and Build, Construction, Turnkey Construction, Project Management Consultancy, Procurement and Mechanical & Electrical Installation.

He is active in community service and in recognition of his contributions to the community, Mr. Lim was conferred the Public Service Medal (Pingat Bakti Masyarakat) and the Public Service Star (Bintang Bakti Masyarakat) by the President of Singapore in 2003 and 2009 respectively.

Singapore Enterprises Private Limited (“SEPL”)

SEPL is a wholly-owned subsidiary of Vibrant Group Limited (the “**Vibrant Group**”) which is listed on the SGX Mainboard. The Vibrant Group is a provider of integrated logistics solutions for customers worldwide. It is also in the business of providing real estate and financial services. The Vibrant Group is also the sponsor and manager of Sabana Real Estate Investment Trust (REIT) which is the world’s largest listed Shari’ah compliant REIT.

Azure All-Star Fund Pte Ltd (“Azure All-Star Fund”)

Azure All-Star Fund is the flagship fund of Azure Capital Pte Ltd, a registered fund management company run by Terence Wong, an award-winning analyst with a passion for small caps. Azure All-Star Fund is an absolute return equity fund with a committed asset portfolio of approximately S\$100 million, and which is mandated to invest primarily in Southeast Asia, the Hong Kong Special Administrative Region and the People’s Republic of China.

APPENDIX D – BACKGROUND INFORMATION ON THE INVESTORS

Penguin International Limited (“Penguin International”)

Penguin International is a public company listed on the SGX Mainboard and an integrated designer, builder, owner and operator of high-speed aluminium vessels. Penguin International’s newbuild portfolio includes offshore crewboats, patrol boats and passenger ferries. It operates shipyards in Singapore and Batam, as well as its own fleet of crewboats and ferries in Southeast Asia.

Penguin International will hold a number of Placement Shares corresponding to an aggregate investment sum of S\$2 million on behalf of Mr. Jeffrey Hing Yih Peir, the executive chairman and controlling shareholder of Penguin International.

Low See Ching

Mr. Low See Ching is a private investor. He is a Deputy CEO and substantial shareholder of Oxley Holdings Limited, which is listed on the SGX Mainboard. Oxley Holdings Limited is an international property developer specialises in the development of residential, commercial, industrial and hospitality projects.

Ho Lee Group Pte Ltd (“Ho Lee Group”)

Ho Lee Group is an Existing Shareholder and currently holds 9,000,000 Shares.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 28 November 2017 issued by the Company (the “Circular”).

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“**EGM**”) of Marco Polo Marine Ltd (the “**Company**”) will be held on 14 December 2017 at 10 a.m. at Level 28 Gateway East, 152 Beach Road, Singapore 189721 for the purpose of considering and, if thought fit, passing, with or without amendments, the Ordinary Resolutions set out below.

ORDINARY RESOLUTION 1: THE PROPOSED SECURITIES ISSUANCE

THAT, pursuant to Section 161 of the Companies Act, Cap. 50, of Singapore as well as Rule 803 and Rule 805 of the Listing Manual, approval is hereby given to the Directors of the Company to:

- (a) issue and allot up to 2,142,857,141 Investment Shares at the Investment Share Price to the Investors, subject to and otherwise in accordance with the terms and conditions of the Investment Agreements, whereby such Investment Shares shall rank *pari passu* in all respects with the then existing Shares of the Company, except for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Investment Shares, and will be admitted for listing and quotation on the SGX-ST;
- (b) issue and allot up to 1,000,594,259 Placement Shares at the Placement Share Price to the Noteholders, the Scheme Creditors, the MPSY Scheme Creditors and the PKPU Secured Creditors, subject to and otherwise in accordance with the terms and conditions of the Scheme, the MPSY Scheme and the Consent Solicitation Exercise, whereby such Placement Shares shall rank *pari passu* in all respects with the then existing Shares of the Company, except for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Placement Shares, and will be admitted for listing and quotation on the SGX-ST;
- (c) issue and allot up to:
 - (i) 269,238,880 Warrants free of payment to all existing Shareholders, each Warrant to entitle Warrantheholders to subscribe for one (1) Warrant Share at the Exercise Price (i.e., S\$0.035 per Warrant Share) and which may be exercised commencing on and including the date six (6) months from the date of listing of the Warrants on the SGX-ST and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the exercise period shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, but excluding such period(s) during which the register of Warrantheholders of the Company may be closed pursuant to the terms and conditions of the Warrants Deed Poll, subject to the terms and conditions of the Warrants Deed Poll and on such other terms and conditions as the Directors may think fit; and
 - (ii) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same respective series, save as may otherwise be provided in the terms and conditions of the Warrants Deed Poll); and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) issue and allot, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (i) up to 269,238,880 Warrant Shares upon the exercise of the Warrants, subject to and otherwise in accordance with the terms and conditions of the Warrants Deed Poll, whereby such Warrant Shares (when issued and paid) shall rank *pari passu* in all respects with the then existing Shares of the Company (save as may otherwise be provided in the terms and conditions of the Warrants Deed Poll) save for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the relevant exercise date of the Warrants; and
 - (ii) on the same basis as set out in Paragraph (d)(i) above, such further Warrant Shares as may be required to be issued and allotted on the exercise of any of the Warrants issued in accordance with Paragraph (c)(ii) above, on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:
 - (A) the issue of the Warrants under the Proposed Warrants Issue shall be made to the Shareholders whose names appear in the Register of Members or the records of CDP as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) market days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents;
 - (B) no issue of the Warrants shall be made in favour of the Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least three (3) market days prior thereto, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);
 - (C) the issue of the Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit and to pool and thereafter distribute the net proceeds thereof, if any (after deducting all expenses), proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company; and
 - (D) the Warrants not allotted for any reason (other than allotments to the Foreign Shareholders referred to above) shall be allotted or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
- (e) issue and allot the Investment Shares in accordance with the terms and conditions of the Investment Agreements notwithstanding that in so doing, Transfer of Controlling Interest in the Company to Apricot Capital Pte. Ltd. or its related corporation which has been nominated to subscribe for the relevant Investment Shares in place of Apricot Capital Pte. Ltd. for the purposes of Rule 803 of the Listing Manual will arise from such issue and allotment; and
- (f) that any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Securities Issuance, the Transfer of Controlling Interest, the Debt Restructuring Exercise as a whole, the Scheme, the MPSY Scheme, the Consent Solicitation Exercise, the PKPU Restructuring, the restructuring of the secured debts of PT BBR via the PT BBR Intercreditor Agreement, the Investment Agreements, the Consent Solicitation Statement, the Scheme Documents and/or the Warrants Deed Poll, with full power to assent to any condition, amendment, alteration,

NOTICE OF EXTRAORDINARY GENERAL MEETING

modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Investment Agreement.

ORDINARY RESOLUTION 2: THE PROPOSED FEE SETTLEMENT

THAT, conditional on the passing of Ordinary Resolution 1 and pursuant to Section 161 of the Companies Act, Cap. 50, of Singapore and Rule 805 of the Listing Manual, approval is hereby given to the Directors of the Company to:

- (a) issue and allot up to 57,142,857 Consideration Shares at the Consideration Share Price to RSM Corporate Advisory Pte. Ltd. for payment of certain professional fees as further described in Section 8 of the Circular, whereby such Consideration Shares shall rank *pari passu* in all respects with the then existing Shares of the Company, except for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Consideration Shares, and will be admitted for listing and quotation on the SGX-ST; and
- (b) that any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the aforesaid issuance and allotment of the Consideration Shares and the Proposed Fee Settlement, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution and the matters dealt with herein.

For and on behalf of the Board of Directors of
MARCO POLO MARINE LTD

Sean Lee Yun Feng
Chief Executive Officer
28 November 2017

Notes:-

- 1. A Member (other than a Relevant Intermediary*) entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his/her stead. A Member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member.
- 2. Where a Member (other than a Relevant Intermediary*) appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.
- 3. A Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
- 4. If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not later than 48 hours before the time appointed for the holding of the EGM.
- 5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- 6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "Warranty"), and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty.

PROXY FORM

MARCO POLO MARINE LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200610073Z)

IMPORTANT

- (1) Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Act"), a Relevant Intermediary (as defined in the Act) may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting (the "EGM").
- (2) An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
- (3) This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- (4) CPF Investors and SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to their appointment as proxies or the appointment of their agent banks as proxies for the EGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 28 November 2017.

PROXY FORM

EXTRAORDINARY GENERAL MEETING

*I/We (Name) _____

(NRIC/Passport/Co. Registration No.) _____

of (Address) _____

being a *member/members of **MARCO POLO MARINE LTD** ("the **Company**"), hereby appoint:

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the extraordinary general meeting of the Company (the "EGM"), as *my/our *proxy/ proxies to attend, speak and vote for *me/us on *my/our behalf at the EGM to be held on 14 December 2017 at 10 a.m. at Level 28 Gateway East, 152 Beach Road, Singapore 189721 or at any adjournment thereof.

As Ordinary Resolutions		For	Against
Ordinary Resolution 1	To approve the Proposed Securities Issuance		
Ordinary Resolution 2	To approve the Proposed Fee Settlement		

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with a "X" in the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the relevant number of shares in the relevant boxes provided above. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the EGM.)

Note: Please note that the short descriptions given above of the Ordinary Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Ordinary Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM for the full purpose and intent of the Ordinary Resolutions to be passed.

Dated this _____ day of _____ 2017

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

Signature(s) of Member(s)/
Common Seal of Corporate Member

*Delete as appropriate

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:-

1. Except for a member who is a Relevant Intermediary as defined under Section 181(1C) of the Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 48 hours before the time set for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with the Constitution of the Company and Section 179 of the Act.
9. Subject to Note 11 below, the submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
11. CPF Investors and/or SRS Investors who buy shares in the Company may attend and cast their vote at the meeting in person. CPF Investors and/or SRS Investors who are unable to attend the meeting but would like to vote, may inform CPF and/or SRS approved nominees to appoint Chairman of the EGM to act as their proxy, in which case, the CPF Investor and/or SRS Investors shall be precluded from attending the meeting.

