



MARCO POLO MARINE LTD

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

**CLARIFICATION ON CORPORATE GOVERNANCE STATEMENT CONTAINED IN THE 2017
ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017**

The Board of Directors (the “Board”) of Marco Polo Marine Ltd (the “Company”) refers to the 2017 Annual Report of the Company and its subsidiaries (the “Group”) and the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) in relation to the Corporate Governance Statement included therein (the “Queries”).

The Board hereby appends below its responses to the Queries:

SGX-ST’s Query 1:

Rule 2.4 of the Code on Corporate Governance 2012 (the “2012 Code”) states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. We note in page 17 of the annual report that several independent directors have served on the Board for more than nine years. In this regard, please advise whether and how the particularly rigorous review has been conducted; or alternatively disclose deviation from the Code’s recommendations as required by Listing Rule 710.

The Company’s reply:

Mr Lim Han Boon and Mr Peter Sim Swee Yam, who were both appointed as Independent Directors of the Company on 13 September 2007, have each served on the Board beyond nine years. Taking into account the views of the Nominating Committee (“NC”), the Board concurs with the NC that the length of service of a Director should not determine the effectiveness of independence of an Independent Director. In assessing the independence of an Independent Director, the NC and the Board deems it more appropriate to consider the exercise of independent judgment by such an Independent Director in his deliberation in the interest of the Group. An Independent Director’s contributions, in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging the management of the Company in the interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining an Independent Director’s independence than the number of years served on the Board. The Board has undertaken a rigorous review of the independence of Mr Lim Han Boon and Mr Peter Sim Swee Yam, which includes critical examination of any conflicts of interest, as well as other factors such as their review and scrutiny of matters and proposals put before the Board. The Board is of the view that the two said Independent Directors, particularly Mr Lim Han Boon, have over the years developed significant insights in the Group’s business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. The two said Independent Directors, particularly Mr Lim Han Boon, have also been instrumental in instilling and inculcating a culture of good corporate governance within the Group.

After taking into account all the aforesaid factors, the Board (with Mr Lim Han Boon and Mr Peter Sim Swee Yam on abstention) concurred that Mr Lim Han Boon and Mr Peter Sim Swee Yam are independent, notwithstanding them having served on the board for more than 9 years.

SGX-ST's Query 2:

Listing Rule 713(1) requires an issuer to disclose in its annual report the date of appointment and the name of the audit partner in charge of the auditing the issuer and its group of companies. We note that in page 4 of the annual report that Mazars LLP was appointed since financial year ended 30 September 2014. However, no specific date of appointment has been disclosed. In this regard, please disclose the specific date of appointment of Mazars LLP as auditor as required by Listing Rule 713(1).

The Company's reply:

Mazars LLP was first appointed as the auditor of the Company on 22 August 2014.

SGX-ST's Query 3:

Rule 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's annual report. We note in page 21 of the annual report that the Board's comment on the adequacy but effectiveness of internal controls. As such, please disclose the Board's comment on the effectiveness of internal controls, including financial, operational, compliance and information technology controls, and risk management systems, as recommended by the Code; or alternatively disclose deviation from the Code's recommendations as required by Listing Rule 710.

The Company's reply:

Pursuant to Rule 1207(10) of the Listing Manual, based on the review of the key risks identified, and the internal controls established and maintained by the Group, work performed by the external auditors, reviews performed by the management, various Board committees and the Board, and the assurances from the CEO and CFO, the Audit Committee and the Board are of the opinion that the Group's system of internal controls in addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective as at 30 September 2017.

BY ORDER OF THE BOARD

Sean Lee Yun Feng
Chief Executive Officer

1 March 2018