



MARCO POLO MARINE LTD

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

RESPONSE TO QUERIES FROM THE SGX ON THE ANNUAL REPORT 2015

The Board of Directors of Marco Polo Marine Ltd (the “Company”) (the “Board”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 22 January 2016 in relation to the Company’s Annual Report for the financial year ended 30 September 2015 (“FY2015”) (the “Annual Report 2015”) and appends the requisite replies as follows:

SGX Query 1:

Guideline 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 annual report.

We note that the Board has commented on the adequacy of the internal controls (page 28 of the annual report). However, the Board did not comment specifically on (i) the effectiveness of internal controls, and (ii) adequacy and effectiveness of the risk management system as required by the Code.

In this regard, please disclose the Board’s comment on (i) the effectiveness of the internal controls, and (ii) adequacy and effectiveness of the risk management system, or otherwise explain the reason(s) for the deviation from the Guide line in the Code pursuant to Listing Rule 710.

Company’s Response:

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that:

- (a) the financial records of the Company have been properly maintained and the financial statements thereof give a true and fair view of the Company’s operations and finances; and
- (b) the Company maintains an effective risk management and internal control system.

Accordingly, the Board is of the opinion that the (i) effectiveness of the internal controls and (ii) adequacy and effectiveness of the risk management system of the Company as disclosed on page 28 to 30 of the Annual Report 2015 are adequate and effective.

SGX Query 2:

Listing Rule 1207 (6)(a) state that annual report should include information, among others:

- (a) The amount of non-audit fees paid to auditors. If none, make an appropriate negative statement.
- (b) Confirmation by the audit committee that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the audit committee's opinion, affect the independence of the auditors.

We note that Note 8 on page 64 stated that there was only an audit fees of S\$165,000 for FY2015. In addition, paragraph 6 in page 34 represented that audit committee has conducted an annual review of non-audit services provided by the auditor and is satisfied that such services will not affect the independence and objectivity of the external auditors.

In this regard, please:

- (a) make an appropriate negative statement to the effect if there was no non-audit fees paid to the auditors for FY2015; and
- (b) advise what is the subject of the audit committee's review of non-audit services if there is no non-audit fee incurred for FY2015.

Company's Response:

To the best knowledge of the Board, no non-audit fees were paid to the auditors for FY2015.

BY ORDER OF THE BOARD

Sean Lee Yun Feng
Chief Executive Officer

20 January 2016