



**MARCO POLO MARINE LTD**

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

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**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

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The Board of Directors (the “Board”) of Marco Polo Marine Ltd (the “Company”), and together with its subsidiaries (collectively, the “Group”), refers to its announcement dated 8 August 2019 on the unaudited quarterly financial statements and dividend announcement for the third quarter and nine months ended 30 June 2019. In this regard, the Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited on 14 May 2019 and 15 May 2019 (the “SGX Queries” and each an “SGX Query”) as follows:

**SGX Query (a):**

With reference to the unaudited financial statements for the period ended 30 June 2019, please disclose the ageing of the Group’s trade receivables of S\$9,247,000. Please provide the Board’s assessment on the recoverability of the Group’s trade receivables and the basis for such an assessment.

**Company’s Response:**

The analysis of the Group’s trade receivable aging as at 30 June 2019 is as follows:

|                        | As at 30 June 2019<br>S\$’000 |
|------------------------|-------------------------------|
| Not past due           | 3,035                         |
| Past due 0 to 3 months | 4,273                         |
| Past due over 3 months | 1,939                         |
|                        | <hr/>                         |
|                        | 9,247                         |

In assessing the recoverability of the Group’s trade receivables, the Group takes into consideration the past default experience, analysis of the customers’ current financial position and the prospects of the industry. The Group impairs its trade receivables when there is information indicating that the debtors are experiencing severe financial difficulty, there is a high probability that the debtors will enter bankruptcy, or when the Group expects default or significant delay in payments from the debtors.

The management has assessed the recoverability of the Group’s trade receivables, and based on which, the Board opines that the provision for impairment is adequate at this juncture.

**SGX Query (b):**

Please provide further elaboration on the gain on acquisition of investment of S\$182,000 for the period ended 30 June 2019.

**Company's Response:**

On 22 April 2019, Marco Polo Shipping Co. Pte Ltd, a wholly owned subsidiary of the Company, acquired the remaining 50% shareholding interest in MPST Marine Pte Ltd ("MPST"), a dormant company with no business activities, from its joint venture partner, STSM Pte. Ltd., for a consideration of US\$1. The gain on acquisition of investment of S\$182,000 represents the excess of MPST's net asset value over the consideration paid.

**SGX Query (c):**

It is stated on page 12 of the Company's results announcement:- "No dividend has been declared/recommended for 9MFY2019." Paragraph 12 of Appendix 7.2 of the SGX-ST Listing Manual on Financial Statements and Dividend Announcement states:- "If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision." As such, please provide the reason(s) why no dividend has been declared/recommended for the current period reported on.

**Company's Response:**

No dividend has been declared/recommended for 9MFY2019 after taking into consideration the financial performance and financial position of the Group.

**BY ORDER OF THE BOARD**

Sean Lee Yun Feng  
Chief Executive Officer  
16 August 2019