



MARCO POLO MARINE LTD

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

RESPONSE TO ADDITIONAL QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (the “**Board**”) of Marco Polo Marine Ltd (the “**Company**”, and together with its subsidiaries (collectively, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) received on 21 October 2020 concerning the announcement of the Company for the acquisition of debt from United Overseas Bank made on 13 October 2020 (the “**Announcement**”) and the announcement made in response to the initial queries from SGX-ST on 14 October 2020 (the “**SGX Queries**”, and each a “**SGX Query**”) and appends below its corresponding replies to the SGX Queries:

SGX Query (1):

We refer to the announcement issued by the Company on 13 October 2020 entitled "Acquisition of debt of up to US\$7,354,362 owing by PT. Pelayaran Nasional Bina Buana Raya TBK to United Overseas Bank Limited by way of assignment" and the announcement issued by the Company on 16 October 2020 entitled “Response to queries from the Singapore Exchange Securities Trading Limited”. It is disclosed that, the amount of \$257,000 relates to the interest income attributable to the Relevant Debt over the period from 1 October 2019 to 31 March 2020. Please disclose the annual interest income attributable to the Relevant Debt and the corresponding relevant figures for Listing Rule 1006.

Company’s Response:

As the Company has yet to disclose its full year results for the financial year ended 30 September 2020, the Company will instead rely on the figures as disclosed in the audited financial statements for the year ended 30 September 2019 for the basis of comparison.

Accordingly, the annual interest income attributable to the Relevant Debt for the financial year ended 30 September 2019 (ie. from 1 October 2018 to 30 September 2019) amounted to approximately S\$589,000 and the corresponding relevant figures for Listing Rule 1006 are as follows:

	Rule 1006 Bases	Transaction (S\$'000)	The Group (S\$'000)	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	N.A.	N.A.	N.A.
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits ⁽¹⁾⁽²⁾ .	589	(4,449)	-13.2%
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares ⁽³⁾ .	3,794 (or equivalent to US\$2.8 million)	45,849	8.3%
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.	N.A.	N.A.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N.A.	N.A.	N.A.

Notes:

- (1) Based on the audited financial statements of the Group for the year ended 30 September 2019.

- (2) The term “**net profits**” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the market capitalisation of the Company on 12 October 2020, being the last market day preceding the date of the Debt Purchase Agreement, of approximately S\$0.013.

SGX Query (2):

Please clarify if the interest payable on the debt by the Company is taken into account for the computation of relative figure under Listing Rule 1006(c) as part of the consideration. Otherwise, please disclose (i) the net annual interest income/expense, taking into consideration the interest income computed in query (1) above in relation to the net profits attributable to the Transaction and interest expense payable to UOB; and (ii) the corresponding relevant figures for Listing Rule 1006.

Company's Response:

The Company has fully funded the purchase of the Relevant Debt using the Group's internal cash resources and no external borrowings were needed.

As a result, there are no variations to i) the net annual interest income/expense of S\$589,000 and ii) the corresponding relevant figures for Listing Rule 1006 as disclosed above and as well as the corresponding relevant figures for Listing Rule 1006 as disclosed in the Announcement.

BY ORDER OF THE BOARD

Sean Lee Yun Feng
Chief Executive Officer
23 October 2020