



MARCO POLO MARINE LTD

Incorporated in the Republic of Singapore

(Company Registration Number: 200610073Z)

**RESPONSES TO QUERIES ON ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023**

The Board of Directors (the “**Board**”) of Marco Polo Marine Ltd (the “**Company**”, and together with its subsidiaries (collectively, the “**Group**”)) refer to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) received on 25 January 2024, and wish to provide the following information in response to the Company’s Annual Report for the financial year ended 30 September 2023 (the “**Annual Report**”):

SGX Query (1):

Listing Rule 1207(10C) requires the Audit Committee’s comments on whether the internal audit function is independent, effective and adequately resourced. Please disclose whether and how Listing Rule 1207(10C) has been complied with and provide information on the relevant experience of In.Corp Business Advisory Pte Ltd and the engagement team.

Company’s Response:

As set out at page 28 of the Annual Report, the internal audit (“**IA**”) function of the Group has been outsourced to In.Corp Business Advisory Pte Ltd (“**In.Corp**”). In.Corp reports directly to the Audit Committee (“**AC**”) and has unfettered access to all documents, records, properties and personnel of the Group.

In.Corp is a Singapore-headquartered professional services firm specializing in internal audits, risk management, corporate governance reviews, sustainability reporting engagements, and other advisory services for various public listed companies, multinational companies, government ministries, organs of state, statutory boards, financial institutions and SMEs. The engagement team is led by an engagement director with more than 15 years of relevant experience, who is assisted by a senior manager with more eight years of relevant experience. The two personnel performing the IA field work, each have more than five years of relevant experience. The engagement team members for our IA function have the relevant qualifications and are members of the Singapore Institute of Internal Auditors Singapore.

The AC is of the opinion that the IA function is:

- 1) Independent as the Company outsourced it to In.Corp, and the engagement team members do not have any interest in the Group’s business;

- 2) Effective as it follows a four-year audit plan covering all the various aspects and functions of the Group's business namely, Finance, Information Technology, Human Resource, Fixed Asset Management, Sales and Procurement; and
- 3) Adequately resourced given the size of our Group's operations, the number of staff and the amount of audit work to be carried out.

SGX Query (2):

Listing Rule 715(2) states that an issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies. Please disclose whether and how Listing Rule 715(2) has been complied with.

Company's Response:

The Company would like to clarify that the audits of its significant foreign-incorporated subsidiaries and joint venture companies were performed for local statutory purposes by the various independent audit firms as disclosed at pages 82 to 83 of Note 12 and at page 88 of Note 13 of the Annual Report.

The Company is of the view that these firms are suitable and independent auditing firms for auditing its significant foreign-incorporated subsidiaries and joint venture companies given their profile, size, experience and track record. The significant foreign-incorporated subsidiaries and joint venture companies have also been reviewed by Mazars LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements. As such, the Board, together with the AC, are satisfied that the appointment of these independent audit firms have complied with Listing Rule 715(2) and would be in line with the standards and effectiveness of the audit of the Group.

SGX Query (3):

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration of each individual director and the CEO, and there were no explanations provided for in your FY2023 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company's Response:

As set out at page 24 of the Annual Report, the Company has disclosed the overall and total remuneration for Directors and Key Executives in bands of S\$250,000 as the Board believes that such disclosure and presentation provide a sufficient overview of the remuneration of the Directors and Key Executives, considering the confidentiality of remuneration matters. The Board is of the opinion that the information disclosed would be sufficient to the shareholders for their understanding of the Company's compensation policies as remuneration matters are commercially sensitive information and thus may prejudice the Group's interests if additional information on remuneration are disclosed.

The Company has also disclosed at pages 22 and 23 of the Annual Report the Company's remuneration policies in determining the Directors and Key Executives' remuneration.

The Company believes the practices it had adopted are consistent with the intent of Principle 8 of the Code.

BY ORDER OF THE BOARD

Sean Lee Yun Feng
Chief Executive Officer
29 January 2024