

# MARCO POLO MARINE LTD.

(Incorporated in the Republic of Singapore)

Company Registration No. 200610073Z

## MINUTES OF NINETEENTH ANNUAL GENERAL MEETING (“AGM”)

Minutes of Nineteenth Annual General Meeting held at 1 Tai Seng Avenue Blk F #02-26/28 Tai Seng Exchange Singapore 536464 on Friday, 17 January 2025 at 10:30 a.m.

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**PRESENT** : Mr. Leong Kah Wah (Chairman of the Meeting/ Independent Director)  
Mr. Sean Lee Yun Feng (Executive Director and CEO)  
Ms. Lie Ly (Non-Executive Non-Independent Director)  
Mr. Teo Junxiang, Darren (Non-Executive Director)  
Mr. Koh Chun Yuan (Independent Director)  
Mr. Jeffrey Hing Yih Peir (Non-Executive Director) – via Microsoft Team

**ABSENT WITH APOLOGIES** : Mr. Tan Hai Peng Micheal (Independent Non-Executive Chairman)

**IN ATTENDANCE** : As set out in the attendance records maintained by the Company.

**SHAREHOLDERS PRESENT IN PERSON OR BY PROXY** : As set out in the attendance records maintained by the Company.

### INTRODUCTION OF DIRECTORS, COMPANY SECRETARIES AND PROFESSIONALS

The Chairman of the Meeting, Mr. Leong Kah Wah informed the shareholders that the Independent Non-Executive Chairman, Mr. Tan Hai Peng Micheal was unable to attend the AGM and had requested him to chair the meeting in his absence.

The Chairman welcomed all shareholders for attending the AGM and introduced the Board of Directors, Company Secretaries and External Auditors that were present at the meeting.

### QUORUM

With the necessary quorum present for this meeting, the Chairman called the meeting to order at 10:30 a.m.

### NOTICE OF MEETING

The Notice of Meeting having been circulated within the prescribed period was taken as read.

### SHAREHOLDERS' QUESTIONS

The Chairman informed that there will only be one Q&A session in the AGM which will be conducted after all the Resolutions had been proposed.

### VOTING TO BE CONDUCTED BY WAY OF A POLL

The Chairman informed all resolutions tabled at the Meeting shall be decided by poll. Chairman further stated that he had been appointed by numerous shareholders as proxy and he would be voting in accordance with their respective instructions.

The Chairman advised that the Board had appointed CACS Corporate Advisory Pte. Ltd. to be the Scrutineer for the poll demanded and B.A.C.S. Private Limited as the Polling Agent. The votes from the proxy forms received by the Company from shareholders have been counted and verified by the Scrutineer.

Shareholders were informed that they could cast the votes on the resolutions “live” and ask question “live” during the meeting. The Chairman also informed that the voting will be opened once the AGM was formally started and will be closed 5 minutes after the last question had been addressed.

Shareholders were presented with a short video on the voting process to familiarise themselves on the voting platform.

The Chairman proceeded with the business of the AGM.

## **ORDINARY BUSINESS**

### **ORDINARY RESOLUTION 1:**

#### **ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

Chairman proposed the following ordinary resolution:

“That the Audited Financial Statements for the financial year ended 30 September 2024 together with the Directors’ Statement and Auditors’ Reports be hereby received and adopted.”

### **ORDINARY RESOLUTION 2:**

#### **ONE-TIER EXEMPT FINAL DIVIDEND**

Chairman proposed the following ordinary resolution:

“That a one-tier exempt final dividend of S\$0.001 per ordinary share for the year ended 30 September 2024 be and is hereby approved.”

### **ORDINARY RESOLUTION 3:**

#### **DIRECTOR’S FEE OF S\$5,574**

Chairman proposed the following ordinary resolution:

“That the Director’s Fee of S\$5,574 for the period from 21 June 2024 to 30 September 2024 be and is hereby approved.”

### **ORDINARY RESOLUTION 4:**

#### **DIRECTORS’ FEES OF S\$262,895**

Chairman proposed the following ordinary resolution:

“That the Director’s Fee of S\$262,895 for the financial year ending 30 September 2025 be and is hereby approved.”

### **ORDINARY RESOLUTION 5:**

#### **RE-ELECTION OF MR. TAN HAI PENG MICHEAL AS A DIRECTOR**

The Chairman informed the meeting that in accordance with Regulation 103 of the Constitution of the Company, Mr. Tan Hai Peng Micheal retires from office at this Meeting and being eligible has offered himself for re-election.

Mr. Tan Hai Peng Micheal, upon re-election as a Director of the Company, continue to serve as an Independent Director, Non-Executive Chairman, a Member of the Audit Committee and a Member of the Remuneration Committee. Mr Tan Hai Peng Micheal is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Chairman proposed the following ordinary resolution:

“That Mr. Tan Hai Peng Micheal be and is hereby re-elected as a Director of the Company.”

### **ORDINARY RESOLUTION 6:**

#### **RE-ELECTION OF MR. TEO JUNXIANG, DARREN AS A DIRECTOR**

The Chairman informed the meeting that in accordance with Regulation 103 of the Constitution of the Company, Mr. Teo Junxiang, Darren retires from office at this Meeting and being eligible has offered himself for re-election.

Mr. Teo Junxiang, Darren, upon re-election as a Director of the Company, continue to serve as a Non-Executive Director and a Member of the Remuneration Committee.

Chairman proposed the following ordinary resolution:

“That Mr. Teo Junxiang, Darren be and is hereby re-elected as a Director of the Company.”

### **ORDINARY RESOLUTION 7:**

#### **RE-ELECTION OF MR. KOH CHUN YUAN AS A DIRECTOR**

The Chairman informed the meeting that in accordance with Regulation 107 of the Constitution of the Company, Mr. Koh Chun Yuan retires from office at this Meeting and being eligible has offered himself for re-election.

Mr. Koh Chun Yuan, upon re-election as a Director of the Company, continue to serve as an Independent Director, a Member of the Audit Committee and a Member of the Nominating Committee. Mr Koh Chun Yuan is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The Chairman proposed the following ordinary resolution:

“That Mr. Koh Chun Yuan be re-elected as a Director of the Company.”

#### **RETIREMENT OF MR. LEE KIAM HWEЕ AS AN INDEPENDENT DIRECTOR**

The Chairman informed the meeting that in compliance with Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, Mr. Lee Kiam Hwee will be retired from the Board and ceased to be an Independent Director, Chairman of the Audit Committee and Remuneration Committee and a Member of the Nominating Committee of the Company.

The Chairman, on behalf of the Board of Directors and the Company expressed their deepest gratitude to Mr. Lee Kiam Hwee for his valuable contributions and dedicated service to the Company over the years.

### **ORDINARY RESOLUTION 8:**

#### **RE-APPOINTMENT OF INDEPENDENT AUDITOR**

Chairman proposed the following ordinary resolution:

“That Forvis Mazars LLP be and are hereby re-appointed as auditors of the Company and to authorise the Directors to fix their remuneration.”

### **SPECIAL BUSINESS**

#### **ORDINARY RESOLUTION 9:**

#### **AUTHORITY TO ALLOT AND ISSUE SHARES AND/OR CONVERTIBLE SECURITIES**

Chairman proposed the following ordinary resolution:

“That authority is and be given to Directors to allot and issue shares in the Company.”

#### **ORDINARY RESOLUTION 10:**

#### **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)**

Chairman proposed the following ordinary resolution:

“That authority is and be given to Directors to allot and issue shares under the Marco Polo Marine Ltd. Performance Share Scheme (2024).”

#### **ORDINARY RESOLUTION 11:**

#### **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)**

Chairman proposed the following ordinary resolution:

“That authority is and be given to Directors to allot and issue shares under the Marco Polo Marine Ltd. Employee Share Option Scheme (2024).”



The CEO, Mr. Sean Lee replied that the wind energy business heavily relies on deploying the company assets to generate revenue. He added that the company occasionally charters third-party vessels for rechartering to support operations.

Mr. Sean Lee emphasized the company's intention to continue expanding its fleet across these countries. However, this growth is depending on the company's available resources and its ability to secure leverage from financial institutions. While acknowledging limitations on the pace of expansion, he expressed confidence in the company's plans to grow its fleet of wind vessels.

**The below questions were raised by a Shareholder, Mr. Lim Siau Chua and they were as follows:**

**Question 1:** Referring to the company's revenue and profitability trends on page 9 of the Annual Report which highlight significant up and down cycles, what lessons could be drawn from these cycles?

The Company's Response: Mr. Sean Lee acknowledged the challenges of past cycles, particularly during the boom period of 2013–2015 for the offshore oil and gas sector. He explained that during that period banks were easily lending and often providing more financing than requested, leading to over-leveraging in the capital-intensive industry.

Mr. Sean Lee emphasized that the company has since learned to be more careful dealing with leverage and to diversify its businesses. Depending heavily on cyclical industries such as oil and gas carries significant risks, leading the company to shift its focus to the offshore wind farm sector.

He highlighted that while oil and gas can yield high profits during booms, it also entails significant losses during downturns. In contrast, the wind farm business offers a more stable and sustainable revenue compared to the oil and gas sector.

He concluded by stating that the company has adopted a more careful approach to leverage and is focusing on long-term stability in its growth strategies.

**Question 2:** How the current upcycle differs from previous upcycles?

The Company's Response: Mr. Sean Lee described the previous oil and gas upcycle as "crazy" with rapid price increases and significant lending from banks, which led to speculative investments. He noted that such conditions led to an oversupply of vessels and highly inflated margins. In contrast, the current upcycle is far more stable. Demand remains steady, but pricing has not surged uncontrollably. Banks are now more cautious in their lending processes which leading to reduced market oversupply and fostering a healthier and more balanced market.

He added that vessel supply has slowed significantly and the market has become more balanced. Sean expressed satisfaction with this stability with supports more sustainable growth compared to the volatility of previous cycles.

**Question 3:** Whether China is competitive in the ship chartering segment, given its significant presence in related industries?

The Company's Response: The CEO, Mr Sean Lee clarified that when referring to China's competitiveness, he was primarily discussing the ship repair business rather than ship chartering. He explained that China's shipyards focus on building large volumes of vessels with standardised design. He explained that Marco Polo Marine's shipyard operates differently which emphasizing specialisation and customisation for offshore vessels.

The CEO, Mr Sean Lee further explained that while China's offshore wind farm sector is developing, their operations tend to remain domestically. Most of China's efforts including wind turbine production are concentrated within its domestic market, making it challenging for foreign companies to enter and for Chinese companies to expand internationally.

He added that Marco Polo faces minimal competition from China in the offshore space, including the wind farm business as Chinese companies primarily serve their domestic market. He also noted that the company encounters little competition from China in Taiwan, South Korea or Japan market.

**Question 4:** Whether Marco Polo Marine had benefited from the experience of the Director, Mr. Jeffrey Heng with his success in the businesses in Penguin Group?

The Company's Response: The CEO, Sean Lee responded that Marco Polo Marine operates in a different field compared to Penguin Group. He explained that Mr. Jeffrey Heng's business specialises in aluminium craft which involves building a different type of vessel from those produced by Marco Polo Marine.

**Question 5: Final question to Mr. Darren Teo on what is your perspective on Marco Polo Marine's management as a director?**

The Company's Response: Mr. Darren Teo reflected on his experience as a shareholder and board member since 2018, stating that when he first joined the company, the morale among staff was low. The company was undergoing continuous restructuring, leaving employees uncertain about the future and unable to see a clear way forward.

Mr. Darren Teo credited Sean Lee's leadership for the significant progress made and how the CEO had built and developed a strong team over the years. He noted that the team today is talented, relatively young and has the potential to drive the company forward for the next 10 to 15 years.

He highlighted that while the oil and gas sector remain the company's core business and a crucial source of stability, the offshore wind farm business is an exciting area of growth. Mr. Darren Teo observed that the team members are committed to the wind farm business, showing great passion and ambition.

Mr. Darren Teo expressed his satisfaction as both a shareholder and a partner to Sean Lee. He praised the CEO for assembling a capable and ambitious management team to lead the company into the future.

**The below questions were raised by a Shareholder, Ms. Long Wei Sze and her questions were as follows:**

**Question 1: As you mentioned earlier that China is quite competitive in ship repair area, could you elaborate on the challenges in area and explain how Marco Polo intends to compete against strong players like China?**

The Company's Response: The CEO, Sean Lee replied that the ship repair business is highly geographically sensitive where location being a critical factor. He noted that their yard in Batam which is located just across Singapore is strategically positioned to serve vessels operating within the region. For example, Indonesian and Malaysian feeder vessels and medium-to-smaller-sized vessels often do not travel to China, making it unlikely that they would send their vessels there for repair.

He explained that larger vessels might sometimes lead to direct competition with Chinese yards, but this is not a frequent occurrence. He acknowledged that Chinese yards could aggressively lower their prices if they wanted to, which poses a challenge to the business. However, he further explained that ship repair is a labour-intensive industry and labour costs in China are no longer as low as they used to be. This gives Marco Polo Marine a small but valuable advantage.

**Question 2: With reference to page 50 of the Annual Report, there is a decline in revenue between FY2023 and FY2024 but the administrative and operating expenses have risen significantly. Could you clarify the reasons for this?**

The Company's Response: The CEO, Mr. Sean Lee explained that the increase in expenses is aligned with the Group's expansion plans and the bonuses paid out in FY2024 were based on the performance of FY2023. He highlighted that the Group's practice is to distribute bonuses a year after they are earned, meaning the FY2024 figures reflect the exceptional performance of the previous year.

He assured that the rise in wages, salaries, and bonuses is part of their strategy to invest in their people and operations to support long-term growth and expansion.

**Question 3: What plans are in place to reverse the decline in revenue and drive revenue growth moving forward?**

The Company's Response: The CEO, Mr. Sean Lee explained that despite the slight decline in revenue, the profits for FY2024 were slightly higher than in FY2023 which indicating the company's focus on profitability. He further explained that the construction of a CSOV in their own yard temporarily took up dry dock space, reducing the capacity for external repair jobs and contributed to the lower revenue.

He added that since the CSOV was being built for their own use rather than selling it to a third party, the revenue from this work could not be recognised due to accounting standards.

**Question 4:** **Regarding the delays in the CSOV project, what were the primary causes? Were these delays due to factors outside your control or were there internal management issues? How will you prevent similar delays in the future, especially with more projects in the pipeline?**

The Company's Response: The CEO, Mr. Sean Lee acknowledged that this was a question on the minds of many shareholders and investors. He explained that constructing a CSOV or similar complex vessels typically takes 24 months. The project had begun in January 2023 and was initially scheduled for completion by December 2024 but has experienced delays to early 2025.

He explained that adverse weather conditions had affected the completion timeline. He also highlighted a significant labour disruption in Batam where many skilled workers were poached by countries like the Middle East and South Korea, offering wages 3 to 4 times higher than Marco Polo Marine could afford. He emphasized that while this was beyond their control, they managed to source new workers from Indonesia but retraining these new workers took time.

Additionally, he explained that compliance with Taiwan's passenger class requirements for offshore vessels added technical challenges where it is something rarely required in the industry.

He assured shareholders that the vessels are now in their final stages of completion and will be ready to operate by end February 2025. He added that the company has learned valuable lessons from these challenges and is implementing measures to improve efficiency and management for future projects.

**Question 5:** **How does Marco Polo Marine plans to drive growth in the offshore and wind farm sectors, given the capital-intensive nature of the industry?**

The Company's Response: The CEO, Mr. Sean Lee responded that the company sees significant opportunities for growth in the offshore wind sector. He explained that Marco Polo Marine intends to leverage its cash reserves and explore various funding options to expand its business. He added that the possibility of exploring partnerships to co-own vessels which would enable the company to leverage resources and to expand its fleets.

He assured shareholders that the company is actively pursuing multiple avenues for growth and remains focused on tapping into the opportunities presented by the offshore wind market.

**Question 6:** **The past year has been relatively quiet. Can shareholders expect more updates in the coming year?**

The Company's Response: The CEO, Mr. Sean Lee acknowledged that while the company has provided updates, they could do more to keep shareholders informed.

He assured that the company is working on several exciting developments and promised that shareholders could expect more updates soon. He encouraged everyone to stay tuned for announcements in the near future.

**The below questions were raised by a Shareholder, Mr. Leong Kok Yew and his questions were as follows:**

**Question 1:** **In the past, Marco Polo Marine faced legal proceedings with an oil rig company. Have these issues been resolved? Were you able to recover the money owed to the company?**

The Company's Response: The CEO, Mr. Sean Lee explained that these issues were fully resolved during the restructuring process with all bad debts including those with SembCorp Marine. He assured that these disputes were fully resolved through the restructuring scheme and Marco Polo no longer has any such issues or involvement in the oil rig business.

**Question 2:** **What percentage of the bad debts from the legal proceedings were recovered?**

The Company's Response: The CEO, Mr. Sean Lee explained that the bad debts were accounted for in the restructuring scheme and no funds were recovered.

He added that the deposits being taken and the matter fully cleaned up. He emphasized that the company has since shifted its focus away from the rig business due to its highly cyclical nature. Instead, Marco Polo Marine now focuses on specialised offshore vessels and is directing its investments toward the offshore wind sector which offers more stability and long-term opportunities.

**Question 3: What is Marco Polo Marine's outlook for the ship chartering and ship repair business, given the increased competition from Chinese shipbuilders like Yangzijiang and the potential decrease in cargo space demand?**

The Company's Response: Mr. Sean Lee clarified that Marco Polo Marine operates differently from companies like Yangzijiang, which build merchant vessels in large volumes. He explained that Marco Polo Marine focuses on offshore and specialised vessels, so the company does not directly compete with Chinese shipbuilders.

Regarding ship chartering, Mr. Lee stated that the company does not operate in the container, bulker or tanker segments, which are merchant vessels. Instead, the company focuses on repairing and maintaining such vessels rather than chartering them. He explained that the increasing number of vessels in the market is good news for their business as it brings more potential repair and maintenance business opportunities. He emphasized that vessel maintenance is mandatory, meaning an increase in vessel volume will directly benefit their repair segment.

**The below questions were raised by a Shareholder, Mr. Chng Keng Joo Stephen and his questions were as follows:**

**Question 1: In the chartering business, revenue is driven by various factors including the chartering rates, utilisation rates and the number of vessels. Which of these variables has the most significant impact on revenue or is it a combination of all three?**

The Company's Response: The CEO, Mr. Sean Lee acknowledged that all three factors play a role in determining revenue. He stated that higher utilisation rates and increased chartering rates contribute significantly to improving income. While there are mixed sentiments in the market about the direction of chartering rates, Mr. Sean Lee expressed that the company has not observed any notable decline. Although the growth in chartering rates may not be as rapid as anticipated, it has remained stable. He also highlighted that project activity is expected to increase which further driving utilisation.

**Question 2: What is Marco Polo Marine's approach to capital allocation among ship chartering and ship repair? How does the company plan to address capital issues while growing these businesses? What is the company's outlook on the wind farm business?**

The Company's Response: The CEO, Mr. Sean Lee responded that the company is focusing its capital allocation efforts on expanding its ship repair and maintenance capacity. He shared that Marco Polo Marine is completing the construction of its 4<sup>th</sup> new dry docks and additional workshops which will significantly enhance its capacity for repair and maintenance, and newbuild. These facilities are expected to be completed soon and will contribute to potential revenue growth. He acknowledged that while these investments will take some time to deliver results, the company has learned from past experiences and aims to shorten the triffing period.

Mr. Sean Lee highlighted that the U.S. wind business has never been a core focus for Marco Polo Marine. He explained that the wind business is more active in Europe. Mr. Sean Lee mentioned that increased activity in the oil and gas sector in the U.S. could have ripple effects on the global market, especially in regions like the Middle East. He anticipated that rising demand in these areas would lead to more opportunities for offshore vessels, including those catering to the oil and gas industry.

Mr. Sean Lee also noted that the company's wind business efforts have been concentrated in Taiwan. The wind farm business in Taiwan is transitioning to a commissioning and maintenance phase and the Phase 3.1 projects already kicking off. He expressed optimism that the sector will be more stabilised later in this year.



## RESULTS OF POLL VOTING

As there were no further questions raised by shareholders, the Chairman ended the Q & A session and proceeded to the polling of the motions.

Shareholders were given a further five minutes to cast their votes. The following poll results, which were duly verified by the Scrutineers, were announced by the Chairman:

Resolutions	For		Against		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>ORDINARY BUSINESS</b>						
<b>Resolution 1</b> To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2024 together with the Directors' Statement and the Independent Auditors' Report thereon.	1,074,443,577	100.00	0	0.00	1,074,443,577	100.00
<b>Resolution 2</b> To declare a one-tier exempt final dividend of S\$0.001 per ordinary share for the year ended 30 September 2024.	1,076,426,930	100.00	40,850	0.00	1,076,467,780	100.00
<b>Resolution 3</b> To approve the payment of a Director's Fee of S\$5,574 for the period from 21 June 2024 to 30 September 2024.	1,076,440,780	100.00	0	0.00	1,076,440,780	100.00
<b>Resolution 4</b> To approve the payment of Directors' Fees of S\$262,895 for the financial year ending 30 September 2025. (2024: S\$238,000)	1,069,215,780	99.33	7,225,000	0.67	1,076,440,780	100.00
<b>Resolution 5</b> To re-elect Mr Tan Hai Peng Michael, the Director who is retiring by rotation pursuant to Regulation 103 of the Constitution of the Company.	1,028,735,065	99.31	7,170,000	0.69	1,035,905,065	100.00
<b>Resolution 6</b> To re-elect Mr Teo Junxiang, Darren, the Director who is retiring by rotation pursuant to Regulation 103 of the Constitution of the Company.	1,067,441,780	99.16	8,999,000	0.84	1,076,440,780	100.00
<b>Resolution 7</b> To re-elect Mr Koh Chun Yuan, a Director retiring pursuant to Regulation 107 of the Constitution of the Company.	1,069,270,780	100.00	0	0.00	1,069,270,780	100.00
<b>Resolution 8</b> To re-appoint Forvis Mazars LLP as Independent Auditor and to authorise the Directors to fix their remuneration.	1,076,440,780	100.00	0	0.00	1,076,440,780	100.00
<b>SPECIAL BUSINESS</b>						
<b>Resolution 9</b> To authorise Directors to allot and issue shares and/or convertible securities pursuant to Section 161 of the Singapore Companies Act, and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST")	1,010,314,950	93.85	66,152,830	6.15	1,076,467,780	100.00
<b>Resolution 10</b> To authorise Directors to allot and issue shares under the Marco Polo Marine Ltd. Performance Share Scheme (2024)	977,777,650	90.87	98,210,130	9.13	1,075,987,780	100.00
<b>Resolution 11</b>	977,877,650	90.90	97,930,130	9.10	1,075,807,780	100.00

To authorise Directors to allot and issue shares under the Marco Polo Marine Ltd. Employee Share Option Scheme (2024)						
<b>Resolution 12</b> To approve the Proposed Renewal of the Share Buyback Mandate.	1,075,434,230	99.79	2,283,550	0.21	1,077,717,780	100.00

Based on the poll results, the Chairman declared that all the Resolutions number 1 to 12 were carried.

**CONCLUSION**

The meeting was concluded at 11.44 a.m. with a vote of thanks to the Chair.

**CONFIRMED AS A CORRECT RECORD OF THE PROCEEDINGS**

**MR. LEONG KAH WAH**  
Chairman of the Meeting