CIRCULAR DATED 23 MARCH 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular has been prepared by Vallianz Holdings Limited (the "**Company**") and is circulated to the shareholders of the Company together with the 2015 Annual Report (as defined herein), which encloses the Notice of Annual General Meeting and Proxy Form. If you are in any doubt as to the contents herein and course of action, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through CDP, you need not forward this Circular, the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular with the Notice of Annual General Meeting and the enclosed Proxy Form to be sent to the purchaser or the transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual, Section B: Rules of Catalist. It has not been examined or approved by the SGX-ST, and the SGX-ST and the Sponsor take no responsibility for the contents of this Circular, including the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

The contact person for the Sponsor is Ms. Wong Bee Eng.
Tel: (65) 6227 1580 Email: wongbe@provenancecapital.com



VALLIANZ HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199206945E)

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated or the context otherwise requires:

"2014 Annual Report"	The annual report of the Company for the financial year ended 31 December 2014
"2015 AGM"	The annual general meeting of the Company held on 15 April 2015
"2015 Annual Report"	The annual report of the Company for the financial year ended 31 December 2015
"2014 EGM"	The extraordinary general meeting of the Company held on 16 December 2014
"ACRA"	The Accounting and Corporate Regulatory Authority of Singapore
"AGM"	Annual general meeting of the Company
"Articles"	The articles of association of the Company for the time being in force as originally framed, or as amended or modified from time to time
"Associate"	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or other companies taken together (directly or indirectly) have an interest of 30% or more
"associated company"	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
"Audit Committee"	The audit committee of the Company, comprising Independent Directors, Mr. Yeo Jeu Nam, Mr. Bote de Vries, Mr. Wong Leong Jeam and non-independent, non-executive Director, Mr. Raymond Kim Goh, as at the Latest Practicable Date
"Auditors"	The auditors of the Company for the time being

"Average Closing Price"	Has the meaning given to it in paragraph 2.3.4 of this Circular
"Board"	The board of directors as at the Latest Practicable Date
"Catalist"	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	The rules in Section B: Rules of Catalist of the Listing Manual, as amended, supplemented or modified from time to time
"CDP"	The Central Depository (Pte) Limited
"CEO"	The chief executive officer of the Company
"Companies Act"	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	Vallianz Holdings Limited
"control"	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	A person who: (a) in fact exercises control over the Company; or (b) holds, directly or indirectly, 15% or more of the nominal amount of all voting shares, excluding treasury shares, in the Company, unless the SGX-ST determines otherwise
"Corporate Services Agreement"	The conditional corporate services agreement dated 30 March 2011 entered into between the Company and Swiber
"date of the making of the offer"	Has the meaning given to it in paragraph 2.3.4 of this Circular
"Directors"	The directors of the Company
"EGM"	Extraordinary general meeting of the Company
"EPCIC"	Engineering, procurement, construction, installation and commissioning
"EPS"	Earnings per Share
"ESOS"	The employee share option scheme of the Company known as "Vallianz Employees' Share Option Scheme"
"Financial Controller"	The financial controller of the Company
"FY"	Financial year ended or ending 31 December (as the case may be)
"Group"	The Company and its subsidiaries
"Independent Director"	An independent director of the Company
"Interested Persons"	Has the meaning ascribed to it in the Catalist Rules

"Interested Person Transactions"	The categories of transactions with Interested Persons which fall within the IPT Mandates, as set out in Appendix A to this Circular
"IPT Mandates"	The Swiber IPT Mandate and the Rawabi IPT Mandate collectively, and an "**IPT Mandate**" means any one of them
"Latest Practicable Date"	09 March 2016, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	The listing manual of the SGX-ST as may be amended, supplemented or modified from time to time
"Market Day"	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	Has the meaning given to it in paragraph 2.3.3(a) of this Circular
"Maximum Price"	Has the meaning given to it in paragraph 2.3.4 of this Circular
"Memorandum"	The memorandum of association of the Company for the time being in force as originally framed, or as amended or modified from time to time
"Notice of AGM"	The notice of AGM dated 23 March 2016 convening the upcoming AGM to be held on 07 April 2016
"NTA"	Net tangible assets
"Off-Market Purchase"	Has the meaning given to it in paragraph 2.3.3(b) of this Circular
"Ordinary Resolutions"	The ordinary resolutions relating to the proposed renewals of each of the Share Buyback Mandate, the Swiber IPT Mandate and/or the Rawabi IPT Mandate as set out in the Notice of AGM
"Proxy Form"	The proxy form in respect of the upcoming AGM as attached to the 2015 Annual report
"public"	Has the meaning given to it in paragraph 2.9 of this Circular
"Rawabi Holding"	Rawabi Holding Company Limited
"Rawabi Group"	Rawabi Holding and its Associates
"Rawabi Interested Person Transactions"	Has the meaning given to it in Appendix A to this Circular
"Rawabi IPT Mandate"	General mandate given by Shareholders for the Rawabi Interested Person Transactions
"Relevant Period"	The period commencing from the date on which the Ordinary Resolution relating to the renewal of the Share Buyback Mandate is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier
"ROE"	Return on equity
"Securities Account"	A securities account maintained by a Depositor with CDP but does not include a securities sub-account

"SGX-ST"	Singapore Exchange Securities Trading Limited
"Share Buyback Mandate"	General mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
"Shareholders"	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
"Share Options"	Options to subscribe for Shares granted pursuant to the ESOS
"Shares"	Ordinary shares in the capital of the Company
"SIC"	Securities Industry Council
"Sponsor"	Provenance Capital Pte. Ltd.
"Substantial Shareholder"	A Shareholder who has an interest in five per cent or more of the voting shares of the Company
"Swiber"	Swiber Holdings Limited
"Swiber Group"	Swiber Holdings Limited and its Associates
"Swiber Interested Person Transactions"	Has the meaning given to it in Appendix A to this Circular
"Swiber IPT Mandate"	General mandate given by Shareholders for the Swiber Interested Person Transactions
"Take-over Code"	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"Vallianz PSP"	The performance share plan of the Company known as "Vallianz Performance Share Plan"
"S$"	Singapore dollars
"US$" and "US$ cents"	United States dollars and cents respectively
"%" or "per cent"	Per centum or percentage

The terms "**depositor**", "**Depository Register**" and "**depository agent**" shall have the meanings ascribed to them respectively in section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or Catalist Rules or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act or Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

In this Circular, the figures in United States dollars which are expressed in Singapore dollars (and *vice versa*) are expressed based on the exchange rate of US$0.7230 : S$1.00. Such conversions are provided solely for convenience of the readers and should not be confused as representations that the United States dollars amounts stated in this Circular could have been or would have been converted into Singapore dollar amounts or *vice versa*, at the stated rates or at any rate or at all.

Board of Directors:

Raymond Kim Goh, *Non-Executive Director, Chairman*
Yeo Chee Neng, *Non-Executive Director, Vice Chairman*
Ling Yong Wah, *Executive Director and CEO*
Yeo Jeu Nam, *Non-Executive and Independent Director*
Bote De Vries, *Non-Executive and Independent Director*
Wong Leong Jeam, *Non-Executive and Independent Director*

Registered office:

12 International Business Park
#03-02 Swiber@IBP
Singapore 609920

23 March 2016

To: The Shareholders of Vallianz Holdings Limited

Dear Sir/Madam,

(1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;

(2) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS WITH THE SWIBER GROUP; AND

(3) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS WITH THE RAWABI GROUP.

1. INTRODUCTION

1.1 **AGM.** We refer to the notice of AGM dated 23 March 2016 convening the upcoming AGM to be held on 07 April 2016 and the Ordinary Resolutions.

1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the following proposals set to be tabled at the upcoming AGM:

(a) the proposed renewal of the Share Buyback Mandate;

(b) the proposed renewal of the Swiber IPT Mandate; and

(c) the proposed renewal of the Rawabi IPT Mandate,

as further explained in paragraphs 2 and 3 of this Circular and to seek the necessary approvals in relation thereto at the upcoming AGM.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 **The Share Buyback Mandate.** Sections 76B, 76C, 76DA and 76E of the Companies Act allow a listed company to purchase its own shares. At the EGM held on 20 April 2011, Shareholders had approved a mandate to enable the Company to purchase or acquire its issued Shares at anytime during the duration and on the terms of the Share Buyback Mandate.

The Share Buyback Mandate was last renewed at the 2015 AGM and the Share Buyback Mandate will, unless renewed, expire on the date of the upcoming AGM to be held on 07 April 2016. Accordingly, Shareholders' approval is being sought for the renewal of the Share Buyback Mandate at the upcoming AGM in accordance with the terms set out below.

2.2 **Rationale.** The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the ten per cent limit described in paragraph 2.3.1 below at any time during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

2.2.1 In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the ROE of the Group. In addition to growth and expansion of the business, Share buybacks may be considered as one of the ways through which the ROE of the Group may be enhanced.

2.2.2 The Company has at present two share-based incentive schemes for its employees, namely the Vallianz PSP and the ESOS. Shares which are purchased by the Company pursuant to the Share Buyback Mandate and held in treasury may be used to satisfy vested awards under the Vallianz PSP or Share Options exercised under the ESOS, thus giving the Company greater flexibility to select the method of providing Shares under these schemes. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

2.2.3 The Share Buyback Mandate will provide the Company with the flexibility to purchase or acquire its issued Shares if and when circumstances permit, during the period when the proposed Share Buyback Mandate is in force. It is an expedient, effective and cost-efficient way for the Company to return to its Shareholders surplus funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans. In addition, the Share Buyback Mandate allows the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.

2.2.4 The purchase or acquisition of Shares under the proposed Share Buyback Mandate will help mitigate short-term share price volatility (by way of stabilising the supply and demand of issued Shares) and off-set the effects of short-term share price speculation, supporting the fundamental value of the issued Shares and thereby bolstering Shareholders' confidence and employees' morale.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent limit as authorised or at all and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading or listing status of the Shares on the SGX-ST.

2.3 **Authority and limits of the Share Buyback Mandate.** The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buyback Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent of the total number of issued Shares (ascertained as at the date of the last AGM or (if different) at the date of the general meeting at which the renewal of the Share Buyback Mandate is to be approved, whichever is higher, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event

the total number of issued Shares shall be taken to be the total number of issued Shares as so altered). Any shares of the Company which are held as treasury shares will be disregarded for the purposes of computing the ten per cent limit.

For illustrative purposes only, on the basis of 3,415,544,719 Shares in issue as at the Latest Practicable Date (excluding treasury shares) and assuming no further Shares are issued on or prior to the upcoming AGM, not more than 341,554,471 Shares (representing ten per cent of the total number of Shares as at that date, excluding treasury shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the period referred to in paragraph 2.3.2 below.

2.3.2 Duration of authority

Purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the upcoming AGM at which the renewal of the Share Buyback Mandate is to be approved up to:

(a) the date on which the following AGM is held or is required by law to be held;

(b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied (in accordance with the Companies Act) by the Shareholders in a general meeting; or

(c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by Shareholders at the following AGM or at an EGM to be convened immediately after the conclusion or adjournment of the following AGM. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchase(s) ("**Market Purchase**") transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares against the total number of issued Shares;

(b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(c) the terms of all the offers shall be the same except that there shall be disregarded, where applicable:

(i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(ii) differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid (if applicable); and

(iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it shall issue an offer document to all Shareholders containing at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed purchase or acquisition of Shares;

(d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and

(g) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4 Purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate. However, the purchase price to be paid for the Shares pursuant to such purchases or acquisitions of the Shares must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme in accordance with section 76C of the Companies Act, 120% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the purposes of determining the Maximum Price:

"**Average Closing Price**" means the average of the closing market prices of the Shares for the last five Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action which occurs after the relevant five Market Days period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of purchased or acquired Shares. Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition unless such Share is held by the Company as a treasury share. Upon such cancellation, all rights and privileges attached to that Share will expire. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5 Treasury shares. Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum holdings

The number of shares held as treasury shares cannot at any time exceed ten per cent of the total number of issued Shares.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully-paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

The Directors will also consider and decide whether to purchase or acquire Shares to satisfy the Shares awarded under the Vallianz PSP or pursuant to an exercise of Share Options granted under the ESOS.

The Shares purchased or acquired under the Share Buyback Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company.

2.6 **Reporting requirements.** The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchases or acquisitions, including the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's total issued share capital before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition of Shares, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required in the prescribed form. Within 30 days of the passing of the resolution to renew the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stock brokers to ensure that they provide to the Company, in a timely fashion, the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of treasury shares sold, transferred, cancelled and/or used;

(d) number of Shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 **Source of funds**. The Company may only apply funds legally available for the purchase or acquisition of the Shares as provided in the Articles and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in section 76F(4) of the Companies Act). Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares.

The Company intends to use internal sources of funds or borrowings or a combination of both to finance any of the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.8 **Financial effects.** It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS of the Group and the Company as the resultant effect would depend on, *inter alia,* the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund such purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The repurchased Shares may be cancelled or held as treasury shares. If the Shares are cancelled, the Company's total issued share capital will be diminished by the total number of Shares repurchased by the Company. The NTA of the Group will also be reduced by the aggregate purchase price paid by the Company for the Shares. If the Shares are held as treasury shares, the issued share capital of the Company will not be affected.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans, of the Group and the prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view of enhancing the EPS and/or the NTA value per Share of the Group.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 are shown in the following tables and are based on the assumptions set out below:

(a) Based on 3,415,544,719 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the upcoming AGM, not more than 341,554,471 Shares (representing ten per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

(b) In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 341,554,471 Shares at the Maximum Price of S$0.052 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 341,554,471 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and related expenses) is approximately US$12,809,000.

(c) In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 341,554,471 Shares at the Maximum Price of S$0.059 for one Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 341,554,471 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and related expenses) is approximately US$14,639,000.

For illustrative purposes only, based on the assumptions set out in sub-paragraphs (a) to (c) above and further assuming that:

(i) such purchase or acquisition of Shares is financed solely by internal sources of funds available as at 31 December 2015 and external borrowings;

(ii) the Share Buyback Mandate had been effective on 1 January 2015; and

(iii) the Company had purchased or acquired 341,554,471 Shares (representing ten per cent of its issued ordinary share capital as at the Latest Practicable Date) on 31 December 2015,

the financial effects of the purchase and acquisition of such Shares by the Company pursuant to the Share Buyback Mandate:

(1) by way of purchases made entirely out of capital and held as treasury shares; and

(2) by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 are set out below:

(1) Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share Buyback (US$'000)	After Share Buyback assuming Market Purchase (US$'000)	After Share Buyback assuming Off-Market Purchase (US$'000)	Before Share Buyback (US$'000)	After Share Buyback assuming Market Purchase (US$'000)	After Share Buyback assuming Off-Market Purchase (US$'000)
As at 31 December 2015						
Share capital	185,338	185,338	185,338	185,338	185,338	185,338
Capital and other reserves	53,108	53,108	53,108	6,004	6,004	6,004
Minority interests	29,551	29,551	29,551	–	–	–
Treasury shares	–	(12,809)	(14,639)	–	(12,809)	(14,639)
Shareholders' funds	238,446	225,637	223,807	191,342	178,533	176,703
NTA	256,671	243,862	242,032	191,342	178,533	176,703
Cash and cash equivalents	41,901	29,092	27,262	936	(11,873)	(13,703)
Current assets	465,757	452,948	451,118	274,014	261,205	259,375
Current liabilities	373,161	373,161	373,161	154,433	154,433	154,433
Working capital	92,596	79,787	77,957	119,581	106,772	104,942
Profit after tax and minority interest	17,451	17,451	17,451	3,374	3,374	3,374
Number of issued Shares ('000)	3,345,012	3,345,012	3,345,012	3,345,012	3,345,012	3,345,012
Treasury Shares ('000)	–	341,554	341,554	–	341,554	341,554
Weighted average number of Shares ('000)	3,499,846	3,158,292	3,158,292	3,499,846	3,158,292	3,158,292
Financial ratios						
NTA/Share[1] (US$ cents)	7.67	8.12	8.06	5.72	5.34	5.28
EPS[2] (US$ cents)	0.50	0.55	0.55	0.10	0.11	0.11
Current ratio[3] (times)	1.25	1.21	1.21	1.77	1.69	1.68
ROE[4](%)	7.32	7.73	7.80	1.76	1.89	1.91

Notes:

(1) NTA per Share is calculated based on the NTA and 3,345,012,000 and 3,003,458,000 Shares in issue as at 31 December 2015 and after the share buyback respectively.

(2) EPS is based on the weighted average number of 3,499,846,000 and 3,158,292,000 Shares in issue as at 31 December 2015 and after the share buyback respectively.

(3) Current ratio equals current assets divided by current liabilities.

(4) ROE equals profit after tax and minority interest divided by Shareholders' funds.

(2) Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buyback (US$'000)	After Share Buyback assuming Market Purchase (US$'000)	After Share Buyback assuming Off-Market Purchase (US$'000)	Before Share Buyback (US$'000)	After Share Buyback assuming Market Purchase (US$'000)	After Share Buyback assuming Off-Market Purchase (US$'000)
As at 31 December 2015						
Share capital	185,338	172,529	170,699	185,338	172,529	170,699
Capital and other reserves	53,108	53,108	53,108	6,004	6,004	6,004
Minority interests	29,551	29,551	29,551	–	–	–
Shareholders' funds	238,446	225,637	223,807	191,342	178,533	176,703
NTA	256,671	243,862	242,032	191,342	178,533	176,703
Cash and cash equivalents	41,901	29,092	27,262	936	(11,873)	(13,703)
Current assets	465,757	452,948	451,118	274,014	261,205	259,375
Current liabilities	373,161	373,161	373,161	154,433	154,433	154,433
Working capital	92,596	79,787	77,957	119,581	106,772	104,942
Profit after tax and minority interest	17,451	17,451	17,451	3,374	3,374	3,374
Number of issued Shares ('000)	3,345,012	3,003,458	3,003,458	3,345,012	3,003,458	3,003,458
Weighted average number of Shares ('000)	3,499,846	3,158,292	3,158,292	3,499,846	3,158,292	3,158,292
Financial ratios						
NTA/Share[1] (US$ cents)	7.67	8.12	8.06	5.72	5.94	5.88
EPS[2] (US$ cents)	0.50	0.55	0.55	0.10	0.11	0.11
Current ratio[3] (times)	1.25	1.21	1.21	1.77	1.69	1.68
ROE[4] (%)	7.32	7.73	7.80	1.76	1.89	1.91

Notes:

(1) NTA per Share is calculated based on the NTA and 3,345,012,000 and 3,003,458,000 Shares in issue as at 31 December 2015 and after the share buyback respectively.

(2) EPS is based on the weighted average number of 3,499,846,000 and 3,158,292,000 Shares in issue as at 31 December 2015 and after the share buyback respectively.

(3) Current ratio equals current assets divided by current liabilities.

(4) ROE equals profit after tax and minority interest divided by Shareholders' funds.

Shareholders should note that the financial effects set out above are purely for illustration purposes and based only on the abovementioned assumptions. In particular, it is important to note that the above financial analysis is based on the Company's and the Group's historical numbers for the financial year ended 31 December 2015 and is not necessarily representative of the future financial performance of the Company and the Group. The Company will take into account both financial and non-financial factors (for example, equity market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase or acquisition before execution. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to ten per cent of the total number of issued Shares (excluding treasury shares), the Company may not necessarily purchase or be able to purchase the entire ten per cent of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Shareholders who have any doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

2.9 **Catalist Rules.** While the Catalist Rules do not expressly prohibit purchase or acquisitions of shares by a Catalist company during any particular time or times, because a Catalist company would be considered an "**insider**" in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. In particular, in line with the best practices guide on securities dealing issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

(a) one month immediately preceding the announcement of the Company's full-year results; and

(b) two weeks immediately preceding the announcement of the Company's first three quarterly results.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent of its Shares are in the hands of the public. The "**public**", as defined under the Catalist Rules, are persons other than the Directors, CEO, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, as well as the Associates of such persons.

Based on the interests of Directors and Substantial Shareholders as recorded in the Register of Directors' shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, approximately 1,785,109,733 Shares representing 52.26% of the issued Shares (excluding treasury shares), were in the hands of the public.

Assuming that the Company purchases its Shares up to the full ten per cent limit pursuant to the Share Buyback Mandate from the public (as defined in the Catalist Rules), the number of Shares in the hands of the public not taking into account treasury shares would be reduced to 1,443,555,262 Shares, representing 42.26% of the reduced issued share capital of the Company (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full ten per cent limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases or acquisitions, a sufficient float in the hands of the public will be maintained so that such purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.10 **Take-over Code implications.** Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.10.2 Persons acting in concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

(a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis where the shareholdings of the adviser and any of those funds in the client total ten per cent or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;

(g) partners; and

(h) an individual with his close relatives, related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

Based on the interests of Directors and Substantial Shareholders as recorded in the Register of Directors' shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, Swiber and Rawabi Holdings hold 903,534,986 and 672,000,000 Shares representing 26.45% and 19.67% of the issued share capital of the Company respectively (based on 3,415,544,719 Shares in issue as at the Latest Practicable Date excluding treasury shares). Each of the non-independent, Non-Executive Directors, Mr. Raymond Kim Goh and Mr. Yeo Chee Neng,

and the Independent Director, Mr. Yeo Jeu Nam, is also a director of Swiber. As such, Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam are also presumed to be acting in concert with Swiber for the purpose of Appendix 2 of the Take-over Code.

2.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

(a) the voting rights of such Directors and their concert parties would increase to 30% or more; or

(b) in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent in any period of six months.

In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

(a) the voting rights of such Shareholder would increase to 30% or more; or

(b) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent in any period of six months.

Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buyback Mandate.

Assuming that there is no change in the number of Shares held or deemed to be held by Swiber, Mr. Raymond Kim Goh, Mr. Yeo Chee Neng, Mr. Yeo Jeu Nam and parties acting in concert with them (including the other directors of Swiber) (the "**Swiber Concert Parties**"), the purchase or acquisition by the Company of the maximum limit of ten per cent of the issued and paid-up share capital of the Company will result in an increase in the aggregate shareholding interests of the Swiber Concert Parties in the Company from the present 28.45% to 31.61%. Accordingly, the Swiber Concert Parties may *prima facie* be required to make a take-over offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code.

2.11 **Exemption from the requirement of the Swiber Concert Parties to make a general offer**

Pursuant to section 3(a) of Appendix 2 of the Take-over Code, the Swiber Concert Parties will be exempted from the requirement to make a take-over offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code as a result of the Company purchasing or acquiring the Shares pursuant to the Share Buyback Mandate, subject to the following conditions:

(a) this Circular contains advice to the effect that by voting for the renewal of the Share Buyback Mandate, Shareholders are waiving their right to a general offer at the required price from the Swiber Concert Parties as a result of the Company buying back its Shares, which would increase their aggregate voting rights to 30% or more;

(b) this Circular discloses the names of the Swiber Concert Parties, their voting rights at the time of the Ordinary Resolution relating to the renewal of the Share Buyback Mandate and after the proposed purchase or acquisition of Shares by the Company under the Share Buyback Mandate;

(c) the Ordinary Resolution relating to the renewal of the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the AGM on a poll and who could not become obliged to make an offer for the Shares held by the other Shareholders as a result of the Company purchasing or acquiring Shares under the Share Buyback Mandate;

(d) the Swiber Concert Parties shall abstain from voting for, and Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam shall abstain from recommending Shareholders to vote in favour of, the Ordinary Resolution relating to the renewal of the Share Buyback Mandate;

(e) within seven days after the passing of the Ordinary Resolution relating to the renewal of the Share Buyback Mandate, each of Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam shall submit to the SIC a duly signed form as prescribed by the SIC; and

(f) the Swiber Concert Parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the renewal of the Share Buyback Mandate is imminent and the earlier of:

(i) the date on which the authority of the Share Buyback Mandate expires; and

(ii) the date on which the Company announces it has bought back the maximum number of Shares as authorised by Shareholders at the latest general meeting at which the renewal of the Share Buyback Mandate was approved or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those Shares purchased or acquired by the Company under the Share Buyback Mandate, would cause their aggregate voting rights in the Company to increase to 30% or more.

Shareholders should therefore note that by voting for the renewal of the Share Buyback Mandate, they are waiving their rights to a take-over offer by the Swiber Concert Parties in the circumstances set out above. Such take-over offer, if required to be made and not exempted under section 3(a) of Appendix 2 of the Take-over Code, would have to be made in cash or be accompanied by a cash alternative at not less than the highest price (excluding stamp duty and commission) paid by the Swiber Concert Parties for any Shares within the preceding six months.

Further details on the interests of the Swiber Concert Parties before and after the Share buybacks pursuant to the proposed Share Buyback Mandate and the interests of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in paragraph 4 below.

Save as disclosed above, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, concert parties such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue, as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.

2.12 **Previous Share purchases.** In the 12 months immediately preceding the Latest Practicable Date, the Company had not purchased or acquired any Shares.

3. THE PROPOSED RENEWALS OF THE IPT MANDATES

3.1 **The Swiber IPT Mandate.** At the EGM held on 20 April 2011, the Shareholders approved the shareholders' mandate for the Group to enter into certain recurring Interested Person Transactions with the Swiber Group which was amended and approved at another EGM held on 18 September 2013, and subsequently amended and approved by the Shareholders at the 2014 EGM to extend the scope and types of recurrent Interested Person Transactions covered. The mandate was last renewed with slight modifications at the 2015 AGM. The existing Swiber IPT Mandate will, unless renewed, expire on the date of the upcoming AGM which is scheduled to be held on 07 April 2016. Accordingly, the Directors propose that the Ordinary Resolution relating to the renewal of the Swiber IPT Mandate ("**Ordinary Resolution 9**") be passed to renew the Swiber IPT Mandate at the upcoming AGM to take effect until the following AGM. The particulars of the Interested Person Transactions in respect of which the Swiber IPT Mandate is sought to be renewed remain unchanged.

3.2 **The Rawabi IPT Mandate.** At the 2014 EGM, the Shareholders approved the shareholders' mandate for the Group to enter into certain recurring Interested Person Transactions with the Rawabi Group which was last renewed with slight modifications at the 2015 AGM. The existing Rawabi IPT Mandate will, unless renewed, expire on the date of the upcoming AGM which is scheduled to be held on 07 April 2016. Accordingly, the Directors propose that the Ordinary Resolution relating to the Rawabi IPT Mandate ("**Ordinary Resolution 10**") be passed to renew the Rawabi IPT Mandate at the upcoming AGM to take effect until the following AGM. The particulars of the Interested Person Transactions in respect of which the Rawabi IPT Mandate is sought to be renewed remain unchanged.

3.3 **Audit Committee's statement.** The Audit Committee (comprising Mr. Bote de Vries and Mr. Wong Leong Jeam as at the Latest Practicable Date) confirms that:

(a) the methods or procedures for determining transaction prices under the respective IPT Mandates have not changed since the 2015 AGM; and

(b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Mr. Raymond Kim Goh and Mr. Yeo Jeu Nam, the other members of the Audit Committee, are both directors of Swiber and have abstained from the Audit Committee's review and determination in relation to the proposed renewals of the respective IPT Mandates.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders in the Shares are as follows:

	Before Share Buyback (Number of Shares)			Before Share Buyback (%)[1]	After Share Buyback (%)[2]
Name	**Direct interest**	**Deemed interest**	**Total interest**		
Directors					
Raymond Kim Goh[3] [4]	–	23,000,000	23,000,000	0.67	0.75
Yeo Chee Neng[3]	22,000,000	–	22,000,000	0.64	0.72
Ling Yong Wah	1,000,000	–	1,000,000	0.03	0.03
Yeo Jeu Nam[3]	2,300,000	–	2,300,000	0.07	0.07
Bote de Vries	100,000	–	100,000	0.00	0.00
Wong Leong Jeam		–	–	–	–
Substantial Shareholders					
Rawabi Holding Company Limited[5]	672,000,000	–	672,000,000	19.67	21.86
Abdul Aziz Ali Alturki[5]	–	672,000,000	672,000,000	19.67	21.86
Swiber[3]	903,534,986	–	903,534,986	26.45	29.39

Notes:

(1) As a percentage of the issued share capital of the Company as at the Latest Practicable Date, comprising 3,415,544,719 Shares (excluding Treasury Shares).

(2) As a percentage of the issued share capital of the Company as at the Latest Practicable Date, comprising 3,073,990,248 Shares, excluding Treasury Shares (assuming that the Company purchases the maximum number of 341,554,471 Shares under the Share Buyback Mandate).

(3) Swiber is a company incorporated in Singapore and listed on the Main Board of the SGX-ST. As at the Latest Practicable Date, Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam are also directors of Swiber.

(4) By virtue of section 4 of the Securities and Futures Act, Cap. 289, Mr Raymond Kim Goh is deemed to be interested in the Shares held by a family trust constituted by Mr Raymond Kim Goh for the benefit of his family members but not Mr Raymond Kim Goh himself.

(5) By virtue of section 4 of the Securities and Futures Act, Cap. 289, Mr. Abdul Aziz Ali Alturki is deemed to be interested in the Shares held by Rawabi Holding Company Limited as at the Latest Practicable Date.

5. ANNUAL GENERAL MEETING

The upcoming AGM, notice of which is set out on pages 132 to 138 of the 2015 Annual Report, will be held at 12 International Business Park, #03-02 Swiber@IBP Singapore 609920 on 07 April 2016 at 10.00 a.m. for the purpose of, *inter alia*, considering and if thought fit, passing with or without modifications, each of the Ordinary Resolutions.

6. ABSTENTIONS FROM VOTING

6.1 **The proposed renewal of the Share Buyback Mandate.** In accordance with Appendix 2 of the Take-over Code, the Swiber Concert Parties will abstain from voting on Ordinary Resolution 8 relating to the proposed renewal of the Share Buyback Mandate ("**Ordinary Resolution 8**") at the upcoming AGM.

The Swiber Concert Parties will also decline to accept appointment as proxy to vote and attend at the upcoming AGM in respect of the said Ordinary Resolution unless such persons have been given specific instructions as to the manner in which their votes are to be cast.

6.2 **The proposed renewal of the Swiber IPT Mandate.** In accordance with the requirements of Chapter 9 of the Catalist Rules, Swiber, being a Controlling Shareholder, is regarded as an Interested Person in relation to the Swiber IPT Mandate and will abstain, and has undertaken to ensure that its Associates will abstain, from voting on Ordinary Resolution 9 relating to the proposed renewal of the Swiber IPT Mandate ("**Ordinary Resolution 9**") at the upcoming AGM.

For purposes of good corporate governance, as the Directors, Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam are also directors of Swiber, they will abstain from voting on Ordinary Resolution 9 at the upcoming AGM.

Such persons will also decline to accept appointment as proxy to vote and attend at the upcoming AGM in respect of the said Ordinary Resolution unless such persons have been given specific instructions as to the manner in which their votes are to be cast.

6.3 **The proposed renewal of the Rawabi IPT Mandate.** In accordance with the requirements of Chapter 9 of the Catalist Rules, Rawabi Holding, being a Controlling Shareholder, is regarded as an Interested Person in relation to the Rawabi IPT Mandate and will abstain, and has undertaken to ensure that its Associates will abstain, from voting on Ordinary Resolution 10 relating to the proposed renewal of the Rawabi IPT Mandate ("**Ordinary Resolution 10**") at the upcoming AGM.

Such persons will also decline to accept appointment as proxy to vote and attend at the upcoming AGM in respect of the said Ordinary Resolution unless such persons have been given specific instructions as to the manner in which their votes are to be cast.

7. DIRECTORS' RECOMMENDATIONS

7.1 **The proposed renewal of the Share Buyback Mandate.** The Directors who are deemed independent for the purposes of the renewal of the Share Buyback Mandate, namely Mr. Bote de Vries, Mr. Wong Leong Jeam and Mr. Ling Yong Wah, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 8 to be proposed at the upcoming AGM.

The other Directors, namely, Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam who are also directors of Swiber, have abstained from voting, or recommending the Shareholders to vote, in favour of Ordinary Resolution 8 at the upcoming AGM and shall not accept nominations as proxies or otherwise to vote in favour of Ordinary Resolution 8 unless specific instructions as to voting are given.

7.2 **The proposed renewal of the Swiber IPT Mandate.** The Directors who are deemed independent for the purposes of the renewal of the Swiber IPT Mandate, namely Mr. Bote de Vries, Mr. Wong Leong Jeam and Mr. Ling Yong Wah, are of the opinion that the proposed renewal of the Swiber IPT Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 9 to be proposed at the upcoming AGM.

The other Directors, namely, Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jeu Nam who are also directors of Swiber, have abstained from voting, or recommending the Shareholders to vote, in favour of Ordinary Resolution 9 at the upcoming AGM and shall not accept nominations as proxies or otherwise to vote in favour of Ordinary Resolution 9 unless specific instructions as to voting are given.

7.3 **The proposed renewal of the Rawabi IPT Mandate.** All the Directors are deemed independent for the purposes of the renewal of the Rawabi IPT Mandate and are of the opinion that the proposed renewal of the Rawabi IPT Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 10 to be proposed at the upcoming AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate and the proposed renewals of the respective IPT Mandates, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the upcoming AGM may appoint a proxy/proxies to attend and vote at such AGM on their behalf by completing, signing and returning the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 12 International Business Park, Swiber@IBP #03-02, Singapore 609920 not less than 48 hours before the time fixed for the upcoming AGM. The completion and return of a Proxy Form by a Shareholder will not preclude him from attending and voting in person at the AGM in place of his proxy if he wishes to do so.

A Depositor shall not be entitled to attend the upcoming AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, not less than 72 hours before the time fixed for the AGM or any adjournment thereof.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the upcoming AGM:

(a) the Memorandum and Articles; and

(b) the 2015 Annual Report.

Yours faithfully,

Ling Yong Wah
Executive Director and CEO
For and on behalf of the Board of Directors of
VALLIANZ HOLDINGS LIMITED

APPENDIX A

IPT MANDATES

1. Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, a listed company may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's Interested Persons but such mandate shall not be in respect of the purchase or sale of assets, undertakings or businesses. Due to the time-sensitive nature of commercial transactions, such a mandate will enable a listed company, in its ordinary course of business, to enter into certain categories of transactions with certain classes of Interested Persons, provided such interested person transactions are made on normal commercial terms and are not prejudicial to the interests of the company and its minority shareholders.

On 20 April 2011, the Shareholders approved the shareholders' mandate for the Group to enter into certain recurring Interested Person Transactions with the Swiber Group which was amended and approved at an EGM held on 18 September 2013, and subsequently amended and approved by the Shareholders at the 2014 EGM to extend the scope and types of recurrent Interested Person Transactions covered. The mandate was last renewed with slight modifications at the 2015 AGM. The existing Swiber IPT Mandate will, unless renewed, expire on the date of the upcoming AGM which is scheduled to be held on 07 April 2016.

At the 2014 EGM, the Shareholders approved the shareholders' mandate for the Group to enter into certain recurring Interested Person Transactions with the Rawabi Group which was last renewed with slight modifications at the 2015 AGM. The existing Rawabi IPT Mandate will, unless renewed, expire on the date of the upcoming AGM which is scheduled to be held on 07 April 2016.

Interested person transactions that do not fall within the ambit of the respective IPT Mandates shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules.

2. Classes of Interested Persons

Swiber IPT Mandate

Swiber is a Controlling Shareholder holding 903,534,986 Shares as at the Latest Practicable Date, representing an interest of approximately 26.45% in the share capital of the Company. Accordingly, Swiber is an Interested Person for the purpose of Chapter 9 of the Catalist Rules.

The Swiber IPT Mandate will apply to the Group's transactions with the following classes of Interested Persons:

(a) Swiber and its directors, chief executive officer and controlling shareholders, and their Associates; and

(b) the Associates of Swiber.

Swiber and its Associates shall herein be collectively referred to as the "**Swiber Group**".

Rawabi IPT Mandate

Rawabi Holding is a Controlling Shareholder holding 672,000,000 Shares as at the Latest Practicable Date, representing an interest of approximately 19.67% in the share capital of the Company. Accordingly, Rawabi is an Interested Person for the purpose of Chapter 9 of the Catalist Rules.

The Rawabi IPT Mandate will apply to the Group's transactions with the following classes of Interested Persons:

(a) Rawabi Holding and its directors, chief executive officer and controlling shareholders, and their Associates; and

(b) the Associates of Rawabi Holding.

Rawabi Holding and its Associates shall herein be collectively referred to as the "**Rawabi Group**".

3. Categories of Interested Person Transactions

Swiber IPT Mandate

The categories of Interested Person Transactions which will be covered by the Swiber IPT Mandate include:

(1) the chartering of vessels by the Swiber Group from the Group which include term charters and bareboat charters (collectively, the "**Vessel Charters**");

(2) the provision of corporate management services for vessel owning companies to the Swiber Group which include accounting and financial reporting services, administrative services, financial management services, treasury management services, company secretariat services, corporate advisory services and insurance management services (collectively, the "**Corporate Management Services**");

(3) the provision of corporate services by the Swiber Group to the Group which include administrative services, building maintenance services, company secretariat services, corporate finance services, treasury services, legal and taxation advice, procurement of goods and services, information technology and communications services, insurance services, human resource and payroll processing services, investor relations and organisation and development services (collectively, the "**Swiber Corporate Services**");

(4) the obtaining of other products and/or services from the Swiber Group in connection with the Swiber Corporate Services such as printing services, purchase of stationery and other related services ("**Other Swiber Goods and Services**");

(5) the provision of marine marketing services by the Group to the Swiber Group, including without limitation, the sourcing of charterers for the Swiber Group's vessels, acting as an intermediary between the Swiber Group and its clients for contracts, and assisting with the drafting of related agreements and negotiations (collectively, the "**Marine Marketing Services**");

(6) the provision of marine brokerage services by the Group to the Swiber Group, including without limitation, the sourcing for vessels based on the Swiber Group's requirements, arranging for assist tugs and/or harbour movements, making initial contact with vessel-owners or vessel buyers, acting as an intermediary between (i) the vessel-owner and the charterer for towage, time and bareboat charters; and (ii) the seller and buyer of vessels, and assisting with the drafting of related agreements and negotiations (collectively, the "**Marine Brokerage Services**");

(7) the provision of ship management services by the Group to the Swiber Group, including without limitation, the provision of (i) vessel repair and maintenance services such as annual survey, drydocking, repair, maintenance and health safety and environmental compliance; (ii) crewing services such as recruitment and crew management; (iii) procurement services such as sourcing and liaising with the vendor on purchases; and (iv) operational services such as the monitoring of vessel movement, preparation of vessel utilisation reports and ensuring compliance with the charterer's requirements (collectively, the "**Ship Management Services**");

(8) the provision of shipyard, engineering, fabrication services to the Swiber Group, including without limitation, the provision of yard facilities for heavy industrial fabrication and equipment assembly services to the Swiber Group (collectively, the "**Shipyard, Engineering, Fabrication Services and Facilities**");

(9) the chartering of vessels by the Group from the Swiber Group ("**Swiber Vessel Charters**");

(10) the obtaining of shipyard, engineering and fabrication services from the Swiber Group, including without limitation, yard facilities for heavy industrial fabrication and equipment assembly services (the "**Swiber Shipyard, Engineering, Fabrication Services and Facilities**"); and

(11) the provision of project management services to the Swiber Group, including without limitation, full project management and consultancy services which include feasibility studies, special investigations, provision of technical advice and interface between various parties (the "**Project Management Services**"),

collectively, the "**Swiber Interested Person Transactions**".

Rawabi IPT Mandate

The categories of Interested Person Transactions which will be covered by the Rawabi IPT Mandate include:

(a) the rental of premises from the Rawabi Group (the "**Rental of Premises**");

(b) the obtaining of corporate services from the Rawabi Group (the "**Rawabi Corporate Services**"); and

(c) in relation to paragraph (b) above, the obtaining of other goods and services from the Rawabi Group, including but not limited to the procurement of information technology equipment, stationery, air tickets and accommodation (the "**Other Rawabi Goods and Services**").

collectively, the "**Rawabi Interested Person Transactions**".

The respective IPT Mandates will not cover any Interested Person Transaction that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions.

Transactions with the Swiber Group and/or Rawabi Group that do not fall within the ambit of the IPT Mandates shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

4. Rationale for and benefits of the IPT Mandates

Swiber IPT Mandate

The Group's core businesses are in vessel ownership, chartering, brokering and management activities. The Group is also an associated company of Swiber, a company incorporated in Singapore and listed on the Mainboard of the SGX-ST. As the Swiber Group is in the business of providing offshore EPCIC, it is envisaged that the Company, its subsidiaries and associated companies (other than (a) subsidiaries or associated companies which are themselves listed on the SGX-ST or an approved exchange, or (b) associated companies over which the Group and/or its Interested Person(s) have no control over) which are considered to be "entities at risk" within the meaning of Chapter 9 of the Catalist Rules, or any of them, will, in the ordinary course of their businesses, enter into Interested Person Transactions with the Swiber Group from time to time for mutual benefit. Such transactions are described above.

On 30 March 2011, the Company entered into the Corporate Services Agreement which came into effect on 20 April 2011 pursuant to which Swiber will provide to the Group corporate services including administrative services, building maintenance services, company secretariat services, corporate finance services, treasury services, legal and taxation advice, procurement of goods and services, information technology and communications services, insurance services, human resource and payroll processing services, investor relations and organisation and development services for a monthly fee of US$24,000. The monthly fee of US$24,000 charged by Swiber under the Corporate Services Agreement had been arrived at after taking into account the Group's costs as a proportion of the Swiber Group's total costs on a cost-recovery basis and is consistent with the basis upon which all group companies of Swiber who receive such services are charged.

The Directors believe that the provision of Vessel Charters, Corporate Management Services, Marine Marketing Services, Marine Brokerage Services, Ship Management Services, Shipyard, Engineering, Fabrication Services and Facilities, and Project Management Services to the Swiber Group is beneficial to the Group as it would enable the Group to gain greater access to a wider customer base and also allows the Group to tap on Swiber's goodwill, market share, expertise and resources in the offshore industry. The Directors also believe that the provision of Swiber Corporate Services and Other Swiber Goods and Services by the Swiber Group is in the interest of the Group as it allows the Group to enjoy economies of scale in the procurement of services and materials and allows the Group to tap onto the Swiber Group's personnel for administrative work which enables the Group to have a lean and efficient administration set-up.

Further, the Directors believe that the obtaining of the Swiber Vessel Charters and the Swiber Shipyard, Engineering, Fabrication Services and Facilities from the Swiber Group is beneficial to the Group as the Group will be able to offer a wider range of vessels to its customers and tap on the Swiber Group's expertise and resources.

Rawabi IPT Mandate

Rawabi Holding is a company based in Al-Khobar (Eastern Province), Kingdom of Saudi Arabia and has been in business for the past 30 years. Its core business is related to the oil and gas industry, specifically in the drilling and related oilfield services. Rawabi Holding is also involved in the engineering and construction industry, owning and operating several manufacturing facilities, and is involved heavily in the growing regional telecommunications and information technology sector. Rawabi Holding has international partners from more than 25 countries and represents over 100 worldwide prominent companies. Rawabi Holding was introduced to the Company by Swiber.

The Directors believe that the Rental of Premises and obtaining of Rawabi Corporate Services is in the interest of the Group as it allows the Group to tap on the Rawabi Group's resources and the Rawabi Group's personnel for administrative work which would enable the Group to have a more efficient administrative set-up.

Further, in relation to the Rawabi Corporate Services, the Directors also believe that the obtaining of Other Rawabi Goods and Services is beneficial to the Group as it would enable the Group to tap on the Rawabi Group's existing network and to enjoy economies of scale in the procurement of goods and services.

Owing to the time-sensitive nature of commercial transactions, the renewal of the IPT Mandates pursuant to Chapter 9 of the Catalist Rules, if approved by the Shareholders, will enable the Group, in the ordinary course of its business, to take advantage of the business opportunities offered by such Interested Person Transactions set out above in the section "Categories of Interested Person Transactions" with the specified classes of Interested Persons as set out above without being separately subject to the obligations in Rules 905 and 906 of the Catalist Rules provided that such transactions are made at arm's length on the Group's normal commercial terms and are reviewed in accordance with the review procedures set out below.

This will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' approval for each separate Interested Person Transaction to be entered into between the Group and the Interested Persons and will give the Group the

flexibility to conduct such recurrent Interested Person Transactions, thereby enhancing the Group's ability to pursue business opportunities which are time-sensitive in nature. It will substantially reduce administrative time and expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficiency considerably, and allow resources and time to be channeled to other corporate and business opportunities.

5. Guidelines and review procedures for transactions under the IPT Mandates

The Group has implemented the following guidelines and review procedures pursuant to the IPT Mandates to ensure that the Interested Persons Transactions are undertaken on normal commercial terms consistent with its usual business practice and policies and are not prejudicial to the interests of the Company and its minority Shareholders.

Method and procedure for determining prices or value for the Swiber Interested Person Transactions under the Swiber IPT Mandate

(a) Provision of Vessel Charters

It is expected that the Group will have a long term business relationship with the Swiber Group. When providing Vessel Charters to the Swiber Group, the fees charged by the Group will be determined on a case by case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, the valuations of the vessel, the term of charter, the costs of financing and the level of risks involved. Taking into account preferential rates and discounts which may be accorded to long-term customers or customers with exclusive business relationships (each a "**Preferential Customer**"), the terms offered to the Swiber Group will not be more favourable than that offered to another unrelated Preferential Customer which may also provide exclusivity and substantial volume of work.

In addition, in assessing the charter hire fees for the Vessel Charters provided to the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will determine in accordance with the Group's usual business practices and pricing policies based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for the provision of Vessel Charters are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement for Vessel Charters with the Swiber Group, the Financial Controller shall also provide the basis and justification for such approval. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transactions continue to be made on the Group's normal commercial terms.

In the event that it is not possible to determine whether the terms of the transactions with the Swiber Group are more or less favourable than the aggregate terms quoted to unrelated third parties, a review committee consisting of at least two members, which shall comprise a Director and the Financial Controller for the time being and such other person as the Directors may from time to time appoint (each of whom should not have a, direct or indirect, interest in the Interested Person Transaction) (the "**Review Committee**") will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(b) Provision of Corporate Management Services

When providing Corporate Management Services to the Swiber Group, the fees charged by the Group will be determined on a case by case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, the number of assets under management, the complexity of the project and the tenure of the project. Taking into account preferential rates and discounts which may be accorded to a Preferential Customer, the terms offered to the Swiber Group will not be more favourable than that offered to such an unrelated Preferential Customer which may also provide exclusivity and substantial volume of work.

In addition, in assessing the fees for the Corporate Management Services provided to the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will, in consultation with the Audit Committee determine in accordance with the Group's usual business practices and pricing policies based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for the provision of Corporate Management Services are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement with the Swiber Group for the provision of Corporate Management Services, the Financial Controller shall also provide the basis and justification for such approval. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transaction continues to be made on the Group's normal commercial terms.

In the event that it is not possible to determine whether the terms of the transactions with the Swiber Group are more or less favourable than the aggregate terms quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(c) Obtaining of Swiber Corporate Services

The fees charged by the Swiber Group for the Swiber Corporate Services will be a fixed monthly amount of US$24,000 pursuant to the Corporate Services Agreement. As mentioned in paragraph 4 above, the fees charged by the Swiber Group for the Swiber Corporate Services have been arrived at after taking into account the Group's costs (based on the Group's total usage of Swiber Corporate Services) as a proportion of the total actual costs incurred by the Swiber Group on a cost-recovery basis for providing such services to its group companies.

(d) Obtaining of Other Swiber Goods and Services

When purchasing goods from or through the Swiber Group or engaging the services (not included in paragraph (c) above) from the Swiber Group in connection with the Swiber Corporate Services, the pricing and fees for services or products will be based on a cost-reimbursement basis.

(e) Provision of Marine Marketing Services

When providing Marine Marketing Services to the Swiber Group, the fees charged by the Group will be determined on a case by case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, the nature of the services, complexity of the contracts or transactions, customer requirements and specifications, and strategic purpose of the transaction. Taking into account preferential rates and discounts which may be accorded to Preferential Customers, the terms offered to the Swiber Group will not be more favourable than that offered to another unrelated Preferential Customer which may also provide exclusivity and substantial volume of work.

In addition, in assessing the service fees for the provision of Marine Marketing Services to the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will, in consultation with the Audit Committee, determine in accordance with the Group's usual business practices and pricing policies based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for the provision of Marine Marketing Services to the Swiber Group are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement for the provision of Marine Marketing Services with the Swiber Group, the Financial Controller shall also provide the basis and justification for such approval. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transaction continues to be made on the Group's normal commercial terms.

In the event that it is not possible to determine whether the terms of the transactions with the Swiber Group are more or less favourable than the aggregate terms quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(f) Provision of Marine Brokerage Services

When providing Marine Brokerage Services to the Swiber Group, the fees charged by the Group will be determined on a case by case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, nature of the services, complexity of the contracts or transactions, customer requirements and specifications, and strategic purpose of the transaction. Taking into account preferential rates and discounts which may be accorded to a Preferential Customer, the terms offered to the Swiber Group will not be more favourable than that offered to another unrelated Preferential Customer which may also provide exclusivity and substantial volume of work.

In addition, in assessing the fees for the provision of Marine Brokerage Services to the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will, in consultation with the Audit Committee, determine in accordance with the Group's usual business practices and pricing policies based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for the provision of Marine Brokerage Services are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement with the Swiber Group for the provision of Marine Brokerage Services, the Financial Controller shall also provide the basis and justification for such approval. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transaction continues to be made on the Group's normal commercial terms.

In the event that it is not possible to determine whether the terms of the transactions with the Swiber Group are more or less favourable than the aggregate terms quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(g) Provision of Ship Management Services

When providing Ship Management Services to the Swiber Group, the fees charged by the Group will be determined on a case by case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, customer requirements, specification and area of operation of the vessel. Taking into account preferential rates and discounts which may be accorded to a Preferential Customer, the terms offered to the Swiber Group will not be more favourable than that offered to another unrelated Preferential Customer which may also provide exclusivity and substantial volume of work.

In addition, in assessing the fees for the provision of Ship Management Services to the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will, in consultation with the Audit Committee, determine in accordance with the Group's usual business practices and pricing policies based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for the provision of Ship Management Services to the Swiber Group are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement with the Swiber Group for the provision of Ship Management Services, the Financial Controller shall also provide the basis and justification for such approval. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transactions continue to be made on the Group's normal commercial terms.

In the event that it is not possible to determine whether the terms of the transactions with the Swiber Group are more or less favourable than the aggregate terms quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(h) Provision of Shipyard, Engineering, Fabrication Services and Facilities

When providing Shipyard, Engineering, Fabrication Services and Facilities to the Swiber Group, the fees charged by the Group will be determined on a case by case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, nature of the services, complexity of the contracts or transactions, customer requirements and specifications, and strategic purpose of the transaction. Taking into account preferential rates and discounts which may be accorded to a Preferential Customer with exclusive business relationships, the terms offered to the Swiber Group will not be more favourable than that offered to another unrelated Preferential Customer which may also provide exclusivity and substantial volume of work.

In addition, in assessing the fees for the provision of Shipyard, Engineering, Fabrication Services and Facilities to the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will, in consultation with the Audit Committee, determine in accordance with the Group's usual business practices and pricing policies based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for the provision of Shipyard, Engineering, Fabrication Services and Facilities are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement with the Swiber Group for the provision of Shipyard, Engineering, Fabrication Services and Facilities, the Financial Controller shall also provide the basis and justification for such approval. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transaction continues to be made on the Group's normal commercial terms.

In the event that it is not possible to determine whether the terms of the transactions with the Swiber Group are more or less favourable than the aggregate terms quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(i) Obtaining of the Swiber Vessel Charters

To ensure that the Swiber Interested Person Transactions are carried out at arm's length on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group will endeavour to obtain at least two quotes (wherever possible or available) from independent shipbrokers or other ship owners for vessels which are of similar specifications and age to the vessel proposed to be chartered from the Swiber Group before entering into or renewing a chartering agreement.

In addition, in assessing the charter hire fees for the chartering of vessels from the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction, will determine in accordance with the Group's usual business practices based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for chartering of vessels from Swiber Group are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement for chartering of vessels from the Swiber Group, the Financial Controller shall also provide the basis and justification for approval of such variation. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transaction continues to be made on the Group's normal commercial terms.

If such quotes from independent shipbrokers or other ship owners are not available, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(j) Obtaining of the Swiber Shipyard, Engineering, Fabrication Services and Facilities

When obtaining the Swiber Shipyard, Engineering, Fabrication Services and Facilities, the Group will endeavour to obtain at least one quote from an independent third party before entering into or renewing an agreement.

In addition, in assessing the fees for the Swiber Shipyard, Engineering, Fabrication Services and Facilities offered by the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will determine in accordance with the Group's usual business practices based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for obtaining the Swiber Shipyard, Engineering, Fabrication Services and Facilities are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement for the Swiber Shipyard, Engineering, Fabrication Services and Facilities entered into with the Swiber Group, the Financial Controller shall also provide the basis and justification for approval of such variation. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transaction continues to be made on the Group's normal commercial terms.

If the Company is unable to obtain a quote from an unrelated third party, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

(k) Provision of Project Management Services

When providing Project Management Services to the Swiber Group, the fees charged by the Group will be determined on a case by case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, nature of the services, complexity of the contracts or transactions, customer

requirements and specifications, and strategic purpose of the transaction. Taking into account preferential rates and discounts which may be accorded to a Preferential Customer, the terms offered to the Swiber Group will not be more favourable than that offered to another unrelated Preferential Customer which may also provide exclusivity and substantial volume of work.

In addition, in assessing the fees for the provision of Project Management Services to the Swiber Group, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction will, in consultation with the Audit Committee, determine in accordance with the Group's usual business practices and pricing policies based on her industry knowledge and experience and her understanding of the general industry practice whether the terms for the provision of Project Management Services to the Swiber Group are fair and reasonable in the circumstances after consideration of factors such as credit terms, reliability, exclusivity and long-term business relationships.

In the event of any variation to the agreement with the Swiber Group for the provision of Project Management Services, the Financial Controller shall also provide the basis and justification for approval of such variation. The Audit Committee shall review any such variation to ensure that the Swiber Interested Person Transaction continues to be made on the Group's normal commercial terms.

In the event that it is not possible to determine whether the terms of the transactions with the Swiber Group are more or less favourable than the aggregate terms quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Swiber Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Swiber Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Swiber Interested Person Transaction before deciding whether to approve or reject the Swiber Interested Person Transaction. In determining the terms of the Swiber Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

Approval process for the provision of Vessel Charters

The Group will monitor all Swiber Interested Person Transactions for the provision of Vessel Charters and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$20 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$20 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, *inter alia*, the expected nature, volume, recurrent frequency and size of the Swiber Interested Person Transactions as the Swiber Interested Person Transactions are expected to be entered into on a long term basis which is typically five years as well as the Group's day-to-day operations, administration, businesses and the Company's track record for vessel charters.

The Company shall prepare the relevant information to assist the Audit Committee in its review.

Approval process for the provision of Corporate Management Services

In respect of the provision of Corporate Management Services, the Group will adopt the following approval procedures:

Value of Corporate Management Services	Required approval
Less than US$100,000	The approval of the Financial Controller
Greater than or equal to US$100,000	The approval of the Audit Committee

Review process for the obtaining of Swiber Corporate Services and Other Swiber Goods and Services

Apart from the monthly fee of US$24,000 charged by the Swiber Group for the Swiber Corporate Services, the Financial Controller will check to ensure that with respect to any Other Swiber Goods and Services, where the value is less than US$20,000, such costs are charged on a cost-reimbursement basis. Where the value of such Other Swiber Goods and Services is equal to or in excess of US$20,000, such transactions shall be checked and approved by the Financial Controller to ensure that such costs are charged on a cost-reimbursement basis.

Approval process for the provision of Marine Marketing Services and Marine Brokerage Services

The Group will monitor all transactions for the provision of Marine Marketing Services and/or Marine Brokerage Services, and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$3 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$3 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, *inter alia*, the expected nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration, businesses and the Company's track record for the provision of Marine Marketing Services and Marine Brokerage Services respectively.

Approval process for the provision of Ship Management Services

The Group will monitor all transactions for the provision of Ship Management Services and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$5 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$5 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, *inter alia*, the expected nature, volume, recurrent frequency and size of the transactions as the transaction are expected to be entered into on a long-term basis which is typically between one to three years as well as the Group's day-to-day operations, administration, businesses and the Group's track record for the provision of Ship Management Services.

Approval process for the provision of Shipyard, Engineering, Fabrication Services and Facilities

The Group will monitor all transactions for the provision of Shipyard, Engineering, Fabrication Services and Facilities and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$3 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$3 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, *inter alia*, the expected nature, volume, recurrent frequency and size of the transactions as the transactions are expected to be entered into on a long-term basis which is typically one year as well as the Group's day-to-day operations, administration, businesses and the Group's track record for the provision of Shipyard, Engineering, Fabrication Services and Facilities.

Approval process for the obtaining of Swiber Vessel Charters

The Group will monitor all transactions for the obtaining of Swiber Vessel Charters and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$20 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$20 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, inter alia, the expected nature, volume, recurrent frequency and size of the transactions as the transactions are expected to be entered into on a long term basis which is typically more than one year as well as the Group's day-to-day operations, administration, businesses and the Company's track record for the obtaining of Swiber Vessel Charters.

Approval process for the obtaining of Swiber Shipyard, Engineering, Fabrication Services and Facilities

The Group will monitor all transactions for the obtaining of Swiber Shipyard, Engineering, Fabrication Services and Facilities and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$3 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$3 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, *inter alia*, the expected nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration, businesses and the Group's track record for the obtaining of Swiber Shipyard, Engineering, Fabrication Services and Facilities.

Approval process for the provision of Project Management Services

The Group will monitor all transactions for the provision of Project Management Services and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$3 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$3 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Swiber Group or to the Swiber Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, inter alia, the expected nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration, businesses and the Group's track record for the provision of Project Management Services.

Method and procedure for determining prices or value for the Rawabi Interested Person Transactions under the Rawabi IPT Mandate

(a) Rental of Premises

The rates and terms of the lease with the Rawabi Group will be reviewed before entry into the lease or at the point of renewal (as the case may be).

In ascertaining the rental for any lease with the Rawabi Group, factors such as the available facilities, tenure of the lease, the area of the leased premises and any other relevant factors that may affect the rental rates or terms of the lease would be taken into consideration.

The Group will use at least two leases between the Rawabi Group and their other unrelated third party tenants in the same building(s) as a basis for comparison to ensure that the terms of the leases entered into by the Group with the Rawabi Group are not more favourable to the Rawabi Group than those terms extended to such unrelated third parties. If there are no other unrelated third party tenants in the same building(s), the Group will obtain quotes from at least two unrelated third party lessors for similar space or buildings that are of similar or comparable standing within the same vicinity.

In the event that quotations from unrelated third parties are not available in respect of a Rental of Premises, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Rawabi Group before submitting a written recommendation to the Audit Committee. In its evaluation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Rawabi Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee in respect of the Rawabi Interested Person Transaction before deciding whether to approve or reject the Rawabi Interested Person Transaction. In determining the terms of the Rawabi Interested Person Transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including the reasonableness of the terms).

In the event of any variation to the agreement with the Rawabi Group for the Rental of Premises, the Financial Controller shall provide the basis and justification for approval of such variation. The Audit Committee shall review any such variation to ensure that the Rental of Premises continues to be made on the Group's normal commercial terms.

(b) Obtaining of Rawabi Corporate Services

The fees charged by the Rawabi Group for the provision of Rawabi Corporate Services will be derived after taking into account the Group's costs as a proportion of the total actual costs incurred by the Rawabi Group on a cost-recovery basis for providing such services to its group of companies.

In assessing the fees when obtaining Rawabi Corporate Services or renewing a contract therefor, the Financial Controller, who does not have any interests, whether direct or deemed, in relation to the Rawabi Group or to the Rawabi Interested Person Transaction will review the cost-recovery basis and justifications to be provided by the Rawabi Group, having regard to the Group's proportionate share of the total costs to be incurred by the Rawabi Group, taking into account also the relevant factors such as the nature of the services provided, and the Group's historical and projected utilisation of the common pool of resources also shared by the other companies of the Rawabi Group.

(c) Obtaining of Other Rawabi Goods and Services

When purchasing goods from or through the Rawabi Group or engaging services not included in the Rawabi Corporate Services from the Rawabi Group, the pricing and fees for services or products will be based on a cost reimbursement basis.

Approval process for the Rental of Premises

The Group will monitor all transactions for the Rental of Premises and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$3 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$3 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Rawabi Group or to the Rawabi Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, inter alia, the expected tenure of the transactions as the transactions are expected to be entered into on a long term basis which is typically three years as well as the Group's day-to-day operations, administration, businesses and the Group's track record for the Rental of Premises.

Approval process for the obtaining of Rawabi Corporate Services

The Group will monitor all transactions for obtaining Rawabi Corporate Services and categorise them as follows:

(i) a Category 1 Transaction is one where the value thereof is less than US$1 million; and

(ii) a Category 2 Transaction is one where the value thereof is equal to or more than US$1 million.

All Category 1 Transactions shall be determined by the Financial Controller, in consultation with the Audit Committee, and all Category 2 Transactions shall be submitted by the Group for prior approval of the Audit Committee and any Director who has no interests, whether direct or deemed, in relation to the Rawabi Group or to the Rawabi Interested Person Transaction.

The threshold limits set out above have been adopted by the Group after taking into account, inter alia, the expected tenure of the transactions as the transactions and are expected to be entered into on a long term basis which is typically three years as well as the Group's day-to-day operations, administration, businesses and the Group's track record for obtaining Rawabi Corporate Services.

Approval process for the obtaining of Other Rawabi Goods and Services

The approval thresholds for obtaining the Other Rawabi Goods and Services are as follows:

Value of Other Rawabi Goods and Services	Required approval
Less than US$200,000	Approval of the Financial Controller
Greater than or equal to US$200,000	Approval of the Audit Committee

6. General administrative procedures for all interested person transactions

In addition to the guidelines and review procedures for the IPT Mandates, the Group will also implement the following procedures for the identification of Interested Persons and the record of all interested person transactions:

(a) A team from the accounting and finance department of the Group (the "**Accounting and Finance team**") will maintain a master list of the Group's directors and the Controlling Shareholders which is to be updated immediately if there are any changes. In addition, the Accounting and Finance team will update the list of directors and Controlling Shareholders and their Associates on a quarterly basis. The directors and Controlling Shareholders are also required to inform the Accounting and Finance team as and when there is any change in the information with respect to their Associates that they had previously disclosed to the Company. The list will be disclosed to relevant personnel, such as the Board and executive officers, to enable identification of Interested Persons. This master list of Interested Persons will be reviewed by the Audit Committee on a quarterly basis.

(b) Subsidiaries and associated companies of the Group are required to inform the Accounting and Finance team of any upcoming transactions with Interested Persons so as to obtain the prior approval from the Financial Controller, the Audit Committee and/or Shareholders, in accordance with the IPT Mandates or provisions of Chapter 9 of the Catalist Rules, as the case may be.

(c) All Interested Person Transactions entered into pursuant to the IPT Mandates, including the factors that have been taken into account in arriving at the terms, as well as any other quotations or evidence obtained to support such basis, shall be recorded and maintained in a register ("**Register of Transactions**") by the Accounting and Finance team and submitted to the Audit Committee for review on a quarterly basis.

(d) The Financial Controller of the Group shall, on a monthly basis, review the Register of Transactions.

(e) The Financial Controller of the Group shall, on a quarterly basis, review the Register of Transactions and the operation of the review procedures and report to the Audit Committee on all Interested Person Transactions and the basis on which such transactions were entered into with the Interested Persons during the preceding quarter.

(f) As part of the Company's annual audit, external auditors will be appointed by the Audit Committee to review all interested person transactions on an annual basis.

(g) The external auditors will review and confirm the interested person transactions under the notes to the financial statements.

(h) The half-yearly internal audit plan will incorporate a review of all interested person transactions entered into. The internal audit reports will be submitted to and reviewed by the Audit Committee on a half yearly basis to ascertain whether the guidelines and review procedures established to monitor interested person transactions have been complied with.

(i) Generally, the Review Committee and the Audit Committee will only approve an interested person transaction if the terms of the interested person transaction are no more favourable than the terms extended to unrelated third parties, or are in accordance with published or prevailing rates/prices or are otherwise in accordance with prevailing industry norms. Any member of the Review Committee or the Audit Committee may, as he deems fit, request for additional information pertaining to the interested person transaction under review from independent sources or advisers.

(j) For the purpose of the above review and approval process, any Director, who has an interest in the interested person transaction under review and is not considered to be independent, will abstain from voting on any resolution relating to the interested person transaction and abstain from participating in the Audit Committee's decision during its review of the established review procedures for the interested person transaction or during its review or approval of any interested person transaction.

7. Disclosure to Shareholders

The Company will announce the aggregate value of Interested Person Transactions conducted pursuant to the IPT Mandates for each financial period on which the Company is required to report pursuant to the Catalist Rules and within the time required for the announcement of such reports in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.

The Company will also disclose in the Company's annual report details of the aggregate value of all interested person transactions and the Interested Person Transactions conducted pursuant to the IPT Mandates during the current financial year, and in the annual reports for the subsequent financial years during which the IPT Mandates are in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules. The name of the Interested Person(s) and the corresponding aggregate value of the interested person transactions will be presented in the following format:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under the IPT Mandates) pursuant to Rule 920 of the Catalist Rules	Aggregate value of all interested person transactions conducted under the IPT Mandates (excluding transactions less than S$100,000) pursuant to Rule 920 of the Catalist Rules

8. Audit Committee

The Audit Committee shall review such guidelines and procedures from time to time to determine if they continue to be adequate and/or commercially practicable in ensuring that transactions between the Company and Interested Persons are conducted on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee will also carry out periodic reviews (not less than four times in a financial year) to ensure that the guidelines and review procedures for Interested Person Transactions under the IPT Mandates have been complied with and the relevant approvals obtained. Further, if during these periodic reviews, the Audit Committee is of the view that the above guidelines and review procedures are not sufficient to ensure that Interested Person Transactions under the IPT Mandates will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures for the Interested Person Transactions.

9. Interested Audit Committee member to abstain

If a member of the Audit Committee has an interest in an interested person transaction to be reviewed by the Audit Committee, he will abstain from voting on any resolution relating to the interested person transaction and abstain from any decision making in respect of that transaction, and the review of the established review procedures for the interested person transaction and approval of that transaction will be undertaken by the remaining members of the Audit Committee.

10. Renewal of the IPT Mandates

The renewal of the IPT Mandates will take effect from the date of passing of the Ordinary Resolutions relating thereto and will (unless revoked or varied by the Company in general meeting) continue in force until the date on which the next AGM is held or is required by law to be held.

Thereafter, approval from the Shareholders for subsequent renewals of the IPT Mandates will be sought at each subsequent AGM. Swiber, Rawabi Holding and their respective Associates will abstain from voting on such resolutions for the renewals of the Swiber IPT Mandate and the Rawabi IPT Mandate respectively. Furthermore, Swiber, Rawabi Holding and their respective Associates shall not act as proxies in relation to the respective resolutions unless specific voting instructions have been given by the relevant Shareholder.

Pursuant to Rule 920(1)(c) of the Catalist Rules, an independent financial adviser's opinion will not be required for the renewals of the IPT Mandates if the Audit Committee confirms that:

(a) the methods or procedures for determining the transaction prices have not changed since the last approval of the Shareholders was obtained for such IPT Mandates; and

(b) the methods or procedures in sub-paragraph (a) above are sufficient to ensure that the transactions under the IPT Mandates will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

11. Guidelines and review procedures for ongoing and future interested person transactions other than those covered under the IPT Mandates

The Audit Committee will review and approve all interested person transactions to ensure that they are on normal commercial terms and on arm's length basis, that is, the transactions are transacted on terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of the Group and the Shareholders in any way.

To ensure that all future interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Group or the Shareholders, the following procedures will be implemented by the Group:

(a) when purchasing any products or engaging any services from an Interested Person, two other quotations from non-interested persons will be obtained for comparison to ensure that the interests of the Group and Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;

(b) in the case of renting properties from or to an Interested Person, the Board shall take appropriate steps to ensure that the rent commensurates with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant inquiries;

(c) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an Interested Person, the interested person transaction will be approved by the Financial Controller, if she has no interest in the transaction, or failing which, the Audit Committee, in accordance with the Group's usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as but not limited to quantity, requirements and specifications will be taken into account; and

(e) in addition, the Company shall monitor all interested person transactions entered into by the Group and categorise these transactions as follows:

(i) a Category 1 interested person transaction is one where the value thereof is below three per cent of the NTA of the Group; and

(ii) a Category 2 interested person transaction is one where the value thereof is equal to or in excess of three per cent of the NTA of the Group.

All Category 2 interested person transactions must be approved by the Audit Committee prior to entry whereas Category 1 interested person transactions need not be approved by the Audit Committee prior to entry but shall be reviewed on a quarterly basis by the Audit Committee.

The Audit Committee will review all interested person transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above, taking into account all relevant non-quantitative factors. In the event that a member of the Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

The Company shall prepare all the relevant information to assist the Audit Committee in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

In addition, the Audit Committee and the Board will also ensure that all disclosure, approval and other requirements on the interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9) and relevant accounting standards, are complied with. The half-yearly internal audit plan shall incorporate a review of all interested person transactions entered into. Such transactions will also be subject to the approval of the Shareholders if required by the Catalist Rules. The Company will also endeavour to comply with the recommendations set out in the Code of Corporate Governance 2012.

The internal audit reports will be reviewed by the Audit Committee to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. The Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that interested person transactions are conducted on normal commercial terms, on an arm's length basis and do not prejudice the Company's interests and the interests of the Shareholders. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to the Company's interests and the interests of the Shareholders, the Audit Committee will adopt such new guidelines and review procedures for future interested person transactions as may be appropriate.

Disclosure will be made in the Company's annual report of the aggregate value of interested person transactions during the relevant financial year under review in accordance with the Catalist Rules.