CIRCULAR DATED 28 NOVEMBER 2019

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF PROVENANCE CAPITAL PTE. LTD.. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by PACC Offshore Services Holdings Ltd.. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your POSH Shares (as defined herein), you should immediately hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.



PACC OFFSHORE SERVICES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200603185Z)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

OVERSEA-CHINESE BANKING CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 193200032W)

for and on behalf of

QUETZAL CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201935735G)



Independent Financial Adviser to the Recommending Directors

PROVENANCE CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200309056E)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER WILL CLOSE AT 5:30 P.M. (SINGAPORE TIME) ON 18 DECEMBER 2019 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).

CONTENTS

Page

DEFINITIONS 1

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS 6

INDICATIVE TIMETABLE 7

LETTER FROM THE BOARD OF DIRECTORS 8

1. INTRODUCTION 8

2. TERMS OF THE OFFER 9

3. WARRANTY 11

4. OPTIONS PROPOSAL 11

5. NO AWARDS OFFER 12

6. DETAILS OF THE OFFER 12

7. PROCEDURES FOR ACCEPTANCE 14

8. IRREVOCABLE UNDERTAKINGS 14

9. INFORMATION ON THE OFFEROR 17

10. OFFEROR'S RATIONALE FOR THE OFFER 18

11. OFFEROR'S INTENTIONS FOR POSH 19

12. DIRECTORS' INTERESTS 20

13. ADVICE IN RELATION TO THE OFFER 20

14. RECOMMENDATION OF THE RECOMMENDING DIRECTORS 22

15. OVERSEAS SHAREHOLDERS 23

16. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS 24

17. ACTION TO BE TAKEN BY SHAREHOLDERS 24

18. DIRECTORS' RESPONSIBILITY STATEMENT 25

19. ADDITIONAL INFORMATION 25

APPENDIX I LETTER FROM THE IFA TO THE RECOMMENDING DIRECTORS I-1

APPENDIX II ADDITIONAL GENERAL INFORMATION II-1

APPENDIX III VALUATION REPORT III-1

APPENDIX IV EXTRACTS FROM THE COMPANY'S CONSTITUTION IV-1

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

GENERAL

"9M2019 Consolidated Interim Financial Statements"	:	Condensed consolidated interim financial statements for the financial period ended 30 September 2019
"9M2019 Results Announcement"	:	Unaudited consolidated financial statements of the POSH Group for the third quarter ended 30 September 2019, which were issued in the Company's announcement released on the website of the SGX-ST at www2.sgx.com on 4 November 2019
"Acceptance Condition"	:	Shall have the meaning ascribed to it in section 2.5 of this Circular
"Adjusted Offer Price"	:	Shall have the meaning ascribed to it in section 2.4(b) of this Circular
"Board"	:	The board of directors of the Company
"Books Closure Date"	:	Shall have the meaning ascribed to it in section 2.4(a) of this Circular
"Business Day"	:	A day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Singapore
"Circular"	:	This circular to Shareholders enclosing, *inter alia*, the IFA Letter
"Closing Date"		5.30 p.m. (Singapore time) on 18 December 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
"Code"		The Singapore Code on Take-overs and Mergers
"Companies Act"	:	The Companies Act (Chapter 50 of Singapore)
"Company Securities"	:	(a) POSH Shares; (b) securities which carry voting rights in the Company; and (c) convertible securities, warrants, options or derivatives in respect of the POSH Shares or other securities which carry voting rights in the Company
"Constitution"	:	The constitution of the Company
"CPF Agent Banks"	:	The banks approved by CPF to be its agent banks, DBS Bank Ltd., OCBC Bank and United Overseas Bank Limited
"CPFIS"	:	CPF Investment Scheme
"CPFIS Investors"	:	Investors who purchase Shares using their CPF savings under the CPFIS
"Despatch Date"	:	20 November 2019, being the date of despatch of the Offer Document
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"Distributions"	:	Shall have the meaning ascribed to it in section 2.3(c) of this Circular
"Encumbrance"	:	Shall have the meaning ascribed to it in section 2.3(b) of this Circular
"Excluded Documents"	:	(a) The IFA Letter and (b) the Valuation Report

"FAA"	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of the Offer Document
"FAT"	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
"Final Day Rule"	:	Shall have the meaning ascribed to it in section 6.1(e) of this Circular
"FY"	:	Financial year ended or ending (as the case may be) 31 December of a particular year as stated
"IFA Letter"	:	The letter dated 28 November 2019 from the IFA to the Recommending Directors in respect of the Offer as set out in Appendix I to this Circular
"Interested Person"	:	As defined in the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
"Irrevocable Undertakings"	:	Shall have the meaning ascribed to it in section 8.1.1 of the Letter to Shareholders in the Offer Document, as reproduced in section 8 of this Circular
"Latest Practicable Date"	:	22 November 2019, being the latest practicable date prior to the printing of this Circular
"Listing Manual"		The Listing Manual of the SGX-ST
"Offer"	:	The voluntary conditional cash offer made by OCBC Bank, for and on behalf of the Offeror, for the Offer Shares on the terms and subject to the conditions set out in the Offer Document, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
"Offer Announcement"	:	The announcement relating to the Offer released by OCBC Bank, for and on behalf of the Offeror, on the Offer Announcement Date
"Offer Announcement Date"	:	4 November 2019, being the date of the Offer Announcement
"Offer Document"	:	The offer document dated 20 November 2019, including the FAA, the FAT and any other document(s) which may be issued by OCBC Bank, for and on behalf of the Offeror, to amend, revise, supplement or update the document from time to time

"Offer Price"	:	S$0.215 for each Offer Share
"Offer Shares"	:	Shall have the meaning ascribed to it in section 2.2 of this Circular
"Offeror Securities"	:	(a) Offeror Shares; (b) securities which carry substantially the same rights as the Offeror Shares; and (c) convertible securities, warrants, options or derivatives in respect of any Offeror Shares or other securities which carry substantially the same rights as the Offeror Shares
"Offeror Shares"	:	Issued shares in the capital of the Offeror
"Optionholder"	:	Holder of the POSH Options
"Options Proposal"	:	Shall have the meaning ascribed to it in section 4.2 of the Letter to Shareholders in the Offer Document, as reproduced in section 4.1 of this Circular
"Overseas Shareholders"	:	Shareholders whose addresses are outside Singapore, as shown in the records of CDP or, as the case may be, on the Register
"POSH Awards"	:	The share awards granted under the POSH PSP
"POSH Options"	:	The share options granted under the POSH SOP
"POSH PSP"	:	The POSH Performance Share Plan approved by the Shareholders on 28 March 2014 and administered by the Remuneration Committee
"POSH Shares" or **"Shares"**	:	Ordinary shares in the capital of POSH
"POSH SOP"	:	The POSH Share Option Plan approved by the Shareholders on 28 March 2014 and administered by the Remuneration Committee
"Recommending Directors"	:	The Directors who are considered independent for the purposes of the Offer, namely: (a) Mr Lee Keng Lin; (b) Dato' Jude Philomen Benny; (c) Mr Ma Kah Woh; and (d) Mr Ivan Replumaz
"Register"	:	The register of members of POSH
"Rule 22.6 Period"	:	Shall have the meaning ascribed to it in section 6.1(d) of this Circular
"S$"	:	Singapore dollars, being the lawful currency of Singapore
"SFA"	:	The Securities and Futures Act (Chapter 289 of Singapore)
"SGXNet"	:	Singapore Exchange Network, a system network used by listed companies when sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Shareholder"	:	Persons (other than CDP) who are registered as holders of Shares in the Register and depositors who have Shares entered against their names in the Depository Register

"Shut-Off Notice"	:	Shall have the meaning ascribed to it in section 6.1(d) of this Circular
"SRS"	:	The Supplementary Retirement Scheme
"SRS Agent Banks"	:	Agent banks included under SRS
"SRS Investors"	:	Investors who purchase Shares pursuant to SRS
"Undertaking Shareholders"	:	Shall have the meaning ascribed to it in section 8.2.1 of the Letter to Shareholders in the Offer Document, as reproduced in section 8 of this Circular
"US$" and **"cents"**	:	United States dollars and cents respectively, being the lawful currency of the United States of America
"Valuation Report"	:	The valuation report dated 21 November 2019 from the Valuer to the Company as set out in Appendix III to this Circular
"%" or **"per cent."**	:	Percentage or per centum

COMPANIES / ORGANISATIONS / PERSONS

"Camsward"	:	Camsward Pte Ltd
"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	The Central Provident Fund
"IFA"	:	Provenance Capital Pte. Ltd., being the independent financial adviser to the Recommending Directors in respect of the Offer
"KBSB"	:	Kuok Brothers Sdn Bhd
"KHL"	:	Kerry Holdings Limited
"KSL"	:	Kuok (Singapore) Limited
"MBC"	:	Malaysian Bulk Carriers Berhad
"OCBC Bank"	:	Oversea-Chinese Banking Corporation Limited
"Offeror"	:	Quetzal Capital Pte. Ltd.
"POSH" or the **"Company"**	:	PACC Offshore Services Holdings Ltd.
"POSH Group"	:	POSH and its subsidiaries
"Registrar"	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"SIC"	:	The Securities Industry Council
"Valuer"	:	Clarkson Valuations Limited

Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code.

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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

Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

In this Circular, the total number of issued POSH Shares as at the Latest Practicable Date is 1,814,219,400 issued POSH Shares with 5,780,600 treasury shares. Unless otherwise specified, all references to percentage shareholdings in the capital of the Company in this Circular are based on 1,814,219,400 issued POSH Shares (excluding 5,780,600 treasury shares) in the issued share capital of the Company as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders of the Company should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement.

INDICATIVE TIMETABLE[1]

Despatch Date in respect of the Offer[2]	:	20 November 2019
Closing Date in respect of the Offer[3][4]	:	5.30 p.m. (Singapore time) on 18 December 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
Date of settlement in respect of the Offer on which the Offer Price is despatched to Shareholders who tender their Offer Shares in acceptance of the Offer[2][5]	:	In respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of that date In respect of acceptances of the Offer which are complete and valid in all respects and are received after the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within seven Business Days of the date of such receipt
Final date of settlement of consideration in respect of the Offer[5]		Within seven Business Days after the Closing Date

Notes:

(1) This indicative timetable has been extracted from page 9 of the Offer Document. Please also refer to Appendix 1 to the Offer Document for further details.

(2) Other than the Despatch Date and the date of settlement in respect of the Offer, the other dates set out in the timetable above are indicative only and the actual dates of such events will be announced in due course by or on behalf of the Offeror on SGXNet.

(3) The Offer must initially be open for at least 28 days from the Despatch Date.

(4) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or depository agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and depository agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and depository agents in order to accept the Offer.

(5) As set out in section 8.1.1 of the Letter to Shareholders in the Offer Document, the consideration payable to each of KSL and Camsward in respect of its Shares tendered in acceptance of the Offer shall be deferred in accordance with the terms of its respective Irrevocable Undertaking.

PACC OFFSHORE SERVICES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200603185Z)

Board of Directors:

Mr Kuok Khoon Ean (Chairman and Non-Executive Director)
Mr Lee Keng Lin (Chief Executive Officer and Executive Director)
Mr Seow Kang Hoe, Gerald (Non-Executive Director)
Ms Yong Hsin Yue (Non-Executive Director)
Dato' Jude Philomen Benny (Lead Independent Director)
Mr Ma Kah Woh (Independent Director)
Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid (Independent Director)
Mr Wee Joo Yeow (Independent Director)
Mr Ivan Replumaz (Independent Director)

Registered Office:

1 Kim Seng Promenade
#07-02 Great World City
Singapore 237994

28 November 2019

To : The Shareholders of the Company

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY OCBC BANK FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE POSH SHARES

1. INTRODUCTION

1.1 Offer Announcement

On 4 November 2019, being the Offer Announcement Date, it was announced, *inter alia*, that the Offeror intends to make a voluntary conditional cash offer for all the issued and outstanding POSH Shares, in accordance with Section 139 of the SFA and Rule 15 of the Code.

A copy of the Offer Announcement is available on the website of the SGX-ST at www2.sgx.com.

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in sections 2 to 6 of the Letter to Shareholders in the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer contained in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www2.sgx.com.

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer and the Options Proposal.

Shareholders should consider carefully the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer and the Options Proposal before deciding whether to accept or reject the Offer and the Options Proposal.

2. TERMS OF THE OFFER

2.1 Offer Price

Section 2.1.1 of the Letter to Shareholders in the Offer Document states that the Offer Price will be as follows:

For each Offer Share: S$0.215 in cash

The Offer Price is final and will not be increased.

2.2 Offer Shares

Section 2.1.2 of the Letter to Shareholders in the Offer Document states that the Offer will be extended to:

(a) all the Shares in issue (excluding any treasury shares);

(b) all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid vesting and release of any outstanding POSH Awards prior to the final Closing Date; and

(c) all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid exercise of any outstanding POSH Options prior to the final Closing Date,

in each case including any Shares owned, controlled or agreed to be acquired by parties acting in concert or deemed to be acting in concert with the Offeror in relation to the Offer. For the purposes of the Offer and for the avoidance of doubt, the expression "**Offer Shares**" shall include all such Shares.

2.3 Rights and No Encumbrances

Section 2.1.3 of the Letter to Shareholders in the Offer Document states that the Offer Shares will be acquired:

(a) fully paid;

(b) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing (collectively, "**Encumbrances**"); and

(c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) which may be announced, declared, paid or made by POSH in respect of the Offer Shares (collectively, "**Distributions**") on or after the Offer Announcement Date.

2.4 Adjustments for Distributions

Section 2.1.4 of the Letter to Shareholders in the Offer Document states that in the event any Distribution is or has been announced, declared, paid or made by POSH in respect of the Offer Shares on or after the Offer Announcement Date to a Shareholder who validly accepts or has validly accepted the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by such Shareholder pursuant to the Offer falls, as follows:

(a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the accepting Shareholder the Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from POSH; or

(b) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the "**Adjusted Offer Price**") and the Offeror shall pay the accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from POSH.

2.5 Acceptance Condition

Section 2.2 of the Letter to Shareholders in the Offer Document states that the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which will result in the Offeror holding not less than 90 per cent. of the total number of Shares in issue (excluding any treasury shares) as at the close of the Offer (including any Shares which may be unconditionally issued or delivered pursuant to the valid vesting and release of the outstanding POSH Awards and/or the valid exercise of the outstanding POSH Options prior to the close of the Offer) (the "**Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror holding such number of Shares representing not less than 90 per cent. of the maximum potential issued share capital of POSH. For this purpose, the "**maximum potential issued share capital of POSH**" means the total number of Shares which would be in issue (excluding treasury shares) had all the outstanding POSH Awards been validly vested and released and the outstanding POSH Options been validly exercised as at the date of such declaration.

The Offeror reserves the right to waive the Acceptance Condition or reduce such condition to a level below 90 per cent. (but in any event above 50 per cent.) of the total number of Shares (as required by Rule 15.1 of the Code), subject to the consent of the SIC. In the event that such waiver or revision of the Acceptance Condition is made during the course of the Offer with the consent of the SIC, the revised Offer will remain open for at least another 14 days following the date of the posting of the written notification of revision to the Shareholders, and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight days of the posting of the written notification of the revision. The revised acceptance level will take into account withdrawals and new acceptances as at the close of the Offer.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

3. WARRANTY

Section 3 of the Letter to Shareholders in the Offer Document states that a Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions which may be announced, declared, paid or made by POSH in respect of the Offer Shares on or after the Offer Announcement Date.

4. OPTIONS PROPOSAL

4.1 **Options Proposal.** OCBC Bank, for and on behalf of the Offeror, has made the Options Proposal, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"4. POSH OPTIONS

4.1 ***POSH Options.*** *As at the Latest Practicable Date, based on the latest information available to the Offeror, there are 1,895,000 POSH Options outstanding. Under the rules of the POSH SOP, the outstanding POSH Options are personal to the holders of the outstanding POSH Options and are not transferable. In view of this restriction, the Offeror will not make an offer to acquire the outstanding POSH Options. For the avoidance of doubt, the Offer will be extended to all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid exercise of any outstanding POSH Options prior to the final Closing Date.*

4.2 ***Options Proposal.*** *OCBC Bank, for and on behalf of the Offeror, makes a proposal (the "**Options Proposal**") to all Optionholders, subject to:*

4.2.1 *the Offer becoming or being declared to be unconditional in all respects in accordance with its terms; and*

4.2.2 *the relevant POSH Options continuing to be exercisable into new Shares,*

*where the Offeror will pay an Optionholder a cash amount (as set out in **Section 4.3** of this Letter to Shareholders) (the "**Options Price**") in consideration of each such Optionholder agreeing:*

*(i) not to exercise all or any of the POSH Options held by him in respect of which he has accepted the Options Proposal (the "**Relevant Options**") into new Shares; and*

(ii) not to exercise all or any of his rights as holder of the Relevant Options,

in each case from the date of acceptance of the Options Proposal to the dates of the expiry of the respective Relevant Options. Further, if the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, the Relevant Options of an Optionholder who accepts the Options Proposal will be cancelled or deemed to be cancelled upon receipt by the Registrar, on behalf of the Offeror, of his valid acceptance of the Options Proposal (whether or not such Relevant Options have been surrendered by the Optionholder). If the Offer lapses or is withdrawn, the Options Proposal will lapse accordingly. Further, if the Relevant Options cease to be exercisable into new Shares, the Options Proposal in relation to such Relevant Options that cease to be exercisable into new Shares will also lapse. For the avoidance of doubt, the Options Proposal is extended to all POSH Options, whether or not such POSH Options have become exercisable under the terms of POSH SOP.

4.3 ***Options Price.*** *The Options Price is calculated on a "see-through" basis. In other words, the Options Price for a POSH Option will be the amount by which the Offer Price exceeds the subscription price of that POSH Option. If, however, the subscription price of any POSH Option is equal or more than the Offer Price, the Options Price for each POSH Option will be the nominal amount of S$0.001.*

4.4 ***Offer and Options Proposal are Mutually Exclusive.*** *For the avoidance of doubt, whilst the Options Proposal is conditional upon the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Offer and the Options Proposal are separate and are mutually exclusive, such that the Options Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if Optionholders exercise their POSH Options in order to accept the Offer in respect of the new Shares to be issued or delivered pursuant to such exercise, they may not accept the Options Proposal in respect of such POSH Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their POSH Options, they may not exercise those POSH Options to accept the Offer in respect of the new Shares or treasury shares issued or delivered pursuant to such exercise."*

4.2 **Options Proposal Letter.** A separate letter setting out further details of the Options Proposal has been despatched to the Optionholders on the Despatch Date.

5. NO AWARDS OFFER

Section 5 of the Letter to Shareholders in the Offer Document states that as at the Latest Practicable Date, based on the latest information available to the Offeror, there are 12,728,400 POSH Awards outstanding. Under the rules of the POSH PSP, the outstanding POSH Awards are personal to the holders of the outstanding POSH Awards and not transferable. In view of this restriction, the Offeror will not make an offer to acquire the outstanding POSH Awards. For the avoidance of doubt, the Offer will be extended to all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid vesting and release of any outstanding POSH Awards prior to the final Closing Date.

6. DETAILS OF THE OFFER

6.1 Duration of the Offer

As set out in paragraph 1 of Appendix 1 to the Offer Document:

(a) **First Closing Date.** The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 18 December 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

(b) **Subsequent Closing Date(s).** If the Offer is extended and:

(i) is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or

(ii) is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.

(c) **No Obligation to Extend Offer.** The Offeror is not obliged to extend the Offer if the Acceptance Condition is not fulfilled by the Closing Date.

(d) **Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances.** In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period (the "**Rule 22.6 Period**") of not less than 14 days after the date on which it would otherwise have closed.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing (the "**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

(i) the Offeror may not give a Shut-Off Notice in a competitive situation; and

(ii) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

For these purposes, the SIC would normally regard a "competitive situation" to have arisen if a competing offer for the Company has been announced.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with paragraph 3.1 of Appendix 1 to the Offer Document, the Rule 22.6 Period will run from the date of such confirmation (if given) or the date on which the Offer would otherwise have closed, whichever is later.

(e) **Final Day Rule.** The Offer (whether revised or not) will not be capable:

(i) of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or

(ii) of being kept open after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent ("**Final Day Rule**"). The SIC will normally grant such permission if a competing offer has been announced.

Except with the SIC's consent, all conditions must be fulfilled or the Offer must lapse within 21 days of the first Closing Date or of the date the Offer becomes or is declared to be unconditional as to acceptances, whichever is later.

(f) **Revision.** The Offeror reserves the right to revise the terms of the Offer at such time and in such manner as it may consider appropriate. Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

For the avoidance of doubt, the Offer Price is final and will not be increased by the Offeror.

6.2 Further Details of the Offer

The Offer is made subject to the terms and conditions as set out in the Offer Document. Appendix 1 to the Offer Document sets out further details on: (a) duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement of the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer.

7. PROCEDURES FOR ACCEPTANCE

Appendix 2 to the Offer Document sets out the procedures for acceptance of the Offer by a Shareholder.

8. IRREVOCABLE UNDERTAKINGS

Details on the irrevocable undertakings are set out in section 8 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"8. IRREVOCABLE UNDERTAKINGS

8.1 Irrevocable Undertakings from KSL and Camsward

8.1.1 General. *As at the Offer Announcement Date, the Offeror has received irrevocable undertakings (the "**Irrevocable Undertakings**") from KSL and KSL's wholly-owned subsidiary, Camsward, pursuant to which each of KSL and Camsward has, among others, unconditionally and irrevocably undertaken to the Offeror to:*

(i) tender all the Shares directly held by it as at 4 November 2019, being the date of the Irrevocable Undertakings, and any other Shares which it may subsequently acquire (directly or indirectly or through a nominee), in acceptance of the Offer; and

(ii) agree to defer all of the consideration payable to it for its Shares tendered in acceptance of the Offer, such consideration to be paid at a later date in accordance with the terms of its respective Irrevocable Undertaking.

8.1.2 Aggregate Number of Shares. *As at the Latest Practicable Date, the aggregate number of Shares directly held by KSL and Camsward which are subject to the Irrevocable Undertakings amount to 1,407,764,965 Shares, representing approximately 77.60 per cent. of the Shares in issue, as follows:*

(i) 1,225,177,665 Shares, representing approximately 67.53 per cent. of the Shares in issue as at the Latest Practicable Date, held directly by KSL; and

(ii) 182,587,300 Shares, representing approximately 10.06 per cent. of the Shares in issue as at the Latest Practicable Date, held directly by Camsward.

8.1.3 Termination. *The Irrevocable Undertakings shall lapse and be of no further force and effect on the date on which the Offer closes, lapses or is withdrawn.*

8.2 Additional Irrevocable Undertakings

8.2.1 General. *As at the Latest Practicable Date, the Offeror has also obtained additional irrevocable undertakings (the "**Additional Irrevocable Undertakings**") from certain Shareholders (the "**Undertaking Shareholders**") pursuant to which each Undertaking Shareholder has, among others, unconditionally and irrevocably undertaken to the Offeror to tender all the Shares held by it or him as at 15 November 2019, being the date of the Additional Irrevocable Undertaking, and any other Shares which it or he may subsequently acquire (directly or indirectly or through a nominee), in acceptance of the Offer.*

8.2.2 Shares to be Tendered Free from all Encumbrances. *Pursuant to the terms of the Additional Irrevocable Undertakings, each Undertaking Shareholder has, among others, unconditionally and irrevocably undertaken to the Offeror to tender all of its or his Shares free from all encumbrances in acceptance of the Offer.*

8.2.3 Aggregate Number of Shares. *As at the Latest Practicable Date, the aggregate number of Shares held by the Undertaking Shareholders which are the subject of the Additional Irrevocable Undertakings amount to 54,990,256 Shares, representing approximately 3.03 per cent. of the Shares in issue, details of which are as follows:*

Name of Undertaking Shareholder	***No. of Shares which are the subject of the Additional Irrevocable Undertakings***	***Percentage of Shares in issue (%)[1]***
Annie Yii Yong Hee	*80,000*	*n.m.[26]*
Balkane Investment Pte Ltd[2]	*1,905,000*	*0.11*
Bian Lixin[3]	*1,627,500*	*0.09*
Chai Ulva	*2,489,000*	*0.14*
Chee Teck Hyen Ray	*311,250*	*0.02*
Choo Ping Wai William	*1,975,000*	*0.11*
Christopher Chan Wai Meng	*110,000*	*0.01*
Chubasco Antonio Monteiro[4]	*744,500*	*0.04*
Funfare Trading Limited[5]	*937,500*	*0.05*
Jemmy Enterprises Limited[5]	*937,500*	*0.05*
Kaykwang Investments Pte. Ltd.[6]	*2,300,000*	*0.13*
Lee Keng Lin	*6,722,000*	*0.37*
Lee Lay Har	*50,000*	*n.m.[26]*
Lee Tock Hian[7]	*412,500*	*0.02*
Lim Heng Loy[8]	*562,500*	*0.03*
Lim Jit Mian	*10,000*	*n.m.[26]*
Lim Kok Pooi	*230,000*	*0.01*
Lim Kwee[9]	*150,000*	*0.01*
Lim Poh Hiang[10]	*50,000*	*n.m.*
Ng Eng Khin	*1,706,810*	*0.09*
Ng Kee Wing	*50,000*	*n.m.[26]*
Ooi Pooi Teng[11]	*30,000*	*n.m.[26]*
Quan Seng Tiew[12]	*40,000*	*n.m.[26]*
Seow Kang Hoe, Gerald[13]	*8,756,043*	*0.48*
Sim Hee Ping	*1,426,000*	*0.08*
Tan Isoo[14]	*80,000*	*n.m.[26]*
Tan Kim Hoon[15]	*180,000*	*0.01*
Tan Ling Kwok Philip (Chen Lingguo Philip)	*100,000*	*0.01*
Tan Siew Min[16]	*142,750*	*0.01*
Tan Thai Yong[17]	*3,600,000*	*0.20*
Tay Cheng Imm, Dawn	*1,558,100*	*0.09*
Teo Joo Kim[18]	*6,064,043*	*0.33*
Teo Keng Chiong[19]	*200,000*	*0.01*
Teo Kim Leng Kelvin (Zhang Jinlong)	*284,500*	*0.02*
Teo Tse Sian Gerald[20]	*276,000*	*0.02*
Thai Kum Foon[21]	*436,000*	*0.02*
Toong Yat Soon	*1,212,810*	*0.07*
Wong Sea Wei[22]	*364,950*	*0.02*
Woon Chui Yeok	*100,000*	*0.01*
Wu Long Peng[23]	*6,094,000*	*0.34*
Yong Mee Him[24]	*434,000*	*0.02*
Yong Voon Chen[25]	*250,000*	*0.01*
Total	***54,990,256***	***3.03***

Notes:

(1) The figures are calculated based on the issued and fully paid-up share capital of POSH comprising 1,814,219,400 Shares (excluding treasury shares) as at the Latest Practicable Date and are rounded to the nearest two (2) decimal places.

(2) Kuok Khoon Ean is deemed interested in 1,905,000 Shares held by Balkane Investment Pte Ltd directly. Kuok Khoon Ean is a director of each of KSL, KBSB and KHL.

(3) Bian Lixin is a director of several subsidiaries of KSL.

(4) Chubasco Antonio Monteiro is a director of several subsidiaries of KSL.

(5) Kuok Oon Kwong is deemed interested in (i) the 937,500 Shares held by Jemmy Enterprises Limited directly and (ii) 937,500 Shares held by Funfare Trading Limited directly. Kuok Oon Kwong is a director of each of KSL and KBSB.

(6) Teo Joo Kim is a director of Kaykwang Investments Pte. Ltd. and is deemed interested in the 2,300,000 Shares held by Kaykwang Investments Pte Ltd..

(7) Lee Tock Hian is a director of a subsidiary of KSL.

(8) Lim Heng Loy is a director of a subsidiary of KSL.

(9) Lim Kwee is a director of several subsidiaries of KSL.

(10) Lim Poh Hiang is a director of several associated companies of KSL.

(11) Ooi Pooi Teng is a director of a several subsidiaries and associated companies of KSL.

(12) Quan Seng Tiew is the spouse of Tan Thai Yong.

(13) Seow Kang Hoe, Gerald is a director of KSL and several subsidiaries of KSL.

(14) Tan Isoo is a director of the Offeror and several associated companies of KSL.

(15) Tan Kim Hoon is a director of several associated companies of KSL.

(16) Tan Siew Min is a director of several subsidiaries of KSL.

(17) Tan Thai Yong is a director of several subsidiaries of KSL and is the spouse of Quan Seng Tiew.

(18) Teo Joo Kim is a close relative of Teo Tse Sian Gerald.

(19) Teo Keng Chiong is a director of several associated companies of KSL.

(20) Teo Tse Sian Gerald is a director of several subsidiaries of KSL.

(21) Thai Kum Foon is a director of each of the Offeror, KSL and Camsward. Thai Kum Foon is also a director of several subsidiaries and associated companies of KSL.

(22) Wong Sea Wei is a director of several subsidiaries of KSL.

(23) Wu Long Peng is a director of a subsidiary of KSL.

(24) Yong Mee Him is a director of a subsidiary of KSL.

(25) Yong Voon Chen is a director of an associated company of KSL.

(26) "n.m." means not meaningful.

8.2.4 Consideration. *For the avoidance of doubt, the consideration payable by the Offeror in respect of any Offer Shares tendered in acceptance of the Offer by any Undertaking Shareholder pursuant to the Additional Irrevocable Undertakings will not be subject to the deferment arrangement as set out in* ***Section 8.1.1(ii)*** *of this Letter to Shareholders.*

8.2.5 Termination. *The Additional Irrevocable Undertakings shall lapse and be of no further force and effect on the date on which the Offer closes, lapses or is withdrawn.*

8.3 No Other Irrevocable Undertakings. *Save as disclosed in this Offer Document, as at the Latest Practicable Date, the Offeror has not received any undertakings from any other party to accept or reject the Offer."*

9. INFORMATION ON THE OFFEROR

9.1 Details of the Offeror are set out in section 9 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"9. INFORMATION ON THE OFFEROR

9.1 Offeror. *The Offeror is a private company limited by shares incorporated in Singapore on 23 October 2019 for the purposes of making the Offer and holding the Offer Shares. Its principal activity is investment holding. The directors of the Offeror are Chan Swee Hong, Chen Keren, Tan Isoo, Teoh Hock Seng and Thai Kum Foon. As at the Latest Practicable Date, the Offeror does not hold any Shares.*

9.2 Shareholders of the Offeror. *As at the Latest Practicable Date, the shareholders of the Offeror are KSL, Trendfield (a wholly-owned subsidiary of KBSB) and Merry Voyage (a wholly-owned subsidiary of KHL), who hold the issued share capital of Offeror in the following proportions:*

9.2.1 *KSL holds 49 per cent. of the issued share capital of the Offeror;*

9.2.2 *Trendfield holds 45 per cent. of the issued share capital of the Offeror; and*

9.2.3 *Merry Voyage holds six per cent. of the issued share capital of the Offeror.*

KSL, KBSB and KHL are members of the Kuok Offeror Group."

Appendix 3 to the Offer Document sets out additional information on the Offeror.

9.2 As at the Latest Practicable Date, based on the announcement released by OCBC Bank, for and on behalf of the Offeror, on 22 November 2019:

(a) the Offeror does not own, control and has not agreed to acquire any Shares; and

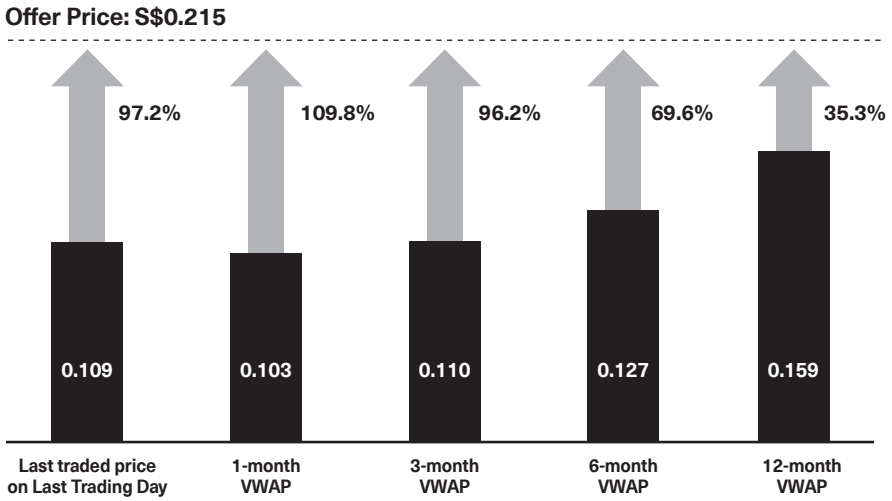
(b) based on the information available to the Offeror as at 22 November 2019, the Offeror and persons acting in concert with the Offeror owned, controlled or has agreed to acquire an aggregate of 1,525,469,008 Shares, representing approximately 84.08% of the total issued share capital of POSH.

10. OFFEROR'S RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer is set out in section 11 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"11. RATIONALE FOR THE OFFER

11.1 Opportunity for Shareholders to exit their investment in the Shares at a Compelling Premium. *The Offer Price represents a premium of approximately 97.2 per cent. over POSH's closing price of S$0.109 as of the Last Trading Day, being 30 October 2019. When compared to the benchmark prices of the Shares up to and including the Last Trading Day, the Offer Price also represents a premium of approximately 109.8 per cent., 96.2 per cent., 69.6 per cent. and 35.3 per cent. over the VWAP per Share for the one-month, three-month, six-month and twelve-month periods, respectively[1]. The Offer therefore presents Shareholders with a cash exit opportunity to realise their entire investment in the Shares at a fixed certain price with an attractive premium to the prevailing trading prices of the Shares, without incurring brokerage and other trading costs.*



11.2 Opportunity for Shareholders who may find it difficult to exit their investment due to Low Trading Liquidity. *The trading volume of the Shares has been generally low, with an average daily trading volume[2] of approximately 355,373 Shares, 255,021 Shares, 180,935 Shares and 186,972 Shares during the one-month, three-month, six-month and twelve-month periods respectively up to and including the Last Trading Day. Each of these represents not more than approximately 0.020 per cent. of the total number of issued Shares (excluding treasury shares) for any of the aforementioned relevant periods.*

11.3 Greater Flexibility to Manage Operational and Funding Requirements. *The Offeror is making the Offer with a view to delist POSH from the SGX-ST and exercise its rights of compulsory acquisition. In view of the continuing challenges in the global offshore oil and gas sector, the Offeror believes that privatising POSH will provide it with more flexibility to manage POSH's operational and funding requirements, and also optimise the use of POSH's resources.*

11.4 Costs of Maintaining Listing Status. *In maintaining its listed status, POSH incurs compliance and associated costs. In the event that POSH is delisted from the SGX-ST, POSH will be able to save on expenses and costs relating to the maintenance of a listed status and channel such resources to its business operations."*

1 Calculated using actual VWAP figures and rounded to the nearest one decimal place.

2 Calculated by using the total volume of Shares traded divided by the number of Market Days with respect to the one-month period, three-month period, six-month period and twelve-month period respectively up to and including the Last Trading Day.

11. OFFEROR'S INTENTIONS FOR POSH

The Offeror's intentions in relation to the Company are set out in sections 12 and 13 of the Letter to Shareholders in the Offer Document, which are reproduced in italics below:

"12. OFFEROR'S INTENTIONS FOR POSH

The Offeror intends for POSH to continue its existing business activities and there are at present no plans to (i) introduce any major changes to the businesses or operations of POSH or any of its subsidiaries; (ii) re-deploy any of the fixed assets of POSH and its subsidiaries; or (iii) discontinue the employment of any of the existing employees of POSH and its subsidiaries, other than in the ordinary course of business.

However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to POSH which may present themselves and which the Offeror may regard to be in the best interests of POSH and/or the Offeror.

13. COMPULSORY ACQUISITION AND LISTING STATUS

13.1 Compulsory Acquisition. *Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer and/or acquires Shares from the Despatch Date otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Shares held by Shareholders who have not accepted the Offer ("**Dissenting Shareholders**").*

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders, the Offeror intends to exercise such rights. In such event, POSH will become a wholly-owned subsidiary of the Offeror and the Offeror will then proceed to delist POSH from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares. ***Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.***

13.2 Listing Status. *Under Rule 723 of the Listing Manual, POSH must ensure that at least 10 per cent. of the total number of the Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**").*

Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the issued Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

Further, under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the Shares (excluding treasury shares), thus causing the percentage of POSH's total number of Shares (excluding treasury shares) in public hands to fall below 10 per cent., the SGX-ST will suspend trading of Shares at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, POSH must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow POSH a period of three months, or such longer period as the SGX-ST may agree, for the proportion of the Shares held by members of the public to be raised to at least 10 per cent., failing which POSH may be delisted from the SGX-ST.

13.3 Intention of the Offeror. *As stated in the Offer Announcement, in the event the Offeror is unable to exercise the right to compulsorily acquire all the Shares not acquired under the Offer as set out in* ***Section 13.1*** *of this Letter to Shareholders and POSH does not meet the Free Float Requirement under Rule 723 of the Listing Manual,* ***the Offeror and the Kuok Offeror Group do not intend to support any action taken or to be taken to meet the Free Float Requirement or maintain the present listing status of POSH****.*

Accordingly, the Offeror and the Kuok Offeror Group do not intend to place out any Shares held by the Offeror to members of the public to meet the Free Float Requirement. If POSH does not meet the requirements under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Shares on the SGX-ST following the close of the Offer.

In addition, the Offeror intends to, and hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of POSH from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code."

12. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in Appendix II to this Circular.

13. ADVICE IN RELATION TO THE OFFER

13.1 Appointment of Independent Financial Adviser

The IFA has been appointed as the independent financial adviser to advise the Recommending Directors for the purpose of making a recommendation to the Shareholders in connection with the Offer and the Options Proposal.

13.2 The IFA's Advice to the Recommending Directors

The advice of the IFA to the Recommending Directors in respect of the Offer and the Options Proposal is set out in the IFA Letter annexed as Appendix I to this Circular. Shareholders are advised to read and consider carefully in its entirety the advice of the IFA to the Recommending Directors. Extracts of the opinion and advice of the IFA to the Recommending Directors in respect of the Offer and the Options Proposal are reproduced in italics below:

"7.6.2 Our evaluation on the Option Proposal

As disclosed in Section 5 of this Letter, there are 2 batches of POSH Options: one batch of options (comprising 1,152,000 POSH Options) which are exercisable at the exercise price of S$0.343 and which are considered as "out-of-money" options with respect to the Offer; and another batch of options (comprising 743,000 POSH Options) which are exercisable at the exercise price of S$0.1943 and which are considered as "in-the-money" options with respect to the Offer.

As the Options Price is calculated on a "see-through" basis, in the case of the POSH Options which are "in-the-money", Optionholders who hold such POSH Options would receive a cash consideration equivalent to S$0.0207 for each POSH Option, calculated as the difference between the Offer Price and the exercise price of S$0.1943. Hence, the consideration that such Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholder were to exercise the POSH Options into new Shares and accept the Offer in respect of the new Shares. Accordingly, the Options Proposal is in compliance with Rule 19 of the Code.

Our evaluation of and recommendation on the Offer as set out in this Letter is also applicable to the above Optionholders. Please refer to Section 8 of this Letter on our recommendation on the Offer.

In the case of the POSH Options which are "out-of-money", technically, there is no intrinsic value in relation to the Offer Price.

Pursuant to the POSH SOP, in the event the Offer becomes unconditional in all respects, the POSH Options will, inter alia, lapse and become null and void on the earlier of: (a) the expiry of six months thereafter; or (b) the date of expiry of the exercise period of the POSH Options. In addition, if during such period, the Offeror becomes entitled to or gives notice to the Optionholders that it intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act on a specified date, any unexercised POSH Options will lapse on such specified date or the date of expiry of the exercise period of the POSH Options, whichever is earlier.

Hence, holders of such "out-of-money" POSH Options should accept the nominal Options Price of S$0.001 for each such POSH Option offered by the Offeror.

Accordingly, we advise the Recommending Directors to recommend Optionholders to ***accept*** *the Options Proposal.*

Optionholders should take note of the closing date for the acceptance of the Options Proposal as set out in the Options Proposal Letter."

"8. OUR RECOMMENDATION TO THE RECOMMENDING DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we considered to be pertinent in our assessment of the Offer:

(a) Historical share price performance and trading activity of the Shares;

(b) Financial analysis of the Group;

(c) Comparison with recently completed privatisation of companies listed on the SGX-ST;

(d) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;

(e) Dividend track record of the Company;

(f) Options Proposal; and

(g) Other relevant considerations relating to the Offer.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall we are of the view that the financial terms of the Offer are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend Shareholders to ACCEPT the Offer.

In rendering the above advice, we have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. The Recommending Directors should advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer."

14. RECOMMENDATION OF THE RECOMMENDING DIRECTORS

14.1 Exempted Directors

Pursuant to rulings given by the SIC on 4 November 2019, 8 November 2019, 12 November 2019 and 19 November 2019, the following Directors will be exempted from the requirement of making a recommendation to Shareholders on the Offer for the reasons set out below:

(a) Mr Kuok Khoon Ean, Ms Yong Hsin Yue and Mr Seow Kang Hoe, Gerald are directors of KSL, one of the shareholders of the Offeror, and SIC ruled that Mr Kuok Khoon Ean, Ms Yong Hsin Yue and Mr Seow Kang Hoe, Gerald are exempted from the requirement to make a recommendation on the Offer to the Shareholders;

(b) Mr Wee Joo Yeow is an independent director of OCBC Bank, the financial adviser of the Offeror for the purposes of the Offer. SIC has ruled that the presumption that Mr Wee Joo Yeow is acting in concert with the Offeror is not rebutted and that he is exempted from the requirement to make a recommendation on the Offer to the Shareholders; and

(c) Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid is an independent director of MBC, an entity listed on Bursa Malaysia, and an independent director of PPB Group Berhad. KSL and KBSB have the following interests in MBC:

(i) KSL owns 100% of the issued share capital of Pacific Carriers Limited, which in turn owns 34.46% of the issued share capital of MBC. As such, KSL is deemed interested in 34.46% of the issued share capital of MBC; and

(ii) KBSB has a controlling interest in PPB Group Berhad, which in turn owns 14% of the issued share capital of MBC. As such, KBSB is deemed interested in 14% of the issued share capital of MBC.

SIC has ruled that Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid is exempted from the requirement to make a recommendation on the Offer to the Shareholders.

Nonetheless, all the Directors are jointly and severally responsible for the accuracy of facts stated and the completeness of the information given by the Company to the Shareholders, including information contained in announcements and documents issued by or on behalf of the Company in connection with the Offer.

14.2 Recommendation of the Recommending Directors

The Recommending Directors, having considered carefully the terms of the Offer and the Options Proposal and the advice given by the IFA to the Recommending Directors in the IFA Letter, have set out their recommendation on the Offer and the Options Proposal respectively below:

(a) **The Offer**

The Recommending Directors concur with the IFA's assessment of the Offer and its advice thereon, as set out in section 13.2 of this Circular and in the IFA Letter. **Accordingly, the Recommending Directors recommend that Shareholders ACCEPT the Offer.**

(b) **The Options Proposal**

The Recommending Directors concur with the IFA's assessment of the Options Proposal and its advice thereon, as set out in section 13.2 of this Circular and in the IFA Letter. **Accordingly, the Recommending Directors recommend that Shareholders ACCEPT the Options Proposal.**

In making the above recommendation, the Recommending Directors have not had regard to the general or specific investment objectives, financial situations, risk profiles, tax positions and/or particular needs and constraints of any specific Shareholder. As different Shareholders would have different investment profiles and objectives, the Recommending Directors recommend that any specific Shareholder who may require specific advice in relation to his POSH Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Shareholders should read and consider carefully this Circular, including the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer as set out in Appendix I to this Circular in their entirety, before deciding whether to accept or reject the Offer or the Options Proposal. Shareholders are also urged to read the Offer Document carefully.

15. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to section 17 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"17. OVERSEAS SHAREHOLDERS

17.1 Overseas Shareholders. *This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. Where there are potential restrictions on sending this Offer Document (including the Relevant Acceptance Forms) to any overseas jurisdictions, the Offeror and OCBC Bank reserve the right not to send this Offer Document (including the Relevant Acceptance Forms) to such overseas jurisdictions. The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown in the records of CDP or, as the case may be, on the Register (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.* ***For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Offer Document (including the Relevant Acceptance Forms) have not been, or will not be, sent.***

17.2 Copies of the Offer Document and Relevant Acceptance Forms. *Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain copies of this Offer Document (including the Relevant Acceptance Forms) and/or any related documents, during normal business hours up to the Closing Date from The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 or Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a scrip holder) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) write to The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road P.O. Box 1984 Singapore 903934 or the Offeror at Quetzal Capital Pte. Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a scrip holder) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, to request for this Offer Document (including the Relevant Acceptance Forms) and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.*

17.3 ***Compliance with Applicable Laws.*** *It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document (including the Relevant Acceptance Forms) and/or any related documents or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including OCBC Bank and the Registrar/ Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3) of the Companies Act. In (a) requesting for this Offer Document (including the Relevant Acceptance Forms) and/or any related documents and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, OCBC Bank and the Registrar/Receiving Agent that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdiction.*

17.4 ***Notice.*** *The Offeror and OCBC Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement."*

16. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

As stated in section 18 of the Letter to Shareholders in the Offer Document, CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be) directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may be) should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

As set out in the same section 18, CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks (as the case may be) by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts (as the case may be).

17. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than 5:30 p.m. (Singapore time) on the Closing Date. Please refer to Appendix 2 to the Offer Document, which sets out the procedures for acceptance of the Offer.

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document which has been sent to them.

18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than those relating to the Offeror, parties acting or deemed to be acting in concert with the Offeror, the Offer, the Offer Announcement, the Offer Document, the recommendation of the Recommending Directors and the Excluded Documents) are fair and accurate and that there are no material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the POSH Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

The recommendation of the Recommending Directors to the Shareholders set out in section 14 of this Circular is the sole responsibility of the Recommending Directors.

Where any information in this Circular has been extracted or reproduced from published or publicly available sources (including, without limitation, the Offer Announcement, the Offer Document and the Excluded Documents), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

The Directors jointly and severally accept responsibility accordingly.

19. ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors

Lee Keng Lin
Chief Executive Officer

APPENDIX I
LETTER FROM THE IFA TO THE RECOMMENDING DIRECTORS

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

28 November 2019

To: The Recommending Directors of PACC Offshore Services Holdings Ltd.
(who are deemed to be independent in respect of the Offer)

Mr Lee Keng Lin	(Chief Executive Officer and Executive Director)
Dato' Jude Philomen Benny	(Lead Independent Director)
Mr Ma Kah Woh	(Independent Director)
Mr Ivan Replumaz	(Independent Director)

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER FOR THE SHARES OF PACC OFFSHORE SERVICES HOLDINGS LTD.

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company ("**Shareholders**") dated 28 November 2019 ("**Circular**"). For the purpose of our Letter, where applicable, we have used the foreign exchange rate of US$1.00: S$1.3590 on 4 November 2019, being the Offer Announcement Date. The above foreign exchange rate is extracted from published information by Bloomberg L.P. and is provided solely for information only. The latest practicable date referred to in the Circular and for the purpose of this letter ("**Letter**") is 22 November 2019 ("**Latest Practicable Date**").*

1. INTRODUCTION

1.1 Offer Announcement Date

On 4 November 2019 ("**Offer Announcement Date**"), Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") announced ("**Offer Announcement**"), for and on behalf of Quetzal Capital Pte. Ltd. ("**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer ("**Offer**") for all the issued and outstanding ordinary shares ("**Shares**") in the capital of PACC Offshore Services Holdings Ltd. ("**Company**" or "**POSH**", and together with its subsidiaries, "**Group**") at the offer price of **S$0.215 in cash** for each Share ("**Offer Price**"), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**") and Rule 15 of the Singapore Code on Take-overs and Mergers ("**Code**").

The Offeror is a company incorporated in Singapore on 23 October 2019 for the purposes of making the Offer and holding the Offer Shares. Its principal activity is investment holding. The shareholders of the Offeror are Kuok (Singapore) Limited ("**KSL**"), Trendfield Inc. ("**Trendfield**"), and Merry Voyage Limited ("**Merry Voyage**").

The Offer, when made, will be extended on the same terms and conditions, to all new Shares issued pursuant to the valid vesting and release of any outstanding awards ("**POSH Awards**") granted by the Company under the POSH Performance Share Plan ("**POSH PSP**") and the valid exercise of any outstanding share options ("**POSH Options**") granted by the Company under the POSH Share Option Plan ("**POSH SOP**"). As at the Offer Announcement Date, the Company has outstanding 1,814,219,400 issued Shares (excluding 5,780,600 treasury shares), 12,728,400 POSH Awards and 2,020,000 POSH Options.

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Shares which will result in the Offeror holding **not**

less than 90% of the total number of Shares in issue (excluding any treasury shares) as at the close of the Offer (including any Shares which may be unconditionally issued or delivered pursuant to the valid vesting and release of the outstanding POSH Awards and/or the valid exercise of the outstanding POSH Options prior to the close of the Offer) ("**Acceptance Condition**").

As at the Offer Announcement Date, the Offeror has received irrevocable undertakings ("**Irrevocable Undertakings**") from KSL and KSL's wholly-owned subsidiary, Camsward Pte Ltd ("**Camsward**") who held, in aggregate, 1,361,271,365 Shares, representing 75.03% of the total number of issued Shares (excluding treasury shares) to, *inter alia*, accept the Offer in respect of all their Shares. The Irrevocable Undertakings also include any other Shares which they may subsequently acquire (directly or indirectly or through a nominee).

As at the Offer Announcement Date, the Offeror does not own any Shares.

The rationale for the Offer is to privatize and delist the Company from the SGX-ST.

1.2 Subsequent to the Offer Announcement Date

Based on publicly available information, subsequent to the Offer Announcement Date and up to the Latest Practicable Date:

(a) the Offeror has received additional Irrevocable Undertakings from certain Shareholders on 15 November 2019 to tender all their Shares and any other Shares which they may subsequently acquire (directly or indirectly or through a nominee), in acceptance of the Offer. As at 15 November 2019, these Shareholders held, in aggregate, 54,990,256 Shares, representing 3.03% of the total number of issued Shares (excluding treasury shares);

(b) During this period, KSL had acquired Shares in the open market, totalling 54,586,300 Shares, representing 3.01% of the total number of issued Shares (excluding treasury shares); and

(c) There is, thus far, no acceptances to the Offer.

Accordingly, as at the Latest Practicable Date, we note that the total number of Shares which would be tendered in acceptance of the Offer pursuant to the Irrevocable Undertakings would amount to 1,470,847,921 Shares, representing 81.07% of the total number of issued Shares (excluding treasury shares).

In addition, we note that besides the above Shareholders who have given the Irrevocable Undertakings ("**Undertaking Shareholders**"), there are other Shareholders who are deemed parties acting in concert with the Offeror and who are not Undertaking Shareholders.

Based on the latest disclosure of interests by the Offeror as at the Latest Practicable Date:

(i) The Offeror does not own, control and has not agreed to acquire any Shares; and

(ii) The Offeror and persons acting in concert with the Offeror owned, controlled or has agreed to acquire an aggregate of 1,525,469,008 Shares, representing 84.08 % of the total issued share capital of the Company.

The above shareholding interests of the Offeror comprises substantially the shareholding interests of the Undertaking Shareholders (amounting to 81.07%) and parties acting in concert with the Offeror who are not Undertaking Shareholders (approximately 3.01%).

As at the Latest Practicable Date, the Company has outstanding 1,814,219,400 issued Shares (excluding 5,780,600 treasury shares), 12,728,400 POSH Awards and 1,895,000 POSH Options.

On 20 November 2019, OCBC announced, for and on behalf of the Offeror, that the formal offer document dated 20 November 2019 ("**Offer Document**") which contains, *inter alia*, details of the Offer have been despatched to Shareholders on even date. Shareholders should have by now received a copy of the Offer Document. The Offer Document is also available on the SGXNET.

1.3 Our role as Independent Financial Adviser to the Offer

In connection with the Offer, the Company has appointed Provenance Capital Pte. Ltd. ("**Provenance Capital**") as the independent financial adviser ("**IFA**") to advise the directors who are considered independent in respect of the Offer, for the purpose of making their recommendation to the Shareholders in relation to the Offer.

The present board of directors of the Company ("**Directors**") with their respective titles comprises:

(a) Mr Kuok Khoon Ean (Chairman and Non-Executive Director);
(b) Mr Lee Keng Lin (Chief Executive Officer and Executive Director);
(c) Mr Seow Kang Hoe, Gerald (Non-Executive Director);
(d) Dato' Jude Philomen Benny (Lead Independent Director);
(e) Mr Ma Kah Woh (Independent Director);
(f) Mr Ivan Replumaz (Independent Director);
(g) Mr Wee Joo Yeow (Independent Director);
(h) Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid ("**Dato' Sufian**") (Independent Director); and
(i) Ms Yong Hsin Yue (Non-Executive Director).

Of the 9 Directors, the SIC had exempted 5 Directors namely Mr Kuok Khoon Ean, Mr Seow Kang Hoe, Gerald, Ms Yong Hsin Yue, Mr Wee Joo Yeow and Dato' Sufian from the requirement to make a recommendation on the Offer to the Shareholders. Details on the SIC rulings on the above Directors are set out in Section 14.1 of the Circular.

Mr Kuok Khoon Ean, Mr Seow Kang Hoe, Gerald, Ms Yong Hsin Yue are directors of KSL, one of the shareholders of the Offeror. Mr Wee Joo Yeow is a director of OCBC Bank, the financial adviser of the Offeror, and is presumed to be acting in concert with the Offeror. Dato' Sufian is a director of Malaysian Bulk Carriers Berhad and PPB Group Berhad, in which the Kuok Offeror Group (as defined in Section 4 of this Letter) has a shareholding interest. While the SIC had ruled that the presumption that Dato' Sufian is acting in concert with the Offeror is rebutted, the SIC is of the view that Dato' Sufian should nonetheless abstain from making a recommendation on the Offer to the Shareholders.

Accordingly, the 4 remaining Directors namely, Mr Lee Keng Lin, Dato' Jude Philomen Benny, Mr Ma Kah Woh and Mr Ivan Replumaz are deemed independent in respect of the Offer ("**Recommending Directors**").

This Letter is therefore addressed to the Recommending Directors and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer, and our recommendation to the Recommending Directors on the Offer. This Letter forms part of the Circular which provides, *inter alia*, the details of the Offer and the recommendations of the Recommending Directors on the Offer.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Recommending Directors in respect of their recommendation to the Shareholders in relation to the Offer.

We have confined our evaluation and assessment to the financial terms of the Offer, and have not taken into account the commercial risks or commercial merits of the Offer. In addition, we have not been requested, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberation leading up to the decision to put forth the Offer to Shareholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company and the Group. However, we may draw upon any such views of the Directors or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Management (as defined below), and is predicated upon the economic and market conditions prevailing as at the Latest Practicable Date. This Letter therefore does not reflect any projections on the future financial performance of the Group and we do not express any views as to the prices at which the Shares may trade after the close of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. In this regard, we have not addressed the relative merits of the Offer in comparison with any alternative transaction that the Company may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors, the management of the Company ("**Management**") and their professional advisers and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We nevertheless have made such reasonable enquiries and judgment as were deemed necessary and have found no reason to doubt the accuracy of the information and representations.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company or the Group (including without limitation, the Group's vessels).

In connection with the Offer, the Group had commissioned Clarkson Valuations Limited ("**Clarkson**" or "**Valuer**") to carry out an independent market valuation of the Group's vessels as at 21 November 2019 ("**Valuation Date**"). A copy of Clarkson's valuation report dated 21 November 2019 ("**Valuation Report**") is attached as Appendix III to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the independent valuation by Clarkson for such asset appraisal and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in the valuation report or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including the Code.

The Valuer had requested for the following statements to be disclosed herein:

> "*The vessels were valued by the Valuer as at 21 November 2019 and are not a guide to the market values of the vessels at any other point in time. Market values in the offshore industry can be volatile. The valuation was provided on the basis of charterfree delivery, as between a willing buyer, willing seller and is based on recent transactions, negotiations and broker's market knowledge. No physical inspection or examination of the vessels' classification records was performed prior to the valuation of the vessels and the vessels were assumed to be in good and seaworthy condition by the Valuer. For the full terms and methodology of the Valuer, please see their valuation certificates which are reproduced in full in Appendix III to the Circular. The full valuation report by the Valuer will be available for inspection. There can be no assurance that the valuations prepared by the Valuer reflect the true value of the vessels, or that other independent valuers would have arrived at the same valuation.*"

The information which we relied on in the assessment of the Offer was based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer which may be released after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any Shareholder. As each Shareholder may have different investment profiles and objectives, we advise the Directors to recommend that any Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular. Accordingly, we take no responsibility for and express no view, whether expressed or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the Offer, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is addressed to the Recommending Directors for their benefit and deliberation of the Offer. The recommendation made to the Shareholders in relation to the Offer shall remain the responsibility of the Recommending Directors. **Our recommendation to the Recommending Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.**

Responsibility Statement by the Directors

The Directors and Management have confirmed that to the best of their knowledge and belief, all material information relating to the Circular (other than those relating to the Offeror, parties acting or deemed to be acting in concert with the Offeror, the Offer, the Offer Announcement, the Offer Document and the Excluded Documents), the Company and/or the Group provided by them to us is fair and accurate in all material respects and that there is no other material

information or fact, the omission of which would render any statement in the Circular misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

3. THE OFFER

The detailed terms and conditions of the Offer are set out in Section 2 and Appendix 1 to the Offer Document. The key terms of the Offer are set out below for your reference.

3.1 Offer Price

The Offer Price for each Offer Share is **S$0.215 in cash**.

The Offer Price is final and will not be increased. Therefore, in accordance with Rule 20.2 of the Code, as the Offeror has not specifically reserved its right to set aside a no increase statement, the Offeror will not be allowed subsequently to increase the Offer Price in any way.

3.2 Offer Shares

The Offer is extended to all the Offer Shares in accordance with Section 139 of the SFA and Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document.

The Offer Shares refer to all issued Shares (excluding treasury shares); and all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid vesting and release of any outstanding POSH Awards and valid exercise of any outstanding POSH Options prior to the final closing date of the Offer, including any Shares owned, controlled or agreed to be acquired by parties acting in concert or deemed to be acting in concert with the Offeror in relation to the Offer.

3.3 Rights and No Encumbrances

The Offer Shares will be acquired:

(a) fully paid;

(b) free from all Encumbrances (as defined in the Offer Document); and

(c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) which may be announced, declared, paid or made by the Company in respect of the Offer Shares ("**Distributions**") on or after the Offer Announcement Date.

Adjustment for Distribution

In the event any Distribution is or has been announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to a Shareholder who validly accepts or has validly accepted the Offer ("**Accepting Shareholder**"), and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offer Price for each Share shall be reduced by the amount of such Distribution in respect of each Offer Share ("**Adjusted Offer Price**") and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

Since the Offer Announcement Date and up to the Latest Practicable Date, we note that the Company has not made or declared any Distribution.

3.4 Acceptance Condition

The Offer is subject to the Acceptance Condition, that is, the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which will result in the Offeror holding not less than 90% of the total number of Shares in issue (excluding any treasury shares) as at the close of the offer (including any Shares which may be unconditionally issued or delivered pursuant to the valid vesting and release of the outstanding POSH Awards and/or the valid exercise of the outstanding POSH Options prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror holding such number of Shares representing not less than 90% of the maximum potential issued share capital of POSH. For this purpose, the "**maximum potential issued share capital of POSH**" means the total number of Shares which would be in issue (excluding treasury shares) had all the outstanding POSH Awards been validly vested and released and the outstanding POSH Options been validly exercised as at the date of such declaration.

The Offeror reserves the right to waive the Acceptance Condition or reduce such condition to a level below 90% (but in any event above 50%) of the total number of Shares (as required by Rule 15.1 of the Code), subject to the consent of the SIC. In the event that such waiver or revision of the Acceptance Condition is made during the course of the Offer with the consent of the SIC, the revised Offer will remain open for at least another 14 days following the date of the posting of the written notification of revision to the Shareholders, and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within 8 days of the posting of the written notification of the revision. The revised acceptance level will take into account withdrawals and new acceptances as at the close of the Offer.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

Based on publicly available information as at the Latest Practicable Date, we note that the total number of Shares to be tendered in acceptance of the Offer pursuant to the Irrevocable Undertakings would amount to 1,470,847,921 Shares, representing 81.07% of the total number of issued Shares (excluding treasury shares).

Based on publicly available information as at the Latest Practicable Date, the Offeror and parties acting in concert with it owned, controlled or has agreed to acquire an aggregate 1,525,469,008 Shares, representing 84.08% of the total issued share capital of the Company and 83.41% of the maximum potential issued shares of POSH comprising 1,828,842,800 Shares.

As at the Latest Practicable Date, the Offer has not become or been declared to be unconditional in all respects.

3.5 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all

Distributions which may be announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

3.6 Duration of the Offer

The first closing date of the Offer is at 5.30 p.m. on 18 December 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Further information on the duration of the Offer is set out in paragraph 1 of Appendix 1 to the Offer Document.

3.7 Further details of the Offer

Further details of the Offer, including details on (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; (c) the right of withdrawal of acceptances of the Offer; and (d) procedures for acceptance of the Offer are set out in Appendices 1 and 2 to the Offer Document.

4. INFORMATION ON THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

As disclosed in the Offer Document, the Offeror is a private company limited by shares and incorporated in Singapore on 23 October 2019 for the purposes of making the Offer and holding the Offer Shares. Its principal activity is investment holding.

The issued share capital of the Offeror is US$100 comprising 100 ordinary shares. The Offeror is owned by KSL, Trendfield (a wholly-owned subsidiary of Kuok Brothers Sdn Bhd ("**KBSB**")) and Merry Voyage (a wholly-owned subsidiary of Kerry Holdings Limited ("**KHL**")) in the following proportions:

(a) KSL holds 49% of the issued share capital of the Offeror;
(b) Trendfield holds 45% of the issued share capital of the Offeror; and
(c) Merry Voyage holds 6% issued share capital of the Offeror.

KSL, KBSB and KHL are members of the Kuok group of companies ("**Kuok Offeror Group**").

The directors of the Offeror are Mr Chan Swee Hong, Ms Chen Keren, Ms Tan Isoo, Mr Teoh Hock Seng and Ms Thai Kum Foon.

As at the Offer Announcement Date, the Offeror does not own any Shares.

As at the Offer Announcement Date, KSL and its wholly-owned subsidiary, Camsward, had given their respective Irrevocable Undertakings to the Offeror to tender all their Shares in acceptance of the Offer, including any Shares which it may subsequently acquire, and to defer the consideration payable for these Shares tendered to be paid at a later date.

As at the Offer Announcement Date, KSL and Camsward owned 1,361,271,365 Shares, representing 75.03% of the number of issued Shares, of which 64.97% is held by KSL and 10.06% by Camsward. Based on publicly available information, subsequent to the Offer Announcement Date and up to the Latest Practicable Date, KSL had acquired Shares in the open market, amounting to in aggregate 54,586,300 Shares, representing 3.01% of the total number of issued Shares, at S$0.215 for each Share.

In addition, the Offeror had, on 15 November 2019, received additional Irrevocable Undertakings from certain Shareholders to tender all their Shares and any other Shares which they may subsequently acquire (directly or indirectly) in acceptance of the Offer. As at 15

November 2019, the above Shareholders held, in aggregate, 54,990,256 Shares, representing 3.03% of the total number of issued Shares. The consideration payable to these Shareholders in respect of the Shares tendered in acceptance of the Offer will not be subject to the same deferment arrangement with KSL and Camsward.

The Offeror has disclosed in the Offer Document that save for the above Irrevocable Undertakings, the Offeror has not received any undertakings from any other party to accept or reject the Offer. The Irrevocable Undertakings shall lapse and be of no further force and effect on the date on which the Offer closes, lapses or is withdrawn.

Accordingly, as at the Latest Practicable Date, we note that the total number of Shares to be tendered in acceptance of the Offer pursuant to the Irrevocable Undertakings would amount to 1,470,847,921 Shares, representing 81.07% of the total number of issued Shares (excluding treasury shares).

The Undertaking Shareholders include the 3 Directors of the Company, namely (i) Mr Kuok Khoon Ean, Chairman and Non-Executive Director; (ii) Mr Lee Keng Lin, Chief Executive Officer and Executive Director; and (iii) Mr Seow Kang Hoe, Gerald, Non-Executive Director.

In addition, we note that besides the above Undertaking Shareholders, there are other Shareholders who are deemed parties acting in concert with the Offeror and who are not Undertaking Shareholders, who hold approximately 3.01% of the total number of issued Shares. These include KBSB and Mr Wee Joo Yeow, the Independent Director of the Company.

Based on the latest disclosure of interests by the Offeror, as at the Latest Practicable Date, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, amounted to an aggregate of 1,525,469,008 Shares, representing 84.08% of the total number of issued Shares. There were no acceptances to the Offer disclosed by the Offeror as at the Latest Practicable Date.

Details on the Undertaking Shareholders and the Offeror are set out in Section 8 and Appendix 3 to the Offer Document.

5. INFORMATION ON THE COMPANY AND THE GROUP

The Company was incorporated in Singapore on 7 March 2006 and has been listed on the Mainboard of the SGX-ST since 25 April 2014.

Business activities of the Group

The Company had described the Group as one of Asia's largest operators of offshore support vessels, with a diversified fleet servicing the offshore oil and gas and renewables industries. With its 4 distinct operating segments, namely Offshore Supply Vessels, Transportation and Installation, Offshore Accommodation as well as Harbour Services, the Group provides anchor handling services, ocean towage and installation, ocean transportation, offshore accommodation services, Subsea Umbilicals Risers and Flowlines ("**SURF**") and Inspection Maintenance and Repair ("**IMR**") support and harbour towage services. The Group also supports offshore renewables projects and offers an integrated suite of subsea services.

As at 30 September 2019, the Group (including its joint ventures) operated a combined fleet of 120 vessels, of which 84 vessels were held by the Group's wholly-owned subsidiaries and 36 were held through the Group's joint venture entities. The fleet operates worldwide, serving offshore oilfields in Asia, Australasia, Africa, Middle East and Latin America, providing vessels and services for projects involving many of the world's major energy companies as well as many large international offshore contractors.

As at 21 November 2019, being the Valuation Date, the Group's fleet of vessels has reduced from 120 as at 30 September 2019 to 103 vessels as at the Valuation Date. The present fleet of 103 vessels is subject to the independent valuation by the Valuer.

Shares, POSH Options and POSH Awards

As at the Latest Practicable Date, the Company has 1,814,219,400 issued Shares (excluding 5,780,600 treasury shares). The immediate and ultimate holding company is KSL, a company incorporated in Singapore.

The Offer is being made for all the outstanding issued Shares (excluding treasury shares).

The Company has in place 2 share-based incentives plans, namely the POSH SOP and POSH PSP. As at the Latest Practicable Date, the Company has outstanding 1,895,000 POSH Options granted pursuant to the POSH SOP and 12,728,400 POSH Awards granted pursuant to the POSH PSP, some of which have not been vested as at the Latest Practicable Date.

Of the 1,895,000 POSH Options, 1,152,000 of them are exercisable into new Shares at the exercise price of S$0.343 each which are substantially higher than the Offer Price of S$0.215 and hence considered as "out-of-money" options; and 743,000 POSH Options are exercisable into new Shares at the exercise price of S$0.1943 each which are below the Offer Price of S$0.215 and hence considered as "in-the-money" options.

As the POSH Options and POSH Awards are not transferable, the Offeror has stated in the Offer Announcement and in the Offer Document that it will not make an offer to acquire the outstanding POSH Options and POSH Awards. However, the Offer will be extended to all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid vesting and release of any outstanding POSH Options and/or POSH Awards prior to the final closing date of the Offer.

With respect to the POSH Options, the Offeror will instead make the Options Proposal to the holders of the POSH Options ("**Optionholders**"). The letter to Optionholders dated 20 November 2019 ("**Options Proposal Letter**") which contains, *inter alia*, details of the Options Proposal have been despatched to Optionholders on even date. Optionholders should take note of the closing date for the acceptance of the Options Proposal as set out in the Options Proposal Letter.

The salient terms of the Options Proposal are set out in Section 4 of the Offer Document. We have set out these salient terms of the Options Proposal in Section 7.6.1 of this Letter, and our evaluation and opinion on the Options Proposal are set out in Section 7.6.2 of this Letter.

Unlike the POSH Options, the Offeror will not make any proposal to the holders of the POSH Awards. For the avoidance of doubt, the Offeror will be extended to all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid vesting and release of any outstanding POSH Awards prior to the final closing date of the Offer.

Pursuant to the terms of the POSH PSP, in the event of a takeover offer for the Shares becoming or being declared unconditional, the Committee (as defined in the POSH PSP) administrating the POSH PSP has the discretion to release any of the POSH Awards before the vesting date and such release of the POSH Awards may be satisfied, wholly or partly, in cash in lieu of Shares at the aggregate market value of the Shares. As at the Latest Practicable Date, none of the POSH Awards have been validly vested and/or released.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any outstanding instruments convertible into, rights to subscribe for, and options in respect of, Shares or securities which carry voting rights in the Company.

Based on the Offer Price of S$0.215 per Offer Share and the 1,814,219,400 outstanding issued Shares (excluding treasury shares) as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S$390.1 million.

Directors

As at the Latest Practicable Date, the Directors and their respective titles in the Company are as follows:

(a) Mr Kuok Khoon Ean (Chairman and Non-Executive Director);
(b) Mr Lee Keng Lin (Chief Executive Officer and Executive Director);
(c) Mr Seow Kang Hoe, Gerald (Non-Executive Director);
(d) Dato' Jude Philomen Benny (Lead Independent Director);
(e) Mr Ma Kah Woh (Independent Director);
(f) Mr Ivan Replumaz (Independent Director);
(g) Mr Wee Joo Yeow (Independent Director);
(h) Dato' Sufian (Independent Director); and
(i) Ms Yong Hsin Yue (Non-Executive Director).

As disclosed in Section 1.3 of this Letter, the SIC had exempted 5 Directors from the requirement to make a recommendation on the Offer to the Shareholders, namely that Mr Kuok Khoon Ean, Mr Seow Kang Hoe, Gerald, Ms Yong Hsin Yue, Mr Wee Joo Yeow and Dato' Sufian. Accordingly, the 4 remaining Directors namely, Mr Lee Keng Lin, Dato' Jude Philomen Benny, Mr Ma Kah Woh and Mr Ivan Replumaz are deemed to be independent in respect of the Offer and are the Recommending Directors.

The Directors have the following interests in the Shares, POSH Options and/or POSH Awards as at the Latest Practicable Date:

	Direct and indirect interest in the Shares	**Direct and indirect interest in the POSH Options**	**Direct and indirect interest in the POSH Awards**
Mr Kuok Khoon Ean	1,905,000	-	-
Mr Lee Keng Lin	6,722,000	-	2,492,130
Mr Seow Kang Hoe, Gerald	8,756,043	-	3,920,870
Dato' Jude Philomen Benny	288,000	-	-
Mr Ma Kah Woh	200,000	-	-
Mr Ivan Replumaz	-	-	-
Mr Wee Joo Yeow	500,000	-	-
Dato' Sufian	1,220,000	-	-
Ms Yong Hsin Yue	-	-	-

Additional information on the Company, the Group and its Directors are set out in Appendix II to the Circular.

6. RATIONALE FOR THE OFFER, OFFEROR'S INTENTIONS FOR THE COMPANY AND LISTING STATUS OF THE COMPANY

The full text of the rationale for the Offer, the Offeror's intentions for the Company and the Offeror's intentions on the listing status of the Company is set out in Sections 11, 12 and 13 of the Offer Document.

In summary, the Offeror's rationale for the Offer is as follows:

(a) the Offer presents Shareholders with a cash exit opportunity to realise their entire investment in the Shares at a price with an attractive premium to the prevailing trading prices of the Shares, without incurring brokerage and other trading cost;

(b) the Offer represents an opportunity for Shareholders who may find it difficult to exit their investment in the Company due to the low trading liquidity of the Shares;

(c) the Offeror is making the Offer with a view to delist the Company from the SGX-ST and exercise its rights of compulsory acquisition. In view of the continuing challenges in the global offshore oil and gas sector, the Offeror believes that privatising the Company will provide it with more flexibility to manage the Company's operational and funding requirements, and also optimise the use of its resources; and

(d) in the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses and costs relating to the maintenance of a listed status and channel such resources to its business operations.

Following from the above, the Offeror is making the Offer with a view to delist the Company from the SGX-ST. Hence, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the Shares of the Shareholders who have not accepted the Offer.

In addition, if the Offeror is unable to exercise its right of compulsory acquisition and the Company does not meet the free float requirement of the SGX-ST, the Offeror and the Kuok Offeror Group do not intend to support any action taken or to be taken to meet the free float requirement or maintain the present listing status of the Company on the SGX-ST.

The Offeror also reserves its right to seek a voluntary delisting of the Company from the SGX-ST in accordance with the relevant requirements of the listing manual and the Code.

The Offeror intends for the Company to continue its existing business activities and there are at present no plans to (i) introduce any major changes to the businesses or operations of the Group; (ii) re-deploy any of the fixed assets of the Group; or (iii) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business.

However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Company and/or the Offeror.

7. EVALUATION OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

(a) Historical share price performance and trading activity of the Shares;

(b) Financial analysis of the Group;

(c) Comparison with recently completed privatisation of companies listed on the SGX-ST;

(d) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;

(e) Dividend track record of the Company;

(f) Options Proposal; and

(g) Other relevant considerations relating to the Offer.

7.1 Historical share price performance and trading activity of the Shares

Trading on the Shares was halted from 12.30 pm onwards on 31 October 2019 until 4 November 2019. The Offer Announcement was made after trading hours on 4 November 2019, being the Offer Announcement Date. Accordingly, the last trading day when the Shares were last traded prior to the trading halt and the release of the Offer Announcement is 31 October 2019 ("**Last Trading Day**").

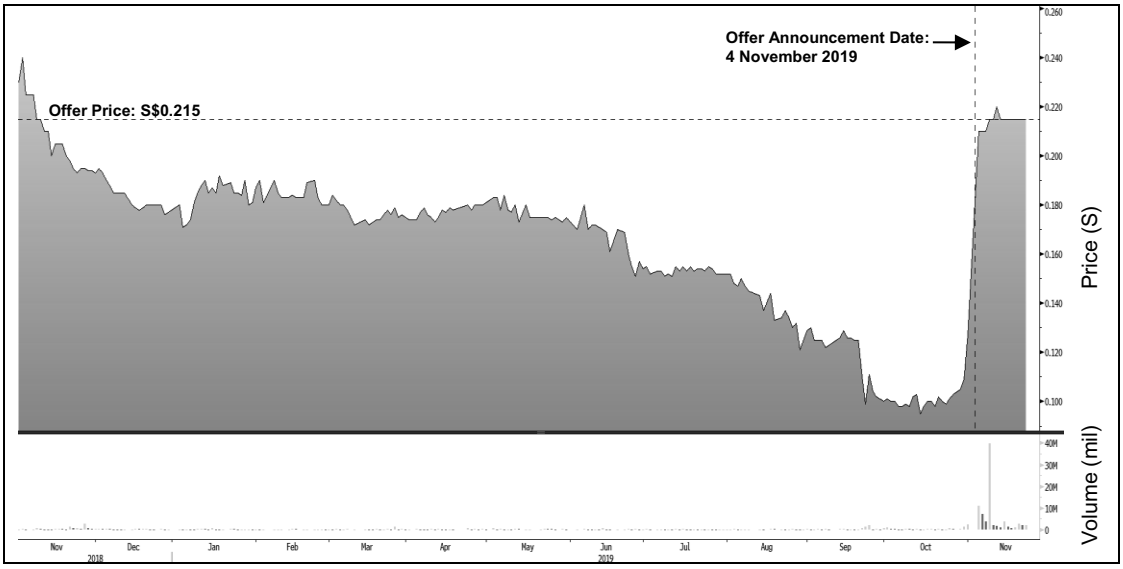
We have therefore compared the Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares from 1 November 2018 to 31 October 2019, being the 1-year period prior to the half-day trading halt on the Shares on 31 October, and up to the Latest Practicable Date ("**Period Under Review**").

Share Price Chart

We set out below a chart showing the Offer Price relative to the daily last transacted prices and trading volume of the Shares for the Period Under Review:

Price movement and trading volume of the Shares for the Period Under Review

Chart 1 – Period Under Review



Source: *Bloomberg L.P.*

During the 1-year period from 1 November 2018 to the Last Trading Day, the daily last transacted prices on the Shares had generally been on a downward trend, from a high of S$0.240 (2 November 2018) to a low of S$0.095 (14 October 2019). As can be seen from the share price chart above, the Shares have traded mostly below the Offer Price during this 1-year period.

We noted that the Shares had traded much higher on the Last Trading Day with increased volume, as compared to the immediately preceding trading days. The Offer Price represents a premium of 69.3% above the last transacted price on the Last Trading Day. As an illustration, the relevant statistics of the trading on the Shares on the last 3 days prior to the Offer Announcement are as follows:

Date	High (S$)	Low (S$)	Last transacted Share price (S$)	Volume transacted	Premium of Offer Price above the last transacted Share price (%)
29 October 2019	0.105	0.103	0.105	443,000	104.8
30 October 2019	0.112	0.105	0.109	1,410,000	97.2
31 October 2019 (prior to the half-day trading halt)	0.130	0.113	0.127	2,287,900	69.3

Source: *Bloomberg L.P.*

Since the Offer Announcement Date and up to the Latest Practicable Date, the daily last transacted Share prices were between S$0.21 and S$0.22, and mostly at the Offer Price. As at the Latest Practicable Date, the last transacted Share price was at the Offer Price.

Daily trading volume on the Shares during the 1-year period has been low. However, the daily trading volume on the Shares immediately following the Offer Announcement had increased significantly, which we noted was attributable mainly to the purchases made by parties acting in concert with the Offeror.

Based on the dealing disclosures by the Offeror, KSL had acquired in the open market, in aggregate, 54,586,300 Shares at S$0.215 per Share since the Offer Announcement Date and up to the Latest Practicable Date. The purchases by KSL had accounted for 69.2% of the total volume of 78,868,100 Shares traded during the above period.

Market Statistics

In addition to the share price chart for the Period Under Review, we have tabulated below selected statistical information on the price performance and trading liquidity of the Shares for the 1-year period from 1 November 2018 to the Last Trading Day, and up to the Latest Practicable Date.

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP[1] (S$)	Premium/(Discount) of Offer Price over/(to) VWAP (%)	Number of traded days[2]	Average daily trading volume[3] ('000)	Average daily trading volume as a percentage of free float[4] (%)
Prior to the half-day trading halt on the Last Trading Day							
Last 1 year	0.240	0.095	0.1569	37.1	225	195	0.05
Last 6 months	0.185	0.095	0.1263	70.2	114	198	0.05
Last 3 months	0.152	0.095	0.1114	93.0	59	291	0.07
Last 1 month	0.130	0.095	0.1078	99.4	22	434	0.10
31 October 2019 (prior to the half-day trading halt)	0.130	0.113	0.1248	72.3	1	2,288	0.54
After the Offer Announcement Date and up to the Latest Practicable Date							
From 5 November 2019 to the Latest Practicable Date	0.220	0.210	0.2136	0.7	14	5,633	1.34
Latest Practicable Date	0.220	0.215	0.2150	0.0	1	1,952	0.46

Source: *Bloomberg L.P.*

Notes:

(1) The VWAP for the respective periods are calculated based on the aggregate daily turnover value of the Shares divided by the aggregate daily trading volume of the Shares for the respective periods as extracted from Bloomberg L.P.. Off market transactions are excluded from the calculation;

(2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;

(3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts/suspension on the Shares) during that period; and

(4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders of the Company. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 420.7 million Shares based on the free float of 23.19% as disclosed on the annual report of the Company for FY2018.

We observed the following with regard to the Share price performance for the Period Under Review:

(a) Over the 1-year period prior to the half-day trading halt on the Last Trading Day, the Shares have traded between a low of S$0.095 and a high of S$0.240. The Offer Price represents a premium of S$0.120 (or 126.3%) above the lowest transacted Share price and a discount of S$0.025 (or 10.4%) to the highest transacted Share price;

(b) The Offer Price represents a premium of 99.4%, 93.0%, 70.2% and 37.1% above the VWAP of the Shares for the 1-month, 3-month, 6-month and 1-year periods respectively prior to the half-day trading halt on the Last Trading Date;

(c) The Offer Price represents a premium of S$0.088 (or 69.3%) above the last transacted Share price of S$0.127 on 31 October 2019, being the Last Trading Day prior to the release of the Offer Announcement; and

(d) After the Offer Announcement Date and up to the Latest Practicable Date, the Shares had traded mostly at the Offer Price and up to a high of S$0.220 on 12 November 2019 and 22 November 2019. The Shares were last transacted at S$0.215 on 22 November 2019, being the Latest Practicable Date.

We observed the following with regard to the trading liquidity of the Shares:

(i) Over the 1-year period prior to the half-day trading halt on the Last Trading Day, the Shares were traded on 225 days out of a total 249 trading days during the period. However, the average daily trading volume of the Shares for the 1-month, 3-month, 6-month, and 1-year periods prior to the half-day trading halt on the Last Trading Day was low, representing 0.10%, 0.07%, 0.05% and 0.05% of the free float of the Shares respectively. As illustrated in the table above under the caption "Share Price Chart", trading prices and volume on the Shares had increased significantly immediately prior to the half-day trading halt on the Last Trading Day; and

(ii) During the period following the Offer Announcement Date and up to the Latest Practicable Date, the average daily trading volume on the Shares was higher at 5,633,436 Shares, representing 1.34% of the free float of the Shares. The higher trading volume on the Shares following the Offer Announcement Date up to the Latest Practicable Date was due mainly to purchases made by KSL, which had accounted for 69.2% of the total volume of 78,868,100 Shares traded during the above period.

7.2 Financial analysis of the Group

7.2.1 Financial performance of the Group

We set out below a summary of the audited profit and loss statements of the Group for the last three financial years ended 31 December 2016 ("**FY2016**"), 31 December 2017 ("**FY2017**") and 31 December 2018 ("**FY2018**"), and the unaudited interim financial results for 9 months period ended 30 September 2019 ("**9M2019**") and the corresponding period ended 30 September 2018 ("**9M2018**"):

	← Audited →			← Unaudited →	
US$'000	**FY2016**	**FY2017**[(1)]	**FY2018**	**9M2018**	**9M2019**
Revenue	183,100	192,208	299,400	233,415	209,063
Gross Profit/(Loss)	4,985	(13,414)	32,993	37,797	31,322
Share of joint ventures' results	(13,814)	2,356	(8,566)	(1,257)	(4,220)
EBITDA	23,886	26,505	53,774	58,128	48,192
Loss before taxation	(370,313)	(225,452)	(86,625)	(9,035)	(62,306)
Net loss for the year	**(371,584)**	**(230,280)**	**(98,309)**	**(18,423)**	**(61,599)**
Profit/(Loss) attributable to:					
Equity holders of the Company	(371,448)	(230,285)	(98,326)	(18,332)	(61,783)
Non-controlling interest	(136)	5	17	(91)	184
	(371,584)	**(230,280)**	**(98,309)**	**(18,423)**	**(61,599)**

Source: *The Company's annual reports for FY2017, FY2018 and the Company's results announcement for 9M2019*

Notes:

(1) The Group had adopted the new Singapore Financial Reporting Standards (International) ("**SFRS(I)**") framework for FY2018 and had applied SFRS(I) with 1 January 2017 as at the date of transition; and

(2) EBITDA is the acronym for earnings before interest, tax, depreciation and amortisation.

Review of Operating Results

FY2017 vs FY2016

The Group's revenue increased by US$9.1 million (or 5.0%) from US$183.1 million in FY2016 to US$192.2 million in FY2017 due mainly to higher contribution from across the major business segments, in particular, the offshore accommodation segment. However, the Group recorded a gross loss of US$13.4 million in FY2017 as compared to a gross profit of US$5.0 million in FY2016 due mainly to the losses from the offshore accommodation segment as a result of higher operating expenses.

The Group achieved slightly higher EBITDA of US$26.5 million in FY2017. This was an increase of US$2.6 million (or 11.0%) over FY2016, resulting in a higher EBITDA margin of 13.8% in FY2017 compared to EBITDA of US$23.9 million and EBITDA margin of 13.0% in FY2016.

Included in the EBITDA of the Group for FY2017 is the Group's share of joint venture's result amounting to a profit of US$2.4 million as compared to a loss of US$13.8 million in FY2016 due mainly to the contribution from POSH Terasea Pte. Ltd. and its subsidiaries ("**PTPL**") with the completion of several major towage and positioning projects, off-set by impairment of vessels across the joint ventures.

PTPL provides specialist offshore services through its fleet of deepwater anchor handling tugs. PTPL is 50% owned by the Company and 50% owned by Terasea Pte. Ltd. which is in turn a joint venture between Ezion Holdings Limited and Seabridge Marine Services Ltd.

The Group incurred significant loss attributable to equity holders of the Company of US$371.4 million in FY2016 as it was affected by, *inter alia*, significant impairment of goodwill and fixed assets of US$111.2 million and US$199.0 million respectively. Loss attributable to equity holders of the Company was lower at US$230.3 million in FY2017 due mainly to the lower impairment amount of US$165.4 million.

FY2018 vs FY2017

The Group's revenue increased by US$107.2 million (or 55.8%) from US$192.2 million in FY2017 to US$299.4 million in FY2018 due mainly to higher contribution from all business segments, in particular, the offshore accommodation segment. In line with the increase in revenue, the Group recorded a gross profit of US$33.0 million in FY2018 as compared to a gross loss of US$13.4 million in FY2017.

In line with the higher revenue and gross profit in FY2018, the Group achieved higher EBITDA of US$53.8 million in FY2018. This was an increase of US$27.3 million (or 102.9%) over FY2017, resulting in a higher EBITDA margin of 18.0% in FY2018 compared to EBITDA of US$26.5 million and EBITDA margin of 13.8% in FY2017.

The Group's share of results from joint ventures was a loss of US$8.6 million in FY2018 compared to a profit of US$2.4 million in FY2017 due mainly to lower contribution from PTPL and partially offset by lower impairment of vessels.

The Group had much lower impairment of US$49.5 million in FY2018 compared to US$165.4 million FY2017. After deducting other operating expenses and interest expense, loss attributable to equity holders of the Company was much lower at US$98.3 million in FY2018 compared to US$230.3 million in FY2017.

9M2018 vs 9M2019

The Group's revenue decreased by US$24.4 million (or 10.4%) from US$233.4 million in 9M2018 to US$209.1 million in 9M2019 due the lower revenue contribution from the offshore accommodation segment despite higher revenue from other business segments. Gross profit decreased by US$6.5 million (or 17.1%) from US$37.8 million in 9M2018 to US$31.3 million in 9M2019. Gross profit margin for 9M2019 was also lower at 15.0% compared to 16.2% in 9M2018.

Share of results of joint ventures was a higher loss of US$4.2 million in 9M2019 compared to a loss of US$1.3 million in 9M2018.

As a result, EBITDA for 9M2019 was lower at US$48.2 million in 9M2019 compared to US$58.1 million in 9M2018.

In 9M2019, the Group recorded an impairment of US$25.4 million for its investment in PTPL and on its loan of US$14.4 million due from PTPL. These impairments were made in relation to the liquidation of PTPL, an agreement which the Company had with its joint venture partner to wind up PTPL. There was no such impairment in 9M2018.

After deducting other operating expenses and interest expense, loss attributable to equity holders of the Company was significantly higher at US$61.8 million in 9M2019 compared to a loss of US$18.3 million in 9M2018.

EBITDA (before and after impairment)

In computing EBITDA, besides excluding interest, tax, depreciation and amortisation from earnings, the Company had also excluded impairments ("**EBITDA Before Impairment**").

In FY2016, impairment amounted to US$310.1 million (comprising impairment of goodwill of US$111.2 million and impairment of fixed assets of US$199.0 million). In FY2017, impairment amounted to US$165.4 million (comprising impairment of goodwill of US$57.1 million and impairment of fixed assets of US$108.3 million) and in FY2018, impairment was lower at US$49.5 million (comprising only impairment of fixed assets). In 9M2019, the Group was also affected by significant one-off impairments on its investment in and loan to PTPL, totalling US$39.8 million. There was no such impairment in 9M2018.

On the basis that impairments are not excluded from the computation of EBITDA, the Company's EBITDA would have been much lower as the earnings of the Group were significantly affected by these impairments.

For comparison purposes, we have set out below a summary of the EBITDA Before Impairment and EBITDA of the Group for FY2016, FY2017, FY2018, 9M2018 and 9M2019:

(US$'000)	FY2016	FY2017	FY2018	9M2018	9M2019
EBITDA Before Impairment[(1)]	23,886	26,505	53,774	58,128	48,192
Impairments	(310,128)	(165,380)	(49,493)	-	(39,816)
EBITDA[(2)]	(286,242)	(138,875)	4,281	58,128	8,376

Notes:

(1) As per the disclosures in the financial highlights section in the Company's annual reports for FY2018 and the Company's press release for the results announcement for 9M2019; and

(2) Where EBITDA is computed without excluding impairments.

Historical earnings ratio implied by the Offer Price

*Price-earnings ratio ("**PER**")*

PER illustrates the valuation ratio of the current market value of a company's share relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of the company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

As illustrated above, the Group had incurred losses attributable to equity holders of the Company of US$98.3 million in FY2018 and US$61.8 million in 9M2019. As such, an evaluation on the valuation of the Company (implied by the Offer Price) which is based on the historical earnings approach would not be meaningful as the Group was loss-making based on the trailing 12 months period ("**T12M**").

*EV/EBITDA ratio ("**EV/EBITDA**")*

We have also considered analysing the financial performance of the Group based on its EBITDA Before Impairment for T12M, on the basis that the impairments incurred during the T12M period were one-off items, and the Group's latest financial information for 9M2019.

EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical pre-tax operating cash flow performance, without regard to the company's existing capital structure.

For the purpose of our analysis, enterprise value ("**EV**") is derived by taking the Company's market capitalisation implied by the Offer Price including the total amount payable by the Offeror pursuant to the Options Proposal as illustrated in Section 7.6 of this Letter, and adding back non-controlling interest, bank borrowings and deducting cash and cash equivalents; and EBITDA is derived based on EBITDA Before Impairment as mentioned above.

The EV of the Group implied by the Offer Price is US$1,047.8 million (S$1,424.0 million). The EBITDA Before Impairment for T12M was US$43.8 million (S$59.6 million). The Offer Price therefore values the Group on an EV/EBITDA ratio of **23.9 times**.

7.2.2 Financial Position of the Group

A summary of the audited statement of financial position of the Group as at 31 December 2018 and the unaudited statement of financial position of the Group as at 30 September 2019 is set out below:

US$'000	Audited as at 31 December 2018	Unaudited as at 30 September 2019
Non-current assets		
Fixed assets	1,004,629	964,363
Right-of-use assets	-	5,541
Intangible assets	597	367
Due from joint ventures	23,316	13,620
Interest in joint ventures	70,788	41,078
Receivables and other non-current assets	5,896	8,881
Deferred tax assets	-	136
Derivatives	10,197	1,025
	1,115,423	1,035,011

US$'000	Audited as at 31 December 2018	Unaudited as at 30 September 2019
Current assets		
Consumables	5,047	1,636
Receivables and other current assets	83,991	98,493
Due from subsidiaries and joint ventures	80,930	70,854
Due from related parties	91	594
Cash and cash equivalents	13,829	12,603
	183,888	184,180
Total assets	**1,299,311**	**1,219,191**
Non-current liabilities		
Bank borrowings	550,330	473,195
Lease liabilities	-	1,234
Derivatives	581	3,921
Deferred tax liabilities	12	-
	550,923	478,350
Current liabilities		
Payables and accruals	87,182	87,014
Advances received from customers	285	-
Due to subsidiaries and joint ventures	62,940	54,800
Due to related companies	2,020	597
Due to holding company	650	186
Bank borrowings	216,041	299,980
Lease liabilities	-	3,731
Provision for taxation	15,395	4,386
	384,513	450,694
Total liabilities	**935,436**	**929,044**
Equity attributable to holders of the Company	363,841	289,929
Non-controlling interests	34	218
Total equity	**363,875**	**290,147**

Net asset value ("NAV") of the Group (US$'000)	**363,841**	**289,929**
Net tangible assets ("NTA") of the Group (US$'000)	**363,244**	**289,562**
Number of issued Shares (excluding treasury shares) as at:		
- 31 December 2018	**1,812,640,400**	
- 30 September 2019		**1,814,219,400**
NAV per Share		
- US$	**0.2007**	**0.1598**
- S$(1)	**0.2728**	**0.2172**
NTA per Share		
- US$	**0.2004**	**0.1596**
- S$(1)	**0.2723**	**0.2169**

Source: *The Company's annual report for FY2018 and the unaudited financial statements of the Group for 9M2019*

Note:

(1) Based on the foreign exchange rate of US$1:S$1.3590 prevailing on the Offer Announcement Date.

As at 31 December 2018

Assets

The Group has total assets of US$1,299.3 million with fixed assets accounting for 90.1% of non-current assets and 77.3% of total assets. Other significant assets are interest in joint ventures (US$70.8 million representing 5.4% of total assets), receivables and other current assets (US$84.0 million representing 6.5% of total assets), and amount due from subsidiaries and joint ventures (US$80.9 million representing 6.2% of total assets).

Total fixed assets of the Group amounted to US$1,004.6 million as at 31 December 2018, of which US$996.4 million (99.2% of fixed assets) relate to the Group's vessels. During FY2018, the Group's vessels with an aggregate carrying value of US$487.2 million were mortgaged to secure the Group's term loans.

During FY2018, the Group carried out a review of the recoverable amount of its vessels and vessels under construction as there were indicators of impairment, such as oversupply of vessels. A net impairment amount of US$49.5 million on the vessels was recognised during FY2018.

As disclosed in the Company's annual report for FY2018, the recoverable amounts of the vessels were based on the higher of fair value less cost of disposal and value in use. The fair value less cost of disposal was determined by Clarkson, the independent Valuer. The market comparison method was adopted in deriving the valuations.

The value in use computations are used where discounted cash flows are prepared based on the remaining useful lives of vessels, with key assumptions relating to discount rates, vessel utilisation rates and charter rates. The pre-tax discount rate applied to value in use computations was 6.2% per annum. Vessel utilisation rates and charter rates are based on references to current trends and historical performances.

In connection with the Offer, the Company had also commissioned the Valuer to carry out an update of the independent valuation of these vessels as at 21 November 2019. Details of their valuation are set out below under the caption entitled "Independent valuation of the vessels".

Liabilities

As at 31 December 2018, the Group has total liabilities of US$935.4 million with bank borrowings accounting for 81.9% of total liabilities. Other significant liabilities are payables and accruals (US$87.2 million representing 9.3% of total liabilities) and amount due to subsidiaries and joint ventures (US$62.9 million representing 6.7% of total liabilities).

Of the total bank borrowings of US$766.4 million, US$216.0 million are classified as current liabilities and US$550.3 million as non-current liabilities.

The Group was in a net current liability position of US$200.6 million as its total current liabilities of US$384.5 million is more than the total current assets of US$183.9 million.

As disclosed in the Company's annual report for FY2018, the Directors are of the opinion that the Group will be able to generate sufficient cash flows from operations and, coupled with continued funding from lenders, has sufficient funding to meet its financial obligations as and when they fall due.

As such, the financial statements of the Group was prepared on a going concern basis.

Equity/NAV/NTA

Equity attributable to owners of the Company of US$363.8 million comprises mainly share capital of US$827.2 million and accumulated losses of US$471.6 million.

NAV per Share as at 31 December 2018 was US$0.2007 (S$0.2728) based on 1,812,640,400 issued Shares (excluding treasury shares) as at 31 December 2018.

After deducting intangible assets of US$0.6 million, the NTA of the Group is US$363.2 million as at 31 December 2018, representing NTA per Share of US$0.2004 (S$0.2723).

As at 30 September 2019

The profile of the statement of financial position of the Group as at 30 September 2019 is relatively similar to the financial position as at 31 December 2018 with fixed assets as the most significant asset of the Group, comprising mainly vessels. As at 30 September 2019, the Group operates 120 vessels, of which 84 vessels were held by the Group's wholly-owned subsidiaries and recorded under fixed assets. The remaining 36 vessels were held through the Group's joint venture entities.

Although non-current bank borrowings had decreased from US$550.3 million as at 31 December 2018 to US$473.2 million as at 30 September 2019, current bank borrowings had increased from US$216.0 million to US$300.0 million over the same period. As a result, the Group continued to remain in a net current liability position as at 30 September 2019.

As mentioned in Section 7.2.1 above, in 9M2019, the Group had recorded an impairment amount of US$25.4 million for its investment in PTPL and an impairment on the loan of US$14.4 million due from PTPL, in relation to the liquidation of PTPL. As a result, amount due from joint ventures and interest in joint ventures were lower as at 30 September 2019 compared to 31 December 2018.

As mentioned above, in connection with the Offer, the Company had commissioned the Valuer to carry out an update of the independent valuation of the Group's vessels as at 21 November 2019. Please see Section 7.2.3 below for further details under the caption "Independent valuation of the vessels".

In view of the losses of US$61.8 million incurred by the Group in 9M2019, the equity attributable to the holders of the Company as at 30 September 2019 was lower at US$289.9 million compared to US$363.8 million as at 31 December 2018. Equity attributable to the holders of the Company as at 30 September 2019 comprised paid up capital of US$827.2 million and negative reserves and accumulated losses totalling US$537.3 million.

The Group's NAV as at 30 September 2019 was US$289.9 million, representing NAV per Share of US$0.1598 (S$0.2172) based on 1,814,219,400 issued Shares (excluding 5,780,600 treasury shares) as at 30 September 2019.

After deducting intangible assets of US$0.4 million, the NTA of the Group is US$289.6 million as at 30 September 2019, representing NTA per Share of US$0.1596 (S$0.2169).

The Offer Price of S$0.2150 represents a discount of 1.0% and 0.9% to the NAV and NTA per Share as at 30 September 2019 respectively.

7.2.3 Independent valuation of the vessels

In connection with the Offer, the Group had commissioned the Valuer to carry out an updated desk-top valuation of the Group's fleet of 103 vessels as at 21 November 2019, being the

Valuation Date. A copy of Clarkson's valuation report dated 21 November 2019 is attached as Appendix III to the Circular.

As at 30 September 2019, the Group has a total fleet size of 120 vessels, of which 84 were held by its wholly-owned subsidiaries and 36 were held through its joint venture entities. As at the Valuation Date, the total fleet size was reduced to 103 vessels, of which the 84 vessels continued to be held through its wholly-owned subsidiaries and 19 through its joint venture entities, one of which became a wholly-owned subsidiary of the Group in October 2019. The reduction in fleet size of 17 vessels held through its joint venture entities (and former joint venture entity) was due to (a) liquidation of PTPL; and (b) distribution in specie of vessels to its joint venture partner in Pacific Workboats Pte Ltd ("**PWPL**") as explained further below.

The 84 vessels, which are wholly-owned by the Group, are recorded under fixed assets and have an aggregate net book value of US$951.3 million as at 30 September 2019. In summary, the Valuer had ascribed specific values for some of the vessels and valuation ranges for some of the other vessels. In aggregate, the market value for these 84 vessels ascribed by the Valuer ranges between US$890.2 million and US$1,031.2 million. Based on the specific values ascribed to those vessels and using the mid-point of the valuation ranges of those other relevant vessels, the aggregate valuation of these 84 vessels amounted to US$960.7 million. Compared to the net book value of these vessels of US$951.3 million as at 30 September 2019, the independent valuation of these 84 vessels would result in an overall net valuation surplus of US$9.4 million.

PTPL and PWPL

(1) On 24 October 2019, the Company announced that the shareholders of PTPL has resolved that PTPL be wound up by way of creditors' voluntary winding up. The Company had fully impaired its investment in PTPL and its loan due from PTPL as at 30 September 2019. Accordingly, the 9 vessels held by PTPL were no longer owned by the joint venture entities as at the Valuation Date; and

(2) On 9 October 2019, the Company announced the proposed acquisition of the remaining 50% equity stake of PWPL from its joint venture partner, which was conditional upon, amongst others, a dividend distribution in specie (primarily vessels) by PWPL to its shareholders. The Company had informed us that as a result of the distribution in specie, 8 vessels held by PWPL were transferred to its joint venture partner while PWPL holds the remaining 11 vessels. The acquisition was completed on 23 October 2019 and PWPL became a wholly-owned subsidiary of the Company thereafter. The aggregate market value for these 11 vessels ascribed by the Valuer ranges between US$34.5 million and US$40.0 million. Using the mid-point of the respective valuation range of each of these vessels, the aggregate valuation of these 11 vessels amounted to US$37.3 million. Compared to the net book value of these vessels of US$34.3 million as at 30 September 2019, the independent valuation of these 11 vessels would result in an overall net valuation surplus of US$3.0 million.

Following from the above, as at the Valuation Date, the Group's fleet of vessels are as follows:

(i) 95 vessels are held by the Group's wholly-owned subsidiaries;
(ii) 1 vessel is held by the Group's 50%-owned joint venture entity; and
(iii) 7 vessels are held by the Group's 49%-owned joint venture entities.

Valuation methodology

The Valuer has prepared the valuation of the vessels by (i) collating shipbrokers' price estimates and/or ideas and market knowledge (ii) then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on their database, information

in relevant works of reference in their possession and particulars given to them for the preparation of the valuation.

Salient information in the Valuation Report

The following are salient information from the Valuation Report:

- The Valuer has not physically inspected the Vessels nor inspected their classification records. They have assumed that the Vessels are in good and seaworthy condition and would be delivered free from all debts, registered encumbrances and maritime liens.

- The valuation are approximate market values as at 21 November 2019 on the basis of prompt charterfree delivery, as between a willing seller and a willing buyer for cash payment under normal commercial terms.

- There is a relative lack of liquidity in the sale and purchase market for offshore vessels and information on comparable sale and purchase transactions and market demand has, where available, been very limited or not available. In addition, the oil price change and reduction in E&P (*exploration and production*) spending has made the assessment of values more uncertain. This has resulted in a widening of the spread in price ideas and larger than normal confidence limits applying to the valuation.

- The vessels have been valued individually. If two or more ships were to be placed on the market at the same time, no assurance may be given that the amount realisable would be equal to the total of the individual values.

The Valuer had also requested for the following statements to be included in this section of our Letter:

"The vessels were valued by the Valuer as at 21 November 2019 and are not a guide to the market values of the vessels at any other point in time. Market values in the offshore industry can be volatile. The valuation was provided on the basis of charterfree delivery, as between a willing buyer, willing seller and is based on recent transactions, negotiations and broker's market knowledge. No physical inspection or examination of the vessels' classification records was performed prior to the valuation of the vessels and the vessels were assumed to be in good and seaworthy condition by the Valuer. For the full terms and methodology of the Valuer, please see their valuation certificates which are reproduced in full in Appendix III to the Circular. The full valuation report by the Valuer will be available for inspection. There can be no assurance that the valuations prepared by the Valuer reflect the true value of the vessels, or that other independent valuers would have arrived at the same valuation."

A summary of the valuation surplus/(deficit) arising from the independent valuation of the Group's vessels as at 21 November 2019 is set out below:

The Group's fleet of vessels as at Valuation Date	**Net book value as at 30 September 2019 (US$)**[(1)]	**Market value as at 21 November 2019**[(2)] **(US$)**	**Share of the valuation surplus /(deficit) attributable to the Group (US$)**
95 vessels held through wholly-owned subsidiaries of the Group	985,624,051	997,985,000	12,360,949[(3)]

The Group's fleet of vessels as at Valuation Date	Net book value as at 30 September 2019 (US$)[1]	Market value as at 21 November 2019[2] (US$)	Share of the valuation surplus /(deficit) attributable to the Group (US$)
1 vessel held through the Group's 50%-owned joint venture entity	11,422,801	11,000,000	(211,400)
7 vessels held through the Group's 49%-owned joint venture entities	29,737,711	25,350,000	(2,149,978)[4]
Total	**1,026,784,563**	**1,034,335,000**	**9,999,571**

Source: *Valuation Report and the Company*

Notes:

(1) The results announcement for 9M2019 is the latest publicly available financial results of the Group as at the Latest Practicable Date;

(2) In cases where the Valuer had ascribed a valuation range for the vessels, we have used the mid-point of the respective valuation range of these vessels in computing the valuation surplus/(deficit).

The aggregate market value of the 95 vessels that are held through wholly-owned subsidiaries of the Group ranges between US$924.7 million and US$1,071.2 million; the market value of the 1 vessel held through the Group's 50%-owned joint venture entity ranges between US$9.0 million and US$13.0 million; and the aggregate market value of the 7 vessels held through the Group's 49%-owned joint venture entities ranges between US$21.2 million and US$29.6 million;

(3) The net valuation surplus of US$12,360,949 was arrived at based on the aggregate valuation surplus of US$57,056,091 and off-set by the aggregate valuation deficit of US$44,695,142; and

(4) The net valuation deficit attributable to the Group of US$2,149,978 was arrived at based on the aggregate valuation deficit attributable to the Group of US$2,416,809 and off-set by the aggregate valuation surplus attributable to the Group of US$266,831.

According to the Company's accounting policies, the vessels are recorded as fixed assets and measured at cost less accumulated depreciation and any accumulated impairment losses. However, the Company has informed us that valuation surpluses arising from the valuation exercise will not be recognised in the financial statements of the Group in accordance with the Company's accounting policies. The Company had in its results announcement for 9M2019 made certain commentaries in relation to, amongst others, the potential impairment on its vessels which may affect materially and adversely the results of the Group for FY2019.

For the purpose of our evaluation of the Offer and assessing the revalued NAV of the Group, we have taken into consideration both the valuation surpluses and valuation deficits. Overall, the valuation of the vessels had resulted in a net valuation surplus amounting to US$10.0 million. In assessing the above valuation surplus, we have also considered whether there is any potential tax liability which could arise on the sale of these vessels in a hypothetical scenario for the purpose of Rule 26.3 of the Code. Management is of the view that there will not be any potential tax liabilities if the vessels are sold.

7.2.4 Revalued NAV ("RNAV") of the Group

After taking into account the net valuation surplus arising from the valuation of the vessels, the RNAV per Share as at 30 September 2019 is computed as follow:

	(US$'000)	Per Share[(1)] (US$)	Per Share[(1)] (S$ equivalent)
Unaudited NAV of the Group as at 30 September 2019	289,929	0.1598	0.2172
Add: Net valuation surplus arising from the independent valuation of the vessels	10,000	0.0055	0.0075
RNAV of the Group as at 30 September 2019	299,929	0.1653	0.2247

Note:

(1) Based on 1,814,219,400 issued Shares (excluding treasury shares).

Based on the above, the RNAV per Share is 3.4% higher than the NAV per Share as at 30 September 2019.

Price-to-RNAV ("**P/RNAV**") ratio implied by the Offer Price

The net asset backing of the Group is measured by its NAV, NTA or revalued NAV, revalued NTA value.

The NAV based valuation approach provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

The NAV based valuation approach shows the extent to which the value of each Share is backed by the Group's net assets.

The Group has insignificant intangible assets. Accordingly, the NTA of the Group is close to the NAV of the Group as at 30 September 2019.

As the Group is asset heavy with significant holdings of vessels, the RNAV valuation approach is appropriate in assessing the valuation of the Group implied by the Offer Price. In connection with the Offer, we have therefore evaluated the Offer against the RNAV per Share after taking into consideration the independent valuation of the Group's vessels as at 21 November 2019.

As set out above, the RNAV of the Group is 3.4% above the NAV of the Group as at 30 September 2019.

The P/RNAV ratio implied by the Offer Price is **0.96 times**, that is, the Offer Price is at a discount of 4.3% to the RNAV per Share.

We have used the P/RNAV of 1.0 time (rounding to one decimal place) for the purpose of evaluating the Offer against the Precedent Privatisation Transactions and Comparable Peer Companies as defined below.

Confirmation by the Company

Besides the valuation of the Group's vessels, in our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 30 September 2019, and whether there are any factors which have not been

otherwise disclosed in the financial statements of the Group that are likely to impact the NAV as at 30 September 2019.

In respect of the above, the Board of Directors and the Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, and save for the announcements made by the Company since 30 September 2019 to the Latest Practicable Date:

(a) there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 September 2019 which would have a material impact on the NAV of the Group;

(b) other than that already provided for or disclosed in the Group's financial statements as at 30 September 2019, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;

(c) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;

(d) there are no intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have a material impact on the overall financial position of the Group; and

(e) there are no material acquisitions and disposals of assets by the Group between 30 September 2019 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

7.3 Comparison with recently completed privatisation of companies listed on the SGX-ST

The intention of the Offeror is to delist the Company from the SGX-ST *via* the Offer and, if and when entitled, it will also exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to privatise the Company.

In assessing the reasonableness of the Offer Price in light of the above stated intention of the Offeror, we have compared the financial terms of the Offer with those of the selected successful privatisation of companies listed on the SGX-ST (excluding real estate investment trusts and business trusts) that were announced since January 2018 and up to the Latest Practicable Date, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, offers being made by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offeror has stated its intention to delist the listed company from the SGX-ST ("**Precedent Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

(a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month and 3-month periods prior to the announcement of the Precedent Privatisation Transactions; and

(b) the premium or discount represented by each of the respective offer prices to the NAV or NTA of the respective target companies. We note that certain transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values. In this respect, we have compared the offer price with the revalued NAV, revalued NTA or adjusted NAV or NTA of the Precedent Privatisation Transactions, where applicable.

We wish to highlight that the target companies listed in the Precedent Privatisation Transactions as set out in the analysis below may not be directly comparable to the Group in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular privatisation transaction varies in different specific circumstances depending on, *inter alia*, factors such as the intention of the offeror, the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Precedent Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

			Premium/(Discount) of Offer Price over/(to)			
Name of company	**Sector**	**Date of announce-ment**	**Last transacted price prior to announce-ment (%)**	**1 month VWAP prior to announce-ment (%)**	**3 month VWAP prior to announce-ment (%)**	**P/NAV (times)**
Tat Hong Holdings Limited	Rental and sale of cranes	11 Jan 2018	42.9[21]	47.5[21]	49.1[21]	0.7[1]
Lee Metal Group Ltd	Supplies and import reinforcement steel bars and steel plates as well as fabricates and manufactures cut-and-bend reinforcement steel bars and steel welded mesh	21 Feb 2018	9.1[22]	14.1[22]	21.4[22]	1.0[2]
Wheelock Properties (Singapore) Limited	Property development	19 Jul 2018	20.7	29.0	22.7	0.8[3]
LTC Corporation Limited	Steel trading, property development, property rental and retail operations	07 Sep 2018	(1.1)	1.3	2.2	0.5[4]
M1 Limited	Telecommunication	27 Sep 2018	26.3	29.9	29.1	3.9[5][20]
Keppel Telecommunications & Transportation Ltd	Air freight and logistic	27 Sep 2018	40.4	39.5	34.9	1.2[6]
Cityneon Holdings Limited	Interior architecture	29 Oct 2018	3.2	6.9	11.9	4.5[7][20]
PCI Limited	Electronics manufacturing services	04 Jan 2019	27.9[23]	44.0[23]	47.2[23]	2.0[8]
DeClout Limited	Investment holding, strategic management and corporate shared services	07 Jan 2019	62.5[24]	66.7[24]	66.7[24]	1.3[9]
Courts Asia Limited	Electrical, IT and furniture retailer	18 Jan 2019	34.9	35.8	34.0	0.6[10]
Kingboard Copper Foil Holdings Limited	Manufacture and trading of polyvinyl butyral and related products and licensing business	04 Apr 2019	11.3	16.1	25.3	0.9[11]
800 Super Holdings Limited	Environmental services provider	06 May 2019	16.1	30.8	31.2	1.8[12]

Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over/(to) Last transacted price prior to announcement (%)	1 month VWAP prior to announcement (%)	3 month VWAP prior to announcement (%)	P/NAV (times)
Memtech International Ltd.	Precision components manufacturing, providing high-tech solutions to the automotive, consumer electronics, telecommunications, industrial and medical industries	14 May 2019	23.9	31.5	31.6	1.1[13]
Boardroom Limited	Providers of corporate secretarial, share registry, business solutions and advisory (accounting, taxation and payroll) services	15 May 2019	14.3	18.9	16.1	2.0[14]
Hupsteel Limited	Trading in industrial steel products and investment holding	28 Jun 2019	51.9	58.3	58.6	0.6[15]
Delong Holdings Limited	Manufacture and sale of steel products	29 Jul 2019	16.5	18.6	19.0	0.6[16]
Star Pharmaceutical Holdings Limited	Manufacturing and sales of both western and TCM-formulated prescription drugs	05 Aug 2019	157.1[20]	160.1[20]	176.1[20]	0.7[17]
PS Group Holdings Ltd.	Supplier of quality fasteners	20 Aug 2019	195.0[20]	266.7[20]	267.5[20]	0.6[18]
San Teh Ltd	Property development and investment, hotel, and PVC pipes and fittings businesses	05 Sep 2019	81.8	90.5	83.0	0.4[19]
High			195.0	266.7	267.5	4.5
Low			(1.1)	1.3	2.2	0.4
Mean			28.4	34.1	34.4	1.0
Median			23.9	30.8	31.2	0.8
Company (implied by the Offer Price)		**4 Nov 2019**	**69.3**	**99.4**	**93.0**	**1.0 (based on RNAV as at 30 Sep 2019)**

Source: *SGX-ST announcements and circulars to shareholders in relation to the Precedent Privatisation Transactions*

Notes:

(1) Based on the NAV per share of Tat Hong Holdings Limited as at 31 December 2017;

(2) Based on the revalued NAV per share of the Lee Metal Group Ltd as at 31 March 2018;

(3) Based on the revalued NAV per share of Wheelock Properties (Singapore) Limited as at 30 June 2018;

(4) Based on the revalued NAV per share of LTC Corporation Limited as at 30 June 2018;

(5) Based on the NAV per share of M1 Limited as at 30 September 2018;

(6) Based on the NAV per share of Keppel Telecommunications & Transportation Ltd as at 30 June 2018;

(7) Based on the NAV per share of Cityneon Holdings Limited as at 30 September 2018;

(8) Based on the NTA per share of PCI Limited as at 31 December 2018;

(9) Based on the pro forma NTA per share of DeClout Limited as at 30 September 2018;

(10) Based on the NAV per share of Courts Asia Limited as at 31 December 2018;

(11) Based on the revalued NTA per share of Kingboard Copper Foil Holdings Limited as at 31 December 2018;

(12) Based on the NAV per Share of 800 Super Holdings Limited as at 31 March 2019;

(13) Based on the NAV per share of Memtech International Ltd. as at 31 March 2019;

(14) Based on the adjusted NAV per share of Boardroom Limited as at 31 March 2019;

(15) Based on the revalued NAV per share of Hupsteel Limited as at 31 March 2019;

(16) Based on the NAV per share of Delong Holdings Limited as at 30 June 2019;

(17) Based on the revalued NTA per share of Star Pharmaceutical Holdings Limited as at 30 June 2019;

(18) Based on the revalued NAV per share of PS Group Holdings Ltd. as at 30 June 2019;

(19) Based on the revalued NAV per share of San Teh Ltd as at 30 June 2019;

(20) Excluded as statistical outlier in the mean and median computations;

(21) The benchmark VWAP share prices of Tat Hong Holdings Limited to compute the premium of the revised offer price to market share prices were based on 20 September 2017, being the last full trading day prior to the holding announcement date, instead of the offer announcement date;

(22) The benchmark VWAP share prices of Lee Metal Group Ltd used by the IFA to compute the premium of the offer price to market share prices were based on 10 November 2017, being the last full trading day prior to the holding announcement date, instead of the offer announcement date;

(23) The benchmark VWAP share prices of PCI Limited used by the IFA to compute the premium of the scheme consideration to market share prices were based on 17 September 2018, being the last full trading day prior to the holding announcement date, instead of the offer announcement date;

(24) The benchmark VWAP share prices of DeClout Limited used by the IFA to compute the premium of the offer price to market share prices were based on 6 September 2018, being the last full trading day prior to the holding announcement date, instead of the offer announcement date; and

(25) We have excluded the statistics of the takeover offer for Raffles United Holdings Ltd ("**RUHL**") announced on 1 July 2019 as the IFA had opined that the offer was not fair and not reasonable. Notwithstanding the IFA opinion, the offeror had received acceptances of the offer which enabled it and its concert parties to increase their shareholding interests in RUHL from 86% to more than 90%. The shares of RUHL was subsequently suspended as its free float had fallen below the minimum public float requirement. On 25 October 2019, the concert party of the offeror ("**GATXH**") launched another takeover offer for RUHL. On 11 November 2019, GATXH announced that it is entitled to exercise the right of compulsory acquisition of RUHL and on 15 November 2019, it gave notice of the compulsory acquisition. As at the Latest Practicable Date, the offer for RUHL is on-going and expected to close on 9 December 2019.

Based on the above, we note that:

(a) The premia implied by the Offer Price over the last transacted price, VWAP for the 1-month period and 3-month period prior to the Offer Announcement Date are within the range, and higher than the mean and median of the corresponding premia of the Precedent Privatisation Transactions;

(b) The P/RNAV of 1.0 time implied by the Offer Price is within the range, at the mean and higher than the median of the corresponding P/NAV ratios of the Precedent Privatisation Transactions.

Shareholders should also note that the above comparison with the Precedent Privatisation Transactions is purely for illustrative purposes only.

7.4 Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group

The Group provides a diverse range of offshore support vessels to service the offshore oil and gas exploration and production activities, and its operations are international in nature. For the purpose of assessing the Offer Price, we have also made a comparison against the valuation

ratios of selected companies listed on the SGX-ST and various overseas stock exchanges that are principally engaged in businesses that can be considered as broad proxies to the Group ("**Comparable Peer Companies**"). For a more meaningful comparison, we have selected Comparable Peer Companies with a market capitalisation of at least S$100 million as at the Offer Announcement Date.

We have had discussions with Management about the suitability and reasonableness of the selected Comparable Peer Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Peer Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the selected Comparable Peer Companies with respect to the values for which the assets, revenue or cost are recorded may differ from that of the Group.

We wish to highlight that the selected Comparable Peer Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable with the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Peer Companies. Therefore, any comparison made serves only as an illustrative guide.

A brief description of the selected Comparable Peer Companies, as extracted from Bloomberg L.P. is set out below:

Name	Principal business
Listed on SGX-ST	
Mermaid Maritime PCL ("**Mermaid**")	Mermaid is a provider of drilling and sub-sea engineering services for the offshore oil and gas industry. The company's sub-sea engineering division services clients in South East Asia, India, China, Sakhlin, the North Sea, the Middle East and South America.
Listed on Oslo Stock Exchange ("OSE")	
Siem Offshore Inc ("**Siem**")	Siem offers services to the offshore oil industry. The company operates supply vessels.
Listed on the New York Stock Exchange ("NYSE")	
Tidewater Inc ("**Tidewater**")	Tidewater provides offshore supply vessels and marine support services to the offshore energy exploration, development, and production industry. The company tows and anchor-handles mobile drilling rigs and equipment, transports supplies and personnel, and supports pipe laying and other offshore construction activities.
SEACOR Marine Holdings Inc ("**SEACOR**")	SEACOR operates a fleet of offshore marine support vessels. The company offers crew transportation, platform supply, offshore accommodation, maintenance support, standby safety, and anchor handling and mooring services. SEACOR serves the offshore oil and gas exploration and production industry.
Listed on Bursa Malaysia	
Bumi Armada Bhd ("**Bumi Armada**")	Bumi Armada is an international offshore services provider to the oil and gas industry in Malaysia and other countries in Asia. The company owns and operates offshore support vessels to provide support for exploration, development and production activities in the offshore O&G industry.

Name	Principal business
Coastal Contracts Bhd ("**Coastal Contracts**")	Coastal Contracts is an investment holding company. The company, through its subsidiaries, provides fabrication and sale of marine transportation vessels, property letting, ship repairs and maintenance, sub-contract services, vessel chartering, tugboat and barge transportation, equipment hiring, as well as barge hiring and leasing services.
Listed on Australian Securities Exchange ("ASX")	
MMA Offshore Ltd ("**MMA Offshore**")	MMA Offshore provides diversified marine services. The company operates mainly in the Dampier and North West Shelf in Western Australia and also in the Northern Territory. MMA Offshore operates crew vessel charters, vessel manning, management and logistics along with operating supply base facilities.

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the selected Comparable Peer Companies using the following metrics:

(i) The EV/EBITDA ratio which illustrates the ratio of the market value of a company's business relative to its historical pre-tax operating cash flow performance, without regard to the company's existing capital structure; and

(ii) The P/NAV ratio or NAV approach to show the extent to which the value of each share is backed by its net assets. The NAV approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities of the group.

Comparable Peer Companies	Last financial year-end	Market capitalisation as at the Offer Announcement Date ('million)	EV/EBITDA[2][3] (times)	Historical P/NAV ratio[4] (times)
Listed on SGX-ST				
Mermaid	31 Dec 2018	S$111.7	69.0[5]	0.3
Listed on OSE				
Siem	31 Dec 2018	NOK1,055.1 (equivalent to S$156.8[1])	9.9	0.3
Listed on NYSE				
Tidewater	31 Dec 2018	US$670.6 (equivalent to S$911.4[1])	21.0	0.6
SEACOR	31 Dec 2018	US$300.1 (equivalent to S$407.9[1])	30.4	0.6
Listed on Bursa Malaysia				
Bumi Armada	31 Dec 2018	MYR2,644.4 (equivalent to S$864.1[1])	17.1	0.8
Coastal Contracts	30 Jun 2019	MYR601.6 (equivalent to S$196.6[1])	5.9	0.5

Comparable Peer Companies	Last financial year-end	Market capitalisation as at the Offer Announcement Date ('million)	EV/EBITDA[2][3] (times)	Historical P/NAV ratio[4] (times)
Listed on ASX				
MMA Offshore	30 Jun 2019	AUD154.5 (equivalent to S$144.5[1])	12.6	0.5
High			69.0	0.8
Low			5.9	0.3
Mean			16.1	0.5
Median			14.8	0.5
The Group (implied by the Offer Price)	**31 Dec 2018**	**S$390.1**	**23.9**	**1.0 (based on RNAV as at 30 Sep 2019)**

***Source**: Bloomberg L.P., annual reports and financial information of the Comparable Peer Companies*

Notes:

(1) Based on the exchange rates of S$1.00:NOK6.729, US$1.00:S$1.3590, S$1.00:MYR3.0605, S$1.00:AUD1.069 as at the Offer Announcement Date and the last transacted share prices of the respective Comparable Peer Companies as at the Offer Announcement Date, as extracted from Bloomberg L.P.;

(2) The EV of the respective Comparable Peer Companies were computed based on (a) their market capitalisations as at the Latest Practicable Date as extracted from Bloomberg L.P.; and (b) their preferred equity, minority interests and net debt (if any), as set out in their respective latest available financial results as at the Latest Practicable Date;

(3) Based on the respective latest published full year EBITDA or their T12M EBITDA as at the Offer Announcement Date and adjusted for exceptional items, where applicable;

(4) The historical P/NAV ratios of the Comparable Peer Companies were computed based on (a) their respective NAV values as set out in their latest available published financial statements; and (b) their market capitalisations as at the Offer Announcement Date; and

(5) Excluded as statistical outlier for the computation of mean and median.

Based on the above, we note that:

(a) The EV/EBITDA ratio of the Group of 23.9 times implied by the Offer Price is within the range and higher than the mean and median of the EV/EBITDA ratios of the Comparable Peer Companies; and

(b) The historical P/RNAV ratio of the Group of 1.0 time implied by the Offer Price is higher than the upper end of the range of the P/NAV ratios and hence, significantly higher than the mean and median of the P/NAV ratios of the Comparable Peer Companies.

Shareholders should also note that the above comparison with the Comparable Peer Companies is purely for illustrative purposes only.

7.5 Dividend track record of the Company

We note that since the listing of the Company on the SGX-ST in April 2014, the Company had paid dividend to its Shareholders in respect of the financial years ended 31 December 2014 and 2015. However, the Company had not declared or paid any dividend to its Shareholders with respect to the last 3 financial years ended 31 December 2016, 2017 and 2018.

The Company does not have a formal dividend policy. The Company had disclosed in its annual reports that it pays dividends out of profits available for distribution and when there is sufficient cash available after taking into consideration the operating requirement and capital commitment of the Group.

We note that the Group had reported losses after tax in the last 4 financial years since 2015. In the Company's annual reports for FY2017 and FY2018, the Company had disclosed that in light of its financial performance, and cash preservation and financing of operations being key considerations, the Board had not proposed any dividend for these 2 financial years. In addition, the Company has represented that its inability to declare dividends are primarily due to loss making and the Group has negative retained earnings which prohibited the Company to declare dividends.

As at the Latest Practicable Date, the Company has not made or declared any interim dividend or other distribution for 9M2019. Based on the financial statements of the Company and the Group as at 30 September 2019, the Company and the Group had negative reserves and the Group had reported losses for the period.

7.6 Options Proposal

As at the Latest Practicable Date, there are 1,895,000 outstanding POSH Options. Under the rules of the POSH SOP, the outstanding POSH Options are personal to the holders of the outstanding POSH Options and are not transferable. In view of this restriction, the Offeror will not make an offer to acquire the outstanding POSH Options. Instead, the Offeror has made the Options Proposal to the Optionholders.

Set out below are the salient terms of the Options Proposal and our evaluation and opinion on the Option Proposal.

7.6.1 Salient terms of the Options Proposal

The Options Proposal is subject to (i) the Offer becoming or being declared to be unconditional in all respects in accordance with its terms; and (ii) the relevant POSH Options continuing to be exercisable into new Shares.

Pursuant to the Options Proposal, the Offeror will pay to the Optionholder to pay a cash amount ("**Options Price**") in consideration of each such Optionholder agreeing:

(i) not to exercise all or any of the POSH Options held by him in respect of which he has accepted the Options Proposal ("**Relevant Options**") into new Shares; and

(ii) not to exercise all or any of his rights as holder of the Relevant Options,

in each case from the date of acceptance of the Options Proposal to the dates of expiry of the respective Relevant Options.

If the Offer lapses or is withdrawn, the Options Proposal will lapse accordingly.

Further, if the Relevant Options cease to be exercisable into new Shares, the Options Proposal in relation to such Relevant Options that cease to be exercisable in to new Shares will also lapse.

For the avoidance of doubt, the Options Proposal is extended to all POSH Options, whether or not such POSH Options have become exercisable under the terms of POSH SOP.

Options Price

The Options Price is calculated on a "see-through" basis. In other words, the Options Price for a POSH Option will be the amount by which the Offer Price exceeds the subscription price of that POSH Option. If, however, the subscription price of any POSH Option is equal or more than the Offer Price, the Options Price for each POSH Option will be the nominal amount of S$0.001.

Offer and Options Proposal are mutually exclusive

For the avoidance of doubt, whilst the Options Proposal is conditional upon the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Offer and the Options Proposal are separate and are mutually exclusive, such that the Options Proposal does not form part of the Offer, and *vice versa*. Without prejudice to the foregoing, if Optionholders exercise their POSH Options in order to accept the Offer in respect of the new Shares to be issued or delivered pursuant to such exercise, they may not accept the Options Proposal in respect of such POSH Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their POSH Options, they may not exercise those POSH Options to accept the Offer in respect of the new Shares or treasury shares issued or delivered pursuant to such exercise.

7.6.2 Our evaluation on the Option Proposal

As disclosed in Section 5 of this Letter, there are 2 batches of POSH Options: one batch of options (comprising 1,152,000 POSH Options) which are exercisable at the exercise price of S$0.343 and which are considered as "out-of-money" options with respect to the Offer; and another batch of options (comprising 743,000 POSH Options) which are exercisable at the exercise price of S$0.1943 and which are considered as "in-the-money" options with respect to the Offer.

As the Options Price is calculated on a "see-through" basis, in the case of the POSH Options which are "in-the-money", Optionholders who hold such POSH Options would receive a cash consideration equivalent to S$0.0207 for each POSH Option, calculated as the difference between the Offer Price and the exercise price of S$0.1943. Hence, the consideration that such Optionholder would receive from accepting the Options Proposal would be the same as if the Optionholder were to exercise the POSH Options into new Shares and accept the Offer in respect of the new Shares. Accordingly, the Options Proposal is in compliance with Rule 19 of the Code.

Our evaluation of and recommendation on the Offer as set out in this Letter is also applicable to the above Optionholders. Please refer to Section 8 of this Letter on our recommendation on the Offer.

In the case of the POSH Options which are "out-of-money", technically, there is no intrinsic value in relation to the Offer Price.

Pursuant to the POSH SOP, in the event the Offer becomes unconditional in all respects, the POSH Options will, *inter alia*, lapse and become null and void on the earlier of: (a) the expiry of six months thereafter; or (b) the date of expiry of the exercise period of the POSH Options. In

addition, if during such period, the Offeror becomes entitled to or gives notice to the Optionholders that it intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act on a specified date, any unexercised POSH Options will lapse on such specified date or the date of expiry of the exercise period of the POSH Options, whichever is earlier.

Hence, holders of such "out-of-money" POSH Options should accept the nominal Options Price of S$0.001 for each such POSH Option offered by the Offeror.

Accordingly, we advise the Recommending Directors to recommend Optionholders to **accept** the Options Proposal.

Optionholders should take note of the closing date for the acceptance of the Options Proposal as set out in the Options Proposal Letter.

7.7 Other relevant considerations relating to the Offer

7.7.1 No increase in Offer Price

The Offeror has given notice that the Offer Price is final and will not be increased.

Shareholders should therefore note that the Offer Price of S$0.215 per Share is final and will not be revised.

7.7.2 Likelihood of competing offer is remote

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer made by the Offeror, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative or competing offer for the Shares from any third party since the Offer Announcement Date and up to the Latest Practicable Date.

In view that the Offeror has received Irrevocable Undertakings from the Undertaking Shareholders to accept the Offer in respect of all their Shares, the likelihood of a competing offer from any third party is remote. As at the Latest Practicable Date, the Undertaking Shareholders hold, in aggregate, 1,470,847,921 Shares, representing 81.07% of the total number of issued Shares.

In addition, besides the Undertaking Shareholders, parties deemed acting in concert with the Offeror and who are not Undertaking Shareholders hold, in aggregate, approximately 3.01% of the total number of issued Shares.

7.7.3 High Acceptance Condition of 90% in respect of the Offer, compulsory acquisition and the Offeror's intention regarding the listing status of the Company

The Offer is presently made subject to the high Acceptance Condition of 90% as it is the Offeror's intention to privatize and delist the Company from the SGX-ST.

In the event that pursuant to the Offer and Section 215(1) of the Companies Act, the Offeror acquires 90% or more of the number of Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document), the Offeror is entitled to and it has expressed its intention to exercise its right to compulsorily acquire all the remaining Shares held by Shareholders who have not accepted the Offer, at the Offer Price. The Company will then become a wholly-owned subsidiary of the Offeror. The Offeror will then proceed to delist the Company from the SGX-ST.

Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares at the Offer Price, Shareholders who have not accepted the Offer will have the right to require the Offeror to acquire their Shares at the Offer Price. Shareholders who have not accepted the Offer and who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

Notwithstanding the present status of the high Acceptance Condition of 90%, the Offeror has stated in the Offer Document that it reserves the right to waive the Acceptance Condition or reduce such condition to a level below 90% (but in any event above 50%), subject to the consent of the SIC. In the event that the Acceptance Condition is revised to a lower level and the Offeror does not own 90% or more of the total number of issued Shares at the close of the Offer, the Offeror will not be entitled to exercise its right of compulsory acquisition pursuant to Section 215(1) of the Companies Act, to privatize and delist the Company from the SGX-ST.

Aside from the above, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90% of the Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST at the close of the Offer. Given the intention of the Offeror to privatize and delist the Company from the SGX-ST, in the event that the Company does not meet the free float requirement under Rule 723 of the Listing Manual as at the close of the Offer and the SGX-ST suspends trading of the Shares, the Offeror has also stated in the Offer Document that the Offeror and the Kuok Offeror Group do not intend to support any action by the Company to meet the free float requirement or maintain the present listing status of the Company. Accordingly, the Offeror does not intend to place out any Shares held by the Offeror to members of the public to meet the free float requirement.

The Offeror also reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code.

7.7.4 No transaction cost to be incurred by Shareholders

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without incurring any transaction cost as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage or other trading costs.

7.7.5 Commentary by the Company in its unaudited results announcement for 9M2019

The Company had made certain commentaries in relation to its business outlook in its results announcement for 9M2019. The following are extracts of some of the commentaries for your information. However, these should be read in conjunction with and in the context of the Company's results announcement for 9M2019.

Core Business Update

"POSH continues to see growth opportunities in select overseas markets despite the continued oversupply in the OSV sector."

"Notwithstanding, due to continued oversupply putting pressure on utilisation and charter rates, the Group expects the fleet to be further impaired by year end. The impairment amount has yet to be determined and we believe it to be a lesser extent than previous year, but it is expected to materially impact negatively the results of Q4 2019 and FY2019."

New Business Update

"The Group's new businesses continued to see sustained growth momentum."

"Taken together, the new contracts won by POSH across its core and new businesses amount to US$130 million."

Shareholders should take note of any update announcements on the business outlook of the Group after the Latest Practicable Date which may be relevant to their consideration of the Offer, in particular the expected impairment on its vessels which is expected to affect materially and adversely the results of the Group for FY2019.

8. OUR RECOMMENDATION TO THE RECOMMENDING DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we considered to be pertinent in our assessment of the Offer:

(a) Historical share price performance and trading activity of the Shares;

(b) Financial analysis of the Group;

(c) Comparison with recently completed privatisation of companies listed on the SGX-ST;

(d) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;

(e) Dividend track record of the Company;

(f) Options Proposal; and

(g) Other relevant considerations relating to the Offer.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall we are of the view that the financial terms of the Offer are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend Shareholders to ACCEPT the Offer.

In rendering the above advice, we have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. The Recommending Directors should advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Our recommendation is addressed to the Recommending Directors for their benefit, in connection with and for the purposes of their consideration of the Offer and may not be used or relied on for any other purposes (other than for the purpose of the Offer) without the prior written consent of Provenance Capital. The recommendation to be made by the Recommending Directors to Shareholders in respect of the Offer shall remain the responsibility of the Recommending Directors.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX II
ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr Kuok Khoon Ean	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Chairman and Non-Executive Director
Mr Lee Keng Lin	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Chief Executive Officer and Executive Director
Mr Seow Kang Hoe, Gerald	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Non-Executive Director
Ms Yong Hsin Yue	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Non-Executive Director
Dato' Jude Philomen Benny	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Lead Independent Director
Mr Ma Kah Woh	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Independent Director
Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Independent Director
Mr Wee Joo Yeow	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 237994	Independent Director
Mr Ivan Replumaz	c/o 1 Kim Seng Promenade #07-02 Great World City Singapore 23799	Independent Director

2. DESCRIPTION OF THE COMPANY

The Company was incorporated in Singapore on 7 March 2006 and listed on the Main Board of the SGX-ST on 25 April 2014.

POSH (together with its subsidiaries) is a leading offshore marine services provider whose fleet of offshore vessels service multiple segments of the offshore oil and gas value chain.

3. SHARE CAPITAL

3.1 Issued Share Capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is approximately US$827,200,000, comprising 1,814,219,400 issued POSH Shares (excluding 5,780,600 treasury shares) (based on publicly available information on POSH as at the Latest Practicable Date).

3.2 Capital, Dividends and Voting Rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in Appendix IV to this Circular. The Constitution is available for inspection at the registered address of the Company at 1 Kim Seng Promenade, #07-02 Great World City, Singapore 237994. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3 Number of POSH Shares Issued Since the End of the Last Financial Year

Since 31 December 2018, being the end of the last financial year of the Company:

(a) no new POSH Shares have been issued;

(b) 1,719,000 POSH Shares have been transferred from the treasury to the employees of the Company as a result of the vesting of the Awards held by such employees pursuant to the POSH PSP; and

(c) 140,000 POSH Shares have been transferred to the treasury as a result of share buy-backs by the Company.

3.4 Options and Convertible Instruments

Save as disclosed below, the Company has not issued any other instruments convertible into, rights to subscribe for, and options in respect of, the POSH Shares and securities which carry voting rights affecting the POSH Shares that are outstanding as at the Latest Practicable Date.

(a) Awards

12,728,400 outstanding Awards granted under the POSH PSP, pursuant to which an aggregate of 12,728,400 POSH Shares may be vested, subject to the fulfilment of the terms of the PSP Awards and the achievement of certain Performance Conditions (as defined in the POSH PSP) in the prescribed future performance periods, the details of which are set out below:

Date of Grant	Performance Period	Number of Awards awarded	Number of Awards vested	Number of Awards cancelled	Number of outstanding Awards as at the Latest Practicable Date
25.01.2017	25.01.2017 – 24.01.2020	1,962,000	0	0	1,962,000
30.11.2018	30.11.2018 – 29.11.2021	3,454,800	0	0	3,454,800
12.06.2019	12.06.2019 – 11.06.2022	7,311,600	0	0	7,311,600

(b) Options

1,895,000 outstanding Options under the POSH SOP exercisable into 1,895,000 POSH Shares, the details of which are set out below:

Date of Grant	Exercise Period	Exercise Price	Number of POSH Shares attributable to POSH Options Exercised	Number of POSH Shares attributable to POSH Options Cancelled	Number of POSH Shares attributable to POSH Options Expired	Number of POSH Shares attributable to POSH Options outstanding as at the Latest Practicable Date
25.01.2017	25.01.2017 – 24.01.2027	S$0.343	0	397,000	0	1,152,000
30.11.2018	30.11.2018 – 29.11.2028	S$0.1943	0	54,000	0	743,000

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in any Offeror Securities.

4.2 Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of the Directors in Offeror Securities

None of the Directors has any direct or deemed interests in any Offeror Securities as at the Latest Practicable Date.

4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.5 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interest in any Company Securities as at the Latest Practicable Date:

(a) POSH Shares

	Direct Interest		Deemed Interest	
Name	**No. of POSH Shares**	**%(1)**	**No. of POSH Shares**	**%(1)**
Mr Kuok Khoon Ean	-	-	1,905,000(2)	0.11
Mr Seow Kang Hoe, Gerald	8,756,043	0.48%	-	-
Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid	1,220,000(3)	0.07%	-	-
Mr Wee Joo Yeow	500,000	0.03%	-	-
Mr Lee Keng Lin	6,722,000(4)	0.37%	-	-
Dato' Jude Philomen Benny	250,000	0.01%	38,000(5)	0.00%
Mr Ma Kah Woh	200,000	0.01%	-	-

Notes:

(1) Based on the total number of issued shares of POSH being 1,814,219,400 issued POSH Shares (excluding 5,780,600 treasury shares) (based on publicly available information on POSH as at the Latest Practicable Date).

(2) Balkane Investment Pte Ltd is an associate of Mr Kuok Khoon Ean. As such, Mr Kuok Khoon Ean is deemed to be interested in the 1,905,000 POSH Shares held by Balkane Investment Pte Ltd.

(3) 1,220,000 POSH Shares are held through a nominee account with UOB Kay Hian Pte Ltd.

(4) 6,275,000 POSH Shares are held through a nominee account with DBS Nominees Pte Ltd.

(5) Dato' Jude Philomen Benny is deemed to be interested in the 38,000 POSH Shares held by his spouse, Mdm Eng Siang Cher.

(b) Awards

Mr Seow Kang Hoe, Gerald had been granted the following Awards under the POSH PSP which remain outstanding as at the Latest Practicable Date:

Date of Grant	**Number of Awards**	**Vesting Date (Number of Awards)**
25.01.2017	880,000	25.01.2020 (880,000)
30.11.2018	1,283,400	30.11.2019 (385,020) 30.11.2020 (385,020) 30.11.2021 (513,360)
12.06.2019	1,757,470	12.06.2020 (527,241) 12.06.2021 (527,241) 12.06.2022 (702,988)
	Total: 3,920,870	

Mr Lee Keng Lin had been granted the following Awards under the POSH PSP which remain outstanding as at the Latest Practicable Date:

Date of Grant	Number of Awards	Vesting Date (Number of Awards)
25.01.2017	339,000	25.01.2020 (339,000)
30.11.2018	641,700	30.11.2019 (192,510) 30.11.2020 (192,510) 30.11.2021 (256,680)
12.06.2019	878,740	12.06.2020 (263,622) 12.06.2021 (263,622) 12.06.2022 (351,496)
12.06.2019	632,690	12.06.2022 (632,690)
	Total: 2,492,130	

4.6 Dealings in Company Securities by the Directors

Save as set out below, none of the Directors has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date:

Name	Date of Transaction	Number of POSH Shares Acquired	Transacted Price per POSH Share
Kuok Khoon Ean	30 August 2019	1,800[(1)]	S$0.129
Kuok Khoon Ean	30 August 2019	100,000[(1)]	S$0.125
Kuok Khoon Ean	30 August 2019	40,000[(1)]	S$0.124
Kuok Khoon Ean	30 August 2019	38,200[(1)]	S$0.123

Note:

(1) The POSH Shares were acquired by Balkane Investment Pte Ltd. Balkane Investment Pte Ltd is an associate of Mr Kuok Khoon Ean. As such, Mr Kuok Khoon Ean is deemed to be interested in the POSH Shares acquired by Balkane Investment Pte Ltd.

4.7 Company Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis owns or controls any Company Securities.

4.8 Dealings in Company Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Company Securities.

4.9 Intentions of the Directors in respect of their POSH Shares

As at the Latest Practicable Date, the Directors who hold or have a deemed interest in POSH Shares have indicated their intention in relation to accepting or rejecting the Offer in respect of such POSH Shares as follows:

(a) Mr Kuok Khoon Ean has informed the Company that he intends to accept the Offer in respect of all the POSH Shares held by Balkane Investment Pte Ltd that he is deemed interested in. Balkane Investment Pte Ltd is one of the Undertaking Shareholders;

(b) Mr Seow Kang Hoe, Gerald has informed the Company that he intends to accept the Offer in respect of all the POSH Shares held by him. Mr Seow Kang Hoe, Gerald is one of the Undertaking Shareholders;

(c) Dato' Ahmad Sufian @ Qurnain Bin Abdul Rashid has informed the Company that he intends to accept the Offer in respect of all the POSH Shares held by him;

(d) Mr Wee Joo Yeow has informed the Company that he does not intend to accept the Offer in respect of all the POSH Shares held by him, unless and until the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders;

(e) Mr Lee Keng Lin has informed the Company that he intends to accept the Offer in respect of all the POSH Shares held by him. Mr Lee Keng Lin is one of the Undertaking Shareholders;

(f) Dato' Jude Philomen Benny has informed the Company that he intends to accept the Offer in respect of all the POSH Shares held by him and all the POSH Shares that he is deemed interested in; and

(g) Mr Ma Kah Woh has informed the Company that he intends to accept the Offer in respect of all the POSH Shares held by him.

For the avoidance of doubt, if and when the Offeror exercises its right of compulsory acquisition under Section 215(1) of the Companies Act, all the POSH Shares held by Mr Wee Joo Yeow will be compulsorily acquired.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts

As at the Latest Practicable Date:

(a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and

(b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.2 Arrangements affecting Directors

As at the Latest Practicable Date:

(a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) save for the Options Proposal, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and

(c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the POSH Group, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the POSH Group, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the POSH Group, taken as a whole.

8. FINANCIAL INFORMATION

8.1 Consolidated Profit and Loss Statements

Certain financial information extracted from the audited consolidated profit and loss statements of the POSH Group for the last three (3) financial years (FY2018, FY2017 and FY2016) and the third quarter ended 30 September 2019 are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated profit and loss statements of the POSH Group for the relevant financial periods, the 9M2019 Results Announcement and their respective accompanying notes.

	Unaudited 9M2019 US$'000	**Audited FY2018 US$'000**	**Audited FY2017 US$'000**	**Audited FY2016 US$'000**
Revenue	209,063	299,400	192,208	183,100
Cost of sales	(177,741)	(266,407)	(205,622)	(178,115)
Gross profit/(loss)	31,322	32,993	(13,414)	4,985
Other income/(expenses) and other gains/(losses) - net	2,321	4,660	3,155	7,335
Impairment of interest in JV	(25,385)	-	-	-
Allowance for doubtful debts – loan to JV	(14,431)	-	-	-
Reversal of/(allowance) for doubtful debts - trade	1,519	(3,825)	(3,221)	(13,768)
Impairment on vessels	-	(49,493)	(108,255)	(198,950)
Impairment on goodwill	-	-	(57,125)	(111,178)
Share of joint ventures' result	(4,220)	(8,566)	2,356	(13,814)
Expenses	(53,432)	(62,394)	(48,948)	(44,923)
Loss before income tax	(62,306)	(86,625)	(225,452)	(370,313)
Income tax expense	707	(11,684)	(4,828)	(1,271)
Net loss	(61,599)	(98,309)	(230,280)	(371,584)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation	-	-	-	-
Fair value (loss)/gain on hedging reserve	(12,512)	2,321	1,695	5,600
Total comprehensive loss	(74,111)	(95,988)	(228,585)	(365,984)
Loss per share for results attributable to the equity holders of the Company (cents per share)				
- Basic	(3.41)	(5.42)	(12.70)	(20.50)
- Diluted	(3.41)	(5.42)	(12.70)	(20.50)
Dividends per share (cents)	-	-	-	-

8.2 Consolidated Statements of Financial Position

The audited consolidated statement of financial position of the POSH Group as at 31 December 2018 and the unaudited consolidated statement of financial position of the POSH Group as at 30 September 2019 are summarised below. The summary set out below should be read together with the annual report of the POSH Group for FY2018, the 9M2019 Results Announcement and their respective accompanying notes.

	Unaudited as at 30 September 2019 US$'000	Audited as at 31 December 2018 US$'000
ASSETS		
Current assets		
Consumables	1,636	5,047
Receivables and other current assets	98,493	83,991
Due from subsidiaries and joint ventures	70,854	80,930
Due from related companies	594	91
Cash and cash equivalents	12,603	13,829
	184,180	183,888
Non-current assets		
Fixed assets	964,363	1,004,629
Right-of-use assets	5,541	-
Intangible assets	367	597
Due from joint ventures	13,620	23,316
Interest in joint ventures	41,078	70,788
Receivables and other non-current assets	8,881	5,896
Deferred tax assets	136	-
Derivatives	1,025	10,197
	1,035,011	1,115,423
Total assets	1,219,191	1,299,311
LIABILITIES		
Current liabilities		
Payables and accruals	87,014	87,182
Advances received from customers	-	285
Due to subsidiaries and joint ventures	54,800	62,940
Due to related companies	597	2,020
Due to holding company	186	650
Bank borrowings	299,980	216,041
Lease liabilities	3,731	-
Provision for taxation	4,386	15,395
	450,694	384,513
Non-current liabilities		
Bank borrowings	473,195	550,330
Lease liabilities	1,234	-
Derivatives	3,921	581
Deferred tax liabilities	-	12
	478,350	550,923
Total liabilities	929,044	935,436
NET ASSETS	290,147	363,875

	Unaudited as at 30 September 2019 US$'000	Audited as at 31 December 2018 US$'000
EQUITY		
Share capital	827,201	827,201
Treasury shares	(1,238)	(1,590)
Accumulated losses	(533,414)	(471,631)
Other reserves	(2,620)	9,861
	289,929	363,841
Non-controlling interest	218	34
Total equity	290,147	363,875

8.3 Significant Accounting Policies

A summary of the significant accounting policies of the POSH Group is set out in note 2 to the audited consolidated financial statements of the POSH Group for FY2018 and the 9M2019 Results Announcement. Copies of the above are available for inspection at the registered address of the Company at 1 Kim Seng Promenade, #07-02 Great World City, Singapore 237994 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed above and in publicly available information on the POSH Group, there are no significant accounting policies or any matter from the notes of the financial statements of the POSH Group which are of any major relevance for the interpretation of the financial statements of the POSH Group.

8.4 Changes in Accounting Policies

Save as disclosed in publicly available information on the POSH Group, as at the Latest Practicable Date, there is no change in the accounting policy of the POSH Group which will cause the figures disclosed in this Circular not to be comparable to a material extent. Please also refer to the 9M2019 Results Announcement for further information.

Copies of the annual report of the Company for FY2018 and the 9M2019 Results Announcement are available on the SGX-ST website at www2.sgx.com or for inspection at the registered address of the Company at 1 Kim Seng Promenade, #07-02 Great World City, Singapore 237994 during normal office hours for the period during which the Offer remains open for acceptance.

8.5 Material Change in Financial Position

Save as disclosed in publicly available information on the POSH Group, as at the Latest Practicable Date, there has been no known material change in the financial position of the POSH Group since 31 December 2018, being the date of the Company's last published audited consolidated financial statements. Please also refer to the 9M2019 Results Announcement for further information.

8.6 Material Change in Information

Save as disclosed in this Circular and save for the information relating to the POSH Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date. Please also refer to the 9M2019 Results Announcement for further information.

9. GENERAL

9.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

9.2 Consent of IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Recommending Directors set out in section 13.2 of this Circular and the IFA Letter set out in Appendix I to this Circular and all references thereto, in the form and context in which they appear in this Circular.

9.3 Consent of the Valuer

The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the Valuation Report set out in Appendix III to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered address of the Company at 1 Kim Seng Promenade, #07-02 Great World City, Singapore 237994 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution;

(b) the annual reports of the Company for FY2016, FY2017 and FY2018;

(c) the 9M2019 Results Announcement;

(d) the IFA Letter;

(e) the Valuation Report from the Valuer; and

(f) the letters of consent referred to in paragraphs 9.2 and 9.3 of Appendix II to this Circular.

APPENDIX III
VALUATION REPORT

Clarksons Valuations

PACC Offshore Services Holdings Ltd.
1 Kim Seng Promenade
#06-01 Great World City
Singapore 237994

21st November 2019

Ref: cvl/26286-19

Dear Sirs,

In accordance with your request and subject to the terms and conditions we have agreed with you, we, Clarkson Valuations Limited (CVL), have prepared this Valuation by (i) collating shipbrokers' price estimates and/or ideas and market knowledge (ii) then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on our database, information in relevant works of reference in our possession and particulars given to us for the preparation of this Valuation.

CVL has not physically inspected the Vessels nor inspected their classification records. We have assumed that the Vessels are in good and seaworthy condition and would be delivered free from all debts, registered encumbrances and maritime liens.

CVL is of the opinion that the approximate market values of the below mentioned Vessels, as at 21st November 2019 on the basis of prompt charterfree delivery, as between a willing Seller and a willing Buyer for cash payment under normal commercial terms, are:

Offshore Supply Vessels

No.	Vessel Type	Current Name	Dwt	Built	Builder	Capacity (unit)	Charterfree Value US$ (m)
1	AHTS	**POSH Constant**	2,564	2010	Yuexin Shipbuilding	16,000BHP	**13.0 - 15.0**
2	AHTS	**POSH Conquest**	2,629	2010	Yuexin Shipbuilding	16,000BHP	**13.0 - 15.0**
3	AHTS	**POSH Champion**	3,174	2011	Universal SB Corp	16,000BHP	**13.0 - 15.0**
4	AHTS	**POSH Commander**	3,186	2011	Universal SB Corp	16,000BHP	**13.0 - 15.0**
5	AHTS	**POSH Concorde**	2,542	2012	PaxOcean Zhuhai	16,000BHP	**13.5 - 15.5**
6	AHTS	**POSH Persistence**	3,196	2013	PT Nanindah Mutiara	12,240BHP	**7.0 - 9.0**

Clarksons Valuations

7	AHTS	**POSH Perseverance**	3,196	2015	PT Nanindah Mutiara	12,240BHP	**8.0 - 9.0**
8	AHTS	**POSH Resolve**	2,278	2011	PaxOcean Zhuhai	8,000BHP	**4.0 - 6.0**
9	AHTS	**POSH Radiant**	2,605	2014	PaxOcean Zhuhai	8,000BHP	**5.0 - 6.5**
10	AHTS	**POSH Raptor**	2,350	2016	PaxOcean Zhuhai	8,000BHP	**6.0 - 8.0**
11	AHTS	**Winposh Rampart**	2,448	2012	PaxOcean Zhuhai	8,000BHP	**4.0 - 6.0**
12	AHTS	**Winposh Resolve**	2,449	2012	PaxOcean Zhuhai	8,000BHP	**4.0 - 6.0**
13	AHTS	**Winposh Regent**	2,591	2010	Yuexin Engineering	8,000BHP	**3.5 - 5.0**
14	AHTS	**Winposh Ready**	2,605	2014	PaxOcean Zhuhai	8,000BHP	**5.0 - 6.5**
15	AHTS	**POSH Hermosa (ex-Grano)**	2,432	2008	Guanhai Shipbuilding	10,800BHP	**3.0 - 5.0**
16	AHTS	**POSH Dauntless**	3,100	2013	Pacific Richfield	7,000BHP	**5.5 - 7.5**
17	AHTS	**POSH Daring**	3,083	2013	Pacific Richfield	7,000BHP	**5.5 - 7.5**
18	AHTS	**POSH Defender**	3,100	2013	Pacific Richfield	7,000BHP	**5.5 - 7.5**
19	AHTS	**POSH Springbok**	2,458	2017	PaxOcean Zhuhai	5,150BHP	**10.0 - 12.0**
20	AHTS	**POSH Steenbok**	2,458	2017	PaxOcean Zhuhai	5,150BHP	**10.0 - 12.0**
21	AHTS	**POSH Gemsbok**	2,458	2017	PaxOcean Zhuhai	5,150BHP	**10.0 - 12.0**
22	AHTS	**POSH Okapi**	2,458	2017	PaxOcean Zhuhai	5,150BHP	**10.0 - 12.0**
23	AHTS	**POSH Oribi**	2,458	2017	PaxOcean Zhuhai	5,150BHP	**10.0 - 12.0**
24	AHTS	**POSH Impala**	2,458	2017	PaxOcean Zhuhai	5,150BHP	**10.0 - 12.0**
25	PSV	**POSH Jaeger**	4,100	2018	PaxOcean Zhuhai	820m^2 Deck Area	**12.0 - 14.0**
26	PSV	**POSH Skua**	4,100	2013	Jingjiang Nanyang Shipbuilding	770m^2 Deck Area	**5.5 - 8.0**
27	PSV	**POSH Gannet**	4,100	2013	Jingjiang Nanyang Shipbuilding	770m^2 Deck Area	**5.5 - 8.0**

Clarksons Valuations

28	PSV	**POSH Shearwater**	3,200	2013	PaxOcean Zhuhai	670m^2 Deck Area	**6.0 - 8.0**
29	PSV	**POSH Sandpiper**	3,250	2013	PaxOcean Zhuhai	670m^2 Deck Area	**6.0 - 8.0**
30	PSV	**POSH Fulmar**	3,200	2013	PaxOcean Zhuhai	670m^2 Deck Area	**6.0 - 8.0**
31	PSV	**POSH Pelican**	3,200	2013	PaxOcean Zhuhai	670m^2 Deck Area	**6.0 - 8.0**
32	PSV	**Posh Kittiwake**	3,300	2011	Fujian Southeast SB	630m^2 Deck Area	**3.5 - 5.5**
33	PSV	**POSH Generoso (ex Scarto)**	2,405	2008	Yuexin Shipbuilding	420m^2 Deck Area	**3.5 - 5.0**
34	PSV	**POSH Gentil (ex POSH Verdant)**	2,405	2010	Yuexin Shipbuilding	450m^2 Deck Area	**3.5 - 5.0**
35	PSV	**POSH Galante (ex POSH Petrel)**	2,346	2008	Bender SB & Repair	568m^2 Deck Area	**3.5 - 4.5**
36	PSV	**POSH Gitano (ex Don Casiano)**	2,750	2010	Fujian Mawei SB	600m^2 Deck Area	**3.5 - 5.0**
37	PSV	**POSH Honesto (ex-Rodrigo)**	2,350	2008	Bender SB & Repair	568m^2 Deck Area	**3.5 - 4.5**

Transportation and Installation

No.	Vessel Type	Current Name	Dwt	Built	Builder	Capacity (unit)	Charterfree Value US$ (m)
38	Submersible Barge	**POSH Giant I**	20,000	2008	Jingjiang Nanyang	20t/m^2 Deck Strength	**4.25 - 5.25**
39	Submersible Barge	**POSH Giant II**	20,000	2011	Jingjiang Nanyang	20t/m^2 Deck Strength	**5.25 - 6.25**
40	AHT	**POSH Assistor**	1,186	2010	Yuexin Engineering	8,000BHP	**4.00 - 5.00**
41	AHT	**POSH Antares**	750	2016	PaxOcean Zhuhai	6,600BHP	**6.00 - 8.00**
42	AHT	**POSH Arcturus**	750	2018	PaxOcean Zhuhai	6,600BHP	**6.00 - 8.00**
43	AHT	**Maritime Putri**	350	2005	CSSC Guijiang Shipbuilding	5,000BHP	**0.75 - 1.50**
44	AHT	**Maritime Putra**	350	2005	CSSC Guijiang Shipbuilding	5,000BHP	**0.75 - 1.50**
45	AHT	**POSH Pahlawan**	860	2010	Cheoy Lee Shipyards	5,000BHP	**2.00 - 2.50**

Clarksons Valuations

46	AHT	**POSH Panglima**	860	2010	Cheoy Lee Shipyards	5,000BHP	**2.00 - 2.50**
47	AHT	**Maritime Mesra**	329	2009	Pacific Ocean Engineering	4,000BHP	**1.00 - 2.00**
48	AHT	**POSH Mulia**	316	2009	Pacific Ocean Engineering	4,000BHP	**1.00 - 2.00**
49	Towing Tug	**Maritime Ratu**	460	2004	Yantai Salvage SB	3,200BHP	**0.50 - 0.75**
50	Towing Tug	**Maritime Raja**	460	2005	Yantai Salvage SB	3,200BHP	**0.50 - 0.75**
51	Deck/Tank Barge	**Maritime Honour**	13,000	2012	Jiangsu Zhongxu Shipbuilding	100.7m Loa	**1.50 - 1.75**
52	Deck/Tank Barge	**Maritime Pride**	11,500	2007	Jiangsu Ganghua	100.6m Loa	**0.75 - 1.00**
53	Deck/Tank Barge	**Maritime Glory**	11,500	2007	Jingshen Ships Manufacture (Taixing) Co Ltd	100.6m Loa	**0.75 - 1.00**
54	Deck/Tank Barge	**Maritime Courage**	11,000	2011	Taizhou Xinggang SY	100.6m Loa	**1.00 - 1.25**
55	Deck/Tank Barge	**Maritime Icon**	7,700	2008	Nantong Yahua	86.0m Loa	**0.75 - 1.00**
56	Deck/Tank Barge	**Maritime Topaz**	7,700	2008	Nantong Yahua	86.0m Loa	**0.75 - 1.00**
57	Deck/Tank Barge	**Maritime Faith**	7,700	2007	Nantong Yahua	86.0m Loa	**0.75 - 1.00**
58	Deck/Tank Barge	**Maritime West**	7,700	2007	Nantong Yahua	86.0m Loa	**0.75 - 1.00**
59	Deck/Tank Barge	**Maritime Amber**	7,500	2015	PaxOcean Engineering Zhosan Co., Ltd	86.0m Loa	**1.25 - 1.75**
60	Deck/Tank Barge	**Maritime Diamond**	7,500	2015	PaxOcean Engineering Zhosan Co., Ltd	86.0m Loa	**1.25 - 1.75**
61	Deck/Tank Barge	**Maritime Hawk**	5,400	2008	Jiangsu Ganghua	76.2m Loa	**0.25 - 0.50**
62	Deck/Tank Barge	**Maritime Falcon**	5,400	2008	Jiangsu Ganghua	76.2m Loa	**0.25 - 0.50**
63	Utility/Workboat	**POSH Mariam**	913	2016	Jingjiang Nanyang	$200m^2$ Deck Area	**6.00 - 8.00**
64	Utility/Workboat	**POSH Houria**	913	2017	Jingjiang Nanyang	$200m^2$ Deck Area	**6.00 - 8.00**
65	Utility/Workboat	**POSH Maysa**	710	2017	PaxOcean Zhuhai	$200m^2$ Deck Area	**6.00 - 8.00**
66	Utility/Workboat	**POSH Mai**	710	2017	PaxOcean Zhuhai	$200m^2$ Deck Area	**6.00 - 8.00**

Clarksons Valuations

67	Deck/Tank Barge	**WINPOSH 3301**	12,200	2007	Nanindah Mutiara	100.6m Loa	**0.75 - 1.00**
68	Semi-submersible Barge	**POSH Giant III**	30,500	2012	COSCO (Zhoushan) Shipyard Co. Ltd	25t/m^2 Deck Strength	**9.00 - 13.00**
69	Deck/Tank Barge	**Maritime Hope**	8,000	2004	Hangzhou Dongfeng	86.0m Loa	**0.40 - 0.55**

Offshore Accommodation

No.	Vessel Type	Current Name	Dwt	Built	Builder	Capacity (unit)	Charterfree Value US$ (m)
70	Accommodation Barge	**POSH Xanadu**	31,100	2014	PaxOcean Zhoushan	750 PAX	**190 - 205**
71	Accommodation Barge	**POSH Arcadia**	31,100	2015	PaxOcean Zhoushan	750 PAX	**190 - 205**
72	Light Construction Vessel	**POSH Endurance**	3,200	2014	PaxOcean Zhuhai	238 PAX	**24.0 - 26.0**
73	Light Construction Vessel	**POSH Endeavour**	3,200	2015	PaxOcean Zhuhai	238 PAX	**24.0 - 26.0**
74	Light Construction Vessel	**POSH Enterprise**	3,200	2015	PaxOcean Zhuhai	238 PAX	**24.0 - 26.0**
75	Light Construction Vessel	**POSH Elegance**	3,200	2016	PaxOcean Zhuhai	238 PAX	**24.0 - 26.0**
76	Accommodation Barge	**POSH Bangka**	3,813	1998	Jiangsu Yangzijiang	197 PAX	**3.5 - 5.5**
77	Accommodation Barge	**POSH Bawean**	3,500	1998	Jiangsu Yangzijiang	198 PAX	**3.5 - 5.5**
78	Multi-Purpose Support	**POSH Skimmer**	3,400	2018	PaxOcean Zhuhai	760m^2 Deck Area	**15.0 - 18.0**
79	Multi-Purpose Support	**POSH Mallard**	3,912	2017	PaxOcean Zhoushan	850m^2 Deck Area	**32.0 - 35.0**
80	Multi-Purpose Support	**POSH Pintail**	3,911	2018	PaxOcean Zhoushan	850m^2 Deck Area	**26.0 - 28.0**
81	Accommodation Vessel	**PW Natuna**	5,100	2010	Pacific Ocean Engineering	300 PAX	**8.0 - 10.0**

Clarksons Valuations

Harbour Services and Emergency Response							
No.	Vessel Type	Current Name	Dwt	Built	Builder	Capacity (unit)	Charterfree Value US$ (m)
82	ASD Tug	**POSH Gallant**	186	2014	PaxOcean Zhuhai	4,000BHP	**3.50 - 4.50**
83	ASD Tug	**POSH Gentle**	186	2014	PaxOcean Zhuhai	4,000BHP	**3.50 - 4.50**
84	ASD Tug	**POSH Guardian**	186	2015	PaxOcean Zhuhai	4,000BHP	**3.50 - 4.50**
85	ASD Tug	**POSH Grace**	186	2015	PaxOcean Zhuhai	4,000BHP	**3.50 - 4.50**
86	ASD Tug	**POSH Harvest**	195	2010	Pacific Ocean Engineering	4,000BHP	**3.00 - 3.50**
87	Tug	**PW Rapi**	-	2007	Fulsail Sdn Bhd	1,000BHP	**0.025**
88	Tug	**Intan**	-	2008	Bengbu Shenzhou	1,000BHP	**0.040**
89	Tug	**Ikhlas**	-	2008	Bengbu Shenzhou	1,000BHP	**0.040**
90	Workboat	**Work Boat I**	-	1989	Unknown Yard	14.3m Loa	**0.050**
91	Utility/Emergency Support	**Salvern**	-	2002	Cheoy Lee Shipyard Limited	12.5m Loa	**0.080**
92	ASD Tug	**POSH Husky**	-	2016	PaxOcean Zhuhai	5,000BHP	**4.75 - 5.75**
93	ASD Tug	**POSH Hardy**	-	2017	PaxOcean Zhuhai	5,000BHP	**4.75 - 5.75**
94	ASD Tug	**PW Zeta**	-	2009	Bengbu Shenzhou	3,200BHP	**1.50 - 2.00**
95	AHT	**PW Reliance**	-	2009	Jiangsu Wuxi Shipyard	3,600BHP	**1.25 - 1.75**
96	ASD Tug	**PW Lambda**	198	2012	Bengbu Shenzhou	3,600BHP	**2.75 - 3.00**
97	ASD Tug	**PW Iota**	198	2012	Bengbu Shenzhou	3,600BHP	**2.75 - 3.00**
98	ASD Tug	**PW Tenaga**	-	2012	PaxOcean Zhuhai	3,600BHP	**2.75 - 3.00**
99	ASD Tug	**PW Tenang**	-	2012	PaxOcean Zhuhai	3,600BHP	**2.75 - 3.00**
100	ASD Tug	**PW Tepat**	-	2013	PaxOcean Zhuhai	3,600BHP	**3.25 - 3.50**

Clarksons Valuations

101	ASD Tug	**PW Tetap**	-	2014	PaxOcean Zhuhai	3,600BHP	**3.00 - 3.25**
102	ASD Tug	**PW Tentu**	144	2016	Pacific Ocean Eng	3,600BHP	**3.25 - 3.75**
103	ASD Tug	**PW Tenteram**	137	2016	PaxOcean Zhuhai	3,600BHP	**3.25 - 3.75**

This Valuation is based solely on a subjective opinion of the approximate market value applying the methodology described above as at the above Valuation date only and should not be taken to apply to any other date.

PLEASE NOTE: There is a relative lack of liquidity in the Sale and Purchase market for offshore Vessels of this type and information on comparable Sale and Purchase transactions and market demand has, where available, been very limited or not available. In addition the oil price change and reduction in E&P spending has made the assessment of values more uncertain. This has resulted in a widening of the spread in price ideas and larger than normal confidence limits applying to this Valuation.

All statements made are statements of opinion and are not representations of fact. Any person contemplating entering a transaction of any nature whatsoever or otherwise having regard to this Valuation should satisfy himself by inspection of the Vessel and its records, or otherwise, as to the correctness of the statements which this Valuation contains.

No assurance or representation is given that the Valuation given will be sustained or that it would be realisable in any actual transaction.

The Vessels have been valued individually. If two or more ships were to be placed on the market at the same time, no assurance may be given that the amount realisable would be equal to the total of the individual values.

This Valuation has been prepared in connection with the voluntary general cash offer by Quetzal Capital Pte. Ltd. for PACC Offshore Services Holdings Ltd. ("POSH"). This Valuation has been provided solely for the use of the person to whom it is addressed or to such other person to whom we have consented that this Valuation may be provided. By accepting the provision of our services in respect of this Valuation or by otherwise using or relying on this Valuation, you have accepted either our terms and conditions as specifically agreed between us in writing or, in the event of no such agreement in writing, our terms and conditions including the limitation of liability provisions at www.clarksons.com/terms-of-business/

We agree to (1) the inclusion of this Valuation in the circular to be dispatched to the shareholders of POSH and (2) the disclosure of this Valuation to POSH and its officers, employees, agents and advisors (including financial and legal advisors) and relevant regulatory bodies in Singapore (including the Singapore Exchange Securities Trading Limited and the Securities Industry Council).

Clarksons Valuations

No person other than the named addressee of this Valuation shall have any rights whatsoever as arising out of or relating to this Valuation under the Contract (Rights of Third Parties) Act 1999 or otherwise.

For and on behalf of
CLARKSON VALUATIONS LIMITED

Director
Stephen Gordon

Director
Michael Garlick

Clarkson Valuations Limited whose registered office is at Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom ("CVL") is internationally recognised as a leading valuer of shipping and offshore vessels. For further details please see www.clarksons.com/services/research/valuations/

Michael Garlick – Joined CVL in 2006, was appointed a Director of CVL in 2016 and is a member of the Institute of Chartered Shipbrokers.

Stephen Gordon – Joined Clarkson Research Services Limited ("CRSL") in 1999, appointed a Director of CRSL in 2005 and appointed a Director of CVL in 2008.

APPENDIX IV
EXTRACTS FROM THE COMPANY'S CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting are extracted from the Constitution of the Company and reproduced below:

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution of the Company, a copy of which is available for inspection at the registered address of the Company at 1 Kim Seng Promenade, #07-02 Great World City, Singapore 237994 during normal business hours for the period during which the Offer remains open for acceptance.

(a) Rights in respect of Capital

"ISSUE OF SHARES

6. (A) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.

(B) The Company may issue shares for which no consideration is payable to the Company.

7. Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to article 11, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:

(a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of article 11(A) with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in article 11(B), shall be subject to the approval of the Company in General Meeting.

8. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

VARIATION OF RIGHTS

9. *Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*

10. *The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

ALTERATION OF SHARE CAPITAL

11. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this article 11(A).*

(B) *Notwithstanding article 11(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*

(a) (i) *issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or*

(ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*

(b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,*

Provided always that:

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and this Constitution; and

(3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

(C) Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Statutes and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

12. (A) The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its shares;

(b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

(c) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.

(B) The Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares.

13. (A) The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

(B) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

(C) The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

SHARES

14. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.*

15. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution or, if required by the Statutes, by Special Resolution determine (or, in the absence of any such determination, but subject to the Statutes, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.*

16. *Subject to the provisions of this Constitution and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all new shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*

17. *The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.*

18. *Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the Stock Exchange) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

STOCK

49. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*

50. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*

51. *The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted."*

(b) Rights in respect of Voting

"GENERAL MEETINGS

52. Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

53. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

54. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company; Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting,

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. So long as the shares in the Company are listed on any Stock Exchange, at least 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange.

55. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

56. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

(a) declaring dividends;

(b) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;

(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(d) appointing or re-appointing the Auditor;

(e) fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed; and

(f) fixing the remuneration of the Directors proposed to be paid in respect of their office as such under article 82 and/or article 83(A).

57. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

58. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within ten minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

59. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy. Provided always that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.

60. If within 30 minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

61. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

62. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

63. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

64. (A) If required by the listing rules of the Stock Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Stock Exchange).

(B) Subject to article 64(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

(a) the chairman of the meeting; or

(b) not less than two members present in person or by proxy and entitled to vote at the meeting; or

(c) a member present in person or by proxy and representing not less than five per cent. of the total voting rights of all the members having the right to vote at the meeting; or

(d) a member present in person or by proxy and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all the shares conferring that right.

A demand for a poll made pursuant to this article 64(B) may be withdrawn only with the approval of the chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

65. Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The chairman of the meeting may (and, if required by the listing rules of the Stock Exchange or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

66. A poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately.

67. In the case of an equality of votes, whether on a poll or on a show of hands, the chairman of the meeting at which the poll or show of hands takes place shall be entitled to a casting vote.

VOTES OF MEMBERS

68. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to article 13(C), each member entitled to vote may vote in person or by proxy. Every member who is present in person or by proxy shall:

(a) on a poll, have one vote for every share which he holds or represents; and

(b) on a show of hands, have one vote, Provided always that:

(i) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and

(ii) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

69. *In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.*

70. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*

71. *No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.*

72. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*

73. *On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*

74. *(A) Save as otherwise provided in the Act:*

(a) a member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and

(b) a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(B) In any case where a member is a Depositor, the Company shall be entitled and bound:

(a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(C) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(D) A proxy need not be a member of the Company.

75. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

(a) in the case of an individual, shall be:

(i) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a corporation, shall be:

(i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of articles 75(A)(a)(ii) and 75(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(B) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to article 76(A), failing which the instrument may be treated as invalid.

(C) The Directors may, in their absolute discretion:

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in articles 75(A)(a)(ii) and 75(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), article 75(A)(a)(i) and/or (as the case may be) article 75(A)(b)(i) shall apply.

76. (A) An instrument appointing a proxy:

(a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting,

and in either case, not less than 72 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this article 76 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(B) The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 76(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), article 76(A)(a) shall apply.

77. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

78. A vote cast by proxy shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided always that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

79. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of this Constitution (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat."

(c) Rights in respect of Dividends

"FORFEITURE AND LIEN

30. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

31. The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

33. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

34. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.

35. The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this article.

36. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

37. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.

38. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSMISSION OF SHARES

46. (A) In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(B) In the case of the death of a member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(C) Nothing in this article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

47. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.

48. Save as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share pursuant to article 46(A) or (B) or article 47 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.

DIVIDENDS

124. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

125. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

126. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

127. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

128. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

129. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

130. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

131. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys are first payable.

132. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

133. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this article 133;

(c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, Provided always that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect whereof the share election has been duly exercised (the "elected shares") and, in lieu and in satisfaction thereof, shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose and notwithstanding the provisions of article 138, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company's reserve accounts or any amount standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

(B) The shares of the relevant class allotted pursuant to the provisions of article 133(A) shall rank pari passu in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

(C) The Directors may, on any occasion when they resolve as provided in article 133(A), determine that rights of election under that article shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares, the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of article 133 shall be read and construed subject to such determination.

(D) The Directors may, on any occasion when they resolve as provided in article 133(A), further determine that:

(a) no allotment of shares or rights of election for shares under article 133(A) shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and

(b) no allotment of shares or rights of election for shares under article 133(A) shall be made available or made to a person, or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any Statute, without the approval of the applicable regulatory or other authority as may be necessary.

(E) Notwithstanding the foregoing provisions of this article, if at any time after the Directors' resolution to apply the provisions of article 133(A) in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their discretion and as they deem fit in the interest of the Company and without assigning any reason therefor, cancel the proposed application of article 133(A).

(F) The Directors may do all acts and things considered necessary or expedient to give effect to the provisions of article 133(A), with full power to make such provisions as they think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).

134. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

135. Notwithstanding the provisions of article 134 and the provisions of article 137, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

136. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

137. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

BONUS ISSUES CAPITALISATION OF PROFITS AND RESERVES

138. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company, including any Ordinary Resolution passed pursuant to article 11(B):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to article 11(B)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to article 11(B)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

(B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under article 138(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

139. In addition and without prejudice to the powers provided for by article 138, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:

(a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or

(b) be held by or for the benefit of non-executive Directors as part of their remuneration under article 82 and/or article 83(A) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing."

This page is intentionally left blank.