

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the Shareholders of AVIC International Maritime Holdings Limited (the “**Company**”) together with, and forms a part of, the Company’s Annual Report (as defined herein). Its purpose is to explain to the Shareholders the rationale and to provide information pertaining to the proposed renewal of the IPT Mandate (as defined herein), and to seek Shareholders’ approval at the Annual General Meeting to be held on 29 April 2015 at 3.00 p.m. at Millenia 4, 2nd Floor, The Ritz-Carlton, Millenia Singapore, 7 Raffles Avenue, 039799 or at any adjournment thereof.

The Notice of Annual General Meeting dated 14 April 2015 and a Proxy Form are enclosed with the Annual Report.

If you are in any doubt about the contents of this Appendix or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward the Annual Report (including this Appendix and the accompanying Proxy Form in the Annual Report) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 201024137N)

APPENDIX

**TO THE ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2014**

IN RELATION TO

**THE PROPOSED RENEWAL OF THE
SHAREHOLDERS’ GENERAL MANDATE
FOR INTERESTED PERSON TRANSACTIONS**

DEFINITIONS.....	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION.....	7
2. THE PROPOSED RENEWAL OF THE IPT MANDATE.....	7
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....	8
4. AUDIT COMMITTEE'S STATEMENT	9
5. DIRECTORS' RECOMMENDATION	10
6. ABSTENTION FROM VOTING	10
7. DIRECTORS' RESPONSIBILITY STATEMENT	10
8. ADVICE TO SHAREHOLDERS	11
9. DOCUMENTS FOR INSPECTION	11
ANNEXURE A – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL	12
ANNEXURE B – THE IPT MANDATE.....	14

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

Companies within the AVIC Group:

“AVIC”	: Aviation Industry Corporation of China (中国航空工业集团公司)
“AVIC Group”	: AVIC, its subsidiaries and its associates
“AVIC International”	: AVIC International Holding Corporation (中国航空技术国际控股有限公司)
“AVIC IHL”	: AVIC International Holdings Limited (中航国际控股股份有限公司) (Stock Code:161:HK), formerly known as CATIC Shenzhen Holdings Limited (深圳中航集团股份有限公司)
“AVIC International Beijing”	: AVIC International Beijing Co., Ltd. (中国航空技术北京有限公司)
“AVIC International Kairong”	: AVIC International Kairong Limited (中航国际凯融有限公司)
“AVIC International Shenzhen”	: AVIC International Shenzhen Company Limited (中国航空技术深圳有限公司)
“Company”	: AVIC International Maritime Holdings Limited, formerly known as “AVIC International Investments Limited”
“Deltamarin”	: Deltamarin Ltd.
“Deltamarin Group”	: Deltamarin, its subsidiaries and its associated companies
“Group”	: The Company and its subsidiaries

General

“AGM”	: Annual general meeting of the Company; and “2015 AGM” shall refer to the annual general meeting of the Company to be held on 29 April 2015 at 3.00 p.m. at Millenia 4, 2nd Floor, The Ritz-Carlton, Millenia Singapore, 7 Raffles Avenue, 039799, and at any adjournment thereof
“Annual Report”	: The annual report of the Company for FY2014
“Appendix”	: This appendix to the Annual Report in relation to the proposed renewal of the IPT Mandate
“Approval Thresholds”	: Has the meaning ascribed to it in Section 6(b) of Annexure B to this Appendix

DEFINITIONS

“Associates”	: (a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Associated Companies”	: Companies in which at least 20% but not more than 50% of its shares are held by the Company or the Group
“Auditors”	: The auditors of the Company for the time being
“Audit Committee”	: The audit committee of the Company
“Board”	: The board of Directors of the Company for the time being
“CDP”	: The Central Depository (Pte) Limited
“CEO”	: Chief Executive Officer
“Companies Act”	: The Companies Act, (Chapter 50) of Singapore (as may be amended from time to time)
“Controlling Shareholder”	: A person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the company); or (b) in fact exercises control over the company
“Directors”	: The directors of the Company as at the Latest Practicable Date
“Entity at Risk”	: Shall have the meaning ascribed to it in the Listing Manual as amended from time to time
“EPC”	: Has the meaning ascribed to it in Section 2(g) of Annexure B to this Appendix
“Executive Director(s)”	: A director of the Company who holds an executive position
“FY2014”	: Financial year ended 31 December 2014
“Information Memorandum”	: Information Memorandum dated 10 August 2011 issued by the Company

DEFINITIONS

“Interested Person(s)”	:	The interested person(s) of the Company who fall within the IPT Mandate, as set out in Section 4 of Annexure B to this Appendix
“Interested Person Transaction(s)”	:	The categories of transactions with the Interested Person(s) which fall within the IPT Mandate, as set out in Section 2 of Annexure B to this Appendix
“IPT Manager”	:	Has the meaning ascribed to it in Section 6(d) of Annexure B to this Appendix
“IPT Mandate”	:	The Shareholders' general mandate having been obtained on 29 April 2014 pursuant to Rule 920 of the Listing Manual to enter into Interested Person Transactions, by reason of the information stipulated under Rule 920(1) of the Listing Manual having been included in the circular to Shareholders dated 14 April 2014 issued by the Company
“IPT Register”	:	Has the meaning ascribed to it in Section 6(c) of Annexure B to this Appendix.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Appendix, being 2 April 2015
“Listing”	:	The official listing of the Shares on the SGX-ST on 12 September 2011
“Listing Undertaking”	:	The undertaking by AVIC International and AVIC International Beijing as disclosed in the Information Memorandum under the Section entitled “Potential Conflict of Interests”
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended or modified from time to time
“M&C Services”	:	The project management and consultancy services relating to ship design and construction (both of which may be out-sourced to third parties or carried on within other AVIC Group entities), which includes but is not limited to, consultancy, procurement, newbuilding management and marine finance arrangement
“Notice of AGM”	:	The Notice of the 2015 AGM dated 14 April 2015
“NTA”	:	Net tangible assets
“PRC”	:	The People's Republic of China, excluding the Hong Kong and Macau Special Administrative Regions
“Recommending Directors”	:	Has the meaning ascribed to it in Section 5 of this Appendix
“Resolution 9”	:	Resolution 9 in the Notice of AGM
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

"Shareholders"	:	Registered holders for the time being of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register
"Shares"	:	The ordinary shares in the share capital of the Company
"Substantial Shareholders"	:	Persons who each hold directly and/or indirectly 5% or more of the total issued share capital of the Company

Currencies, Units and Others

"RMB"	:	Renminbi
"S\$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent."	:	Per centum or percentage

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

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

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

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

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

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

LETTER TO SHAREHOLDERS

AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 201024137N)

Directors:

Dr Diao Weicheng	(Executive Chairman)
Mr Sun Yan	(CEO and Executive Director)
Mr Li Meijin	(Executive Director)
Mr Huang Guang	(Non-Executive Director)
Mr Huang Yongfeng	(Non-Executive Director)
Mr Liu Aiyi	(Non-Executive Director)
Mr Wang Mingchuan	(Non-Executive Director)
Mr Teng Cheong Kwee	(Lead Independent Director)
Mr Chong Teck Sin	(Independent Director)
Ms Alice Lai Kuen Kan	(Independent Director)
Mr Wang Puqu	(Independent Director)

Registered Office:

10 Collyer Quay
#27-00
Ocean Financial Centre,
Singapore 049315

14 April 2015

To: The Shareholders of AVIC International Maritime Holdings Limited (the "**Company**")

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

- 1.1. The Directors refer to the Notice of AGM of the Company dated 14 April 2015, accompanying the Annual Report for the financial year ended 31 December 2014, convening the AGM of the Company to be held on 29 April 2015, and Resolution 9 under the heading "*The Proposed Renewal of the Interested Person Transactions Mandate*" as set out in the Notice of AGM.
- 1.2. The purpose of this Appendix is to provide Shareholders with information relating to Resolution 9 in the Notice of AGM on the proposed renewal of the IPT Mandate first proposed and adopted at the last AGM held on 29 April 2014, such adoption being expressed to take effect until the conclusion of the Company's forthcoming 2015 AGM. The Directors propose to table the renewal of the IPT Mandate pursuant to Chapter 9 of the Listing Manual for the consideration and approval of the Shareholders at the forthcoming AGM to be held on 29 April 2015.
- 1.3. The particulars of the Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed, including the rationale for the renewal and the review procedures implemented by the Company to ensure that the Interested Person Transactions with the Interested Persons covered by the renewed IPT Mandate will be transacted on normal commercial terms, are set out in this Appendix for the easy reference of the Shareholders.

This Appendix is important. Shareholders are advised to read this Appendix in its entirety (including the relevant Annexures) and any Shareholder, who may require advice in the context of his specific investment or who are in any doubt as to the course of action they should take, should consult his stockbroker, bank manager, solicitor, accountant or other independent professional adviser(s) immediately.

LETTER TO SHAREHOLDERS

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1. Introduction to the IPT Mandate

The IPT Mandate was adopted at the AGM of the Company held on 29 April 2014, such adoption being expressed to take effect until the conclusion of the Company's forthcoming AGM.

The authority conferred under the IPT Mandate obtained pursuant to Rule 920 of the Listing Manual enables the Company, its subsidiaries and associated companies which are considered "entities at risk" within the meaning of Rule 904 of the Listing Manual to enter into certain interested person transactions in its ordinary course of business with specified classes of interested persons in accordance with the terms and conditions as prescribed therein, provided that such transactions are entered into on an arm's length basis and on normal commercial terms.

2.2. Details of the IPT Mandate

The nature of the interested person transactions and the classes of interested person in respect of which the renewal of the IPT Mandate is sought remains unchanged. Details of the IPT Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices with the specified classes of interested persons and other general information required by Chapter 9 of the Listing Manual are set out in Annexure B to this Appendix.

2.3. Proposed Renewal of the IPT Mandate

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. Accordingly, the authority conferred under the IPT Mandate shall, unless renewed at the 2015 AGM, expire on the date of the forthcoming 2015 AGM to be held on 29 April 2015.

It is proposed that the IPT Mandate be renewed at the forthcoming 2015 AGM. Upon being approved by the Shareholders at the 2015 AGM, the IPT Mandate shall take effect until the conclusion of the next AGM of the Company.

2.4. Rationale

The proposed renewal of the IPT Mandate is intended to facilitate transactions in the ordinary course of business of the Group which are recurrent in nature or necessary for the day-to-day operations of the Group, and which may be transacted from time to time with the Interested Persons, provided that they are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

The renewal of the IPT Mandate would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions that fall within the Mandated Transactions (as defined in paragraph 2 of the Annexure B to this Appendix) arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 3.1. The Company has an existing issued and paid-up share capital of 285,576,000 Shares. As at the Latest Practicable Date, the interests of the Directors in the capital of the Company as recorded in the Register of Directors' Shareholdings pursuant to Section 164 of the Companies Act are as follows:

LETTER TO SHAREHOLDERS

	Direct Interest	Deemed Interest	Total Interest	Percentage of Total Shares in Issue
	Number of Shares	Number of Shares	Number of Shares	
Directors				
Diao Weicheng	–	–	–	–
Sun Yan	–	–	–	–
Li Meijin	–	–	–	–
Huang Guang	–	–	–	–
Huang Yongfeng	–	–	–	–
Liu Aiyi	–	–	–	–
Wang Mingchuan	–	–	–	–
Chong Teck Sin	–	–	–	–
Teng Cheong Kwee	–	–	–	–
Alice Lai Kuen Kan	–	–	–	–
Wang Puqu	–	–	–	–

- 3.2. As at the Latest Practicable Date, the interests of the Substantial Shareholders in the capital of the Company as recorded in the Register of Substantial Shareholders pursuant to Section 88 of the Companies Act are as follows:

	Direct Interest		Deemed Interest	
Name of Substantial Shareholder	No. of Shares	%	No. of Shares	%
AVIC ⁽¹⁾	–	–	210,947,369	73.87
AVIC International ⁽¹⁾	–	–	210,947,369	73.87
AVIC International Shenzhen⁽¹⁾	–	–	210,947,369	73.87
AVIC IHL⁽¹⁾	210,947,369	73.87	–	–

Note:

- (1) AVIC holds 62.52% of the registered capital of AVIC International, which in turn holds the entire registered capital of AVIC International Shenzhen. 35.6% and 39.4% of the share capital of AVIC IHL are immediately held by AVIC International Shenzhen and AVIC International, respectively. AVIC, AVIC International and AVIC International Shenzhen are therefore deemed to be interested in the Shares held by AVIC IHL by virtue of Section 7 of the Companies Act.

4. AUDIT COMMITTEE'S STATEMENT

- 4.1. The Audit Committee consists of Mr Chong Teck Sin (Chairman of the Audit Committee), Mr Teng Cheong Kwee and Ms Alice Lai Kuen Kan.
- 4.2. Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee has reviewed the terms of the IPT Mandate (proposed to be renewed) and confirms that:
- the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since approval for the IPT Mandate was last given; and
 - the methods or procedures for determining the transaction prices under the IPT Mandate are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

- 4.3. If during the periodic reviews by the Audit Committee, it is of the view that the established guidelines and procedures are no longer appropriate or adequate to ensure that the Interested Person Transactions (i) will be transacted on an arm's length basis and on normal commercial terms; and (ii) would not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new guidelines and procedures.

5. DIRECTORS' RECOMMENDATION

The Directors who are deemed to be non-interested for the purposes of making a recommendation to the Shareholders in respect of the proposed renewal of the IPT Mandate are Mr Teng Cheong Kwee, Mr Chong Teck Sin, Ms Alice Lai Kuen Kan and Mr Wang Puqu (collectively, the "**Recommending Directors**").

Having fully considered, *inter alia*, the terms, the rationale and the benefits of the IPT Mandate and the statement of the Audit Committee, the Recommending Directors are unanimously of the opinion that the IPT Mandate, as proposed to be renewed, is in the best interests of the Company. The Recommending Directors unanimously agree that the review procedures for determining the terms of the Interested Person Transactions as stated in Section 6 of Annexure B to this Appendix for Interested Person Transactions entered into pursuant to the IPT Mandate, as well as the quarterly reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the Interested Person Transactions will be carried out by the Group on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Recommending Directors unanimously recommend that the Shareholders vote in favour of Resolution 9, being the ordinary resolution relating to the proposed renewal of the IPT Mandate as set out in the Notice of AGM.

6. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, AVIC IHL being an Interested Person, shall abstain, and ensure that its Associates abstain, from voting on Resolution 9, being the ordinary resolution relating to the renewal of the IPT Mandate to be proposed at the 2015 AGM.

Further, AVIC IHL will undertake to decline, and shall ensure that its Associates decline, to accept appointment as proxies to vote at the forthcoming AGM in respect of Resolution 9 relating to the approval of the proposed renewal of the IPT Mandate for other Shareholders unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast at the 2015 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

LETTER TO SHAREHOLDERS

8. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at 10 Collyer Quay, #27-00, Ocean Financial Centre, Singapore 049315 during normal business hours from the date hereof up to and including the date of the 2015 AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) copies of the Annual Report.

Yours faithfully,

For and on behalf of the Board of Directors of
AVIC International Maritime Holdings Limited

Diao Weicheng

Executive Chairman

14 April 2015

ANNEXURE A – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

1. INTRODUCTION

Chapter 9 of the Listing Manual applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 of the Listing Manual is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

The aforementioned terms “entity at risk”, “interested person” and “associated companies” as well as other terms used are defined below.

2. MAIN TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) An “**associate**” means:
 - (i) in relation to any director, chief executive officer or controlling shareholder (being an individual):
 - (aa) his immediate family;
 - (ab) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (ac) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
 - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (c) An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- (d) A “**chief executive officer**” means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.
- (e) A “**controlling shareholder**” of a listed company means a person who (i) holds directly or indirectly 15% or more of the voting rights in the listed company. The SGX-ST may determine that a person who satisfies this section is not a controlling shareholder; or (ii) a person who in fact exercises control over a company.
- (f) An “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST; or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company.
- (g) An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

ANNEXURE A – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS' APPROVAL

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA) are reached or exceeded.

Immediate Announcement

An immediate announcement is required where the interested person transaction is of a value equal to, or more than, 3% of the group's latest audited NTA. Where the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with the same interested person during that financial year.

Shareholders' Approval

Shareholders' approval is required where the interested person transaction is of a value equal to, or more than:

- (a) 5% of the listed group's latest audited NTA; or
- (b) 5% of the listed group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000.

Group's NTA

Based on the latest audited consolidated accounts of the Company, and its subsidiaries, for the financial year ended 31 December 2014, the consolidated NTA of the Group for FY2014 is RMB56.282 million. Accordingly, for the purpose of the Chapter 9 thresholds discussed above, in the current financial year and until such time as the consolidated audited accounts of the Group for the financial year ended 31 December 2015 are published, 3% of the NTA of the Group is RMB1.688 million and 5% of the NTA of the Group is RMB2.814 million.

ANNEXURE B – THE IPT MANDATE

1. THE AVIC GROUP AND OUR GROUP

1.1 The AVIC Group

The AVIC Group, comprising AVIC and its subsidiaries and associates, is a large state-owned corporate giant that is authorised and managed by the Central Government of the PRC.

AVIC is a company incorporated under the law of the PRC, with its registered office at AVIC Building, No. 128 Jianguo Road, Chaoyang District, Beijing, PRC. AVIC is registered in Beijing, PRC, under registration number 100000000041923. AVIC is wholly owned by the PRC government.

The AVIC Group ranked 178th amongst the Fortune Global 500 firms in 2014⁽¹⁾. Its business units cover amongst others defence and transport aircrafts, engines, helicopters, avionics and systems, general aviation, aviation research, flight testing, trade, transportation and logistics, asset management, financial services, engineering planning and construction and engineering, procurement and construction projects, automobiles and shipping. Furthermore, the AVIC Group is also engaged in air-conditioning equipment, electronics, recycling, alternative energy, aircraft rental service, medical care, construction, real estate development, shopping malls and other sectors of the service industry.

As at the Latest Practicable Date, AVIC has over 200 direct and indirect subsidiaries and over 20 listed companies worldwide and employs approximately 479,000 employees. Further information on the AVIC Group may be found at <http://www.avic2.com>.

1.2 Our Group

Our vision is to become a key player in the global marine and offshore industry. We strive to provide innovative and integrated solutions optimised for our customers' needs along the entire marine business value chain, including M&C Services, design and engineering, shipbuilding and ship-trading related businesses.

The Group's track record in shipbuilding M&C Services dates back to 1994. Our ship design arm, Deltamarin, has been a forerunner in naval architecture and engineering. With a track record that dates back to 1984, Deltamarin is an experienced developer of profitable, sustainable and cost-efficient vessels. Our indirect major shareholder, AVIC International Holding Corporation, has extensive shipbuilding and ship-trading capabilities, given its decades of experience in the industry.

We work with established shipyards in the PRC as co-seller whereby the shipyards are responsible for the construction of the vessels and we are in charge of the non-construction aspects of the shipbuilding project. We may also outsource the design of vessels to several renowned ship design institutes in the PRC. In addition, we also provide marketing and consultancy services to shipyards in the PRC to help promote their corporate profiles in the overseas markets, seek out shipbuyers and secure shipbuilding contracts, including working with the shipyards to negotiate with shipbuyers on the terms and other details of the shipbuilding contracts, among others.

As disclosed in the Information Memorandum, following the Company's successful Listing on the SGX-ST, the Group intends to diversify into ship-trading related business and shipbuilding.

1.3 Relationship between the AVIC Group and our Group

AVIC holds 62.52% of the registered capital of AVIC International, which in turn holds the entire registered capital of AVIC International Shenzhen. 35.6% and 39.4% of the share capital of AVIC IHL are immediately held by AVIC International Shenzhen and AVIC International, respectively.

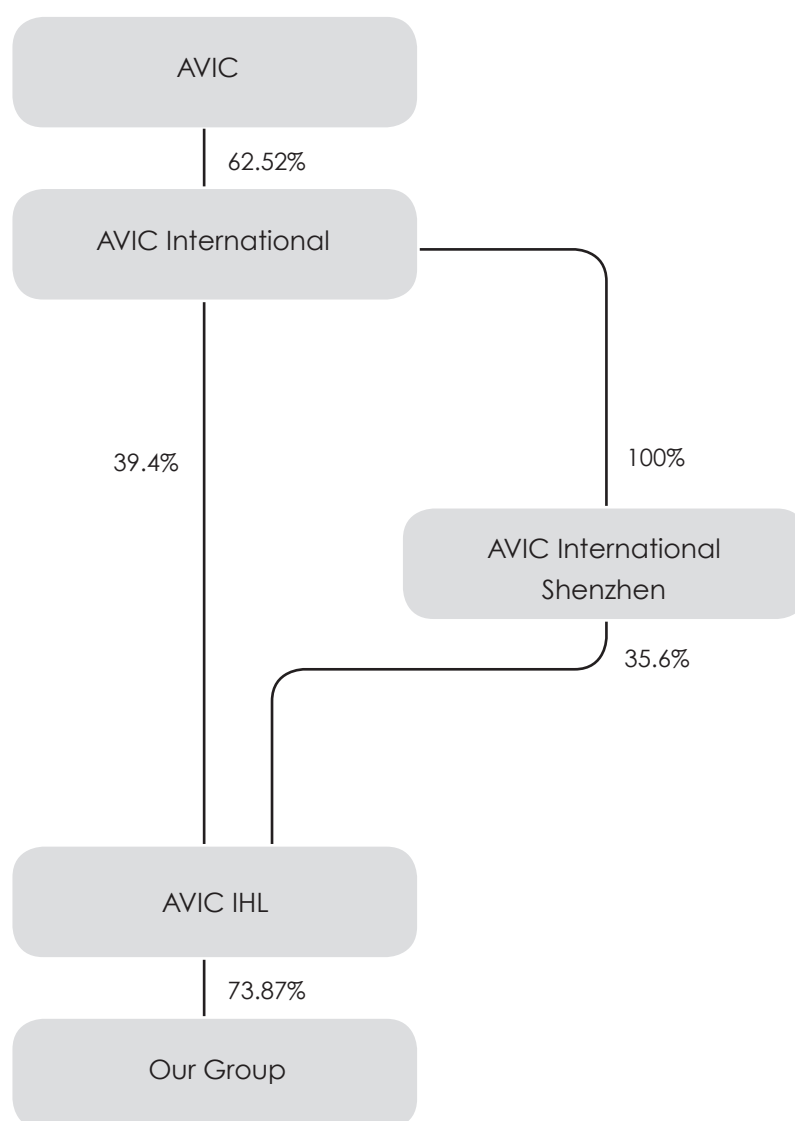
AVIC IHL is the direct majority shareholder of our Company as at the Latest Practicable Date. AVIC is therefore deemed to be an interested person for the purposes of Chapter 9.

The shareholding structure in relation to AVIC, AVIC International, AVIC International Shenzhen, AVIC IHL, and our Group is as follows:

(1) <http://fortune.com/global500/aviation-industry-corp-of-china-178/>. We have not asked Time Inc. for its consent to the inclusion of the above ranking for the purposes of this Circular. While the Directors have taken reasonable action to ensure that the information is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information.

ANNEXURE B – THE IPT MANDATE

Note: Please note that for the purpose of clarity not all the subsidiaries or associated companies of the AVIC Group have been included in the following diagram. The diagram is for illustrative purposes only and does not comprise the entire AVIC Group structure.



Note:

Shareholders should note that although AVIC International Kairong and AVIC International Beijing have ceased to be Shareholders (as announced by the Company on 6 March 2015), they are each deemed to be an interested person of the Company for the purposes of Chapter 9 of the Listing Manual because (i) AVIC IHL is the sole immediate shareholder of AVIC International Beijing, which is in turn the sole immediate shareholder of AVIC International Kairong; and (ii) AVIC International Kairong and AVIC International Beijing are part of the AVIC Group.

ANNEXURE B – THE IPT MANDATE

2. SCOPE OF THE IPT MANDATE

The IPT Mandate was adopted at the Annual General Meeting of the Company held on 29 April 2014, such adoption being expressed to take effect until the conclusion of the Company's forthcoming AGM. The aforesaid mandate is for the Company and/or its subsidiaries to, in the ordinary course of business, enter into transactions with the AVIC Group.

The IPT Mandate covers, but is not limited to, the following transactions involving the provision to or the obtaining from, Interested Persons of products and services in the normal course of business of the Group or which are necessary for the day-to-day operations of the Group (the “**Interested Person Transactions**”):

(a) Provision of project management services to the AVIC Group;

Our Group may provide project management services to the AVIC Group in relation to shipbuilding which cover non-construction aspects of a shipbuilding project, such as procurement, marine finance, handling of export procedural matters and overseeing the utilisation of the progress payment by the ship-buyer.

(b) Provision of marketing and consultancy services to shipyards within the AVIC Group;

Our Group may provide marketing and consultancy services in respect of shipbuilding business of the shipyards within the AVIC Group, which includes the arrangement of banking facilities and conducting marketing activities to promote the shipyards' corporate profile in overseas markets.

(c) Provision of services to the shipyards within the AVIC Group in securing shipbuilding contracts;

Our Group may provide services in seeking potential ship-buyers for shipyards within the AVIC Group, including negotiating with the potential ship-buyers on behalf of the said shipyards in relation to the terms and conditions of the relevant shipbuilding contracts.

(d) The sale or purchase of vessels to/from the AVIC Group;

Our Group may sell vessels to the AVIC Group upon firm orders secured by the AVIC Group from a third party customer. The Group may also purchase vessels from shipyards within the AVIC Group upon securing a firm order from a third party buyer. The sale and purchase of vessels is part of the structure of standard sub-contracting arrangements in the ship-construction contracts entered into by the Group, where a member of the Group may act as co-seller and/or co-buyer of certain vessels upon firm orders being secured from a third-party customer.

(e) The outsourcing of shipbuilding activities to the shipyards within the AVIC Group;

Our Group enters into shipbuilding contracts from time to time as part of our ship-trading and shipbuilding related businesses. Accordingly, we may work with established shipyards and other companies from the AVIC Group, as co-seller or may separately outsource the construction to shipyards within the AVIC Group whereby the shipyards are responsible for the construction of the vessels and we are in charge of the non-construction aspects of the shipbuilding project.

(f) Receiving financing support, services and/or corporate guarantees from the AVIC Group;

Our Group may receive financing services and support such as (i) borrowing of funds from Interested Persons in the course of our Group's day-to-day operational requirements, including shipbuilding activities, purchase of vessels and import of machineries and engines of the ship, as well as (ii) receiving corporate guarantees from Interested Persons to help our Group secure or participate in further contracts in relation to its ship-trading and shipbuilding business.

(g) The entry into engineering, procurement and design contracts with or in conjunction with the AVIC Group;

With the acquisition of the Deltamarin Group, and the development of our Group's track records in the provision of M&C Services, design and construction services, the Group is looking to consolidate its engineering, procurement, construction (“**EPC**”), installation and commissioning services to provide

ANNEXURE B – THE IPT MANDATE

a one-stop solution to its customers by fully leveraging the broad spectrum of facilities at the Group's resources and also the resources of the AVIC Group.

From time to time, this may involve jointly entering into EPC projects together with the AVIC Group entities which have stronger financial resources and industry experience and reputation and outsourcing and sub-contracting certain services to the AVIC Group entities. Given the size of EPC projects in general and the Group's relatively short track record, a strong financial backing and partnership with other established names are crucial for the successes in tendering for such projects. The AVIC Group traditionally provided financial backing and guarantees to the projects, and the strength of the AVIC Group's corporate reputation provides a strong competitive advantage to the Group. Without limitation to the generality of the cooperative arrangement, the types of cooperation between our Group and the AVIC Group which we foresee include the following:

- (i) jointly bidding for EPC projects with the AVIC Group entities;
- (ii) our Group may undertake EPC sub-contract work for projects entered into by the AVIC Group entities, in the event that third parties would only enter into the agreements with the AVIC Group entities; and
- (iii) our Group may outsource some of the work to AVIC Group entities, including but not limited to, areas such as ship-construction or for purposes of procurement (to take advantage of the economies of scale offered by the bulk purchases).

As further elaborated in Section 6(a)(vi) of Annexure B of this Appendix, the Audit Committee will review and approve such transactions to ensure that there is no conflict of interest and ensure that such transactions are carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

(h) The supply, purchase and rental (where applicable) of equipment and materials to/from the AVIC Group (as the case may be) in connection with ship engineering, procurement, construction, installation and commissioning services for vessels.

In connection with its project management, procurement and engineering services to be provided under the expanded scope of EPC services, the Group may from time to time, in the ordinary course of such business, supply, purchase or rent certain equipment and materials to/from the Interested Persons, as the case may be.

(i) The leasing and sub-leasing of certain office and operational premises to/from the AVIC Group;

As the Group expands its operations and increases its number of subsidiaries, it may from time to time, for operational synergy and economic efficiencies, share premises and lease or sub-lease office and operational areas with other members of the AVIC Group.

(j) The provision and/or the obtaining of ship design and consultancy services to/from the AVIC Group; and

Design for ship construction comprises various stages. While the Deltamarin Group specialises in conceptual design for the vessels, the AVIC Group's shipyards traditionally carry out shipyard-specific construction and production design services which are linked to the construction process. Accordingly, our Group may from time to time provide and/or obtain ship design and consultancy services to/ from AVIC Group entities in respect of ship construction projects.

(k) The provision or the obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (a) to (j) above.

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate. The IPT Mandate will also not cover any transaction with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. Finally, transactions with other interested persons (other than the class of Interested Persons detailed in Section 4 of this Annexure B below) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

ANNEXURE B – THE IPT MANDATE

3. RATIONALE FOR THE IPT MANDATE

(a) Operational Synergy and Integration of Businesses

In accordance with its Listing Undertaking, AVIC International, AVIC International Beijing and the Group are seeking to consolidate the AVIC Group's ship-trading and shipbuilding related businesses into our Group. To facilitate such processes, and in particular during the transitional stage of the business consolidation, our Group foresees that we may from time to time enter into various transactions with the AVIC Group entities, or partner with one or more AVIC Group entities in contracting with other independent third parties.

As our Group develops its business operations, we increasingly benefit from our partnership with AVIC Group entities, and the strength of the AVIC Group's corporate reputations. By leveraging on the AVIC Group's established track record, reputation and corporate network, our Group can obtain access to projects for which we may not otherwise be in consideration due to our limited market capitalisation and relatively short track record. This is especially crucial as our Group may not always have the necessary experience or operational track record for the entry into such transactions independently.

(b) Support of the AVIC Group and access to the AVIC Group's resources in establishing markets and businesses for the Group

The Group intends to continue to leverage on the AVIC Group's existing overseas network in securing shipbuilding contracts and expanding our business activities globally. In order to fully utilise the resources and advantages available to us, we may from time to time outsource shipbuilding activities to the shipyards within the AVIC Group or partner such shipyards and other AVIC Group entities in various ship construction, commissioning and other related projects. We will continue to provide marketing and consultancy services to the shipyards within the AVIC Group as such cooperation not only boosts their market presence but also provides us with valuable track records. Subject to governmental and regulatory approvals, we expect that some of these shipyards may eventually be consolidated into the Group pursuant to the Listing Undertaking.

The above may lead to management consultancy service agreements, agency agreements, assignment agreements and shipbuilding contracts being entered into between our Group and any AVIC Group entity.

The Directors believe that transacting with the AVIC Group entities will provide our Group with more visibility in the global market, establish relationships with more reputable ship-buyers, build up its management team and increase internal expertise in shipbuilding related business, and consequently, our Group will be better-placed to expand our corporate presence and increase our market share globally.

As far as receiving financing support and/or corporate guarantee is concerned, the AVIC Group will continue to give support to our Group, which may be through the provision of corporate guarantees, getting loans and/or procuring the issuance of refund guarantees by bank, as well as assist the ship-buyers in obtaining financing, when required. These financing supports will be on terms not less favourable than those applicable to similar borrowings procured from unrelated financial institutions.

In view of the time-sensitive nature of commercial transactions, the IPT Mandate pursuant to Chapter 9 of the Listing Manual, if renewed, will enable the Group in the ordinary course of its business, to enter into the categories of Interested Person Transactions as set out in Section 2 of this Annexure B above with the AVIC Group, provided such Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

ANNEXURE B – THE IPT MANDATE

4. CLASS OF INTERESTED PERSONS

The IPT Mandate will apply to Interested Person Transactions (as described in Section 2 of this Annexure B above) which are carried out between any entity in the Group and any AVIC Group entity. Particulars of the AVIC Group entities are set out in Section 1 of this Annexure B above.

5. BENEFITS TO SHAREHOLDERS

The IPT Mandate will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant entity in our Group into such Interested Person Transactions. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, will improve administrative efficacy considerably, and will allow manpower resources and time to be channelled towards attaining other business objectives available to the Company.

The IPT Mandate is intended to facilitate Interested Person Transactions in the normal course of business of our Group, which are recurrent in nature or necessary for the day-to-day operations of the Group, and which may be transacted from time to time with the Interested Persons, provided that they are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

6. GUIDELINES AND REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

(a) Review Procedures

Having regard to the nature of the Interested Person Transactions and the criteria in establishing the review procedures which are to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the Interested Person Transactions are carried out on normal commercial terms, are in the interests of the Company and are not prejudicial to the interests of the Company and the minority Shareholders, the following review procedures will be implemented:

- (i) the guiding principle is that all Interested Person Transactions shall be conducted in accordance with the Group's usual business practices and pricing policies, consistent with the usual profit margins, prices, fees or rates extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Interested Person compared to those extended to or received from unrelated third parties;
- (ii) in the case of the sale of vessels, equipment, materials and/or the provision of services by the Group to Interested Persons, the transactions are to be carried out at the prevailing profit margins, prices, fees or rates which are no more favourable to the Interested Person than the usual commercial terms extended by the Group to unrelated third parties, taking into account all pertinent factors, including but not limited to quantity, quality, customer requirements, specifications, applicable tax and customs savings, delivery time, strategic purpose of the transaction and track record.

In the event where the prevailing profit margins, prices, fees or rates are not available due to the nature of the products or services concerned, (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, will, subject to the Approval Thresholds as set out in Section 6(b) of this Annexure B below, evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the nature of the services, profit margins, delivery schedules, order quantities, customer requirements and specifications and duration of contract.

The pricing for such products or services must be determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual profit margins, prices, fees or rates extended by the Group to unrelated third parties for the same or substantially similar type of transactions;

ANNEXURE B – THE IPT MANDATE

- (iii) in the case of the purchase of vessels, equipment, materials and/or the receiving of services by the Group from the Interested Persons, the prices, fees or rates of such transactions shall not be higher than the most competitive price, fee or rate of two (2) other comparative offers from unrelated third parties reasonably contemporaneous in time, taking into account all pertinent factors, including but not limited to quantity, quality, customer requirements, specifications, applicable tax and customs savings, delivery time, strategic purpose of the transaction and track record.

In the event where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar products or services due to the nature of the products or services to be purchased or received from Interested Persons, (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, will, subject to the Approval Thresholds as set out in Section 6(b) of this Annexure B below, evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the nature of the services, delivery schedules, order quantities, customer requirements and specifications, duration of contract and preferential rates;

- (iv) in the case of leasing and sub-leasing of office and operational premises from or to the Interested Persons, appropriate steps will be taken to ensure that the lease commensurate with the prevailing market rates, including making relevant enquiries with landlords of properties of similar location and size, or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The rent payable shall be based on the most competitive lease rates of similar properties, taking into account factors such as size, location and tenure, based on the results of the relevant enquiries;
- (v) in relation to the AVIC Group providing financing support and/or corporate guarantees to our Group:
- (aa) the extension of loans by the Interested Person should be at rates and on conditions no less favourable than those quoted by unrelated financial institutions;
 - (ab) in relation to the provision of guarantees, indemnities or securities by the Interested Person, any commission rates (if any) which are chargeable by the Interested Person for the provision of such guarantees, indemnities or securities shall be at rates no less favourable than those quoted by unrelated financial institutions;
 - (ac) prior to the entry of the transaction(s) with the Interested Person, contemporaneous quotes should be obtained from at least two unrelated financial institutions for loan and commission rates, as the case may be, for an equivalent amount, and for the equivalent period, of the funds to be borrowed or the guarantees, indemnities or securities to be issued; and
 - (ad) in cases where for any reason, quotations from fewer than two unrelated financial institutions or no quotations are received from any unrelated financial institutions, (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, shall, subject to the Approval Thresholds as set out in Section 6(b) below, take such necessary steps which would include but are not limited to, (i) reviewing available recent terms and conditions of comparable transactions and (ii) relying on corroborative inputs from market practitioners in order to determine that the terms and conditions provided by the Interested Person are fair and reasonable and are no less favourable than terms which would be offered to the Group by unrelated third party financiers; and

ANNEXURE B – THE IPT MANDATE

- (vi) all tender bids for EPC projects with the AVIC Group must be: (i) approved by the Audit Committee prior to our Group submitting a tender for the projects; or (ii) ratified as soon as practically possible after a tender has been submitted (for transactions which are time-sensitive in nature), to ensure that: there is no conflict of interest in entering into such transactions; the relevant transactions are carried out on normal commercial terms; and the transactions will not be prejudicial to the interests of the Company and its minority Shareholders. In the course of its review and approval or ratification of a transaction, the Audit Committee will take into account all relevant factors, including but not limited to, the following:
- (aa) the nature of the Interested Person's interest in the transaction;
 - (bb) the material terms of the transactions;
 - (cc) the significance of the transaction to the Interested Person and the Company; and
 - (dd) any other matters the Audit Committee may deem appropriate.

In respect of the Group providing EPC services to the Interested Persons, the review procedures set out in paragraph 6(a)(ii) above will apply, taking into account all pertinent factors, including but not limited to the nature of the services, project requirements, delivery schedules, order quantities, customer requirements, location and size of project, applicable tax and customs savings, delivery time, strategic purpose of the transaction, past dealings, repudiation and credit-worthiness of the contracting parties, and the likely tender prices to be offered by unrelated third parties.

In respect of the Group obtaining EPC services from the Interested Persons, the review procedures set out in paragraph 6(a)(iii) will apply, taking into account all pertinent factors, including but not limited to the nature of the services, project requirements, delivery schedules, order quantities, customer requirements, location and size of project, applicable tax and customs savings, delivery time, strategic purpose of the transaction, past dealings, repudiation and credit-worthiness of the contracting parties, and the likely tender prices to be offered by unrelated third parties.

(b) Approval Thresholds

In addition to the guidelines and review procedures set out in Section 6(a) above of this Annexure B, the following approval procedures will be implemented to supplement existing internal control procedures for the Interested Person Transactions to ensure that such transactions are undertaken on an arms' length basis and on normal commercial terms:

- (i) the review and approval of (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, is required for any proposed Interested Person Transaction where the "value at risk" to the Group is below three per cent. (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group; and
- (ii) the review and approval of the Audit Committee is required for any proposed Interested Person Transaction where the value thereof is equal to, or above three per cent. (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group.

The Approval Thresholds set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of the balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for Interested Person Transactions. The Approval Thresholds act as an additional safeguard to supplement the review procedures which will be implemented by the Company for Interested Person Transactions.

If any person has an interest in a transaction falling within a category of transactions to be reviewed or approved by him/her, he/she will abstain from any review, deliberation or decision making in respect of that transaction.

ANNEXURE B – THE IPT MANDATE

(c) Register of Interested Person Transactions

The Company will maintain a register of Interested Person Transactions ("**IPT Register**") carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into), and will be reviewed by Auditors on an annual basis to ascertain that the guidelines and procedures established to monitor Interested Person Transactions (including the guidelines and review procedures set out at Sections 6(a) and 6(b) of this Annexure B above which are proposed to be established in respect of the Interested Person Transactions) have been complied with.

(d) Appointment of designated personnel to monitor Interested Person Transactions

In order to facilitate the timely monitoring and effective reporting of the Interested Person Transactions, the Company has designated specific personnel within the finance team of the Company ("**IPT Manager**"), and, where relevant, at each of the subsidiaries with substantial operational activities, to be responsible for the monitoring of Interested Person Transactions. Such person shall facilitate the report on matters relating to the Interested Person Transactions to the Audit Committee as and when requested. The IPT Manager shall also ensure that a proper record of the Interested Person Transactions is maintained, and IPT Register is kept up-to-date, with particulars which include but are not limited to, the date, terms, the basis for the terms, and basis for entering into the Interested Person Transactions as well as all other relevant records or documents such as the underlying contracts.

The designated IPT Manager shall not have any interest, direct or indirect, in the Interested Person Transaction.

(e) Reviews by Audit Committee

The Audit Committee shall review the reports of the IPT Register (as referred to in Section 6(c) of this Annexure B) on a quarterly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ascertain that the established review procedures to monitor the Interested Person Transactions (including the guidelines and review procedures set out at Section 6(a) and Section 6(b) of this Annexure B which are proposed to be established in respect of the Interested Person Transactions) have been complied with. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transactions and its supporting documents or such other data deemed necessary by our Audit Committee. Our Audit Committee may request for any additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit.

If, during these reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh Shareholders' general mandate for Interested Person Transactions by the Company) to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If any member of the Audit Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction. The remaining member(s) of the Audit Committee undertaking the review and approval will provide his/ their views and the basis for which he/ they considers he/they will be able to satisfactorily discharge his/their duties in that respect.

In addition, the Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.

ANNEXURE B – THE IPT MANDATE

7. VALIDITY PERIOD OF THE IPT MANDATE

If the proposed renewal of the IPT Mandate is approved by the Shareholders at the 2015 AGM which is scheduled to be held on 29 April 2015, the IPT Mandate will take effect from the date of passing of the ordinary resolution relating thereto and will continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever date is earlier, unless revoked or varied by the Company in a general meeting.

8. DISCLOSURE IN THE ANNUAL REPORT AND RESULTS ANNOUNCEMENT

The Company will announce the aggregate value (as determined by the Board) of transactions entered into with the Interested Persons pursuant to the IPT Mandate, for the quarterly financial periods which it is required to disclose pursuant to the Listing Manual, and within the time required for the announcement of such disclosure.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions will be presented in the following format:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
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