APPENDIX
13 APRIL 2015

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Appendix is circulated to the shareholders ("**Shareholders**") of Viking Offshore and Marine Limited (the "**Company**") together with the Annual Report 2014 (as defined herein). The purpose of this Appendix is to provide Shareholders with information relating to, and seek their approval for, the proposed renewal of the Share Buyback Mandate (as defined herein) and the proposed Grant of Awards (as defined herein) at the Annual General Meeting of the Company to be held on 28 April 2015 at 9.30 a.m. at 21 Kian Teck Road, Singapore 628773.

This Appendix forms part of the Annual Report 2014.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report 2014.

VIKING OFFSHORE AND MARINE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199307300M)

APPENDIX TO THE ANNUAL REPORT 2014

in relation to

(1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

(2) THE PROPOSED GRANT OF AWARDS TO MR. ANDY LIM, A CONTROLLING SHAREHOLDER, AND MR. LIN WEI DANIEL, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE VIKING LONG TERM INCENTIVE PLAN

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore branch (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Mr Tony Toh, Director, Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.

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DEFINITIONS

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

"**ACRA**"	:	Accounting and Corporate Regulatory Authority of Singapore
"**AGM**"	:	Annual general meeting of the Company. Unless the context otherwise requires, "AGM" shall refer to the annual general meeting to be held on 28 April 2015
"**Annual Report 2014**"	:	The Company's annual report for the financial year ended 31 December 2014
"**Appendix**"	:	This appendix to the Annual Report 2014
"**associate**"	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent (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 thirty per cent (30%) or more
"**associated company**"	:	A company in which at least twenty per cent (20%) but not more than fifty per cent (50%) of its shares are held by the Company or the Group
"**Average Closing Price**"	:	Has the meaning ascribed to it in Section 2.2(d) of this Appendix
"**Award**"	:	A contingent award of Shares granted under the VLTIP
"**Award Date**"	:	In relation to an Award, the date on which the Award is granted pursuant to the VLTIP
"**Board**"	:	The board of Directors of the Company for the time being
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The Listing Manual, Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time

DEFINITIONS

"**Company**"	:	Viking Offshore and Marine Limited
"**Controlling Shareholder**"	:	A person who holds directly or indirectly fifteen per cent (15%) or more of the issued Shares (excluding treasury shares) (subject to the SGX-ST determining that such a person is not a Controlling Shareholder) or a person who in fact exercises control over the Company
"**Director(s)**"	:	The director(s) of the Company
"**EGM**"	:	Extraordinary general meeting of the Company
"**EPS**"	:	Earnings per Share
"**FRS**"	:	Singapore Financial Reporting Standard
"**FY**"	:	Financial year ended or ending 31 December
"**Grant of Awards**"	:	Has the meaning ascribed to it in Section 1 of this Appendix
"**Group**"	:	The Company, its subsidiaries and associated companies
"**Group Employee**"	:	An employee of the Company or its subsidiaries or of an associated company over which the Company has control, including any Group Executive Director
"**Group Executive Director**"	:	A director of the Company or its subsidiaries or of an associated company over which the Company has control, who performs an executive function
"**Group Non-Executive Director**"	:	A director of the Company or its subsidiaries or of an associated company over which the Company has control, other than a Group Executive Director, and including an Independent Director
"**Independent Director**"	:	An independent director of the Company
"**Latest Practicable Date**"	:	27 March 2015, being the latest practicable date prior to the printing of this Appendix
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Market Purchase**"	:	Has the meaning ascribed to it in Section 2.2(c) of this Appendix
"**Maximum Price**"	:	Has the meaning ascribed to it in Section 2.2(d) of this Appendix
"**NTA**"	:	Net tangible assets
"**Off-Market Purchase**"	:	Has the meaning ascribed to it in Section 2.2(c) of this Appendix
"**Performance Condition**"	:	In relation to an Award, a condition or conditions specified on the Award Date in relation to that Award
"**Performance Period**"	:	In relation to an Award, a period, the duration of which is to be determined by the Plan Committee on the Award Date, during which the Performance Condition is to be satisfied

DEFINITIONS

"**Plan Committee**"	:	The committee, comprising Directors, duly authorised and appointed to administer the VLTIP pursuant to the rules of the VLTIP
"**Plan Participant**"	:	A person who is selected by the Plan Committee to participate in the VLTIP in accordance with the rules thereof
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Buyback Mandate**"	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set out in the Companies Act and the Catalist Rules
"**Shareholders**"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Accounts maintained are credited with Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Sponsor**"	:	CIMB Bank Berhad, Singapore Branch
"**Substantial Shareholder**"	:	A Shareholder who has an interest in not less than five per cent (5%) of the issued Shares
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"**VLTIP**"	:	The performance share plan known as the Viking Long Term Incentive Plan, approved by the Shareholders on 15 December 2011, as amended or modified from time to time
"**$**" and "**cents**"	:	Dollars and cents respectively of the currency of Singapore
"%" or "**per cent**"	:	Per centum or percentage

The terms "Depositors", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act. The term "subsidiary" shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, 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 reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

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

LETTER TO SHAREHOLDERS

Directors:

Mr Andy Lim (Chairman and Executive Director)
Mr Ong Choo Guan (Chief Executive Officer and Executive Director)
Mr Lin Wei Daniel (Executive Director)
Mr Lee Suan Hiang (Lead Independent Director)
Mr Lien Kait Long (Independent Director)
Mr Kelvin Tan Wee Peng (Independent Director)

Registered Office:

21 Kian Teck Road
Singapore 628773

13 April 2015

To: The Shareholders of Viking Offshore and Marine Limited

Dear Sir / Madam,

(1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

(2) THE PROPOSED GRANT OF AWARDS TO MR. ANDY LIM, A CONTROLLING SHAREHOLDER, AND MR. LIN WEI DANIEL, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE VLTIP

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1. INTRODUCTION

The purpose of this Appendix is to provide the Shareholders with information relating to, and to seek Shareholders' approval for:

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

(b) the proposed grant of (i) an Award in respect of 450,000 Shares to Mr. Andy Lim, a Controlling Shareholder and (i) an Award in respect of 200,000 Shares to Mr. Lin Wei Daniel, an associate of a Controlling Shareholder, under the VLTIP (the "**Grant of Awards**"),

as further described in Sections 2 and 3 of this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Rationale

At the EGM held on 15 December 2011, the Company obtained the approval of the Shareholders for the Share Buyback Mandate. The Share Buyback Mandate was renewed at the AGMs held on 30 April 2012, 26 April 2013 and 23 April 2014. The rationale for, the authority and the limitations on and the financial effects of, the Share Buyback Mandate were set out in the circular to Shareholders dated 23 November 2011.

As the Share Buyback Mandate renewed at the last AGM held on 23 April 2014 will be expiring on 28 April 2015, being the date of the forthcoming AGM, the Company intends to seek the approval of the Shareholders for the renewal of the Share Buyback Mandate at such AGM.

The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to ten per cent (10%) limit described in Section 2.2(a) of this Appendix at any time during the period when the Share Buyback Mandate is in force.

LETTER TO SHAREHOLDERS

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

(a) in managing the business of the Group, the management team strives to increase Shareholders' value by improving, inter alia, the return on equity of the Group. In addition to growth and expansion of the business, share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;

(b) the Company has at present two (2) share-based incentive schemes for its employees, namely, the Viking Offshore and Marine Limited Share Option Scheme (the "**VOM Scheme**") and the Viking Offshore and Marine Limited Long Term Incentive Plan (the "**VLTIP**"). Share buybacks by the Company will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to satisfy the Company's obligation to furnish VOM Shares to participants under the VOM Scheme and the VLTIP, thus giving the Company greater flexibility to select the method of providing Shares to its employees which would be most beneficial to the Company and its Shareholders;

(c) share buybacks by the Company will also enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose; and

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

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent (10%) limit during the period referred to in Section 2.2(a) of this Appendix, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent (10%) limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Group, or result in the Company being delisted from Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on Catalist.

2.2 Authority and limits

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares of the Company as at the date of the forthcoming AGM at which the Share Buyback Mandate is renewed. Any Shares which are held as treasury shares will be disregarded for purposes of computing the ten per cent (10%) limit.

For illustrative purposes only, on the basis of 792,788,199 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, and that the Company does not reduce its share capital, not more than 79,278,819 Shares (representing ten per cent (10%) of the issued ordinary share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the duration referred to in Section 2.2(b) of this Appendix.

LETTER TO SHAREHOLDERS

(b) Duration of authority

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

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of shares of the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed at the next AGM or any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose certain information, including details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, the total consideration paid for the purchases or acquisitions.

(c) Manner of purchases or acquisitions of Shares

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

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

(ii) an off-market purchase ("**Off-Market Purchase**"), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Companies Act and the Catalist Rules, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of the offers are the same, except that there shall be disregarded:

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

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

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

LETTER TO SHAREHOLDERS

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

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances;

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

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

(v) whether the purchases or acquisitons of shares, if made, would have any effect on the listing of the Shares on Catalist;

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

(vii) whether the Shares purchased by the issuer will be cancelled or kept as treasury shares.

(d) Purchase Price

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

(i) in the case of a Market Purchase, 105 per cent (105%) of the Average Closing Price (as defined herein); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent (120%) of the Average Closing Price,

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

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days period;

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

2.3 Status of purchased or acquired Shares

All Shares purchased or acquired by the Company (other than Shares held in treasury by the Company to the extent permitted under the Companies Act and the Articles of Association of the Company) will be automatically delisted from Catalist, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

The Company intends to hold all Shares purchased or acquired pursuant to the Share Buyback Mandate as treasury shares.

LETTER TO SHAREHOLDERS

2.4 Treasury Shares

Under the Companies Act, where ordinary shares of the Company are purchased or acquired by the Company in accordance with Sections 76B to 76G of the Companies Act, the Company may hold or deal with such shares as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum holdings

The number of shares held as treasury shares cannot at any time exceed ten per cent (10%) of the total number of issued Shares of the Company.

(b) Voting and other rights

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

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

(c) Disposal and cancellation

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

(i) sell the treasury shares for cash;

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

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

(iv) cancel the treasury shares; or

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

2.5 Reporting requirements

Pursuant to Rule 871 of the Catalist Rules, a listed company shall announce all purchases or acquisitions of its Shares not later than 9.00 a.m.:

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

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The announcement of such purchases or acquisitions of Shares shall be in such form and shall include such details as may be prescribed under the Rules of Catalist. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company, in a timely fashion, the necessary information which will enable the Company to make the relevant announcement.

LETTER TO SHAREHOLDERS

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

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

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

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

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

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

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

2.6 Sources of funds

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

Under the Companies Act, the Company is permitted to purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

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

2.7 Financial effects

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

The Company's total issued share capital will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

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

LETTER TO SHAREHOLDERS

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

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company, based on the audited financial accounts of the Group and the Company for the financial year ended 31 December 2014 are based on the assumptions set out below:

(a) based on 792,788,199 Shares in issue as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the AGM and no Shares are held by the Company as treasury shares on or prior to the AGM, not more than 79,278,819 Shares (representing ten per cent (10%) of the issued ordinary share capital of the Company (excluding treasury shares) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate;

(b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires the 79,278,819 Shares at the Maximum Price of $0.074 for one (1) Share (being the price equivalent to five per cent (5%) above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 79,278,819 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately $5,866,633; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 79,278,819 Shares at the Maximum Price of $0.084 for one (1) Share (being the price equivalent to 20 per cent (20%) above the Average Closing Price of the Shares on the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 79,278,819 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately $6,659,421.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed by internal sources of funds and/or external borrowings, (ii) the Share Buyback Mandate had been effective on 1 January 2014 and (iii) the Company had purchased or acquired the 79,278,819 Shares (representing ten per cent (10%) of its issued ordinary share capital at the Latest Practicable Date), the financial effects of the purchase or acquisition of the 79,278,819 Shares by the Company pursuant to the Share Buyback Mandate:

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

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

(3) by way of purchases made entirely out of profits and cancelled; and

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

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2014 pursuant to the Share Buyback Mandate are as follows:

LETTER TO SHAREHOLDERS

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

	Group			Company		
	Before Share Purchase $'000	After Share Purchase assuming Market Purchase $'000	After Share Purchase assuming Off-Market Purchase $'000	Before Share Purchase $'000	After Share Purchase assuming Market Purchase $'000	After Share Purchase assuming Off-Market Purchase $'000
As at 31 December 2014						
Share capital	94,844	94,844	94,844	94,844	94,844	94,844
Capital and other reserve	1,926	1,926	1,926	860	860	860
Retained earnings	1,649	1,649	1,649	(14,041)	(14,041)	(14,041)
	98,419	98,419	98,419	81,663	81,663	81,663
Treasury shares	(543)	(6,410)	(7,202)	(543)	(6,401)	(7,202)
Shareholders' funds	97,876	92,009	91,217	81,120	75,253	74,461
Net tangible assets	64,619	58,752	57,960	81,120	75,253	74,461
Current assets	63,676	57,809	57,017	1,391	(4,476)	(5,268)
Current liabilities	31,324	31,324	31,324	12,520	12,520	12,520
Working capital	32,352	26,485	25,693	(11,129)	(16,996)	(17,788)
Number of issued shares ('000) (net of treasury shares)	792,788	713,509	713,509	792,788	713,509	713,509
Financial ratios						
Net tangible assets/Shares (cents)	8.2	8.2	8.1	10.2	10.5	10.4
Current ratio (times)	2.0	1.8	1.8	0.1	(0.4)	(0.4)
Earnings per Share (cents)	0.13	0.14	0.14	-	-	-

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

	Group			Company		
	Before Share Purchase $'000	After Share Purchase assuming Market Purchase $'000	After Share Purchase assuming Off-Market Purchase $'000	Before Share Purchase $'000	After Share Purchase assuming Market Purchase $'000	After Share Purchase assuming Off-Market Purchase $'000
As at 31 December 2014						
Share capital	94,844	94,844	94,844	94,844	94,844	94,844
Capital and other reserve	1,926	1,926	1,926	860	860	860
Retained earnings	1,649	1,649	1,649	(14,041)	(14,041)	(14,041)
	98,419	98,419	98,419	81,663	81,663	81,663
Treasury shares	(543)	(6,410)	(7,202)	(543)	(6,410)	(7,202)
Shareholders' funds	97,876	92,009	91,217	81,120	75,253	74,461
Net tangible assets	64,619	58,752	57,960	81,120	75,253	74,461
Current assets	63,676	57,809	57,017	1,391	(4,476)	(5,268)
Current liabilities	31,324	31,324	31,324	12,520	12,520	12,520
Working capital	32,352	26,485	25,693	(11,129)	(16,996)	(17,788)
Number of issued shares ('000) (net of treasury shares)	792,788	713,509	713,509	792,788	713,509	713,509
Financial ratios						
Net tangible assets/Shares (cents)	8.2	8.2	8.1	10.2	10.5	10.4
Current ratio (times)	2.0	1.8	1.8	0.1	(0.4)	(0.4)
Earnings per Share (cents)	0.13	0.14	0.14	-	-	-

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(3) Purchases made entirely out of profits and cancelled

	Group			Company		
	Before Share Purchase $'000	**After Share Purchase assuming Market Purchase $'000**	**After Share Purchase assuming Off-Market Purchase $'000**	**Before Share Purchase $'000**	**After Share Purchase assuming Market Purchase $'000**	**After Share Purchase assuming Off-Market Purchase $'000**
As at 31 December 2014						
Share capital	94,844	94,844	94,844	94,844	94,844	94,844
Capital and other reserve	1,926	1,926	1,926	860	860	860
Retained earnings	1,649	(4,218)	(5,010)	(14,041)	(19,908)	(20,700)
	98,419	92,552	91,760	81,663	75,796	75,004
Treasury shares	(543)	(543)	(543)	(543)	(543)	(543)
Shareholders' funds	97,876	92,009	91,217	81,120	75,253	74,461
Net tangible assets	64,619	58,752	57,960	81,120	75,253	74,461
Current assets	63,676	57,809	57,017	1,391	(4,476)	(5,268)
Current liabilities	31,324	31,324	31,324	12,520	12,520	12,520
Working capital	32,352	26,485	25,693	(11,129)	(16,996)	(17,788)
Number of issued shares ('000) (net of treasury shares)	792,788	713,509	713,509	792,788	713,509	713,509
Financial ratios						
Net tangible assets/Shares (cents)	8.2	8.2	8.1	10.2	10.5	10.4
Current ratio (times)	2.0	1.8	1.8	0.1	(0.4)	(0.4)
Earnings per Share (cents)	0.13	0.14	0.14	-	-	-

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(4) Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Purchase $'000	After Share Purchase assuming Market Purchase $'000	After Share Purchase assuming Off-Market Purchase $'000	Before Share Purchase $'000	After Share Purchase assuming Market Purchase $'000	After Share Purchase assuming Off-Market Purchase $'000
As at 31 December 2014						
Share capital	94,844	88,977	88,185	94,844	88,977	88,185
Capital and other reserve	1,926	1,926	1,926	860	860	860
Retained earnings	1,649	1,649	1,649	(14,041)	(14,041)	(14,041)
	98,419	92,552	91,760	81,663	75,796	75,004
Treasury shares	(543)	(543)	(543)	(543)	(543)	(543)
Shareholders' funds	97,876	92,009	91,217	81,120	72,253	74,461
Net tangible assets	64,619	58,752	57,960	81,120	72,253	74,461
Current assets	63,676	57,809	57,017	1,391	(4,476)	(5,268)
Current liabilities	31,324	31,324	31,324	12,520	12,520	12,520
Working capital	32,352	26,485	25,693	(11,129)	(16,996)	(17,788)
Number of issued shares ('000) (net of treasury shares)	792,788	713,509	713,509	792,788	713,509	713,509
Financial ratios						
Net tangible assets/Shares (cents)	8.2	8.2	8.1	10.2	10.5	10.4
Current ratio (times)	2.0	1.8	1.8	0.1	(0.4)	(0.4)
Earnings per Share (cents)	0.13	0.14	0.14	-	-	-

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Shareholders should note that the financial effects set out above are **purely for illustrative purposes** and based only on the abovementioned assumptions. In particular, it is important to note that the above financial analysis is based on the Group's and the Company's historical numbers for the financial year ended 31 December 2014, and is not necessarily representative of the future financial performance of the Group and the Company. The Company will take into account both financial and non-financial factors (for example, equity market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to ten per cent (10%) of the total number of its issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent (10%) of the total number of its issued Shares (excluding treasury shares). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

2.8 Catalist Rules

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

(a) one (1) month immediately preceding the announcement of the Company's full-year results; and

(b) two (2) weeks immediately preceding the announcement of the Company's first three (3) quarterly results.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent (10%) of its Shares (excluding preference shares, convertible equity securities and treasury shares) are in the hands of the public. The "public", as defined under the Catalist Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Group, as well as the associates of such persons.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 407,651,692 Shares, representing approximately fifty one per cent (51%) of the issued Shares (excluding treasury shares), are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full ten per cent (10%) limit pursuant to the Share Buyback Mandate, and there is no other change to the capital structure of the Company and no change to the Shares held by the Directors and the Substantial Shareholders, the number of Shares in the hands of the public would be reduced to approximately 328,372,873 Shares, representing approximately forty six per cent (46%) of the reduced issued share capital of the Company. If the Shares in the hands of the public falls below ten per cent (10%) of the reduced issued share capital of the Company, the SGX-ST may suspend trading of the Shares.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full ten per cent (10%) pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity. In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on Catalist, cause market illiquidity or adversely affect the orderly trading of the Shares.

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2.9 Take-over Code implications

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

(a) Obligation to make a take-over offer

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

(b) Persons acting in concert

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

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

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

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

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

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

(v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;

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

(vii) partners; and

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

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

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

(c) Effect of Rule 14 and Appendix 2 to the Take-over Code

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

(i) the voting rights of such Directors and persons acting in concert with them would increase to thirty per cent (30%) or more; or

(ii) in the event that such Directors and persons acting in concert with them hold between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than one per cent (1%) in any period of six (6) months (commonly referred to as the "one per cent (1%) creeper rule").

In calculating the percentages of voting rights of such Directors and persons acting in concert with them, treasury shares shall be excluded.

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

(i) the voting rights of such Shareholder would increase to thirty per cent (30%) or more; or

(ii) if such Shareholder holds between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months.

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

Based on the information in the Company's register of members as at the Latest Practicable Date, none of the Directors or Substantial Shareholders are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 to the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the proposed Share Buyback Mandate.

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

2.10 Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buyback Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

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2.11 Previous Share buybacks

For the period of 12 months immediately preceding the Latest Practicable Date, the Company had purchased or acquired a total of 4,989,000 Shares by way of Market Purchases pursuant to the Share Buyback Mandate, and the 4,989,000 Shares were kept as treasury shares. The particulars of such share purchases and acquisitions are as follows:

Number of Shares purchased	Highest price paid	Lowest price paid	Total consideration paid (excluding transaction costs)
4,989,000	$0.08	$0.069	$375,618

3. THE PROPOSED GRANT OF AWARDS TO MR. ANDY LIM AND MR. LIN WEI DANIEL UNDER THE VLTIP

3.1 Introduction

The VLTIP is a share incentive plan which increases the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. The adoption of the VLTIP was approved by Shareholders at an EGM held on 15 December 2011. The participation of Mr. Andy Lim, a Controlling Shareholder, and Mr. Lin Wei Daniel, an associate of a Controlling Shareholder, in the VLTIP was also approved by independent Shareholders at the EGM.

Pursuant to Rule 852 of the Catalist Rules, a separate resolution must be passed by independent Shareholders to approve the Awards to be granted to Mr. Andy Lim and Mr. Lin Wei Daniel.

3.2 Summary of the rules of the VLTIP

Please refer to Annex A for a summary of the rules of the VLTIP.

3.3 Grant of an Award to Mr. Andy Lim, a Controlling Shareholder, under the VLTIP

The Company is proposing to grant an Award to Mr. Andy Lim under the VLTIP on the following terms:

(a)	Proposed date of grant	:	29 April 2015
(b)	Number of shares which are the subject of the Award to be granted	:	450,000
(c)	Vesting period of the Award	:	The Shares will vest on the date falling 12 months from the date of grant of the Award

3.4 Rationale and justification for granting an Award to Mr. Andy Lim under the VLTIP

As Executive Director and Chairman of the Company, Mr. Andy Lim plays a major role in the overall management of the corporate affairs and business opportunities of the Group. With his wealth of business experience, the Group will benefit much from his strategic directions and looks to him to actively lead the Group. Under his leadership, the Group is set to achieve growth in revenue, profits and scale of operations.

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The Directors are of the view that Mr. Andy Lim's leadership and management skills, as well as his experience and contribution towards the growth of the Group, is invaluable, and his continuing contribution is required for the success of the Group. The grant of an Award under the VLTIP to him will serve not only as recognition of his past contributions to the Group but also give him a stronger stake in the future performance of the Group. The grant will also serve as a means to motivate him to continue to achieve and maintain a high level of performance which is vital to the success of the Group.

3.5 Grant of an Award to Mr. Lin Wei Daniel, an associate of a Controlling Shareholder, under the VLTIP

The Company is proposing to grant an Award to Mr. Lin Wei Daniel under the VLTIP on the following terms:

(a)	Proposed date of grant	:	29 April 2015
(b)	Number of Shares which are the subject of the Award to be granted	:	200,000
(c)	Vesting period of the Award	:	The Shares will vest on the date falling 12 months from the date of grant of the Award

3.6 Rationale and justification for granting an Award to Mr. Lin Wei Daniel under the VLTIP

As an Executive Director of the Company, Mr. Lin Wei Daniel is part of the key management of the Group which is responsible for the management and driving the growth of the Group. Given his legal and fund raising background, the Directors believe his skill set adds to the diversity and expertise of the Board in the areas of his experience, and provides management oversight in business development, corporate actions and any other corporate initiatives where his experience and skills will be relevant to the Company and its subsidiaries.

Mr. Lin Wei Daniel is also spearheading the development and growth of the new business venture of offshore and marine asset, ownership and chartering services.

The Directors believe that Mr. Lin Wei Daniel has made, and will continue to make, important contributions to the Group. The grant of Awards under the VLTIP to Mr. Lin Wei Daniel will strengthen the Company's competitiveness in retaining his services. The grant of Awards will also help to encourage greater dedication and loyalty by recognising Mr. Lin Wei Daniel's past contributions and services, and to motivate him to continue to contribute to the long-term growth and development of the Group.

3.7 Costs arising from the grant of Awards

FRS 102 relating to share-based payment takes effect for all listed companies beginning 1 January 2005. The Awards if settled by way of issue of new Shares or the purchase of existing Shares, would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the profit and loss account over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and where there are non-market conditions attached (see the following paragraph), the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement will be made. This accounting treatment has been referred to as the modified grant date method because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the grant date.

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The amount charged to the profit and loss account would be the same whether the Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of the charge to the profit and loss account also depends on whether or not the performance target attached to an Award (if any) is a "market condition", that is, a condition which is related to the market price of the Shares. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Shares granted at the grant date, and no adjustments to amounts charged to the profit and loss account are made if the market condition is not met. On the other hand, if the performance target is not a market condition, the probability of the target being met is not taken into account in estimating the fair value of the Shares granted at the grant date. Instead, it is subsequently considered at each accounting date in assessing whether the Awards would vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to the profit and loss account if the Awards do not ultimately vest.

3.8 Awards granted under the VLTIP

As at the Latest Practicable Date, the Company has granted (i) an Award in respect of 750,000 Shares to Mr. Andy Lim on 29 April 2014 and (ii) an Award in respect of 200,000 Shares to Mr. Lin Wei Daniel on 29 April 2014, under the VLTIP.

The VLTIP shall continue to be in force at the discretion of the Plan Committee, subject to a maximum period of 10 years, commencing on 15 December 2011, provided that the VLTIP may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares, respectively, are as follows:

	Number of Shares			
Directors	**Direct Interest**	**%[1]**	**Deemed Interest**	**%[1]**
Andy Lim[2]	172,830,800	21.80	21,000,000	2.65
Ong Choo Guan	25,580,000	3.23	60,000	0.01
Lin Wei Daniel	200,000	0.02	-	-
Lee Suan Hiang	2,450,000	0.31	-	-
Lien Kait Long	650,000	0.08	-	-
Kelvin Tan Wee Peng	1,250,000	0.16	-	-

	Number of Shares			
Substantial Shareholders (other than Directors)	**Direct Interest**	**%[1]**	**Deemed Interest**	**%[1]**
Tan Boy Tee	80,000,000	10.09	-	-
Viking Engineering Pte Ltd[3]	85,989,200	10.85	-	-
Johansson Bo Robert[3]	-	-	85,989,200	10.85
Sune Gustaf Sigvard Andersson[3]	-	-	85,989,200	10.85

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Notes:

(1) The percentage shareholding interest is based on the existing issued and paid-up share capital of 792,788,199 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Mr Andy Lim has a direct interest in 172,830,800 Shares, of which 650,000 Shares are registered in his own name and 172,180,800 Shares are registered and held through the following nominees:

Nominees	**Shares**
HSBC Nominees (Singapore) Pte Ltd	141,769,200
Citibank Nominees Singapore Pte Ltd	17,211,600
Hong Leong Finance Nominees Pte Ltd	13,200,000

He is also deemed interested in 21,000,000 Shares held by associated Leisure International Pte Ltd in which he holds a 99% shareholding interest.

(3) Mr Johansson Bo Robert and Mr Sune Gustaf Sigvard Andersson are the Substantial Shareholders (50% each) of Viking Engineering Pte Ltd and are deemed interested in the 85,989,200 Shares held by Viking Engineering Pte Ltd.

5. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed Share Buyback Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed Share Buyback Mandate, at the forthcoming AGM.

The Directors are all eligible to participate in and are therefore interested in the VLTIP. They have accordingly abstained from making any recommendations to the Shareholders in respect of ordinary resolutions relating to the grant of Awards to Mr. Andy Lim and Mr. Lin Wei Daniel under the VLTIP.

6. ABSTENTION FROM VOTING

The Directors are all eligible to participate in and are therefore interested in the VLTIP. In the case of Directors who are Shareholders, they shall abstain from voting on ordinary resolutions relating to the grant of Awards under to Mr. Andy Lim and Mr. Lin Wei Daniel under the VLTIP.

The Directors shall also decline to accept any appointment as proxies or nominees, as the case may be, for any Shareholder, as the case may be, to vote in respect of the ordinary resolutions unless the Shareholder appointing them has given specific instructions in the Proxy Form as to how he or she wishes his or her votes to be cast in respect of the said ordinary resolutions.

In addition, all Shareholders who are eligible to participate in the VLTIP shall abstain from voting in respect of the said ordinary resolutions and shall also decline to accept any appointment as proxy for any Shareholder to vote in respect of the said ordinary resolutions unless the Shareholder concerned has given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the said ordinary resolutions.

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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 Share Buyback Mandate, the proposed Grant of Awards, 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 this 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 this Appendix in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the registered office of the Company at 21 Kian Teck Road, Singapore 628773 during normal business hours from the date of this Appendix up to and including the date of the AGM:

(a) the Memorandum and Articles of Association of the Company; and

(b) the rules of the VLTIP.

Yours faithfully,

For and on behalf of the Board of Directors
Viking Offshore and Marine Limited

Mr Ong Choo Guan
Chief Executive Officer and Executive Director

ANNEX A - SUMMARY OF THE RULES OF THE VLTIP

(1) Eligibility

The VLTIP allows confirmed Group Employees (including Group Executive Directors) and Group Non-Executive Directors (including Independent Directors) who have attained the age of 21 years on or prior to the relevant date of grant of the Award, provided that such persons are not undischarged bankrupts and have not entered into compositions with their respective creditors at the relevant time, and who, at the absolute discretion of the Plan Committee, will be eligible to participate in the VLTIP.

There shall be no restriction on the eligibility of any Plan Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group.

Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the VLTIP may be amended from time to time at the absolute discretion of the Plan Committee, which would be exercised judiciously.

(2) Awards

Awards represent the right of a Plan Participant to receive fully paid Shares free of charge, upon the Plan Participant achieving the prescribed performance targets and upon the expiry of the prescribed vesting periods. The selection of the Plan Participants and the number of Shares which are the subject of each Award to be granted to a Plan Participant in accordance with the VLTIP shall be determined at the absolute discretion of the Plan Committee, which shall take into account criteria such as, inter alia, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

In the case of a performance-related Award, the performance targets will be set by the Plan Committee depending on each individual Plan Participant's job scope and responsibilities. The performance targets to be set shall take into account both the medium and long-term corporate objectives of the Group and the individual performance of the Plan Participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The performance targets could be based on criteria such as sales growth, growth in earnings and return on investment. In addition, the Plan Participant's length of service with the Group, achievement of past performance targets, value-add to the Group's performance and development and overall enhancement to Shareholder value, amongst others, will be taken into account.

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

An Award letter confirming the Award will be sent to each Plan Participant as soon as reasonably practicable after the Award is finalised, specifying, inter alia, the following:

(i) in relation to a performance-related Award, the performance targets and the performance period during which the prescribed performance targets shall be met;

(ii) the number of Shares to be vested on the Plan Participant;

(iii) the prescribed vesting period;

(iv) the release schedule setting out the extent to which Shares, which are the subject of the Award, shall be vested at the end of the vesting period; and

(v) the date by which the Award shall be vested.

ANNEX A - SUMMARY OF THE RULES OF THE VLTIP

The Plan Committee will take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of the Company and the predetermined dollar amount which the Plan Committee decides that a Plan Participant deserves for meeting his performance targets. For example, Shares may be awarded based on pre-determined dollar amounts such that the quantum of Shares comprised in Awards is dependent on the closing price of Shares transacted on the Market Day the Award is vested. Alternatively, the Plan Committee may decide absolute numbers of Shares to be awarded to Plan Participants irrespective of the price of the Shares. The Plan Committee shall monitor the grant of Awards carefully to ensure that the size of the VLTIP will comply with the relevant rules of the Catalist Rules.

(3) Size and duration of the VLTIP

The total number of Shares which may be delivered pursuant to the vesting of Awards on any date, when added to the aggregate number of Shares issued and/or issuable in respect of all Awards granted under the VLTIP and all other Shares issued and/or issuable under any other share based incentive schemes or share plans of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) of the Company on the day preceding the date on which the Award shall be granted.

The Directors believe that the size of the VLTIP will give the Company sufficient flexibility to decide the number of Shares to be offered under the VLTIP. However, it does not indicate that the Plan Committee will definitely issue Shares up to the prescribed limit. The Plan Committee will exercise its discretion in deciding the number of Shares to be granted to each Plan Participant under the VLTIP. This, in turn, will depend on and be commensurate with the performance and value of the Plan Participant to the Group.

The VLTIP shall continue in force at the discretion of the Plan Committee, subject to a maximum period of ten (10) years commencing on the date on which the VLTIP is adopted by the Company in general meeting, provided always that the VLTIP may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the VLTIP, any Awards made to Plan Participants prior to such expiry or termination will continue to remain valid.

(4) Operation of the VLTIP

The Plan Committee shall have the discretion to determine whether performance targets have been met (whether fully or partially) or exceeded and/or whether the Plan Participant's performance and/or contribution to the Company and/or any of its subsidiaries justifies the vesting of an Award. In making any such determination, the Plan Committee shall have the right to make reference to the audited results of the Group or the Company, as the case may be, to take into account such factors as the Plan Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance targets if the Plan Committee decides that a changed performance target would be a fairer measure of performance.

Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Plan Committee being satisfied that the Plan Participant has achieved the prescribed performance targets, if any.

Subject to the prevailing legislation and the provisions of the Catalist Rules, the Company will be delivering Shares to Plan Participants upon vesting of their Awards by way of an issue of new Shares or the transfer of existing Shares held as treasury shares to the Plan Participants. In determining whether to issue new Shares or to purchase existing Shares for delivery to Plan Participants upon the vesting of their Awards, the Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on the Company of either issuing new Shares or purchasing existing Shares.

ANNEX A - SUMMARY OF THE RULES OF THE VLTIP

New Shares allotted and issued, and existing Shares held in treasury procured by the Company for transfer, on the release of an Award, shall be subject to all the provisions of the Memorandum and Articles of Association of the Company and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the vesting date of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

(5) Administration of the VLTIP

The VLTIP shall be administered by the Plan Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Plan Committee shall participate in any deliberation or decision in respect of Awards to be granted to or held by him or his associate.

(6) Winding Up and other Events

If before the vesting of the Shares in respect of an Award, any of the following occurs:

(i) a take-over offer for the Shares becomes or is declared unconditional;

(ii) the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies under the Companies Act; or

(iii) the Shareholders pass a resolution for a members' solvent voluntary winding-up (other than for amalgamation or reconstruction),

the Plan Committee will consider, at its discretion, whether or not to release any Award, and will take into account all relevant circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant. If the Plan Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Plan Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are released, the Plan Committee will, as soon as practicable after the Awards have been released, procure the allotment or transfer to each participant of the number of Shares so determined, such allotment or transfer to be made in accordance with the VLTIP. If the Plan Committee so determines, the release of Awards may be satisfied in cash as provided in the VLTIP.