

Corporate Governance Report

PACC Offshore Services Holdings Ltd. ("POSH" or the "Company") and its subsidiaries (the "Group") believe in a firm commitment to upholding the highest standards of corporate governance to safeguard the interests of all its stakeholders. This report sets out the current practice with reference to the guidelines set out in the Code of Corporate Governance 2012 (the "Code"). The Company's corporate governance practices conform largely to the principles and guidelines of the Code. Where there are deviations from the Code, appropriate explanations are provided in this Report.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is accountable to stakeholders for the long-term performance and financial soundness of the Group. The Board's primary responsibility, apart from its statutory duties, is to direct and oversee the implementation of the Group's overall business strategy, establish and communicate corporate culture and values, and establish conflicts of interest policies and a strong corporate governance environment.

Other principal functions of the Board include: (a) ensuring that the necessary financial and human resources are in place for the Company to meet its objectives; (b) establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets; (c) reviewing Management's performance; (d) identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation; and (e) consider sustainability issues, such as environmental and social factors, as part of its strategic formulation.

The Company will report its sustainability practices on pages 33 to 48 of this Annual Report.

To assist the Board in the discharge of its oversight function, various board committees namely the Audit, Board Risk, Nominating and Remuneration Committees ("Board Committees") have been constituted with clear terms of reference. All Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. All Directors exercise due diligence and independent judgement, and make decisions objectively as fiduciaries in the best interests of the Group. This is one of the performance criteria for the assessment of the contributions of the individual Directors.

The Board conducts regular scheduled meetings on a quarterly basis and ad-hoc meetings are convened, as may be requested by any member of the Board or if warranted by circumstances deemed appropriate by the Board. Between scheduled meetings, matters that require the Board's approval are circulated to all Directors for their consideration and decision. As provided in the Company's Constitution, Directors may participate in Board meetings by teleconferencing and videoconferencing.

All written resolutions passed and minutes of meetings held by the Board Committees are circulated to the Board for information and review, with such recommendations as the respective Board Committees consider appropriate for approval by the Board. While the Board Committees have the delegated powers to make decisions or make recommendations within the scope of their respective terms of reference, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

For the year under review, the attendance of the Directors of the Company at meetings of the Board and Board Committees are summarized below:

	Board	Audit Committee ("AC")	Board Risk Committee ("BRC")	Remuneration Committee ("RC")	Nominating Committee ("NC")
1. Kuok Khoo Ean	4/5	NA	3/4	2/2	NA
2. Seow Kang Hoe, Gerald	5/5	NA	NA	NA	NA
3. Wu Long Peng (Alternate: Yong Hsin Yue ⁴)	5/5	NA	NA	NA	2/2
4. Ahmad Sufian @ Qurnain Bin Abdul Rashid	4/5	3/4	NA	2/2	1/2
5. Ma Kah Woh	5/5	4/4	4/4	NA	2/2
6. Jude Philomen Benny ¹	5/5	4/4	4/4	NA	2/2
7. Wee Joo Yeow ²	5/5	4/4	4/4	2/2	NA
8. Ivan Replumaz ³	5/5	3/4	3/4	NA	NA

Note:

1. Mr Jude Philomen Benny was appointed as a member of RC on 7 December 2018.
2. Mr Wee Joo Yeow was appointed as a member of NC on 7 December 2018.
3. Mr Ivan Replumaz was appointed as a member of the AC and BRC as well as Chairman of the BRC on 1 March 2018.
4. Ms Yong Hsin Yue was appointed as an alternate director to Mr Wu Long Peng on 29 January 2019.

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The Company has adopted and documented internal guidelines setting forth matters that require Board approval. Matters which are specifically reserved for the decision of the Board include:

- Strategies and major business proposals of the Group;
- Acquisitions and disposals of investments, businesses and assets;
- New lines of businesses which complement the core business activities of the Group;
- Commitment to loans and lines of credit from banks and financial institutions including interest rates hedging and fund raising from capital markets, and including the opening and closing of bank accounts; and
- Share issuances, interim dividends and other returns to shareholder.

Incoming directors receive a board tailored induction pack on joining the Board. The board induction pack includes information on the operations and businesses of the Group and governance practices.

Directors are updated on the Group's business, including changing commercial risks, and on relevant new laws and regulatory changes, as and when necessary. Industry update briefing sessions by external industry specialists are also organised for the Board. Board members are encouraged to attend seminars and courses organised by the Accounting and Corporate Regulatory Authority, the Singapore Institute of Directors and/or the Singapore Exchange Limited on relevant topics, costs of which are borne by the Company.

The Board secretariat is responsible for organising and compiling a list of relevant courses, which are circulated to Board members. Directors' attendance record at courses is being maintained by the secretariat.

Newly appointed directors will receive formal letters of appointment setting out the scope of their duties and obligations.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board has eight (8) principal directors comprising one (1) Executive Director, two (2) Non-Executive Directors and five (5) Independent Non-Executive Directors and one (1) alternate director. Independent Directors make up more than half the Board. The Board considers an "independent" director as one who has no relationship with the Company, its related corporations, its shareholders with shareholdings of 10% or more voting shares in the Company or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of a Director's independent business judgement with a view to the best interests of the Group.

The Code states that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. Mr Ahmad Sufian @ Qurnain Bin Abdul Rashid was first appointed to the Board on 9 January 2009 and has served more than nine years on the Board.

The NC and the Board reviewed Mr Ahmad Sufian @ Qurnain Bin Abdul Rashid's independence. The NC and the Board are of the view that Mr Ahmad Sufian @ Qurnain Bin Abdul Rashid contributed significantly to the discussions and demonstrated independent judgement in the discharge of his duties at Board and Board Committee meetings. Mr Ahmad Sufian @ Qurnain Bin Abdul Rashid expressed individual point of view and objectively reviewed and scrutinised management's proposals. The NC and the Board are not aware of any factors that would impair Mr Ahmad Sufian @ Qurnain Bin Abdul Rashid's independence and concluded that Mr Ahmad Sufian @ Qurnain Bin Abdul Rashid continued to be considered independent.

In FY2018, on the basis of the declarations of independence provided by the Directors, the guidance in the Code and the review of the NC, the Board has determined that Mr Ahmad Sufian @ Qurnain Bin Abdul Rashid, Mr Ma Kah Woh, Mr Jude Philomen Benny, Mr Wee Joo Yeow and Mr Ivan Replumaz are Independent Directors under the Code.

With Independent Directors being a majority on the Board, the Company believes that it has a strong and independent element on the Board which facilitates the exercise of independent and objective judgement on its corporate affairs.

Mr Jude Benny is the Lead Independent Director. He avails himself to address shareholders' concerns and acts as a counter-balance on management issues in the decision-making process. The Lead Independent Director works closely with other Independent Directors and when necessary meets with them, without the presence of other Directors to discuss matters that were deliberated at Board meetings. In the absence of the Chairman or if there is a conflict of interest, the Lead Independent Director, will assume the role of Chairman. The Lead Independent Director will also provide feedback to the Chairman after such discussions/meetings.

The NC reviews annually, the size, composition and balance of the Board to ensure the Board has the core competencies for effective functioning and informed decision making. The Board is made up of Directors with a wide range of skills, experience and qualifications and they bring with them expertise and knowledge in areas such as accounting, finance, legal, business acumen, risk management and specific industry and customer-based knowledge relevant to the Group's business. Key information about the Directors is presented in the section titled "Board of Directors" in the Company's Annual Report 2018.

The composition of the Board is determined using the following principles:

- (i) The majority of the Board should be independent;
- (ii) The Board should comprise directors with a wide range of commercial, risk management and general management experience.

The Board recognises the importance and value of gender diversity. The NC will include gender diversity as one of the criteria for future appointments on the Board.

The Board is provided with accurate, complete and timely information to enable it to make well informed decisions. The Non-Executive and Independent Directors constructively challenge and assist in the development of proposals on strategy and assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. Where necessary, the Non-Executive and Independent Directors will hold discussions separately without the presence of Management.

The Board in concurrence with the NC, is of the view that taking into account the nature and scope of the operations of the Group, the requirements of the Group's businesses, and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the current size and composition of the Board facilitates effective decision making. With Independent Directors making up more than half of the Board, no individual or small group of individuals dominate decision making. The Directors as a group provide the appropriate balance and diversity of skills, experience, knowledge of the Group as well as core competencies such as legal, accounting or finance, maritime & offshore knowledge, business or management experience and strategic planning experience required for the Board and the Board Committees to be effective.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

The Company's Chairman is Mr Kuok Khoon Ean. The Chairman, with the assistance of the Company Secretaries, schedules and prepares meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues, to enable the Board to discharge its duties responsibly having regard to the Group's operations.

The Chairman leads all Board meetings to ensure its effectiveness on all aspects of its role and ensures that Board members receive complete, adequate and timely information to enable them to be fully cognisant of the affairs of the Group. He also promotes a culture of openness and debate and solicits contributions from the Board members to facilitate constructive discussions. The Chairman also ensures effective communication with shareholders, encourages constructive relations within the Board and between the Board and Management and facilitates the effective contribution of non-executive directors in particular.

The Chairman takes a leading role in the Company's drive to achieve and maintain high standards of corporate governance with the full support of the Board and the Company Secretaries.

The Chief Executive Officer ("CEO") on the other hand, has full executive responsibility over the business direction and operational decisions on the day-to-day operations and management of the Group.

The Chairman and CEO are not related.

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BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The Board has established the NC comprising entirely Non-Executive Directors with the majority being Independent Directors, namely:

Jude Philomen Benny	Chairman and Lead Independent Director
Ahmad Sufian @ Qurnain Bin Abdul Rashid	Member
Wu Long Peng	Member
Ma Kah Woh	Member
Wee Joo Yeow ¹	Member

Note:

1. Mr Wee Joo Yeow was appointed as a member of the NC on 7 December 2018.

The NC meets at least once a year and under its terms of reference is responsible for, among others, making recommendations to the Board on matters relating to:

- a) The review of succession plans for Board of Directors, in particular the Chairman as well the succession plan for CEO;
- b) The development of the process for evaluation of the performance of the Board, Board Committees and Directors;
- c) The review of training and professional development programs for the Board;
- d) The appointment and re-appointment of Directors; and
- e) The appointment of persons to senior management positions.

The NC has adopted the guidelines as set out in the Code in carrying out its assessment of the independence of the Directors of the Company. The independence of each Independent Director is reviewed by the NC on an annual basis and as and when circumstances require. Annually, each Independent Director is required to confirm his independence. Appointment of a new independent director is subject to his confirmation that he is independent based on the criteria set out in the Code.

The NC has, upon its assessment, concluded that none of the Independent Directors are related and do not have any relationship with the Company or its related companies, its shareholders with shareholdings of 10% or more voting shares in the Company or its officers that could interfere with the exercise of their independent judgement. The Board has concurred with the NC that all five existing Independent Directors of the Company are considered independent.

The Company does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit sufficient time and attention to the affairs of the Group. In this connection, the NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to carry and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment of the competencies, commitment and contributions of the individual Director and is of the view that although some Directors hold other non-Group Board representations, they are nevertheless able to carry and have effectively carried out their duties as Directors of the Company.

As part of the Board selection process, the NC undertakes an assessment of the current strengths of the Board, its ability to govern effectively, as well as any gaps that should be filled. The NC also considers the composition and progressive renewal of the Board.

Candidates may be proposed by existing Board members or recommended through the Group's network of business associates and professionals. The necessary due diligence on the candidate will be conducted and interviews arranged with the NC before the selected candidate is formally proposed to the Board of Directors. The NC must be satisfied that the candidate is fit and proper for the position, taking into account the candidate's track record, experience, capabilities and other relevant factors.

As a principle of good corporate governance, all Board members are required to submit themselves for re-election at regular intervals. Each member of the NC will abstain from voting on any resolution in respect of the assessment of his re-nomination as Director. The CEO, as a Board member, is also subject to retirement and re-election. In accordance with the Constitution of the Company, one-third of the Directors who have been longest in office since their last re-election, are required to retire by rotation at least once every three years. These Directors are eligible for re-election, subject to approval by the shareholders at the annual general meeting ("AGM"). New Directors will hold office only until the next AGM following their appointments and they will be eligible for re-election. Such Directors are not taken into account in determining the number of Directors who are to retire by rotation.

The NC has, in its deliberations on the re-election of existing Directors, taken into consideration the relevant Director's competencies, commitment, contribution and performance. The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of participation and special contribution.

The Board has accepted the NC's recommendation to seek approval of shareholders at the upcoming AGM for the re-election of Mr Kuok Khoon Ean, Mr Ma Kah Woh and Mr Wee Joo Yeow under Articles 94 and 95 of the Company's Constitution. Mr Wu Long Peng who is also due for retirement by rotation at the upcoming AGM, will not be seeking for re-election and accordingly, he will retire from office at the conclusion of the AGM. Consequently, Ms Yong Hsin Yue will also cease to be his alternate director after the conclusion of the AGM.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

The Board, through the NC, has implemented a process for assessing the effectiveness of the Board as a whole and its Board Committees and contribution by the Chairman and each individual Director to the effectiveness of the Board, on an annual basis. Directors are required to complete a Board assessment form and an individual self-assessment form. In addition, Committee members are required to assess each Board Committee they are a member of. The findings are collated and presented by the NC to the Board.

The assessment is based on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information, the Board process and accountability, the Company's procedures on development of remuneration policies and risk management controls. Through the Board evaluation, the Directors had the opportunity to gauge whether they have demonstrated commitment to the role (including commitment of time for meetings of the Board and Board Committees, and any other duties), their effectiveness individually, collectively and identify areas of improvement.

The Chairman may act on the results of the Board evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

For FY2018, the evaluation indicated that the Board continues to perform effectively.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

All Directors receive a set of board papers that include explanatory information relating to matters to be brought before the Board, copies of disclosure notes, budgets, forecasts and internal group financial statements prior to Board and Board Committees' meetings. This is generally sent to them in advance to allow sufficient time for the Board members to obtain further explanations, where necessary, to be properly briefed and adequately prepared for the Board and Board Committees' meetings. In respect of budgets, any material variance between the projections and actual results are also disclosed and explained.

The Directors also receive monthly flash reports (which include monthly internal financial statements) as well as quarterly management accounts of the Group and have unrestricted access to the records and information of the Group. The Non-Executive and Independent Directors have access to senior executives in the Group and other employees to seek additional information if required to enable them to understand the Group's business, the business and financial environment as well as the risks faced by the Group. To facilitate separate and independent access, the contact particulars of the senior executives and Company Secretaries of the Group have been provided to all Directors. The Directors, whether collectively or individually may, at the Company's expense, seek and obtain independent professional advice when necessary to discharge their duties effectively.

The Company Secretaries have the responsibility to ensure that Board procedures are followed and that all applicable rules and regulations including requirements of the Securities and Futures Act, Singapore Companies Act and SGX-ST Listing Manual, are complied with. Under the direction of the Chairman, the responsibilities of the Company Secretaries include ensuring good information flows within the Board and its Board Committees and between Management and non-executive directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. The Company Secretaries are in attendance at meetings of the Board and Board Committees and are responsible for preparing the minutes of the proceedings thereat. The appointment and removal of the Company Secretaries is a matter for the Board to decide as a whole.

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PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The Remuneration Committee ("RC") comprises four (4) Directors namely:

Wee Joo Yeow	Chairman
Kuok Khoo Ean	Member
Ahmad Sufian @ Qurnain Bin Abdul Rashid	Member
Jude Philomen Benny ¹	Member

Note:

1. Mr Jude Philomen Benny was appointed as a member of the RC on 7 December 2018.

The RC has written terms of reference that describes the composition and responsibilities of the members. The RC shall comprise of at least three directors, the majority of whom, including the RC Chairman should be independent. All the members of the RC are non-executive directors. The RC is responsible for ensuring a formal and transparent procedure for developing a comprehensive remuneration policy, and general framework and guidelines for remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, grant of shares and shares options, and benefits-in-kind) of the members of the Board and key management personnel. The RC reviews and recommends to the Board, specific remuneration packages for each of the Directors and the key management personnel. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximizing shareholder value. Where necessary, the RC will seek expert advice on human resource or remuneration matters within the Company or from external consultants. No consultant was engaged in 2018 to provide remuneration advice.

The RC is also responsible for the review of, and recommending to the Board, awards under the POSH Share Option Plan ("SOP") and POSH Performance Share Plan ("PSP") and their associated performance conditions. In addition, the RC reviews the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

No RC member nor any Director is involved in deliberations regarding compensation, share-based incentive or any form of benefits to be granted to himself.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

The Company's current remuneration framework comprises a fixed and a variable component. The variable component, delivered in the form of annual bonus and/or PSP and SOP ("Share Plans"), is tied to the performance of the individual and the Group. During the financial year, in November 2018, the Company granted a batch of share awards to the CEO and key management personnel of the Group. The Company also granted a second batch of share options to eligible employees of the Group. These are intended to reward and recognise the contributions of the employees to the long-term growth of the Group. Details of the share awards and options granted, including their vesting schedules are set out in the Directors' Statement.

One of the key objectives of the Share Plans is to provide employees an opportunity to participate in the equity of the Company and to enhance its competitive edge in attracting, recruiting and retaining talented key management personnel and employees. The Company believes that the Share Plans, as a long term incentive scheme will align the interests of its employees and Non-Executive Directors with those of its shareholders and promote the long-term success of the Company.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

Each member of the Board receives an annual Director's fees, and such fees are subject to the approval of shareholders at the AGM. The structure of Directors' fees for FY2018 is set out below. The CEO as an Executive Director does not receive Director's Fees.

In determining the quantum of Directors' fees for the Non-Executive Directors, factors such as effort and time spent and responsibilities of the Directors are taken into account to ensure that the remuneration is appropriate to their level of contribution. The RC ensures that none of the Independent Directors are over-compensated to the extent that their independence may be compromised.

Fee Structure for FY2018

- A retainer fee of S\$60,000 for serving as a Director (other than Chairman of the Board);
- A retainer fee of S\$120,000 for serving as Chairman of the Board;
- Additional attendance fee of S\$500 per meeting (for Board and Board Committees, except for Chairman of the Board);
- Additional fee of S\$20,000 for serving as Lead Independent Director;
- Additional fee for serving as member on the following Board Committees. In addition, the Chairman of each Board Committee is also paid an additional fee in view of the greater responsibility carried by that office.

	Audit Committee S\$	Board Risk Committee S\$	Nominating Committee S\$	Remuneration Committee S\$
Chairman's Fee	30,000	5,000	5,000	5,000
Member's Fee	20,000	10,000	10,000	10,000

The breakdown of remuneration for the Directors and the top 5 key executives of the Company for FY2018 are as follows:

Non-Executive and Independent Directors	Proposed Directors' Fee	Fixed Salary	Variable Bonus	Benefits-in-kind	Total (S\$)
Kuok Khoon Ean	100%	–	–	–	140,833
Wu Long Peng	100%	–	–	–	73,500
Jude Philomen Benny	100%	–	–	–	133,172
Ma Kah Woh	100%	–	–	–	137,500
Ahmad Sufian @ Qurnain Bin Abdul Rashid	100%	–	–	–	105,000
Wee Joo Yeow	100%	–	–	–	113,172
Ivan Replumaz	100%	–	–	–	94,671

Directors	Fixed Salary	Variable Bonus	LTI¹	Benefits-in-kind	Total	Remuneration Band (S\$)
Executive Director						
Seow Kang Hoe, Gerald	44%	33%	22%	1%	100%	1,250,000 – 1,499,999

For FY2018, the aggregate remuneration paid to the top five key management personnel is approximately S\$2,950,000, the breakdown of which in percentage terms is as follows:

Top 5 Key Management Personnel	Fixed Salary	Variable Bonus	LTI¹	Benefits-in-kind	Total	Remuneration Band (S\$)
Lee Keng Lin	63%	19%	18%	0%	100%	750,000 – 999,999
Lim Han Boon Michael ³	100%	0%	0%	0%	100%	0 – 249,999
Chiu Wai Chi ⁴	69%	31%	0%	0%	100%	0 – 249,999
Ng Eng Khin ²	72%	15%	13%	0%	100%	500,000 – 749,999
Chai Ulva	71%	16%	13%	0%	100%	500,000 – 749,999
Sim Hee Ping	65%	21%	14%	0%	100%	250,000 – 499,999

Note:

- Long term incentive ("LTI") comprising share awards granted under the Company's Performance Share Plan.
- Mr Ng is employed by POSH Terasea Offshore Pte Ltd, a wholly owned subsidiary of the joint venture POSH Terasea Pte Ltd.
- Mr Lim has stepped down as CFO of POSH with effect from 17 September 2018.
- Mr Chiu was appointed as CFO of POSH with effect from 17 September 2018.

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The remuneration of the Group's top five key executives takes into account employment conditions within the industry whereby salary benchmarking for the various job responsibilities was carried out, financial performance of the Group and their individual performance based on a balanced scorecard approach. In assessing performance related criteria, due regard is given to health and safety measures undertaken by the Executive.

The Company is of the opinion that it is not in the best interest of the Company to disclose specific details of the remuneration of the CEO and the top five key executives due to the competitiveness of the industry for key talent.

No employee is an immediate family member of a Director or the CEO except for the daughter of Dato Jude Benny. Her remuneration is not determined by the RC for the year under review and does not exceed S\$50,000.

In exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Group, the Company will be able to reclaim incentive components of remuneration from the Executive Director and key management personnel.

There are no termination, retirement, or post-employment benefits that are granted to the Directors and the top five key management personnel.

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, financial position and prospects, including interim and other price-sensitive public reports, and reports to regulators (if required). Management provides all members of the Board with management accounts and such explanation and information on a monthly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. The Directors fully recognise the principle that the Board is accountable to the shareholders while the Management is accountable to the Board.

The Board has embraced openness and transparency in the conduct of the Group's affairs, whilst preserving the commercial interests of the Group. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNet, press releases and the Company's website.

The Board reviews reports from the Management to ensure compliance with all the Group's policies, operational practices and procedures and relevant legislative and regulatory requirements. The Directors may seek independent professional advice as and when necessary.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Role of Board and Board Committees

The Board with the assistance of the BRC and the AC which is discussed under Principle (12) is responsible for the governance of risk by overseeing Management in the design, implementation and monitoring of a sound system of risk management and internal control systems to safeguard shareholders' interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives. The Board sets the overall strategic direction and ensures such strategies are aligned with the risk tolerance of the Group, as well as any potential emerging risks that the Group may face.

The BRC comprises five (5) Non-Executive Directors with the majority being Independent Directors, namely:

Ivan Replumaz	Chairman ¹
Kuok Khoo Ean	Member
Jude Philomen Benny	Member
Ma Kah Woh	Member
Wee Joo Yeow	Member

Note:

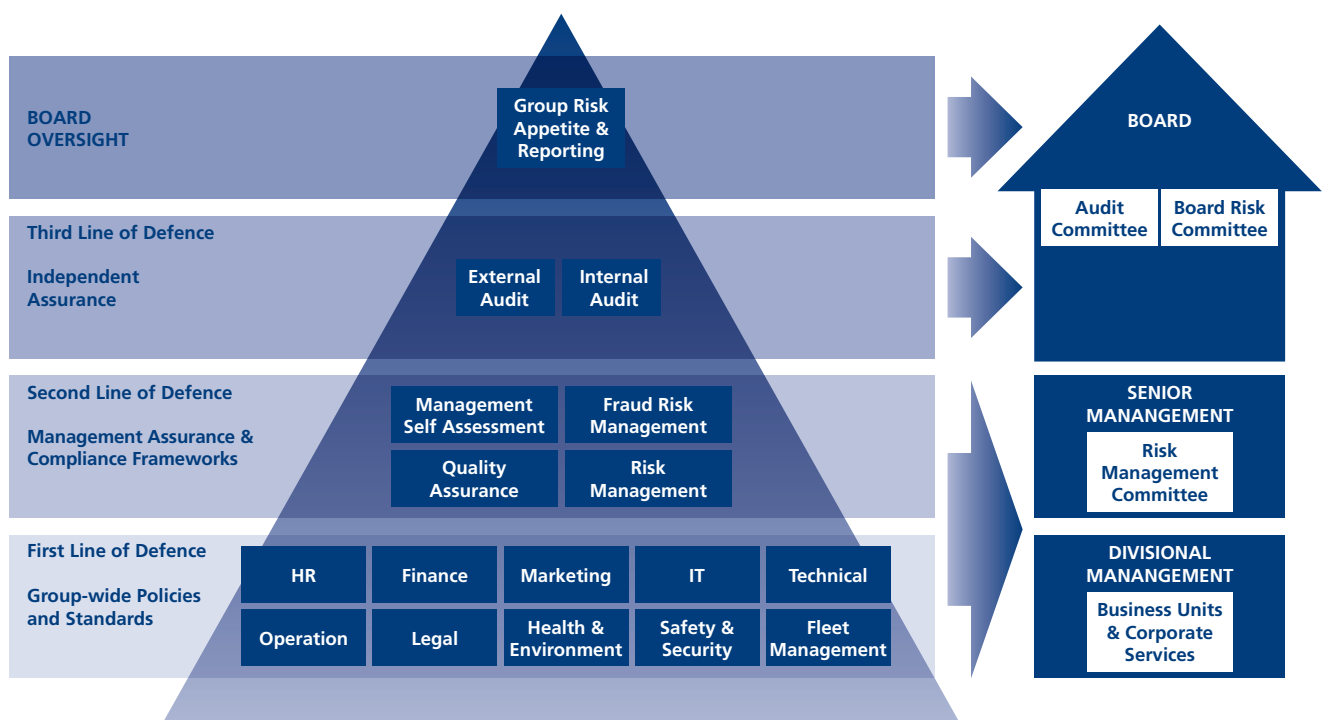
1. Mr Ivan Replumaz was appointed as a member and Chairman of the BRC on 1 March 2018.

The BRC reviews and discusses with Management the Group's risk governance structure, risk assessment and risk management guidelines, policies and processes and the adequacy and effectiveness of the Group's risk management policies and internal control systems. The BRC reports to the Board on material findings and recommendations in respect of significant strategic, business and operating risks. For financial reporting, information technology ("IT"), compliance and regulatory risks, the AC provides the oversight and assesses the adequacy and effectiveness of the Group's internal control and compliance systems.

Risk Governance and Assurance Framework

The Group's risk governance and assurance framework is structured with three lines of defence; the business unit management, in partnership with corporate services support functions, is the first line of defence and is primarily responsible for establishing policies and procedures to manage risks within approved Group risk appetite. As the second line of defence, Group oversight functions (such as Group Health, Safety, Environment and Quality Assurance ("HSEQA") and Risk Management) develop and maintain appropriate risk management framework and assurance processes as well as monitor and report key risk issues. Internal Audit function and External Auditors, as the third line of defence, provide independent assurance on the adequacy and effectiveness of the Group's internal controls and risk management systems. The following diagram depicts the Group's risk governance and assurance framework by which the Board obtains assurance on the adequacy and effectiveness of the Group's risk management and internal control systems.

Risk Governance and Assurance Framework



Risk Management Framework

The Group has established a Risk Management Framework to identify, manage and monitor the portfolio of business and operating risks impacting the Group on an on-going basis. During the financial year, Risk Management and Internal Audit worked with the business units to review and assess key financial, operational, compliance and information technology risks of the Group. All business units were involved in identifying and evaluating risks from the bottom up, and these risks were then reviewed by the Risk Management Committee that comprised senior management of the Group to provide a top down perspective as well. Reports on specific risk topics were also prepared by Management, and tabled to the BRC during the year for deliberation.

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Fraud Risk Management

The Group does not tolerate any corporate impropriety, malpractice or wrongdoing by staff in the course of their work. The Group has in place a fraud risk management framework and some of the key practices in place include the following:

a) *Clear communication of Group's values and ethics*

The Group's Codes of Ethics and Conduct serve to guide staff on issues of ethical conduct and conflicts of interests that may arise in the course of their employment. These requirements are also clearly set out in the employee's Employment Terms & Conditions, as well as the Employee Handbook.

b) *Anti-fraud controls*

Conflicting duties and access rights are identified and segregated. Employment due diligence processes include background reference checks for all staff newly appointed to executive grades and above. All new staff are also required to provide offence and non-indebtedness declarations. For new vendors, company profile searches and financial evaluation are performed, where relevant.

c) *Whistleblowing channels*

The Group has a whistleblowing programme that provides a framework for reporting of suspected fraud, corruption, dishonest practices or other misdemeanors without fear of reprisals and provides for independent investigation of such matters and appropriate follow up actions. Please refer to Principle (12) for an elaboration on the whistleblowing programme.

Anti-Corruption and Sanctions Policies

The Group operates or has presence in various jurisdictions, including environments where there is a significant risk of bribery and corruption. Across the globe, there is an ever increasing focus on combating bribery and corruption, not only in developed nations but also in developing countries. POSH Management is and has been committed to conducting business with integrity and in an ethical and proper manner, and in compliance with all applicable anti-corruption laws and regulations.

The Group's commitment is embedded in its anti-corruption policies and procedures, a copy of which is available at <https://portal.kuoksg.com/sites/PoshPage> and upon request. Implementation of the policy is reinforced via inclusion in relevant staff, operating and contract manuals, training, third party associate due diligence processes, gifts and entertainment approval systems, risk matrices, certification requirements and through routine audits as well as special audits.

Likewise, the Group is committed to compliance with all applicable economic and trade sanctions programmes, laws and regulations. The Group's existing process relating to sanctions compliance has been formulated into a Sanctions Compliance Policy, a copy of which is available at <https://portal.kuoksg.com/sites/PoshPage> and upon request.

Quality Assurance

To further enhance POSH commitment towards safety, the Group's Safety Handbook was revised to reflect current safety standards and used to educate non-operational staff on the importance of Safety. POSH 10 Golden Rules was developed to inculcate a safety culture within all POSH staff with strong commitment coming from senior management. All shore staff were briefed by HSEQA department on the contents of the Safety Handbook and 10 Golden Rules, following which they signed the safety pledge to reflect their commitment towards safety. This pledge is to promote the mind set of "Safety Starts With Me".

To cultivate environmental awareness in shore based personnel towards compliance with ISO 14001, waste segregation has been implemented in the office since 2015. In addition to ship staff, the Behaviour Base Safety ("BBS") programme was extended to the shore based personnel.

Regular review of Group's Safety Management System ("IMS") is carried out to ensure continual improvement and that it remains current. The HSEQA department also carries out regular audits on ship operations in compliance with International Safety Management Code, International Ship and Port Facility Security Code, Code of Maritime Labour Convention, Occupational Health and Safety Management Standard and International Organisation for Standardisation ("ISO") Quality Management Standard. Periodic checks are also conducted by prospective charterers to ensure compliance with charterer's requirement of Offshore Vessel Management System Audit and Offshore Vessel Inspection Database.

IT Risk Management

IT services for the Group is outsourced to KSL Group IT as part of the common support services provided under the Shared Services Platform across KSL Group.

KSL Group IT together with POSH Management through the IT Steering Committee ("ITSC") forum meets periodically to discuss IT projects and initiatives in alignment with business goals and direction. The forum also serves as a communication channel to discuss matters concerning IT governance including IT policies and process, IT security and service level agreement for continual performance monitoring of outsourced services to the Group.

As it is critical for the organisation to continually examine its risks and security objectives across its business environment, IT seeks to further enhance its security posture by deployment of Advanced Threat Defence System for protection against threats and vulnerabilities to mitigate cyber related risks. This coupled with continuous updating of documented IT security policies and security programmes, increases staff awareness of cyber security risks so that they can play an active role in managing IT risks in the course of their work. IT has also established a strategy and reporting framework for incident management and controls.

To mitigate IT project related risks, IT projects are managed based on an IT Project Framework that sets out processes to ensure detailed and accurate scoping of business requirements, project planning, regular project updates, risk assessment with respect to project budget and timeline, performance monitoring and reporting of key projects to stakeholders.

Over the years, both the Internal Audit team and External Auditor carried out periodic audits to assess the adequacy of internal controls for IT systems in addition to reviewing general information technology infrastructure and controls in their audit cycle/programme. Any potential risks identified are highlighted to Management for necessary actions. Any major risks identified are also tracked and reported to the AC and BRC.

Management Control Self-Assessment

During the year, the Internal Audit team jointly with Risk Management updated the Control Self-Assessment checklists for each business division and the business divisions used them to evaluate the adequacy and effectiveness of the key controls within their area. The results of these self-assessments provide one of the bases for the Board's opinion on the adequacy and effectiveness of risk management and internal control systems.

Opinion on the Adequacy and Effectiveness of Internal Control and Risk Management Systems

The Board recognises the importance of a sound internal controls system to safeguard the assets of the Group and the shareholders' interest. The Board affirms its overall responsibility for the Group's system of internal controls and for reviewing the adequacy and integrity of those systems. It should be noted that the internal controls system is designed to manage rather than to eliminate risks. Accordingly, the internal controls system can only provide reasonable and not absolute assurance regarding the achievement of the Group's objectives in the following areas:

- a) effectiveness and efficiency of operations;
- b) reliability of financial reporting; and
- c) compliance with applicable laws and regulations.

The first area addresses an entity's basic business objectives, including performance and profitability goals and safeguarding of assets. The second relates to the preparation of reliable financial statements, including interim and full year financial statements. The third deals with complying with those laws and regulations to which the entity is subject to.

During the year under review, the Board has received written assurance from the CEO and CFO that: (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the risk management and internal control systems of the Group are adequate and effective.

On the basis of the foregoing assurance from Management, the internal controls established and maintained by the Group, the self-assessments by the business divisions and work performed by the Internal and External Auditors, the Board, with the concurrence of the AC and BRC, is of the opinion that the Group's internal controls and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives; and which the Group considers relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business environment as at 31 December 2018.

Corporate Governance Report

AUDIT COMMITTEE

Principle 12: The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

Composition and Role of AC

The AC comprises entirely of Non-Executive Independent Directors, namely:

Ma Kah Woh	Chairman
Ahmad Sufian @ Qurnain Bin Abdul Rashid	Member
Jude Philomen Benny	Member
Wee Joo Yeow	Member
Ivan Replumaz ¹	Member

Note:

1. Mr Ivan Replumaz was appointed as a member of the AC on 1 March 2018.

The Chairman has accounting, auditing and risk management expertise and experience. The other members provide expertise in accounting, legal and business issues. The Board is of the view that the members of the AC have relevant accounting or related financial management expertise or experience and are appropriately qualified to discharge the AC's functions.

The AC was briefed at each quarterly AC meeting by the External Auditor on changes in Financial Reporting Standards which are relevant to the Group's businesses. This allows the AC to keep abreast of accounting standards and issues which have a direct impact on financial statements. Members of the AC also attend seminars and courses organised by the Accounting and Corporate Regulatory Authority, the Singapore Institute of Directors and/or the Singapore Exchange Limited on relevant topics, costs of which are borne by the Company.

The AC has a set of terms of reference, the scope and authority of which include:

- Review of the quality and reliability of information prepared for inclusion in financial reports and any announcements of financial results;
- Review and report to the Board on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls;
- Review of scope and audit findings of Internal and External Auditors as well as management responses to them;
- Review the adequacy and effectiveness of the outsourced Internal Audit function;
- Evaluation of the nature and extent of non-audit services performed by External Auditor;
- Review of independence and objectivity of and recommendation of the appointment, re-appointment and removal of External Auditor;
- Approval of the remuneration and terms of engagement of External Auditor; and
- Review of Interested Person Transactions.

In addition, the AC also:

- Meets with the External and Internal Auditors, without the presence of Management, at least once a year to review and discuss the financial reporting process, system of internal controls, significant comments and recommendations; and
- Reviews and if required, investigates the matters reported via the whistle-blowing mechanism, by which staff and external parties who have business relationship with the Group may, in confidence, raise concerns about suspected improprieties including financial irregularities.

The AC has explicit authority to investigate any matter within its terms of reference, and access to sufficient resources to enable it to discharge its functions properly, including full access to, and co-operation by, Management, the Company Secretaries, the External Auditor and Internal Auditors for assistance as required. It has full discretion to invite any Director, member of Management and third parties to attend its meetings. It also has the authority to review its terms of reference and its own effectiveness annually and recommend necessary changes to the Board.

No former partner or director of the Company's existing auditing firm or auditing corporation:(a) within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as he has any financial interest in the auditing firm or auditing corporation, was appointed to the AC.

AC Activities for the Year

The AC met 4 times during the year and the activities for the year, in accordance with its responsibilities and duties under its terms of reference, included the following:

a) Financial Reporting

The AC reviewed the quarterly and annual financial statements and financial announcements required by SGX-ST for recommendation to the Board for approval. The reviews focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, compliance with accounting standards, compliance with SGX-ST and other legal requirements.

The AC has reviewed the Control Self-Assessment performed by Management and made relevant enquiries on the key audit matters highlighted by the External Auditors. Where appropriate, the key audit matters were also reviewed by the AC on a quarterly basis as part of their review of the quarterly results. In addition, the AC reviewed and discussed the findings presented and related work performed by the External Auditors. The AC was satisfied that these key audit matters have been properly addressed and appropriately accounted for and disclosed in the financial statements.

For more information on the key audit matters please refer to pages 72 to 73 of this Annual Report.

b) External Audit

The AC discussed with the External Auditor the audit plan, and the report on the audit of the year-end financial statements; reviewed the External Auditor's management letter and Management's responses thereto; and reviewed the External Auditor's objectivity and independence from Management and the Company. During the year, the AC had one meeting with the External Auditor, without the presence of Management, to enable the External Auditor to privately raise issues encountered in the course of their work directly with the AC. A review of the incumbent External Auditor's competency and quality of the work, objectivity and independence was performed. The AC has also reviewed the aggregate amount of fees paid to the External Auditors for FY2018 and the breakdown of the fees paid in total for audit and non-audit services, and is satisfied that the value, volume and nature of non-audit services performed by the External Auditors would not affect their independence and objectivity. The fees payable in respect of audit and non-audit services provided by the External Auditor for FY2018 are disclosed in the notes to the financial statements. The AC has reviewed and is satisfied with the standard of the External Auditor's work. The AC has recommended the re-appointment of Ernst & Young LLP ("EY") as the Group's External Auditor at the forthcoming AGM. In appointing EY as auditor of the Group, the Company has complied with Rule 712 and Rule 715, read with Rule 716 of the SGX-ST Listing Manual.

c) Internal Audit

The AC reviewed the scope and major findings of internal audits carried out by the Internal Audit team during the year and Management's responses thereto. The AC also reviewed and approved the risk-based annual internal audit plan proposed by Internal Audit. During the year, the AC had one private session with the Internal Audit team, without the presence of Management, to discuss matters which may affect the independence, quality and robustness of their audits. Please refer to Principle (13) for an elaboration on Internal Audit.

d) Risk Management

The AC, together with the BRC, reviews the risk reports and materials; and the adequacy and effectiveness of the risk management system. Risk appetites for financial, operational and compliance risks have been established and endorsed by AC and BRC to facilitate timely and effective risk discussions and reporting between Management and the Board. Please refer to Principle (11) for an elaboration on AC's and BRC's assessment of the adequacy and effectiveness of risk management and internal controls systems.

e) Interested Person Transactions ("IPT")

Transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. During the year, approvals were sought from AC for IPTs in accordance with the IPT Manual. The AC also reviewed the results of the quarterly audits carried out by the Internal Audit team on interested person transactions for compliance with the SGX-ST Listing Manual and the Shareholders' Mandate obtained at the last AGM.

f) Whistle-Blowing

The AC oversees and reviews the whistleblowing programme implemented to strengthen corporate governance and ethical business practices across the business units. The policy and processes are set out in the Company's website and communicated to all staff via internal circular. Whistleblowers are provided with accessible channels to the AC Chairman, which include a secure phone hotline, and electronic and postal mailing addresses. The AC will direct the independent investigations of all cases reported and the adoption of appropriate remedial measures where warranted. During the year, the AC reviewed and was satisfied with the adequacy of the whistle-blowing programme instituted by the Company.

Corporate Governance Report

INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Independence of the Internal Audit Function

The role of the Internal Auditors ("IA") is to assist the AC to ensure that the Group maintains a sound system of internal controls and risk management by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC and/or the BRC, and conducting regular in-depth audits of high risk areas. The Group's Internal Audit functions are outsourced to its parent company, KSL Group.

Staffed by suitably qualified executives, IA has unrestricted direct access to the AC and unfettered access to all the Group's documents, records, properties and personnel. The Head of IA's primary line of reporting is to the Chairman of the AC. Annually, the AC provides an appraisal of the performance of the Head of IA to KSL Group.

Adequacy of the Internal Audit Function Resources

IA prepares a risk-centric annual audit plan to review the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance, IT controls and risk management systems. IA carries out audits that address the controls and business processes in the Group. The AC reviews and approves the annual audit plan proposed by IA and periodically reviews the reports and findings of the IA. The AC also assesses the adequacy and effectiveness of the IA function, including the adequacy of the resources required and where necessary, the engagement of external resources to assist IA.

Qualifications and Experience of Internal Audit Staff

IA employs suitably qualified and experienced personnel who either possess a recognised diploma in Accounting or an equivalent professional qualification, or have working experience in a public accounting firm. In addition, they are Certified Internal Auditors ("CIA"), Chartered Accountants ("CA"), Chartered Certified Accountant ("ACCA") or Certified Information Systems Auditors ("CISA"). The certification bodies that govern these professional accreditations require their members to maintain a programme of continuing education. The professional competence of IA is maintained and upgraded through training programmes, conferences and seminars that provide updates on auditing techniques, regulations and industry trends.

Internal Audit Standards

The IA function adheres to the Code of Ethics and International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors' ("IIA"). Internal Audit focuses on determining whether the controls provide reasonable assurance of effective and efficient operations, as to reliability and integrity of financial data and reports, and compliance with laws, regulations and contracts. The Internal Audit plan is reviewed and approved by the AC. The Internal Audit Plan covers the examination and evaluation of the adequacy and effectiveness of internal control systems and the quality of compliance to the internal control systems which comprises key components of control environment, risk assessment process, operational control activities, information and communication system and monitoring practices.

The approach of Internal Audit is divided into four phases:

1. Document and update systems and procedures or policies;
2. Prepare and update detailed audit programmes, testing and draft report;
3. Discuss with auditee's management on draft report and findings; and
4. Report to AC and follow-up.

In addition, IA will suggest improvements in practices and procedures to eliminate inefficiencies, to report deficiencies and follow up with appropriate management to ensure the necessary corrective actions are taken and to report on a regular basis to the AC.

Annual review of adequacy and effectiveness of Internal Audit function

IA conducted an internal self-assessment for internal auditing work performed during the year, as part of its Quality Assurance and Improvement programme for the Internal Audit activity. IA also conforms to the standards of the IIA for validation by an independent external reviewer once every five years. The next external review will be conducted in FY2020.

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Company is committed to treat all shareholders fairly and equitably to facilitate the exercise of their ownership rights and to provide them with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Company employs various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. Engagement with shareholders and other stakeholders takes many forms, including announcements of quarterly results and presentations, e-mail communications, publications and content on the Company's website. During the year under review, senior management met with investors, analysts and also held media conference calls to keep the market and investors apprised of the Group's corporate developments and financial performance.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNet and the press. To ensure a level playing field and provide confidence to shareholders, unpublished price-sensitive information is not selectively disclosed.

The Company ensures that shareholders have the opportunity to participate effectively and vote at shareholders' meeting. Shareholders are informed of shareholders' meetings through notices published in the newspaper and via SGXNet, and reports or circulars sent to all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are also informed of the rules, including voting procedures, governing such meetings.

If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. A relevant intermediary which includes a corporation holding licences in providing nominee or custodial services and CPF Board, may appoint more than two proxies to attend and vote at the general meeting. The Company has not amended its Constitution to provide for absentia voting methods, which call for elaborate and costly implementation of a foolproof system, the need for which does not arise presently.

As recommended by the Code, all resolutions at general meetings will be voted by poll and conducted in the presence of independent scrutineers for greater transparency and efficiency in the voting process.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. The results are announced in a timely manner after the general meeting via SGXNet.

The Chairman of the Board and each Board Committee are required to be present to address questions at general meetings of shareholders. The External Auditor will also be present at such meetings to assist the Directors in addressing shareholders' queries, if necessary. All the Directors attended the 2018 AGM.

The Company Secretaries prepares minutes of shareholders' meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and Management. These minutes are available to shareholders upon request.

Pertinent information is regularly conveyed to the shareholders through SGXNet and the Company's website at <http://www.posh.com.sg/>.

The Company has not adopted a formal dividend policy. The Company pays dividends out of profits available for distribution and when there is sufficient cash available after taking into consideration the operating requirement and capital commitment of the Group. In light of the financial performance of the Company in FY2018, and cash preservation and financing of operations being key considerations, the Board has not proposed any dividend for FY2018.

Corporate Governance Report

DEALING IN SECURITIES

In compliance with Rule 1207 (19) of the SGX-ST Listing Manual, the Company has an internal code on dealings in the Company's shares by all Directors and employees of the Group.

All Directors and employees of the Group are prohibited from dealing in the Company's shares during the period commencing two weeks before the announcement of the Group's quarterly results, and one month before the announcement of its full year financial results, and ending on the date of such announcements.

Directors, officers and employees of the Group are prohibited from dealing in the Company's shares while in possession of unpublished price-sensitive information and to refrain from dealing in the Company's shares on short-term considerations.

INTERESTED PARTY TRANSACTIONS

Pursuant to Rule 907 of the Listing Manual of the SGX-ST the aggregate value of IPTs entered into during FY2018 are as follows:

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) US\$'000	Aggregate Value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) US\$'000
KSL Corporate Services Pte Ltd	–	2,968
DP Shipbuilding & Engineering Pte Ltd	–	3,221
DDW PaxOcean Shipyard Pte Ltd	–	365
PaxOcean Engineering Zhuhai Co., Ltd	–	987
PACC Ship Managers Pte Ltd	–	552
PACC Shipping Phils Inc	–	364
Total	–	8,457

MATERIAL CONTRACTS

Except as disclosed under the section on IPTs above and in Note 28 (Related Party Transactions) of the Notes To Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.