

PART B

**PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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Scomi

SCOMI MARINE BHD

(Company No: 397979-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office
Level 17, 1 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

3 June 2011

Board of Directors

Tan Sri Asmat bin Kamaludin (Chairman/Non-Independent Non-Executive Director)
Vice Admiral Dato' Haron bin Dato' Dr. Mohd Salleh (Rtd) (Independent Non-Executive Director)
Dato' Meer Sadik bin Habib Mohamed (Independent Non-Executive Director)
Mok Yuen Lok (Independent Non-Executive Director)
Liew Willip (Non-Independent Non-Executive Director)
Shah Hakim @ Shahzanim bin Zain (Non-Independent Executive Director)
Loong Chun Nee (Alternate Director to Shah Hakim @ Shahzanim bin Zain)

Dear Sirs/Madam

PROPOSED RENEWAL OF AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 13 May 2011, the Board announced that the Company will be seeking approval of the shareholders for the renewal of mandate in relation to the Recurrent Related Party Transactions as set out in Part B of this Circular.

The purpose of this Circular is to provide you with the details of the Proposed Renewal of and New Shareholder Mandate and to seek your approval for the resolution thereto to be tabled at the forthcoming 15th AGM, which will be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 28 June 2011 at 2.30 p.m.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF AND NEW SHAREHOLDER MANDATE TO BE TABLED AT THE FORTHCOMING 15TH AGM.

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2. DETAILS OF THE PROPOSED RENEWAL OF AND NEW SHAREHOLDER MANDATE

2.1 Background

At the 14th AGM held on 28 June 2010, the Company obtained a mandate from the shareholders for the Recurrent Related Party Transactions with Related Parties.

The Company is seeking approval from the shareholders for the Proposed Renewal of and New Shareholder Mandate that will allow the Group, in their normal course of business, to enter into Recurrent Related Party Transactions with the Related Parties as set out in Section 2.4 of Part B of this Circular.

The Recurrent Related Party Transactions are at arm's length, on the Group's normal commercial terms that are not more favourable than those generally available to the public, and are not to the detriment of the minority shareholders.

2.2 Provision under the Listing Requirements

Pursuant to paragraph 10.09(2) of Chapter 10 of the Listing Requirements, the Company may seek shareholder mandate for Recurrent Related Party Transactions which are necessary for its day-to-day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of such transactions conducted pursuant to the shareholder mandate during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated Recurrent Related Party Transactions is equal to or exceeds RM1.0 million; or
 - (ii) the percentage ratios of such aggregated Recurrent Related Party Transactions is equal to or exceeds one percent (1%).

whichever is the higher;

- (c) issuance of a circular to shareholders for the shareholder mandate which includes the information and in the manner as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholder mandate, where it involves the interest of an interested Director, interested Major Shareholder, or interested person connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolutions approving the transactions; and
- (e) the Company must immediately announce to Bursa Securities when the actual value of a Recurrent Related Party Transactions entered into by the Company, exceeds the estimated value of the Recurrent Related Party Transactions disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in the announcement.

2.3 Principal Activities

The Company is primarily an investment holding company and a provider of management services. The principal activities of the Group are ownership and operation of vessels, ship chartering and ship management, leasing of marine vessels, marine logistic business and offshore support services.

2.4 Class and Nature of Related Parties

The class of Related Parties and nature of the Recurrent Related Party Transactions contemplated in the Proposed Renewal of and New Shareholder Mandate are tabulated below. The Recurrent Related Party Transactions covered by the Proposed Renewal of and New Shareholder Mandate are transactions undertaken by the Group relating to the provision of or obtaining from such Related Parties, the products and services, which are in the normal course of business of the Group.

In accordance with the definition prescribed under Chapter 10 of the Listing Requirements, “major shareholder” and “director” includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder and Director of the listed issuer. As such, CH Holdings and LKS, who has ceased to be the Major Shareholder and Director of the Company on 10 January 2011 and 28 January 2011 respectively, will be considered a major shareholder of the Company until July 2011 under such circumstances.

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Transacting Parties		Nature of Transactions	Interested Director, Major Shareholder and Person Connected	Nature of Relationship	Existing Shareholder Mandate		Proposed Renewal of and New Shareholder Mandate
					Estimated value disclosed in the Circular to Shareholders dated 4 June 2010 (RM)	Actual value transacted up to 29 April 2011 (RM)	
SMB Group	Related Parties						*Proposed Estimated Value (RM)
Existing Recurrent Related Party Transactions							
CH Logistics CH Ship Goldship	CH Agencies	Provision of management services by CH Agencies	CH Holdings LKS	Refer to Note 1, 2, 3	1,000,000	388,000	100,000
PT Rig Tenders	CH Agencies	Provision of agency services by PT Rig Tenders	CH Holdings LKS	Refer to Note 1, 2, 3	400,000 [#]	191,000 [#]	- ^a
CH Logistics CH Ship	Quijul	Provision of rental space bearing postal address of 390 Jalan Ahmad Ibrahim, Singapore 629156 totalling 7,016 sq. ft. at monthly rental of SGD1.35 per sq. ft. by Quijul	CH Holdings LKS	Refer to Note 2, 3, 4	300,000	225,000	50,000
SMS CH Logistics CH Ship Goldship Sea Master Grundtvig	CH Holdings	Provision of secretarial services by CH Holdings	CH Holdings LKS	Refer to Note 2, 3	120,000	54,000	- ^b
Gemini Sprint	CH Agencies	Provision of management services by CH Agencies	CH Holdings LKS	Refer to Note 1, 2, 3	330,000 [@]	226,000 [@]	50,000 [@]
SMB	SGB	Service Level Agreement between SMB and SGB	Tan Sri Asmat Shah Hakim Dato' Kamal Kaspadu	Refer to Note 5, 6, 7, 8, 9	400,000	260,000	400,000

Transacting Parties		Nature of Transactions	Interested Director, Major Shareholder and Person Connected	Nature of Relationship	Existing Shareholder Mandate		Proposed Renewal of and New Shareholder Mandate
					Estimated value disclosed in the Circular to Shareholders dated 4 June 2010 (RM)	Actual value transacted up to 29 April 2011 (RM)	
SMB Group	Scomi Solution	Provision of services rendered by Scomi Solution in relation to SAP implementation	Tan Sri Asmat Shah Hakim Dato' Kamal Kaspadu SGB	Refer to Note 5, 6, 7, 8, 9, 11	50,000	28,000	*Proposed Estimated Value (RM)
	PT Batuah	Beauford Marine	CH Holdings LKS	Refer to Note 2, 3, 10	300,000	165,000	- ^c
New Recurrent Related Party Transaction							
Rig Tenders Offshore	PT Marco Polo Shipyard	Provision of maintenance services by PT Marco Polo Shipyard	Marco Polo Marine Ltd Sean Lee	Refer to Note 12, 13, 14	-	-	350,000 [^]

Notes:

- * The estimated value of the transactions from the date of the forthcoming 15th AGM to the next AGM is based on the management estimates. Due to the nature of transactions, the actual value of the transactions may vary from the estimated values disclosed.
- # Apportioned according to 80.54% interest held by SMS in PT Rig Tenders.
- @ Apportioned according to 51% interest held by SMB in Gemini Sprint.
- ^ Apportioned according to effective interest of 56.38% held by SMS in Rig Tenders Offshore.
- a Provision of agency services by PT Rig Tenders had been lapsed in March 2011.
- b. Provision of secretarial services by CH Holding had been terminated in February 2011.

- c. *Provision of administrative and support services by Beauford Marine had been terminated in March 2011.*
- 1. *CH Agencies is a wholly owned subsidiary of CHO, which is in turn an associate company of CH Holdings.*
- 2. *CH Holdings, who had ceased to be major shareholder of SMB on 10 January 2011. However, CH Holdings is deemed as a Major Shareholder of SMB under the definition in Chapter 10 of the Listing Requirements.*
- 3. *LKS, who had resigned as director of the SMB with effect from 28 January 2011. However, LKS is deemed as a Director of SMB under the definition in Chapter 10 of the Listing Requirements.*
- 4. *Quijul is a wholly owned subsidiary of PCI Pte Ltd, which in turn is an associate company of CH Holdings.*
- 5. *SGB is a Major Shareholder of SMB.*
- 6. *Tan Sri Asmat is a Director of both SGB and SMB. He also holds options granted by SGB in its ESOS.*
- 7. *Shah Hakim is the Group Chief Executive Officer/Non-Independent Executive Director of SGB and Non-Independent Executive Director of SMB. He is deemed interested by virtue of Section 6A(4) of the Act through his shareholdings in Kaspadu, which is in turn deemed interested in SMB via its shareholding in SGB. He also holds options granted by both SGB and SMB in their respective ESOS.*
- 8. *Dato' Kamal is deemed interested by virtue of Section 6A(4) of the Act through his shareholdings in Kaspadu, which in turn is deemed interested in SMB via its shareholding in SGB.*
- 9. *Kaspadu is deemed interested by virtue of Section 6A(4) of the Act through its shareholdings in SGB, which in turn is a Major Shareholder of SMB.*
- 10. *Beauford Marine is a wholly owned subsidiary of CH Holdings, which in turn is a Major Shareholder of SMB.*
- 11. *Scomi Solution is a wholly owned subsidiary of SGB, which in turn is a Major Shareholder of SMB.*
- 12. *PT Marco Polo Shipyard is a wholly owned subsidiary Marco Polo Marine Ltd.*
- 13. *Marco Polo Marine Ltd is the holding company of MP Ventures Pte Ltd, which has 30% equity interest in Rig Tenders Offshore.*
- 14. *Sean Lee is director of Rig Tenders Offshore and Marco Polo Marine Ltd.*

2.5 Pricing and Terms

The transaction prices and terms are determined based on the prevailing market rates which are determined by market forces, demand and supply, specifications and other relevant factors. Where practical and feasible, quotations will be obtained from unrelated parties or at least two (2) other contemporaneous transaction with unrelated parties for the same or substantially similar products or services will be used as comparison. Where it is impractical or impossible for quotes or comparative pricing to be obtained from unrelated parties, or where there has not been any similar or substantially similar transactions between the Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Related Parties than those generally available to the public

In relation to the administrative services to be provided by the Related Parties to the Group, the pricing will be based on the estimated cost to be incurred by the Related Parties to provide the administrative services to the Group. The pricing and terms for the Recurrent Related Party Transactions are consistent with the Group's usual business practices and policies, and are not more favourable to the Related Parties than to external parties and are not to the detriment of the minority shareholders.

2.6 Thresholds for Approval of Recurrent Related Party Transactions

Approval of Recurrent Related Party Transactions within the Group is governed by the Delegated Authority Limits (authority limits in relation to the business of the Group delegated by the Board to the management) for general application to all transactions. Where such transactions are Recurrent Related Party Transaction, the Company shall additionally adhere to the Review Procedures as set out in Section 2.7 of Part B of this Circular as well as the Listing Requirements.

2.7 Review Procedures and Disclosure for the Recurrent Related Party Transactions

The Company has implemented the following review and disclosure procedures with regards to the Recurrent Related Party Transactions:

- (a) The relevant employees of the Group will be notified of the identities of the Related Parties and will be required prior to entering into such transactions, to ensure that all the Recurrent Related Party Transactions are consistent with the Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public, and not detrimental to the minority shareholders.
- (b) If any member of the ARMC or the Board has an interest, direct or indirect, in a Recurrent Related Party Transaction, he shall abstain from deliberation and voting on any matter relating to any resolutions or decisions to be taken by the ARMC or the Board with respect to such transactions.
- (c) In a general meeting to obtain approval of the shareholders for shareholder mandate for the Recurrent Related Party Transactions, an interested Director, interested Major Shareholder and/or persons connected with such Director or Major Shareholder shall abstain from voting on the resolution approving the relevant transactions.
- (d) Records will be maintained by the Company's Finance Department to capture all Recurrent Related Party Transactions which are entered into.
- (e) The ARMC will review the summary report quarterly to ascertain that the relevant procedures, guidelines and policies established to monitor the Recurrent Related Party Transactions have been complied with.
- (f) The ARMC and the Board will have the overall responsibility for the determination of the review procedures, including addition or variation thereto, where applicable.
- (g) The Company will immediately announce to Bursa Securities when the actual value of the Recurrent Related Party Transactions entered into exceeds the estimated value of the Recurrent Related Party Transactions disclosed in this Circular by ten percent (10%) or more.

- (h) Disclosure will be made in the Annual Report of the aggregate value of the Recurrent Related Party Transactions conducted during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1.0 million or more; or
 - (ii) the percentage ratio of such Recurrent Related Party Transactions is one percent (1%) or more,

whichever is the higher.

2.8 Statement by the ARMC

The ARMC is of the view that the procedures as set out in Section 2.7 of Part B of this Circular are sufficient and satisfactory to ensure that the Recurrent Related Party Transactions are carried out on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company.

The ARMC is also of the opinion that the review procedures as set out in Section 2.7 of Part B of this Circular are adequate to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, including the review of these procedures as and when required, and at least once a year.

2.9 Validity Period

The Proposed Renewal of and New Shareholder Mandate, if approved by the shareholders at the forthcoming 15th AGM, will take effect from the date of passing of the proposed ordinary resolution at the AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM at which time the authority will lapse, unless the authority is renewed by an ordinary resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

Thereafter, if the Board decides that the renewal of the Proposed Renewal of and New Shareholder Mandate is desirable, approval of the shareholders for such renewal will be sought at each subsequent AGM of the Company.

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3. RATIONALE AND BENEFIT OF THE RECURRENT RELATED PARTY TRANSACTIONS

The rationale and benefit of the Proposed Renewal of and New Shareholder Mandate are as follows:

- (a) The Related Parties in relation to the chartering of marine vessels are involved in activities of complementary nature, which consist primarily of the provision of marine related services and will result in the Group being able to better fulfil its customers' requirements and become more competitive in its industry, and create additional network of service operations for the Group. It is therefore in the interest of the Group to transact with these Related Parties in order to enjoy synergistic benefits.
- (b) The provision other facilities and services will enable the Group to tap on the strength, expertise and optimise the resources available at CH Holdings and SGB for such facilities and services. It allows the Group to streamline the non-core functions and their related costs.
- (c) To facilitate transactions with the Related Parties which are in the ordinary course of business of the Group undertaken at arm's length, on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the interests of the minority shareholders.
- (d) To enable the Group to transact with the Related Parties in an expeditious manner to meet business needs that are necessary for its day-to-day operations.
- (e) To substantially reduce administrative time, inconvenience and expenses associated with the convening of a separate meeting of shareholders for approval of each transaction, without compromising the corporate objectives of or adversely affecting the business opportunities available to the Group.

4. CONDITION OF THE PROPOSED RENEWAL OF AND NEW SHAREHOLDER MANDATE

The Proposed Renewal of and New Shareholder Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming 15th AGM.

5. DIRECTORS, MAJOR SHAREHOLDERS AND CONNECTED PERSONS' INTEREST

The Directors who are considered interested in the Proposed Renewal of and New Shareholder Mandate (with respect to the transaction in which they are interested) are Tan Sri Asmat and Shah Hakim.

The shareholdings of the interested Directors, Major Shareholders and persons connected to them as at 29 April 2011 are as follows:

<u>Interested Directors/ Major Shareholders</u>	-----Direct Interest-----			-----Indirect Interest-----		
	No. of Shares	%	No. of ESOS Options	No. of Shares	%	No. of ESOS Options
Tan Sri Asmat	50,000 ⁽¹⁾	*	-	10,000 ⁽²⁾	*	-
Shah Hakim	-	-	600,000 [#]	313,393,478 ⁽³⁾	42.75	-
Dato' Kamal	-	-	-	313,393,478 ⁽³⁾	42.75	-
Kaspadu	-	-	-	313,393,478 ⁽⁴⁾	42.75	-
SGB	313,043,478 ⁽⁵⁾	42.71	-	350,000 ⁽⁶⁾	0.04	-

Notes:

* Negligible

Options granted pursuant to the Company's ESOS to subscribe for Shares in the Company.

⁽¹⁾ Held through CIMSEC Nominees (Tempatan) Sdn Bhd.

⁽²⁾ Deemed interested by virtue of Section 134(12)(c) of the Act through the shareholdings in SMB of his spouse, Puan Sri Habibah binti Mohd Salleh.

- ⁽³⁾ Deemed interested by virtue of Section 6(A) of the Act through its shareholding in Kaspadu, which in turn is interested in SGB.
- ⁽⁴⁾ Deemed interested by virtue of Section 6(A) of the Act through its shareholding in SGB, which in turn is interested in SMB.
- ⁽⁵⁾ Held through UOBM Nominees (Tempatan) Sdn Bhd.
- ⁽⁶⁾ Deemed interested by virtue of Section 6(A) of the Act through its shareholding in Scomi Energy, which in turn is interested in SMB.

As Tan Sri Asmat and Shah Hakim are deemed interested in the Proposed Renewal of and New Shareholder Mandate (with respect to the transactions in which they are interested), they have abstained and will continue to abstain from deliberating and voting on the relevant resolutions in respect of the Proposed Renewal of and New Shareholder Mandate (with respect to the transactions in which they are interested) at the relevant Board meetings.

SGB and Tan Sri Asmat will also abstain from voting on the relevant resolutions in respect of the Proposed Renewal of and New Shareholder Mandate (with respect to the transaction in which they are interested) at the forthcoming 15th AGM. Further to this, they will also ensure that persons connected to them will abstain from deliberating, approving or voting on the relevant resolutions in respect of the Proposed Renewal of and New Shareholder Mandate (with respect to the transactions in which they are interested) at the forthcoming 15th AGM.

Save as disclosed above, none of the other Directors and Major Shareholders and/or persons connected to them as defined in the Listing Requirements has any interest, direct or indirect, in the Proposed Renewal of and New Shareholder Mandate.

6. DIRECTORS' RECOMMENDATION

The Board (with the exception of Tan Sri Asmat and Shah Hakim with respect to transactions in which they are interested), after careful deliberation and having considered all aspects of the Proposed Renewal of and New Shareholder Mandate, is of the opinion that the Proposed Renewal of and New Shareholder Mandate is in the best interest of the Company. Accordingly, the Board (with the exception of Tan Sri Asmat and Shah Hakim with respect to transactions in which they are interested) recommend that the shareholders vote in favour of the resolution pertaining to the Proposed Renewal of and New Shareholder Mandate which will be tabled at the forthcoming 15th AGM.

7. 15TH AGM

The 15th AGM will be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 28 June 2011, at 2.30 p.m. for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Renewal of and New Shareholder Mandate. We have enclosed the Notice of 15th AGM together with the Annual Report 2010.

If you are unable to attend and vote in person at the 15th AGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must deposit the Proxy Form for the 15th AGM with our Registrar at Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia by 2.30 p.m on Sunday, 26 June 2011. The lodging of the Proxy Form for the 15th AGM will not preclude you from attending and voting in person at the 15th AGM if you subsequently decide to do so.

8. FURTHER INFORMATION

The shareholders are requested to refer to the attached **Appendix 1** for further information.

Yours faithfully
For and behalf of the Board of
SCOMI MARINE BHD

MOK YUEN LOK
Independent Non-Executive Director

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been reviewed and approved by the Directors who individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, the Company and/or the subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business of the Company and/or the subsidiaries) during the two (2) years immediately preceding the date of this Circular.

- (i) SMS had on 5 February 2010 entered into a conditional share purchase agreement with Falcon Energy Group Limited to dispose of 205,000,000 ordinary shares of CH Offshore Ltd for a total cash consideration of SGD143,500,000. This transaction has been completed on 28 April 2010.
- (ii) SMS and Grundtvig had on 12 July 2010 entered into a Heads of Agreement ("Heads of Agreement") with PT Rig Tenders and Portside Offshore Inc ("Portside") in relation to:
 - (a) the proposed investment by Portside in PT Rig Tenders of USD42.1 million;
 - (b) the proposed disposal by SMS of CH Logistics and its wholly owned subsidiary, Sea Master, CH Ship, Grundtvig and its 95% owned subsidiary, PT Batuah, and Goldship (collectively, "the Marine Logistics") to PT Rig Tenders for an aggregate disposal consideration of USD171.8 million;
 - (c) the proposed rights issue by PT Rig Tenders ("PTRT Proposed Rights Issue"); and
 - (d) the proposed renunciation by SMS of its entitlement to the PTRT Proposed Rights Issue,
 (collectively, "the Proposals").

An Extension Agreement in relation to the Heads of Agreement was entered into between all the parties thereto on 17 September 2010, to extend the duration of the Heads of Agreement.

- (iii) Pursuant to the Heads of Agreement, SMS had on 29 September 2010 entered into a Master Framework Agreement with PT Revessel Indonesia and Portside, to make provision for, and to record their respective rights and obligations and their mutual understanding of the terms and conditions in relation to the Proposals ("MFA"). SMS, PT Revessel Indonesia and Portside had on 14 January 2011 entered into an Extension Agreement in relation to MFA to extend the period for the satisfaction of the conditions for the effectiveness of the standby purchase agreement in accordance with the provisions of the MFA.
- (iv) In addition to the MFA, SMS had on 16 December 2010 entered into a conditional Share Purchase Agreement with PT Rig Tenders for the proposed disposal by SMS and the proposed acquisition by PT Rig Tenders of the Marine Logistics at a total consideration of USD135.9 million and Rp323.1 billion.

3. MATERIAL LITIGATION

Neither SMB nor any of its subsidiaries are involved in any material litigation, claims or arbitrator either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings, pending or threatened against SMB or its subsidiaries as at the date of this Circular.

4. DOCUMENT FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at Level 17, 1 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, during normal business hours (except public holidays) from the date of this Circular up to and including the date of the 15th AGM:

- (i) Memorandum and Articles of Association of SMB;
- (ii) Audited consolidated financial statements of SMB for the two (2) financial years ended 31 December 2009 and 31 December 2010, and the unaudited results for the three (3) months ended 31 March 2011; and
- (vii) All the executed agreements stated in item 2 above.

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