

## IMPORTANT NOTICE

This Letter has been prepared by the Board of Directors of the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this Letter.

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

The contact person for the Sponsor is Mr. Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



### **SBI OFFSHORE LIMITED**

(Incorporated in the Republic of Singapore)  
Company Registration Number: 199407121D

## **LETTER TO SHAREHOLDERS**

**DATED 1 SEPTEMBER 2016**

IN RELATION TO

### **THE EXTRAORDINARY GENERAL MEETING TO CONSIDER THE REMOVAL OF AN EXISTING DIRECTOR AND THE APPOINTMENT OF FOUR (4) PROPOSED DIRECTORS**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form : 14 September 2016 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 16 September 2016 at 10.00 a.m.

Place of Extraordinary General Meeting : TKP Conference Centre  
Raffles Place  
55 Market Street #03-01  
Singapore 048941

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## DEFINITIONS

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In this Letter, the following definitions apply throughout except where the context otherwise requires:

<b>“ACCA”</b>	:	The Association of Chartered Certified Accountants
<b>“ARMC”</b>	:	The Audit and Risk Management Committee of the Company
<b>“ASEAN”</b>	:	Association of Southeast Asian Nations
<b>“Assignment Agreement”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(d)</b> of this Letter
<b>“BDO”</b>	:	BDO LLP, the auditors of the Company
<b>“Board”</b>	:	The board of directors of the Company as at the Latest Practicable Date
<b>“Catalist Rules”</b>	:	Section B of the Listing Manual of the SGX-ST: Rules of Catalist
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Code”</b>	:	The Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>“Company” or “SBI”</b>	:	SBI Offshore Limited
<b>“Directors”</b>	:	The Directors of the Company as at the Latest Practicable Date
<b>“EGM”</b>	:	Extraordinary general meeting of the Company
<b>“FY”</b>	:	Financial year ended 31 December
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Hopetown Project”</b>	:	Has the meaning ascribed to it in <b>Section 2.2</b> of this Letter
<b>“HR Manager”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(b)</b> of this Letter
<b>“ICAEW”</b>	:	The Institute of Chartered Accountants in England and Wales
<b>“Initial Phase”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(d)</b> of this Letter
<b>“IPO Prospectus”</b>	:	The offer document dated 4 November 2009 issued by the Company in connection with its listing
<b>“ISCA”</b>	:	The Institute of Singapore Chartered Accountants

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## DEFINITIONS

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<b>“Latest Practicable Date”</b>	:	29 August 2016, being the latest practicable date prior to the printing of this Letter
<b>“Management”</b>	:	The management for the time being of the Company
<b>“Municipality”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(d)</b> of this Letter
<b>“Municipality Letter”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(d)</b> of this Letter
<b>“NC”</b>	:	The Nominating Committee of the Company
<b>“NPT”</b>	:	Jiangyin Neptune Marine Appliance Co., Ltd
<b>“NPT Acquisition”</b>	:	Has the meaning ascribed to it in <b>Section 4</b> of this Letter
<b>“NPT Disposal”</b>	:	Has the meaning ascribed to it in <b>Section 4</b> of this Letter
<b>“NPT Transactions”</b>	:	Has the meaning ascribed to it in <b>Section 4</b> of this Letter
<b>“PRC”</b>	:	The People’s Republic of China
<b>“Proposed Directors”</b>	:	Mr. Hui Choon Ho, Mr. Lau Yoke Mun, Mr. Geoffrey Yeoh Seng Huat and Dr. Ong Nai Pew
<b>“Proposed Resolutions”</b>	:	The resolutions as set out in the notice of EGM dated 8 August 2016 issued by the Company
<b>“PPA”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(d)</b> of this Letter
<b>“PwC”</b>	:	PricewaterhouseCoopers LLP
<b>“PwC Findings”</b>	:	Has the meaning ascribed to it in <b>Section 1.3</b> of this Letter
<b>“Razavi”</b>	:	Razavi Consortium
<b>“RC”</b>	:	The Remuneration Committee of the Company
<b>“Requisitioning Shareholders”</b>	:	Certain shareholders requesting the Board to convene the EGM to pass the Proposed Resolutions
<b>“Requisition Notices”</b>	:	The requisition notices dated 18 July 2016 issued by the Requisitioning Shareholders for the Company to convene the EGM under Section 152 and Section 176 of the Companies Act, copies of which are attached to this Letter as <b>Appendix I</b>
<b>“SAI”</b>	:	Solar Africa Investments Pty Ltd
<b>“SBI O&amp;M”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(a)</b> of this Letter

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## DEFINITIONS

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<b>“Securities Account”</b>	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
<b>“SGX” or “SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the Register of Members of the Company, or where CDP is the registered holder, the term <b>“Shareholders”</b> shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SID”</b>	:	The Singapore Institute of Directors
<b>“Solar Energy”</b>	:	Solar Energy Investments Pte. Ltd.
<b>“Solar Initiative”</b>	:	Has the meaning ascribed to it in <b>Section 2.2</b> of this Letter
<b>“Sponsor”</b>	:	PrimePartners Corporate Finance Pte. Ltd.
<b>“Tau Mining”</b>	:	Has the meaning ascribed to it in <b>Section 3.2(d)</b> of this Letter
<b>“this Letter”</b>	:	This Letter to Shareholders
<b>“UN/ESCAP”</b>	:	The United Nations Economic and Social Commission for Asia and the Pacific
<b>“US”</b>	:	The United States of America

### Currencies, Units of Measurement and Others

<b>“MW”</b>	:	Megawatts
<b>“US\$”</b>	:	US dollars, being the lawful currency of the US
<b>“ZAR”</b>	:	South African Rand, being the lawful currency of South Africa
<b>“%”</b>	:	Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore).

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

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## **DEFINITIONS**

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Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Letter shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

Any reference to a time of day in this Letter shall be a reference to Singapore time, unless otherwise specified.

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### SBI OFFSHORE LIMITED

(Company Registration No.: 197601189E)  
(Incorporated in the Republic of Singapore)

#### Directors

Mirzan Bin Mahathir (Non-Executive Non-Independent Chairman)  
Chan Lai Thong (Executive Director and Chief Executive Officer)  
Basil Chan (Lead Independent Director)  
Mahtani Bhagwandas (Independent Director)  
Ahmad Subri Bin Abdullah (Independent Director)

#### Registered Office

20 Pioneer Crescent  
#09-01 West Park  
BizCentral  
Singapore 628555

1 September 2016

To: The Shareholders of SBI Offshore Limited

Dear Sir/Madam,

### EXTRAORDINARY GENERAL MEETING TO CONSIDER THE REMOVAL OF AN EXISTING DIRECTOR AND THE APPOINTMENT OF FOUR (4) PROPOSED DIRECTORS

#### 1. INTRODUCTION

##### 1.1 Background on the EGM

On 18 July 2016, the Company announced that it had received the Requisition Notices dated 18 July 2016 by the Requisitioning Shareholders for the Company to convene the EGM under Section 152 and Section 176 of the Companies Act to remove Mr. Chan Lai Thong as a Director and appoint the Proposed Directors to the Board, copies of which are attached to this Letter as **Appendix I**.

The Board is required under the Companies Act to hold such EGM within two (2) months after its receipt of the Requisition Notices.

On 8 August 2016, the Company announced that it will be convening the EGM on 16 September 2016 in accordance with the requirements under the Companies Act. A copy of the said notice of EGM is attached to this Letter as **Appendix II**.

**The purpose of this Letter is to provide Shareholders with information on the Proposed Resolutions to be considered at the EGM and the Board urges all Shareholders to read this Letter in full and consider the Proposed Resolutions carefully.**

##### 1.2 Proposed Resolutions and Recommendations

**For the reasons stated below, the current Directors (save for Mr. Chan Lai Thong in respect of the Proposed Resolution relating to himself) recommend that the Shareholders:**

(a) vote **FOR** the following Proposed Resolutions:

- (i) that Mr. Geoffrey Yeoh Seng Huat be appointed as a Director of the Company; and
- (ii) that Dr. Ong Nai Pew be appointed as a Director of the Company;



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- (b) vote **AGAINST** the following Proposed Resolutions:
  - (i) that Mr. Chan Lai Thong be removed from his office as a Director of the Company;
  - (ii) that Mr. Hui Choon Ho be appointed as a Director of the Company; and
  - (iii) that Mr. Lau Yoke Mun be appointed as a Director of the Company.

### 1.3 Summary of Key Considerations

The Board took into account, *inter alia*, the following factors in making its aforesaid recommendations to Shareholders in relation to the proposed changes to the Board:

- (a) the size of the Board based on the current scale and needs of the Group and the diversity of skills, experience and knowledge possessed by the current Directors and the Proposed Directors;
- (b) the allegations against Mr. Chan Lai Thong with regard to his management of the Group and the findings of PwC with regard to such allegations ("**PwC Findings**");
- (c) the recommendations of the NC (excluding Mr. Chan Lai Thong who had recused himself from discussions and abstained from making recommendations) comprising essentially the Chairman of the NC, Mr. Ahmad Subri Bin Abdullah, and the Lead Independent Director, Mr. Basil Chan and who have interviewed and/or interacted with Mr. Chan Lai Thong and the Proposed Directors; and
- (d) the Sponsor's advice on the Proposed Directors and Mr. Chan Lai Thong as an existing Director.

Further information on the above considerations as well as the Proposed Resolutions is set out below.

## 2. CHANGES TO THE BOARD COMPOSITION PURSUANT TO THE PROPOSED RESOLUTIONS

### 2.1 Considerations relating to Board Composition

In considering the changes to the Board composition pursuant to the Proposed Resolutions, the Board has taken into account the scale and nature of business operations of the Group, and considered whether its current size is adequate for effective decision-making and whether the experience, skills and expertise of the current and proposed Board members in areas such as accounting, legal and business would contribute to the Group's business objective.

### 2.2 Group Business

With regard to the Group's business, the Board had, pursuant to the mandate given by Shareholders at the EGM held on 28 September 2015, embarked on the Group's strategic diversification into the solar energy business ("**Solar Initiative**"). As part of its Solar Initiative, the Company announced on 7 July 2015 that it had entered into a joint venture

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agreement with GSS Renewables Private Limited to establish Graess Energy Pte Ltd. However, due to differences between the parties, the Company announced on 1 August 2016 that it had written to the Gräss Group to terminate the said joint venture.

Prior to the aforesaid termination, the Company had also pursued several other business opportunities related to the solar industry, including without limitation, a solar power project in Hopetown, South Africa to supply an initial 50 MW of power to the local municipality (“**Hopetown Project**”) to be undertaken by its wholly-owned subsidiary, Solar Energy, as announced by the Company on 26 April 2016.

### 2.3 Current Board Expertise

In this regard, the current composition of the Board as well as the skills and experience of the current Directors are as follows:

(a) **Mr. Mirzan Bin Mahathir**

Mr. Mirzan Bin Mahathir has over 20 years of experience in the investment and financial services industry. He helped to take seven (7) companies public on the Kuala Lumpur Stock Exchange, including Konsortium Logistik Berhad in 1996, and as at the date of this Letter, serves on the board of Petron Corporation, a public listed company in the Philippines. As the Executive Chairman of Konsortium Logistik Berhad, he built the company up from being a domestic container haulage company to a multi-modal transport company serving ASEAN. Being a computer science graduate and having worked for IBM as a systems engineer, he has invested in many high technology companies in Malaysia and the US.

Mr. Mirzan Bin Mahathir is a member of the Business Advisory Council of UN/ESCAP and is President of the Asian Strategy and Leadership Institute based in Kuala Lumpur, Malaysia.

(b) **Mr. Chan Lai Thong**

Mr. Chan Lai Thong started his career at Keppel FELS Limited in 1980 and was involved in marketing and business development in various parts of the world. As Group General Manager, he was instrumental in developing Keppel’s business in the Middle East, Eastern Europe and Central Asia. He joined the Al Bawardi Group in United Arab Emirates in 1985 as its Vice-President and was responsible for spearheading its business development efforts. In 2004, Mr Chan ventured into China and was involved in property development.

(c) **Mr. Basil Chan**

Mr Basil Chan was formerly a Council member and Director of SID where he served for 12 years, chairing its Professional Development sub-committee for many years and serving as Treasurer for a term of three (3) years. He is a Chartered Accountant by training, having qualified in the United Kingdom with ICAEW. He was also a member of the Corporate Governance Committee in 2001, which published the Singapore Code of Corporate Governance. Mr Basil Chan further serves as an Independent Director of five (5) other SGX-listed companies. In addition, he previously sat on the Accounting Standards Committee and on the Audit and Assurance Standards Committee of ISCA.

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He is currently Deputy Chairman of the Corporate Governance Committee of ISCA. He is also the Founder and Managing Director of MBE Corporate Advisory Pte Ltd which provides corporate advisory and financial advice to both listed and private companies.

Mr. Basil Chan is a member of both ICAEW and ISCA and a Fellow of SID.

(d) **Mr. Mahtani Bhagwandas**

Mr. Mahtani Bhagwandas is a lawyer by profession and has been practising as an advocate and solicitor of the Supreme Court of Singapore since 1993. Currently, he is a Senior Partner with LegalStandard LLP, a law firm in Singapore that specialises in commercial practice including commercial litigation work, and an Independent Director of SGX-listed GRP Ltd and Alliance Mineral Assets Limited. Formerly an Independent Director of Next-Generation Satellite Communications Ltd and GKE Corporation Limited, Singapore, Mr Bhagwandas also holds several directorships in privately-held companies.

(e) **Mr. Ahmad Subri Bin Abdullah**

Mr. Ahmad Subri Bin Abdullah is presently the Director of, and Adviser to, Emerio (Malaysia) Sdn. Bhd., an NTT Japan Group company. He is also an Independent Director of ECS ICT Bhd., a company listed on the main board of Bursa Saham Malaysia. Mr Subri has over 30 years of experience in the insurance and financial services industry, with more than 18 years as Chief Executive Officer of various companies including Trust International Insurance (M) Berhad, MCIS Insurance Berhad, Mayban Life Assurance Berhad and Malaysia National Insurance Bhd.

Mr. Ahmad Subri Bin Abdullah qualified as a Fellow of the Chartered Insurance Institute (United Kingdom) and is a Fellow of the Malaysian Insurance Institute.

### 2.4 Proposed Directors' Expertise

Based on the information provided by the Proposed Directors, the skills and expertise of the Proposed Directors are as follows:

(a) **Mr. Hui Choon Ho**

Mr. Hui Choon Ho was the Executive Chairman and Chief Executive Officer of the Company from 2007 to 2012. He graduated from Leeds University, United Kingdom in 1980 and started his career at Arthur Andersen, an international audit firm, in 1980, and was responsible for financial audit consulting and audit. He left Arthur Andersen as a senior manager in 1989, and joined Merrill Lynch International Bank, Singapore, from 1990 to 1993 as Vice President in charge of equity research. In 1994, he joined UBS Securities Singapore as Director, where he was responsible for equity research for Singapore and Malaysia. In 1996, he was appointed the Chief Executive Officer of Asiaborders Capital Pte. Ltd. ("**Asiaborders**"), a venture capital company. From 1997 to 1998, Mr. Hui Choon Ho served as a non-executive director of Simplex Group Pte Ltd, a distributor of commercial kitchen equipment. In 1999, he joined Land Resources Group Pte Ltd, a company in the real estate development business, as the Chief Financial Officer, and was in charge of the management and raising of funds for the

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group. After leaving Land Resources Group Pte Ltd in 2000, he joined Aviation & Electronics Support Pte Ltd as an Executive Director in charge of finance and business development in China.

He has more than 10 years of experience in the offshore and marine engineering sector, having worked in companies such as Swanlin Group of Companies, Swanlin Gibeon System Integration Pte Ltd, Petro Asset Pte Ltd and T S Drilling Holdings Limited between the years 2004 to 2015.

He is presently the Chief Executive Officer of Asiaborders and Executive Director of Mark Walker Drinks Sdn Bhd in Malaysia which is engaged in the food and beverage business.

He has been a member of ICAEW since 1983, and a member of ISCA since 1989.

**(b) Mr. Lau Yoke Mun**

In 2014, Mr. Lau Yoke Mun joined the Group as a Senior Business Development Manager in charge of finance and business development between October 2014 and September 2015. He was contracted as a service provider of the Group and designated as Vice President (Finance and Corporate) of SAI in March 2016 and put in charge of finance and corporate matters in respect of the Group's renewable energy business in South Africa.

Mr. Lau Yoke Mun has over 30 years of experience in finance and accounting, having started his career in 1975 as an Audit Senior with Leach & Co.

In 1998, Mr. Lau Yoke Mun joined Atlas Corporation Sdn Bhd, a property developer, as its General Manager of the Corporate Investment Division. Between 1999 and 2003, he served as the Finance Director of ACMA Ltd, which was engaged in the business of tooling and injection moulding, and was responsible for operations review and setting up systems for various operation, financial and management reporting. From 2003 to 2004, he served as the General Manager of VS Corporation (HK), which was in the tooling and injection moulding business. In 2004, he joined Excellence Health Care Pte Ltd as its Operations Manager, helping the company set up a medical health clinic in Singapore. After leaving Excellence Health Care Pte Ltd in 2005, between 2012 and 2014, Mr. Lau Yoke Mun returned to the fields of finance and accounting as well as business development and management consultancy, serving as the financial controller and/or director of several companies. Prior to joining the Group in 2014, he was the General Manager of Winsheng Plastic, which was in the tooling and injection moulding business, between 2012 and 2014.

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**(c) Mr. Geoffrey Yeoh Seng Huat**

Mr. Geoffrey Yeoh Seng Huat has more than 10 years of experience in the banking sector, having served as Vice President of Chase Manhattan Bank from 1980 to 1990, where he was involved in corporate banking, corporate finance and debt syndications. From 1991 to 1996, Mr. Geoffrey Yeoh Seng Huat joined United Overseas Bank, where his last held position was Head of Corporate Banking and Corporate Finance and was responsible for relationships and investment banking products for Singapore-listed companies, real estate and multi-national corporations. Mr. Geoffrey Yeoh Seng Huat joined Jasper Investments Limited (then known as Econ International Limited when it was involved in the business of civil engineering), a listed company on the SGX-ST, where he was an executive director for finance, overseeing administrative and financial matters from 1996 to 2005. He subsequently took on the position as the Chief Executive Officer and Executive Director of Jasper Investments Limited (when it was involved in the business of offshore drilling) from 2006 to 2012 overseeing administration and financial matters. From 2013 to 2014, Mr. Geoffrey Yeoh Seng Huat served as the Chief Financial Officer of PACC Offshore Services Ltd, an offshore supply vessel operator, where he was involved in the company's listing on the SGX-ST.

Mr. Geoffrey Yeoh Seng Huat has sat on the board of several companies listed on the SGX-ST, and he is presently an independent director of Global Testing Corporation Limited and Hoe Leong Corporation Limited. He is also a Fellow of ACCA, United Kingdom.

**(d) Dr. Ong Nai Pew**

Dr. Ong Nai Pew graduated from Princeton University in 1973 with a degree in Economics and from Yale University in 1979 with a Ph.D. in Economics. He began his career as an assistant lecturer at the University of California from 1979 to 1984. In 1984, he joined the National University of Singapore as Senior Lecturer in the School of Management. Between 1986 and 1988, he served as an Assistant Director in Financial Studies, Economics Department of the Monetary Authority of Singapore. During this period, he was also a consultant for GIC in the Economics Department, heading the team in global asset allocation research. Dr. Ong Nai Pew has almost 30 years of experience in investment strategy planning, corporate finance as well as economics research, having headed investment research teams, corporate finance teams and investment teams in various companies.

Dr. Ong Nai Pew has also sat on the board of companies listed on the SGX-ST, having served as a non-executive independent director and later the Co-Chairman of Asiatravel.com Holdings Limited from 2003 to 2006 and an Independent Director of Leeden Ltd from 2006 to 2011. Leeden Ltd was delisted from the SGX-ST on 23 April 2012 and is engaged in gas and welding operations in Asia Pacific, while Asiatravel.com Holdings Limited is an internet travel reservation company.

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### 2.5 Board's Assessments in relation to the Board Composition

As noted above, the current Board comprises business leaders and professionals with industry and financial backgrounds and its composition enables the management to benefit from a diverse and objective external perspective on issues raised before the Board. The Board is of the view that the current Board comprises persons who, as a group, provide capabilities required for the Board to be effective for its business initiatives. These include audit, finance, accounting and legal with entrepreneurial and management experience, industry experience and familiarity with regulatory requirement and risk management.

However, with the Group's strategic diversification into the Solar Initiative, it would be good to invite persons with projects expertise (especially in the solar business) to join the Board. Taking into account the scale of the Group's current business operations, the Board is of the view that a resultant Board comprising about six (6) or seven (7) directors, majority of whom are independent, would be adequate for effective decision-making.

### 2.6 Proposed Directors' Strategy for the Company

During the Proposed Directors' interview with the NC (excluding Mr. Chan Lai Thong who had recused himself), they have indicated that they would review and re-assess the Solar Initiative after their appointment to the Board and decide whether or not to continue with the Solar Initiative. A couple of them have also indicated that they may pursue new business opportunities but they have neither articulated to the NC what these business opportunities are nor provided any outline of their proposed future plans for the Company.

## 3. ALLEGATIONS AGAINST MR. CHAN LAI THONG AS A DIRECTOR AND PWC FINDINGS

### 3.1 Key allegations by certain Proposed Directors for the Proposed Removal of Mr. Chan Lai Thong as a Director

Mr. Mirzan Bin Mahathir, the Chairman of the Board, and Mr. Basil Chan, the Lead Independent Director of the Company, had received information from (i) Mr. Hui Choon Ho (one of the Requisitioning Shareholders and one of the Proposed Directors) and (ii) through Mr. Hui Choon Ho, Mr. Lau Yoke Mun (the current Vice-President (Finance & Corporate) of SAI and one of the Proposed Directors), and they had made the following key allegations against Mr. Chan Lai Thong, the Executive Director and Chief Executive Officer of the Company:

- (a) improperly recognising revenue of US\$3.5 million based on a purchase order from an Iranian customer although there was alleged "every likelihood" that the order may not materialise;
- (b) travelling on business class for all his overseas trips;
- (c) retroactively amending the company policy to allow a spouse to travel on a business trip;
- (d) mis-stating the economic viability of a 1,000MW solar energy project for Hopetown in an announcement by the Company;
- (e) making a side trip to London for a weekend and charging the airfare and hotel expenses to the Company; and
- (f) awarding a one-month variable bonus to himself and other staff in FY 2015 without the approval of the RC.

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### 3.2 Salient findings of PwC

The ARMC had instructed PwC to look into the above allegations and a summary of the salient findings of PwC in relation to these allegations is set out below:

- (a) **Improperly recognising revenue of US\$3.5 million based on a purchase order from an Iranian customer although there was alleged “every likelihood” that the order may not materialise**

The above allegation was in relation to a contract between SBI O&M Pte Ltd (“**SBI O&M**”) (now known as Solar Energy Investments Pte. Ltd.), a wholly owned subsidiary of the Company, and the Razavi Consortium (“**Razavi**”), for SBI O&M to design a jack-up drilling unit for Razavi at a total contract sum of US\$24 million.

PwC understood that the Company had recognised revenue of approximately US\$3.32 million in FY 2014 based on the proportion of cost incurred to date against the total estimated cost for the contract sum. Such revenue recognition was discussed in the Audit Committee meeting on 25 February 2015 with the statutory auditors, BDO LLP, who had agreed to such accounting treatment. The financial statements of the Company for FY 2014 had been approved by the Board and audited by BDO LLP who had issued an unqualified opinion in their Independent Auditor’s Report.

- (b) **Travelling on business class for all his overseas trips**

The Company’s business travel policy only provides for all employees to travel on economy class for business travel unless otherwise specified and approved by management. However, PwC understood from the Company’s HR & Administrative Manager (“**HR Manager**”) that the Company’s practice is that the Chief Executive Officer is allowed to travel on business class if the flight time is six (6) hours or more for a single trip. It was Mr. Chan Lai Thong’s understanding that the business travel practice in relation to the Chief Executive Officer also applied to the Chairman.

During Mr. Chan Lai Thong’s term as the Company’s Executive Chairman from 17 August 2012 to 18 March 2016, and his appointment as the Company’s Chief Executive Officer from 18 March 2016 to the date of the PwC Findings, PwC noted that he had travelled business class for business trips with flight time that is six (6) hours or more. For business trips where flight time is less than six (6) hours, PwC noted that Mr. Chan Lai Thong had travelled on economy class. PwC also noted that there were occasions where Mr. Chan Lai Thong travelled on economy class even though the flight times were six (6) hours or more.

- (c) **Retroactively amending the company policy to allow a spouse to travel on a business trip**

On 10 March 2016, Mr. Chan Lai Thong and his wife were invited by the Mayor of Thembelihle Municipality, South Africa to attend the signing ceremony for the Hopetown Project together with governmental officials and other dignitaries.

The Company’s business travel policy then did not provide for the spouse of the key management personnel to travel on the Company’s expense. Mr. Chan Lai Thong represented to PwC that the management (including the Chief Executive Officer, the Chief Financial Officer, the General Manager and the HR Manager) met prior to the trip



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## LETTER TO SHAREHOLDERS

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to discuss and consequently agreed to amend the policy to align it with evolving business needs of the Company. In an email from Mr. Chan Lai Thong to the Administrative Executive, copied to the HR Manager, on 20 March 2016 to discuss his flight itinerary to South Africa, Mr. Chan Lai Thong reminded the HR Manager to amend the Company's business travel policy to provide for travelling with spouse for key personnel on business trips. The Company's business travel policy was subsequently amended on 22 March 2016 to allow the key management personnel, such as the Chief Executive Officer and the Chief Financial Officer, to travel with their spouse. Both Mr. Chan Lai Thong and the Chief Financial Officer of the Company approved the revised business travel policy. However, such amendments were not presented to the Board for their review or approval.

Subsequently, on 24 March 2016, Mr. Chan Lai Thong made a trip from Singapore to South Africa for the Company's business accompanied by his wife. Both Mr. Chan Lai Thong and his wife travelled on business class to and from South Africa on the Company's expense.

(d) **Mis-stating the economic viability of a 1,000MW solar energy project for Hopetown in an announcement by the Company**

On 2 March 2016, a power purchase agreement ("**PPA**") in respect of the Hopetown Project which involved operating a 1,000 MW solar photovoltaic power generation facility and selling power generated to Thembelihle Municipality, South Africa ("**Municipality**") was entered into between the Municipality and Tau Mining SA Proprietary Limited ("**Tau Mining**"), a mining and renewable energy company incorporated in South Africa.

On 12 April 2016, Tau Mining assigned the PPA to Solar Energy, a wholly owned subsidiary of the Company, by way of an assignment agreement ("**Assignment Agreement**").

On 18 April 2016, the Municipal Manager of the Municipality sent a letter to Solar Energy accepting the Assignment Agreement (the "**Municipality Letter**"). The Municipality Letter also states that the initial capacity of the solar power plant will be in the region of 50MW. In addition, the Municipality Letter states that the Municipality is agreeable for changes to be made to the PPA and that a new power purchase agreement will be signed with Solar Energy which will supersede the PPA.

The Company made an announcement on 26 April 2016 that its wholly owned subsidiary, Solar Energy, is venturing into the Hopetown Project which will initially supply 50 MW to the local municipality ("**Initial Phase**") and may gradually be scaled up over the next 10 years to 1,000 MW for the regional needs. This appeared largely consistent with the above documents signed with the relevant entities.

With regard to the economic viability of the Hopetown Project, PwC noted that the Board first met on 18 March 2016 to review a financial projection by Mr. Allan Kwan, the General Manager of the Company and a Board paper on the Hopetown Project was also presented and discussed.

Subsequent to signing of the aforesaid documents, the Board met on 23 July 2016 with the management team based in South Africa (comprising Mr. Chong Seng Huat, Country Manager and President of SAI, and Mr. Sugan Nair, Vice-President (Business



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## LETTER TO SHAREHOLDERS

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Development) of SAI) to discuss the progress of the Hopetown Project. PwC noted from the minutes that various questions were raised by members of the Board at the meeting with respect to the Hopetown Project and it was decided that feasibility studies and an independent legal review should be conducted for the Hopetown Project.

Based on the current information available to PwC and the current status of the Hopetown Project, there is insufficient evidence for PwC to comment on the economic viability of the Hopetown Project.

(e) **Making a side trip to London for a weekend and charging the airfare and hotel expenses to the Company**

Mr. Chan Lai Thong travelled from Munich to London on 24 June 2016 and returned to Munich on 25 June 2016 ("**London Trip**"). While Mr. Chan Lai Thong had travelled to Munich for official business purposes, the London Trip was for non-business purposes.

PwC noted that Mr. Chan Lai Thong had personally paid for the expenses, including air fare, train ride and hotel accommodation for the London Trip. PwC has also not seen any evidence that Mr. Chan Lai Thong had claimed such expenses from the Company.

(f) **Awarding a one-month variable bonus to himself and other staff in FY 2015 without the approval of the RC**

The existing Company's human resources policy stated that variable bonus pay-out was based on the discretion of the management.

The Company's Corporate Governance Statement contained in the Company's annual report provides that the RC reviews and recommends to the Board a framework of remuneration and determine the appropriateness of specific remuneration packages for the Executive Directors, the Chief Executive Officer and key management personnel.

The one month variable bonus for FY 2015, which included payment to five (5) employees, including Mr. Chan Lai Thong (the Chief Executive Officer), Ms. Amy Soh (the Chief Financial Officer), Mr. Allan Kwan (the General Manager), Mr. Chen Xiaolong and Mr. Verano Marvin Hallasgo (both service engineers with the Company), were approved by Mr. Chan Lai Thong and Mr. Tan Woo Thian (the then Commercial Manager and former Chief Executive Officer). This was not submitted to the RC for approval and does not comply with the Company's Corporate Governance Statement.

#### 4. THE NPT TRANSACTIONS

The Company disclosed in its IPO Prospectus that on 3 March 2009, the Company acquired 35% equity interest in Jiangyin Neptune Marine Appliance Co., Ltd ("**NPT**"), a company incorporated in the PRC, for the manufacturing of lifeboats and davits, for a consideration of US\$1.75 million ("**NPT Acquisition**").

On 18 August 2015, the Company announced that it had entered into an equity transfer agreement ("**Disposal ETA**") to dispose of its 35% equity interest in NPT to a Mr. Hua Hanshou at a consideration of US\$3.5 million ("**NPT Disposal**").

The NPT Acquisition and NPT Disposal shall collectively be referred to as the "**NPT Transactions**".

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## LETTER TO SHAREHOLDERS

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In connection with completion of the NPT Disposal, certain issues relating to the NPT Transactions, some of which involved one of the Proposed Directors, Mr. Hui Choon Ho (who was a Director of the Company then), were brought to the Board's attention and PwC was instructed by the ARMC to review the circumstances surrounding the NPT Transactions. PwC is still in the process of finalising the report on the NPT Transactions and the Board intends to update Shareholders on PwC's findings at or prior to the EGM.

### 5. DIRECTORS' RECOMMENDATIONS

Shareholders are advised to consider all the available information relating to the Proposed Resolutions carefully and to also consider all the Proposed Resolutions carefully.

#### 5.1 Proposed Removal of Mr. Chan Lai Thong as a Director

The Board noted the allegations against Mr. Chan Lai Thong and PwC Findings in respect of the same. In particular, the Board noted that there were no adverse findings against Mr. Chan Lai Thong with regard to the following:

- (a) improperly recognising revenue of US\$3.5 million based on a purchase order from an Iranian customer although there was alleged "every likelihood" that the order may not materialise;
- (b) travelling on business class for all his overseas trips;
- (c) making a side trip to London for a weekend and charging the airfare and hotel expenses to the Company; and
- (d) mis-stating the economic viability of a 1,000 MW solar energy project for Hopetown in an announcement by the Company.

With regard to the other two allegations, the Board noted the lapses in corporate governance as highlighted by PwC and will be taking the following steps to implement, the recommendations by PwC:

- (1) The Board would review the adequacy and appropriateness of the Company's current human resources policies and procedures. Such review would include, amongst others, policies covering management business travel, authorisation limits and approval parties for management remuneration and expense claims, the process and approving authority for future revision of any human resources policies and the need for such policies to be properly documented.
- (2) In addition, the Board would consider commissioning a thorough review of the corporate governance and internal controls of the Company to ensure that any lapses in control are rectified and appropriate control measures are implemented.
- (3) In this regard, the Board would also consider the engagement of independent consultants to assist the Board.

However, the Board takes the view that such lapses do not warrant the removal of Mr. Chan Lai Thong as a Director of the Company.

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## LETTER TO SHAREHOLDERS

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In addition, pursuant to the mandate given by Shareholders at the EGM held on 28 September 2015, the Group has embarked on its Solar Initiative, securing, *inter alia*, the Hopetown Project. Given his past experience and contacts in the renewable energy sector, Mr. Chan Lai Thong has initiated efforts and has made progress in the Solar Initiative. The Board is of the view that the experience and continued contribution of Mr. Chan Lai Thong are essential for the continued growth and development of the Group's Solar Initiative.

Based on the foregoing, the Board (save for Mr. Chan Lai Thong who abstained) recommends that the Shareholders vote **AGAINST** the Proposed Resolution that Mr. Chan Lai Thong be removed from his office as a Director of the Company.

### 5.2 Proposed Appointment of Mr. Hui Choon Ho as a Director

The Board understands that Mr. Hui Choon Ho has indicated that he intends to assume an executive position, if appointed to the Board.

#### (a) Conduct as a Shareholder of the Company

Following the Board's receipt of the Requisition Notices, Mr. Hui Choon Ho had made communications (which were sent either directly or indirectly) with various employees of the Group and had been issuing instructions to the employees, notwithstanding that his appointment as a Director remains subject to Shareholders' approval at the EGM. In this regard, management power and control are exclusively conferred on the Board, and his conduct of bypassing the Board could contravene the relevant statutory provisions and proper corporate governance rules. Accordingly, the communications with the employees of the Group could constitute an unwarranted interference in the Company's business and affairs. Further, the Board noted that such interferences had caused confusion, disrupted the Company's business operations and has affected overall staff morale in the Company.

In this regard, the Board had informed Mr. Hui Choon Ho to refrain from assuming and exercising management power and control over the Company before his appointment is approved at the EGM, as such interference has caused disruptions to the Company's business operations and has affected overall staff morale in the Company, and that he ought to cease issuing unauthorised instructions to them (whether directly or indirectly) until he is appointed to the Board.

#### (b) Recommendations of the Board on the Proposed Appointment of Mr. Hui Choon Ho

In view of the foregoing, the Board is of the view that Mr. Hui Choon Ho's aforesaid conduct has raised doubts on his suitability to act as a Director of the Company. Taking into consideration the Board's view on the Board composition as well as the Board's recommendations with regard to the other Proposed Resolutions, the Board recommends that the Shareholders vote **AGAINST** the Proposed Resolution to appoint Mr. Hui Choon Ho as a Director of the Company.

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## LETTER TO SHAREHOLDERS

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### 5.3 Proposed Appointment of Mr. Lau Yoke Mun as a Director of the Company

The Board understands that Mr. Lau Yoke Mun has indicated that he intends to assume an executive position, if appointed to the Board.

#### (a) Conduct as a Service Provider of the Company

Mr. Lau Yoke Mun had been contracted as a service provider in March 2016 until September 2016 and was designated as the Vice-President (Finance & Corporate) of SAI to be based in South Africa as and when required to, *inter alia*, set up and manage the accounting functions and operations of SAI, Solar Energy's subsidiary in South Africa.

The ARMC had expressed its concerns in relation to his performance and conduct under the service agreement entered into between Solar Energy and him, including:

- (i) failure to submit any financial reports/accounts and expenses relating to the business of SAI and cash advance of US\$10,000 to him during the period of his deployment in South Africa, and not providing SAI's accounting reporting pack and a proper accounting reconciliation for the funds remitted from the Company to SAI's bank account in South Africa, and his cash advance of US\$10,000 despite several email reminders;
- (ii) loss of all of the four (4) bank security tokens issued by SAI's bank which were needed to access the funds in SAI's bank accounts, thus resulting in disruption to the Company's business operations, and failure to lodge a police report thereafter despite being told to do so;
- (iii) failure to comply with the request of the Chief Executive Officer and the instructions of the Chairman to attend a Board meeting in Singapore on 23 July 2016 to provide an update to the Board on the business operations in South Africa and changing his pre-arranged flight from South Africa to return to Malaysia; and
- (iv) failure to return SAI's bank cheque book, files and SAI's petty cash of ZAR10,000 after removing them from its office premises.

In this regard, Mr. Lau Yoke Mun responded and had informed the ARMC that, *inter alia*:

- (A) he had been sending reports on transactions in SAI's bank account and petty cash float to the Chief Financial Officer on a regular basis since SAI's incorporation in May 2016. SAI had not acquired any accounting software as they have to evaluate which accounting software meets tax and accounting requirements in South Africa as well as to consolidate the Group's accounts. As SAI only has expenses to date, the reports that he sent to the Chief Financial Officer should be sufficient for her team to prepare the balance sheet and profit and loss of SAI for consolidation with the Group accounts;
- (B) he had informed the bank by telephone and letter that he had misplaced the bank tokens, and the bank told him that they would void the tokens and that he was not needed to take any further action. He could not make a police report as he was not in South Africa;

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## LETTER TO SHAREHOLDERS

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- (C) he did not return to Singapore to attend the meeting with the Board on 23 July 2016 as the Board had not assured him that Mr. Chan Lai Thong, whom he had complained against, will not be at the meeting. He feared meeting up with Mr. Chan Lai Thong as Mr. Chan Lai Thong had been victimising and harassing him. When he was notified by Mr. Hui Choon Ho that the Board will meet with him on 2 August 2016 without Mr. Chan Lai Thong's presence, he immediately came for the meeting; and
- (D) he had sent the cheque books to Mr. Hui Choon Ho as he did not have Mr. Basil Chan's home address and that he could not send the cheque books to the Company as Mr. Chan Lai Thong would have access to them. Further, he could not submit the accounting information as at 31 July 2016 as he left South Africa on 26 July 2016 and the Board had not assured him of his safety upon return.

The ARMC, having considered the above response by Mr. Lau Yoke Mun, had further noted that, *inter alia*:

- (1) Mr. Lau Yoke Mun's assertion that he had been regularly sending reports on the transactions in SAI's bank account and petty cash float to the Company's Chief Financial Officer is inaccurate. Mr. Lau Yoke Mun had sent an incomplete list of expenses incurred by SAI without any supporting documents by way of email, where he admitted that the supporting documents and SAI's balance sheet and profit and loss statements had not been furnished, after repeated requests by the Company's finance department. He had not complied with the instructions of the Board and Management to submit SAI's financial reports/accounts and expenses together with the relevant supporting documents for approval, and for preparation of the Group's half year closing accounts despite reminders to do so;
- (2) Mr. Lau Yoke Mun had not denied his failure to prepare and submit SAI's balance sheet and profit and loss statements for the purposes of consolidation with the Group's financial accounts. As the Vice President (Finance & Corporate) of SAI, it is his duty and obligation to prepare, maintain and manage an adequate system of financial accounting records for cash, expenses and finances with supporting documents for SAI. It is a breach of his duty as Vice President (Finance & Corporate) of SAI not to do this and rely on the incomplete list of expenses which he had provided as sufficient for this purpose;
- (3) Mr. Lau Yoke Mun's conduct in relation to the alleged loss of SAI's bank security token demonstrates an apparent lack of responsibility and willingness to safeguard the interests of SAI and the Group. He was instructed to make a police report on the loss of bank security tokens by Mr. Chan Lai Thong and was reminded of the severity of the situation by the General Manager of the Company before he left South Africa for Malaysia. Mr. Lau Yoke Mun had ample time to do so but he did not do so. In the circumstances, there was no basis for him to assert that he was unable to make a police report because he was not in South Africa. Specific instructions and reminders were given to Mr. Lau Yoke Mun;

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## LETTER TO SHAREHOLDERS

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- (4) Mr. Lau Yoke Mun had admitted to the Board on 2 August 2016 that he had in fact not lost the bank security tokens. Instead, he had informed Management that he had lost the bank security tokens so that the funds in SAI's bank account could not be utilised. Mr. Lau Yoke Mun had further informed the Board that he had since returned the bank security tokens to the bank. This has caused serious disruptions to the business operations of SAI and caused unnecessary embarrassment to the Company in its business relationship with the bank;
- (5) Mr. Lau Yoke Mun had provided no basis, evidence or elaboration for his bare allegations that Mr. Chan Lai Thong is causing him fear and that he needed protection;
- (6) Mr. Lau Yoke Mun ought not have handed possession of SAI's property to Mr. Hui Choon Ho, who is neither a director nor officer of the Company, Solar Energy or SAI. There was nothing to prevent Mr. Lau Yoke Mun from contacting Mr. Basil Chan, as he had done, or any other Independent Directors via their email addresses to arrange for a meeting to hand over SAI's cheque book to them personally;
- (7) Mr. Lau Yoke Mun had not provided any explanation regarding his removal of SAI's files and petty cash of ZAR 10,000 from SAI's office premises. He had also failed to provide any explanation or supporting documents relating to his cash advance of US\$10,000; and
- (8) the Board had, during the Board and NC meetings on 2 August 2016, assured Mr. Lau Yoke Mun of their preparedness for him to approach them directly if he faces any problem in South Africa. However, subsequent to the said meeting, he remained absent from his obligations under his service agreement without any official reasons, and had not approached the Board to highlight or discuss any reasons for such continued absence. This was in spite of the Board's assurance during the NC meeting that the Board will look after the interests of genuine whistle-blowers.

In view of the foregoing, the Board is of the position that Mr. Lau Yoke Mun did not provide a satisfactory explanation for his failure to attend to the abovementioned issues.

**(b) Lack of experience as a director of a listed company**

Based on Mr. Lau Yoke Mun's interview with the NC (excluding Mr. Chan Lai Thong who had recused himself), the NC noted that he does not possess any experience as a director of a listed company in Singapore or elsewhere, and that he has limited experience in public listed companies.

**(c) Recommendations of the Board on the Proposed Appointment of Mr. Lau Yoke Mun**

In view of the foregoing, the Board is of the view that Mr. Lau Yoke Mun (i) had not demonstrated that he had sufficiently discharged his duties and responsibilities as the Vice-President (Finance & Corporate) of SAI, (ii) does not possess any experience as a director of a listed company in Singapore, and (iii) has limited experience in public listed companies. Taking into consideration the Board's view on the Board composition

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## LETTER TO SHAREHOLDERS

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as well as the Board's recommendations with regard to the other Proposed Resolutions, the Board recommends that the Shareholders vote **AGAINST** the Proposed Resolution to appoint Mr. Lau Yoke Mun as a Director of the Company.

### 5.4 Proposed Appointment of Mr. Geoffrey Yeoh Seng Huat

The Board understands that Mr. Geoffrey Yeoh Seng Huat has indicated that he intends to assume the role of an Independent Director of the Company, if appointed to the Board.

Based on Mr. Geoffrey Yeoh Seng Huat's interview with the NC (excluding Mr. Chan Lai Thong who had recused himself), the NC noted that his past experience in project financing could be beneficial to the solar business of the Company. The Board is of the view that Mr. Geoffrey Yeoh Seng Huat has the relevant experience, skills and expertise in the area of project financing and could contribute to the diversity of the skills and expertise required of the Board in view of the recent diversification into the solar energy business. Accordingly, the Board is satisfied as to the suitability of Mr. Geoffrey Yeoh Seng Huat as a Director of the Company and also considers him to be independent and therefore that the Shareholders vote **FOR** the Proposed Resolution to appoint Mr. Geoffrey Yeoh Seng Huat as a Director of the Company.

### 5.5 Proposed Appointment of Dr. Ong Nai Pew

The Board understands that Dr. Ong Nai Pew has indicated that he intends to assume the role of an Independent Director of the Company, if appointed to the Board.

The Board is of the view that Dr. Ong Nai Pew has the relevant experience, skills and expertise in the area of investment strategy planning and economics research, given his prior experience in the Monetary Authority of Singapore and GIC and this could add to the diversity of the skills and expertise required of the Board. The Board has noted that Dr. Ong Nai Pew is also a substantial shareholder of the Company, holding an interest in 14,262,900 Shares, representing approximately 5.7% of the total number of issued Shares, as at 23 July 2016. Accordingly, the Board is satisfied as to the suitability of Dr. Ong Nai Pew as a Director of the Company and also considers him to be independent and therefore recommends that the Shareholders vote **FOR** the Proposed Resolution to appoint Dr. Ong Nai Pew as a Director of the Company.

## 6. SPONSOR'S ADVICE ON THE PROPOSED DIRECTORS AND MR. CHAN LAI THONG AS AN EXISTING DIRECTOR

Under Catalist Rule 226(2)(d), the Sponsor is required to advise the Company on the suitability of directors arising from the proposed changes in the Company's board of directors. In this regard, the Sponsor has conducted its review on the Proposed Directors in accordance with the requirements of paragraph 5 of Practice Note 2C of the Catalist Rules, and notes the PwC Findings and the NPT Transactions which are still being reviewed as at the date of this Letter.

Arising from the PwC Findings, the Sponsor notes that there has been lapses in corporate governance practiced by management under the leadership of Mr. Chan Lai Thong and such lapses will be appropriately addressed.



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## LETTER TO SHAREHOLDERS

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The Sponsor also notes that Mr. Lau Yoke Mun has no prior experience as a Director of a listed company. As such, the Sponsor recommends that he should attend a relevant director's training course to familiarise himself with the duties and responsibilities as a director of a public listed company in Singapore, within three (3) months from the date of his appointment.

Based on the above and as the date of this Letter, the Sponsor has advised the Board that nothing materially adverse has come to its attention that would prevent the appointment of the Proposed Directors and the continued appointment of Mr. Chan Lai Thong as the Executive Director of the Company.

### 7. EXTRAORDINARY GENERAL MEETING

The EGM will be held at **TKP Conference Centre, Raffles Place, 55 Market Street #03-01, Singapore 048941** on **Friday 16 September 2016** at **10.00 a.m.** for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 8.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Letter, a proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 20 Pioneer Crescent, #09-01 West Park BizCentral, Singapore 628555 not less than 48 hours before the time fixed for the EGM. The completion and lodgment of the proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so.

#### 8.2 Depositors

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the matters relating to the Proposed Resolutions and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources or, as the case may be, reflected or reproduced in the Letter.



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## LETTER TO SHAREHOLDERS

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### 10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Constitution of the Company is available for inspection at the registered office of the Company at 20 Pioneer Crescent, #09-01 West Park BizCentral, Singapore 628555, during normal business hours from the date of this Letter up to and including the date of the EGM.

Yours faithfully,

For and on behalf of the Board of Directors of  
**SBI Offshore Limited**

Mirzan Bin Mahathir  
Non-Executive Non-Independent Chairman  
1 September 2016

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## APPENDIX I – REQUISITION NOTICES

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### BY FAX AND BY HAND

18 July 2016

#### The Board of Directors

SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

**SBI OFFSHORE LIMITED (THE “COMPANY”)  
- REQUISITION NOTICE TO CONVENE EXTRAORDINARY GENERAL MEETING (“EGM”) TO  
APPOINT DIRECTORS (THE “NOTICE”)**

1. We, the undersigned, being members of the Company holding not less than 10% of the paid-up capital of the Company carrying voting rights at general meetings as at the date of this letter, require you to immediately proceed to convene an EGM of the Company to be held as soon as practicable after the receipt of the Notice, pursuant to Section 152 of the Companies Act.

2. The object of the EGM is to pass a resolution for the removal of the following director:

**Mr Chan Lai Thong**

and the appointment of the following person as a director in Mr Chan's place with immediate effect from the date of the EGM:

**Mr Hui Choon Ho (NRIC S1163288B)**

3. For the purpose of passing the resolution set forth in paragraph 2 of this Notice, this letter shall constitute a Notice of Intention to Appoint Director under Article 97 of the Company's articles of association. In this regard, please find enclosed, a letter from the above-mentioned person, giving his consent to the nomination and signifying his intention to be appointed a director of the Company.

Yours faithfully

Name of Shareholder

No. of shares held

Signature of Shareholder

Ang Nai Pew

14,263,000

Ang Nai Pew

TAN WOO THIAN

34,570,000

Tan Woo Thian

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## APPENDIX I – REQUISITION NOTICES

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(date) 8 July 2016

The Board of Directors  
SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

**SBI OFFSHORE LIMITED (THE "COMPANY")  
- CONSENT TO NOMINATION AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 97  
OF THE COMPANY'S ARTICLES OF ASSOCIATION**

I, the undersigned, consent to being nominated and appointed as a director of the Company.

Yours faithfully



Hui Choon Ho  
S1163288 B

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## APPENDIX I – REQUISITION NOTICES

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### BY FAX AND BY HAND

18 July 2016

#### The Board of Directors

SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

#### SBI OFFSHORE LIMITED (THE “COMPANY”)

#### - REQUISITION NOTICE TO CONVENE EXTRAORDINARY GENERAL MEETING (“EGM”) TO APPOINT DIRECTORS (THE “NOTICE”)

1. We, the undersigned, being members of the Company holding not less than 10% of the paid-up capital of the Company carrying voting rights at general meetings as at the date of this letter, require you to immediately proceed to convene an EGM of the Company to be held as soon as practicable after the receipt of the Notice, pursuant to Section 176 of the Companies Act.
2. The object of the EGM is to pass a resolution for the appointment of the following persons as directors of the Company with immediate effect from the date of the EGM:

**Mr Lau Yoke Mun (Malaysian Passport No. A28587678)**

3. For the purpose of passing the resolution set forth in paragraph 2 of this Notice, this letter shall constitute a Notice of Intention to Appoint Director under Article 97 of the Company's articles of association. In this regard, please find enclosed, letters from the above-mentioned persons, each giving his consent to the nomination and signifying his intention to be appointed a director of the Company.

Yours faithfully


Name of Shareholder

No. of shares held

Signature of Shareholder


HUI CHUAN HO

29,290,200



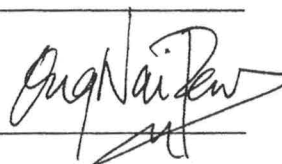
TAN WOO THIAN

34,570,000



ONG NAI PEW

14,263,000



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## APPENDIX I – REQUISITION NOTICES

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(date) 10 July 2016

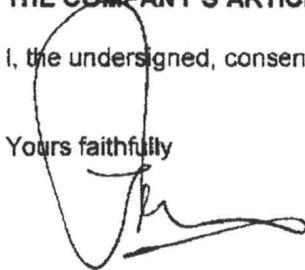
**The Board of Directors**  
SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

**SBI OFFSHORE LIMITED (THE "COMPANY")**  
**- CONSENT TO NOMINATION AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 97 OF**  
**THE COMPANY'S ARTICLES OF ASSOCIATION**

I, the undersigned, consent to being nominated and appointed as a director of the Company.

Yours faithfully



(Name)

(NRIC) LAU YOKEMUN

IC No: 521130-08-5019

PASSPORT No: A28587678

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## APPENDIX I – REQUISITION NOTICES

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### BY FAX AND BY HAND

18 July 2016

#### The Board of Directors

SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

**SBI OFFSHORE LIMITED (THE “COMPANY”)  
- REQUISITION NOTICE TO CONVENE EXTRAORDINARY GENERAL MEETING (“EGM”) TO  
APPOINT DIRECTORS (THE “NOTICE”)**

1. We, the undersigned, being members of the Company holding not less than 10% of the paid-up capital of the Company carrying voting rights at general meetings as at the date of this letter, require you to immediately proceed to convene an EGM of the Company to be held as soon as practicable after the receipt of the Notice, pursuant to Section 176 of the Companies Act.
2. The object of the EGM is to pass a resolution for the appointment of the following persons as directors of the Company with immediate effect from the date of the EGM:

**Dr Ong Nai Pew (NRIC S2506450Z)**

3. For the purpose of passing the resolution set forth in paragraph 2 of this Notice, this letter shall constitute a Notice of Intention to Appoint Director under Article 97 of the Company's articles of association. In this regard, please find enclosed, letters from the above-mentioned persons, each giving his consent to the nomination and signifying his intention to be appointed a director of the Company.

Yours faithfully

Name of Shareholder

No. of shares held

Signature of Shareholder

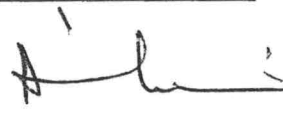
Hui Choon Ho

29,290,200



TAN WOO THIAN

34,570,000



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## APPENDIX I – REQUISITION NOTICES

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18 July 2016

**The Board of Directors**

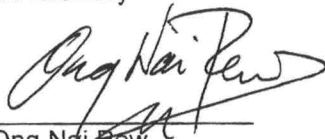
SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

**SBI OFFSHORE LIMITED (THE "COMPANY")  
- CONSENT TO NOMINATION AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 97 OF  
THE COMPANY'S ARTICLES OF ASSOCIATION**

I, the undersigned, consent to being nominated and appointed as a director of the Company.

Yours faithfully

  
Dr Ong Nai Pew

NRIC no. S2506450Z



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## APPENDIX I – REQUISITION NOTICES

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### BY FAX AND BY HAND

18 July 2016

#### The Board of Directors

SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

#### SBI OFFSHORE LIMITED (THE “COMPANY”)

#### - REQUISITION NOTICE TO CONVENE EXTRAORDINARY GENERAL MEETING (“EGM”) TO APPOINT DIRECTORS (THE “NOTICE”)

4. We, the undersigned, being members of the Company holding not less than 10% of the paid-up capital of the Company carrying voting rights at general meetings as at the date of this letter, require you to immediately proceed to convene an EGM of the Company to be held as soon as practicable after the receipt of the Notice, pursuant to Section 176 of the Companies Act.
5. The object of the EGM is to pass a resolution for the appointment of the following persons as directors of the Company with immediate effect from the date of the EGM:  
  
**Mr Geoffrey Yeoh Seng Huat (S1198556D)**
6. For the purpose of passing the resolution set forth in paragraph 2 of this Notice, this letter shall constitute a Notice of Intention to Appoint Director under Article 97 of the Company’s articles of association. In this regard, please find enclosed, letters from the above-mentioned persons, each giving his consent to the nomination and signifying his intention to be appointed a director of the Company.

Yours faithfully

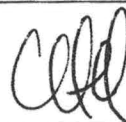
Name of Shareholder

No. of shares held

Signature of Shareholder

Hui Chuan Ho

29,290,200



Ang Nai Pew

14,263,000



TAN WOO THIAN

34,570,000



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## APPENDIX I – REQUISITION NOTICES

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18 July 2016

**The Board of Directors**

SBI Offshore Limited  
20 Pioneer Crescent  
#09-01 West Park BizCentral  
Singapore 628555

Dear Sirs,

**SBI OFFSHORE LIMITED (THE “COMPANY”)**

**- CONSENT TO NOMINATION AS DIRECTOR OF THE COMPANY PURSUANT TO ARTICLE 97 OF  
THE COMPANY’S ARTICLES OF ASSOCIATION**

I, the undersigned, consent to being nominated and appointed as a director of the Company.

Yours faithfully



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Geoffrey Yeoh Seng Huat

NRIC no. S1198556D

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## APPENDIX II – NOTICE OF EXTRAORDINARY GENERAL MEETING

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**SBI OFFSHORE LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration Number: 199407121D

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting of SBI Offshore Limited ("Company") will be held at **TKP Conference Centre, Raffles Place, 55 Market Street #03-01, Singapore 048941** on **16 September 2016 (Friday)** at **10.00 a.m.** for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments (see explanatory notes (i) to (iv)):

#### Ordinary Resolutions

- (1) That Mr Chan Lai Thong be removed from his office as a Director of the Company.  
(Resolution 1)
- (2) That Mr Hui Choon Ho be appointed as a Director of the Company.  
(Resolution 2)
- (3) That Mr Lau Yoke Mun be appointed as a Director of the Company.  
(Resolution 3)
- (4) That Mr Geoffrey Yeoh Seng Huat be appointed as a Director of the Company.  
(Resolution 4)
- (5) That Dr Ong Nai Pew be appointed as a Director of the Company.  
(Resolution 5)

#### BY ORDER OF THE BOARD

**Chan Lai Yin**  
Company Secretary

Singapore, 8 August 2016

#### Explanatory Notes:

- (i) The Company is convening the Extraordinary General Meeting pursuant to the requisition notices dated 18 July 2016 by certain shareholders for the Company to convene an Extraordinary General Meeting under Section 152 and Section 176 of the Companies Act (Chapter 50 of Singapore). Please refer to the Company's announcements dated 18 July 2016 and 22 July 2016 for further details.
- (ii) The Company will despatch this Notice of Extraordinary General Meeting to shareholders of the Company, together with any further information on the proposed resolutions in due course, in any event before 14 calendar days prior to the Extraordinary General Meeting.
- (iii) A proxy need not be a member of the Company. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him.  
  
Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
- (iv) A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

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## APPENDIX II – NOTICE OF EXTRAORDINARY GENERAL MEETING

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*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this notice.*

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

*The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*

## SBI OFFSHORE LIMITED

(Incorporated in the Republic of Singapore)  
Company Registration Number: 199407121D)

### PROXY FORM

(Please see note overleaf before completing this Form)

#### IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Meeting.
2. For investors who have used their CPF monies to buy SBI OFFSHORE LIMITED shares, the Letter is forwarded to them at the request of their CPF Approved Nominees and is forwarded solely for their information only.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

\*I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a \*member/members of SBI Offshore Limited ("**Company**") hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

\*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

or failing him/her/them\*, the Chairman of the Meeting as my/our proxy/proxies\* to vote for me/us\* on my/our\* behalf at the Extraordinary General Meeting ("**Meeting**") of the Company to be held at **TKP Conference Centre, Raffles Place, 55 Market Street #03-01, Singapore 048941** on **Friday 16 September 2016** at **10.00 a.m.** and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies\* will vote or abstain from voting at his/her\* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

	No. of Votes or indicate with a tick (✓) or cross (X)**	
	For	Against
<b>Ordinary Resolution</b>		
<b>Resolution 1</b> That Mr. Chan Lai Thong be removed from his office as a Director of the Company.		
<b>Resolution 2</b> That Mr. Hui Choon Ho be appointed as a Director of the Company.		
<b>Resolution 3</b> That Mr. Lau Yoke Mun be appointed as a Director of the Company.		
<b>Resolution 4</b> That Mr. Geoffrey Yeoh Seng Huat be appointed as a Director of the Company.		
<b>Resolution 5</b> That Dr. Ong Nai Pew be appointed as a Director of the Company.		

\*\*All resolutions would be put to vote by poll in accordance with listing rules of the Singapore Exchange Securities Trading Limited. Please tick (✓) or cross (X) or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" the relevant resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Total Number of Shares held in:	Number of Shares
(1) CDP Register of Shareholders	
(2) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal  
of Corporate Shareholder

**IMPORTANT: PLEASE SEE NOTE OVERLEAF BEFORE COMPLETING THIS FORM**

\* To delete as appropriate

**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

**"Relevant intermediary"** has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (**"Companies Act"**).

3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy by resolution of its directors or other governing body such person as it thinks fit to vote on his behalf.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 20 Pioneer Crescent, #09-01 West Park BizCentral, Singapore 628555 not less than 48 hours before the time appointed for the Meeting. The sending of a proxy form of a member does not preclude him from attending and voting in person at the Meeting if he finds that he is able to do so. In such event, the relevant proxy forms will be deemed to be revoked.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
7. In the case of members whose Shares are deposited with The Central Depository (Pte) Limited (**"CDP"**), the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting as certified by CDP to the Company.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
9. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. An Investor who buys shares using CPF monies (**"CPF Investor"**) and/ or SRS monies (**"SRS Investor"**) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/ or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (and/or its agents) for the purpose of the processing and administration by the Company (and/or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (and/or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (and/or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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