

S i2i LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199304568R)

FURTHER RESPONSE TO SGX-ST'S QUERIES ON 2015 ANNUAL REPORT

Further to the announcement of S i2i Limited (the "**Company**") on the Company's Annual Report 2015 released on 15 April 2016, and in further response to queries by SGX-ST in its email dated 19 April 2016, the Company wishes to provide the following information:-

SGX-ST's Queries

- (a) "We refer to the Company's announcement on 15 April 2016 where it was disclosed that 54,850,000 options were granted in FY2015 to Mr. Thomas Henrik Zilliacus, the Lead Independent Director. This is the same as the 54,850,000 options that were originally granted to the CEO, Mr. Maneesh Tripathi which he subsequently voluntarily forfeited in view of the reinstatement of the Executive Director and Group CEO's salary, commencing from 1 January 2016. The options represent 1% of the existing shares of the Company. Please explain why such a significant amount of options are granted to an independent director in FY2015."
- (b) "Guideline 2.3(d) of the Code of Corporate Governance 2012 (the "**Code**") has provided a guide that payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant. Please confirm whether the aggregate value of directors fees and options granted to Mr. Thomas Henrik Zilliacus in FY2015 amounted to S\$200,000 or above. Please explain how the Company has complied with the Code."

The Company's Response

The Remuneration Committee ("**RC**") has proposed that the Directors who were in office in FY2015 be paid a token sum of S\$1 each as Directors' fee for their services rendered, as the Company had suffered losses for the past 3 years.

Considering that it would take some effort and time in turning around the Company, 54,850,000 options were granted to Mr. Thomas Henrik Zilliacus ("**Mr. Zilliacus**") as a way to incentivize him in view that he would not be taking any other form of remuneration or Director's fee in FY2015 except S\$1. The RC is guided by Guideline 8.3 of the Code that recommends that non-executive directors should hold shares in the Company so as to better align the interests of non-executive directors with the interest of shareholders. Mr. Zilliacus had abstained from the deliberation and recommendation of the grant of options to him.

The remuneration of Mr. Maneesh Tripathi, the Executive Director & Group CEO is linked to corporate and individual performance and aligned to the long-term interest of the Company. Mr. Tripathi had voluntarily offered to convert his basic annual salary to S\$1 in light of continuing losses of the Company for the past three (3) years and the grant of options to the CEO was a form of incentivization to turnaround the Company. Since the Company has turned profitable in FY 2015, the RC has agreed to restore his remuneration commencing from 1 January 2016, hence, Mr. Tripathi had voluntarily forfeited the options granted to him.

In relation to the aggregate value of Director's fee and options granted to Mr. Zilliacus in FY2015, the Company confirms that the value did not exceed S\$200,000/-. The options to Mr. Zilliacus were granted above the market price on the date of grant (at S\$0.0024, being the average of the last dealt prices for the shares over the five (5) consecutive Market Days immediately preceding the date of grant). The 54,850,000 options granted to Mr. Zilliacus were consolidated to 137,125 options at exercise price of S\$0.96 after the share consolidation exercise of the Company in FY2015. The value of benefit, if any out of the options granted to him may be known only at the time of vesting of options. In fact, he would only be paid Director's fee of S\$1 and the options granted to him would only be vested after 27 March 2017.

The Nominating Committee (“**NC**”), in its last meeting held on 29 February 2016, has considered and reviewed Mr. Zilliacus’ independence and determined that Mr. Zilliacus continues to express his individual viewpoint and objectivity and exercises independent judgement in the best interest of the Company notwithstanding his interest in the Company’s share options. The NC also determined that there are no relationships or circumstances that could or are likely to affect Mr. Zilliacus judgement and ability to discharge his responsibilities as an Independent Director. Having considered the above, the Board has ascertained that Mr. Zilliacus is considered an Independent Director and the Company has complied with the Code. Mr. Zilliacus had abstained from the deliberation of his own independence.

By Order of the Board

Maneesh Tripathi

Executive Director and Group CEO

22 April 2016