

**CIRCULAR DATED 15 April 2013**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your issued and paid-up ordinary shares in the share capital of SBI Offshore Limited (the "**Company**"), you should immediately forward this Circular with the Notice of Extraordinary General Meeting ("**EGM**") and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Your attention is drawn to section 6 of this Circular in respect of actions to be taken if you wish to attend and vote at the EGM.

This Circular has been prepared by the Company and reviewed by the Company's sponsor, CNP Compliance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this Circular. This Circular has not been examined or approved by the SGX-ST.

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr Thomas Lam at 36 Carpenter Street, Singapore 059915, telephone: (65) 6323 8383; email: tlam@cnplaw.com.



**SBI OFFSHORE LIMITED**

(Company Registration No.: 199407121D)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

IN RELATION TO

- (1) THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**
- (2) THE PROPOSED GRANT OF AWARD TO MR. CHAN LAI THONG UNDER THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	28 <sup>th</sup> April 2013 at 11 a.m.
Date and time of Extraordinary General Meeting	:	30 <sup>th</sup> April 2013 at 11 a.m.
Place of Extraordinary General Meeting	:	31 International Business Park, Creative Resource, Function Room, Singapore 609221

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## DEFINITIONS

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For the purpose of this Circular, the following definitions apply throughout, unless the context otherwise requires:

<b>“Act” or “Companies Act”</b>	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<b>“Articles”</b>	The Articles of Association of the Company
<b>“Associate”</b>	(a) in relation to any Director, Chief Executive Officer of the Company, a Substantial Shareholder or a Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more</li></ul> (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<b>“Auditors”</b>	The auditors of the Company for the time being
<b>“Award”</b>	A contingent award of Shares granted under the Plan
<b>“Award Date”</b>	In relation to an Award, the date on which the Award is granted
<b>“Catalist”</b>	The sponsor-supervised listing platform of the SGX-ST known as Catalist
<b>“CDP”</b>	The Central Depository (Pte) Limited
<b>“Circular”</b>	This Circular to Shareholders dated 15 April 2013 in relation to the proposals as set out in section 1.1
<b>“Company”</b>	SBI Offshore Limited
<b>“Control”</b>	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	A person who: <ul style="list-style-type: none"><li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or</li><li>(b) in fact exercises Control over the Company.</li></ul>

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## DEFINITIONS

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<b>“Director”</b>	A director of the Company, including an alternate director
<b>“EGM” or “Extraordinary General Meeting”</b>	The extraordinary general meeting of the Company, notice of which is set out on pages 35 to 36 of this Circular
<b>“Employee”</b>	An employee of the Group (including an Executive Director, an Executive Director who is a Controlling Shareholder and an Executive Director who is an Associate of a Controlling Shareholder)
<b>“EPS”</b>	Earnings per Share
<b>“Executive Director”</b>	A Director who is an Employee of the Group and performs an executive function
<b>“FY”</b>	Financial year ended or ending 31 December (as the case may be) unless otherwise specified
<b>“Group”</b>	The Company and its subsidiaries, collectively
<b>“Independent Director”</b>	An independent director of the Company. The current independent directors of the Company are Mr. Giang Sovann, Mr. Mahtani Bhagwandas and Mr. Ahmad Subri Bin Abdullah
<b>“Independent Shareholders”</b>	Shareholders other than Shareholders who are Participants and Shareholders who are Associates of the Participants
<b>“Latest Practicable Date”</b>	1 April 2013, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual” or “Catalist Rules”</b>	The listing manual of the SGX-ST and in particular the Listing Manual, Section B: Rules of Catalist, of the SGX-ST as amended, supplemented or modified from time to time
<b>“Market Day”</b>	A day on which the SGX-ST is open for trading in securities
<b>“Memorandum”</b>	The Memorandum of Association of the Company
<b>“New Shares”</b>	The new Shares which may be allotted and issued from time to time pursuant to an Award under the Plan
<b>“Non-Executive Director”</b>	A non-executive non-independent director of the Company. Currently, the Company does not have any non executive non independent director
<b>“Notice of EGM”</b>	The notice of EGM as set out on pages 35 to 36 of this Circular, for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions as set out therein
<b>“NTA”</b>	Net tangible assets of the Group
<b>“Option”</b>	Option has the meaning ascribed to it as set out in the rules of the Scheme
<b>“Participant”</b>	A person who has been granted an Award pursuant to the Plan

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## DEFINITIONS

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<b>“Plan” or “SBI Offshore Performance Share Plan”</b>	The proposed share performance plan, as modified or altered from time to time
<b>“Record Date”</b>	In relation to any dividends, rights allotment or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<b>“Register of Members”</b>	The register of members of the Company
<b>“Released Schedule”</b>	In relation to an Award, a schedule in such form as the Remuneration Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period
<b>“Remuneration Committee”</b>	The remuneration committee of the Company whose members comprise Mr. Mahtani Bhagwandas, Mr. Giang Sovann and Mr. Ahmad Subri Bin Abdullah
<b>“Rules”</b>	The rules of the Plan as set out in Appendix A, and any reference to a particular Rule shall be construed accordingly
<b>“Scheme”</b>	The SBI Offshore Employee Share Option Scheme approved and adopted by Shareholders on 28 September 2009, as modified or altered from time to time
<b>“Securities Account”</b>	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>“SGXNET”</b>	The SGXNET Corporate Announcement System
<b>“SGX-ST”</b>	Singapore Exchange Securities Trading Limited
<b>“Shareholder”</b>	Registered holder of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP, and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
<b>“Shares”</b>	Ordinary shares in the capital of the Company and each a <b>“Share”</b>
<b>“Sponsor”</b>	CNP Compliance Pte. Ltd.
<b>“Substantial Shareholder”</b>	A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company
<b>“Subsidiary”</b>	Has the meaning ascribed to it in Section 5 of the Companies Act

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## DEFINITIONS

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- “Treasury Share”**
- (a) A share which was (or is treated as having been) purchased by a company in circumstances in which Section 76H of the Act applies; and
  - (b) Has been held by the company continuously since the treasury share was so purchased

### **Currencies, Units and Others**

**“S\$” and “cents” or “¢”** Singapore dollars and cents, respectively

**“%” or “per cent.”** Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively by Section 130A of the Act. The term **“Direct Account Holder”** shall have the meaning ascribed to the term “account holder” in Section 130A of the Act.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term or word defined under the Securities and Futures Act (Chapter 289) of Singapore or the Companies Act or the Catalist Rules or any statutory or regulatory modification thereof and used in this Circular shall where applicable have the same meaning ascribed to it under the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act or the Catalist Rules or such statutory modification, as the case may be, unless otherwise provided.

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

Any reference to a time of a day in the Circular is a reference to Singapore time unless otherwise stated and shall include such other date(s) or time(s) as may be announced from time to time by or on behalf of the Company.

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## LETTER TO SHAREHOLDERS

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### **SBI OFFSHORE LIMITED**

(Company Registration No.: 199407121D)  
(Incorporated in the Republic of Singapore)

#### **Directors**

Chan Lai Thong (Executive Chairman and Executive Director)  
Tan Woo Thian (Executive Director and Chief Executive Officer)  
Giang Sovann (Lead Independent and Non-Executive Director)  
Mahtani Bhagwandas (Independent Non-Executive Director)  
Ahmad Subri Bin Abdullah (Independent Non-Executive Director)  
Chen Jiayu (Alternate Director to Mr Tan Woo Thian)

#### **Registered Office**

31 International Business Park  
#05-05 Creative Resource  
Singapore 609921

15 April 2013

To: The Shareholders of SBI Offshore Limited

Dear Sir/Madam,

#### **(1) THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

#### **(2) THE PROPOSED GRANT OF AWARD TO MR. CHAN LAI THONG UNDER THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

#### **1. INTRODUCTION**

##### **1.1 EGM**

The Directors are convening an EGM to be held on 30<sup>th</sup> April 2013 to seek Shareholders' approval for the following proposals:-

- (1) The proposed SBI Offshore Performance Share Plan;
- (2) The proposed grant of award to Mr. Chan Lai Thong under the proposed SBI Offshore Performance Share Plan.

##### **1.2 Circular**

The purpose of this Circular is to provide Shareholders with information relating to the above proposals to be tabled at the EGM. Particulars of the above proposals are set out in sections 2 and 3 of this Circular.

#### **2. THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

The Company has an existing share option scheme known as the SBI Offshore Employee Share Option Scheme. The Scheme was adopted by Shareholders on 28 September 2009. As at the Latest Practicable Date, the Company has outstanding and unexercised Options which were granted under the Scheme to subscribe for up to an aggregate of 10,000,000 Shares (representing approximately 6.42% of the issued 155,680,100 Shares as at the Latest Practicable Date).

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## LETTER TO SHAREHOLDERS

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Details of Options granted (including those forfeited) under the Scheme up to the Latest Practicable Date are as follows:

<b>Total Number of Participants granted with Options under the Scheme</b>	<b>Number of Shares offered under Options granted</b>	<b>Number of Shares issued and allotted upon exercise of Options</b>
5 <sup>(1)</sup>	13,400,000	Nil

Note (1): Options granted (involving 3,400,000 Shares) to 4 participants have been forfeited as they are no longer employees of the Group.

Details of Options granted to a Director as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Date of Grant</b>	<b>Number of Shares offered under Options granted</b>	<b>Number of Shares issued and allotted upon exercise of Options</b>
Chan Lai Thong	8 January 2013	10,000,000	Nil

Save as disclosed in the rules of the Scheme as set out in the Company's Prospectus dated 4 November 2009, Options granted under the Scheme are not subject to any material conditions. The Options outstanding and exercised as at the Latest Practicable Date shall expire on 8 January 2023.

As at the Latest Practicable Date, no Options were granted to the Controlling Shareholders and their Associates.

### 2.1 Background and rationale

The Company has undertaken a comprehensive review of employee remuneration and benefits and wishes to introduce a new compensation scheme that will increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance. In line with this, the Company believes that share plans need to be introduced to strengthen the overall effectiveness of performance-based compensation schemes.

The Plan allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these targets, which ultimately will create and enhance economic value for Shareholders. The Directors believe that the new plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Plan, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity. In addition, the Plan aims to foster an ownership culture within the Group.

The Company believes that attracting and retaining outstanding individuals as employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped that through the implementation of the Plan, the Company will be able to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

Through the Plan, the award of fully-paid Shares, free of charge, to the Participants is intended to be a more attractive form of bonus from the Company to the Participants. In addition, the Company believes that the Plan will be more effective than cash bonuses in motivating employees as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages comparable with other multinational companies.



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## LETTER TO SHAREHOLDERS

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As Shares will be issued free under the Plan, Participants would receive the same benefit from an Award in respect of fewer Shares as they would receive if Options were granted under the Scheme instead in respect of a larger number of Shares. The Plan would therefore allow the Company to incentivise employees while reducing the dilutive effect on Shareholders.

The Plan will complement the Scheme and serve as an additional and flexible incentive tool. With the Plan, the Company would be able to tailor share-based incentives according to the objectives to be achieved.

The Awards granted under this Plan will be determined at the sole discretion of the Remuneration Committee which will oversee and administer the Plan. In considering the grant of an Award to a Participant, the Remuneration Committee shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of service and potential for future development of the selected Employee.

The aggregate number of new Shares to be issued under the Plan and the Scheme collectively, shall not exceed 15% of the Company's total issued Shares (excluding Treasury Shares) from time to time.

An application has been made to SGX-ST for the listing and quotation of the new Shares which may be issued from time to time pursuant to the vesting of Awards granted under the Plan before the grant of the Awards. An appropriate announcement will be made upon receipt of the listing and quotation notice from the SGX-ST.

The Plan is subject to the approval of the Shareholders, which is being sought at the EGM, notice of which is set out at pages 35 and 36 of this Circular.

### 2.2 Summary of the Plan

A summary of the Rules of the Plan is set out below.

#### 2.2.1 Eligibility

Employees who are eligible to participate in the Plan must be:

- (a) Employees
  - (i) confirmed full-time Employees who have attained the age of 21 years on or before the date of Award; or
  - (ii) Executive Directors, Executive Directors who are Controlling Shareholders and Executive Directors who are Associates of Controlling Shareholders; and
- (b) Independent Directors and Non-Executive Directors who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group.

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

#### Participation by Executive Directors and Employees

The Plan allows the Group to have a fair and equitable system to reward employees who have made and who continue to make contributions to the long-term growth of the Group. The success of the Group's business is dependent on the Group's ability to attract and retain good employees and the Company believes that the Plan will be an essential part of the Group's strategy for recruiting and retaining capable employees.

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## LETTER TO SHAREHOLDERS

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### Participation by Independent Directors and Non-Executive Directors

Although the Independent Directors and Non-Executive Directors are not involved in the day to day management of the Group, these Directors serving in a non-executive capacity bring to the Group their wealth of knowledge, business expertise and contacts in the business community. They play a crucial role in helping the Group shape its business strategy and further the business interest of the Group by allowing the Group to draw on their different backgrounds and diverse working experiences. The Independent Directors also sit on the Audit Committee, Remuneration Committee and Nominating Committee of the Company. As Independent Directors and committee members, these Directors serve an important function in ensuring good corporate governance of the Group.

Currently, the Independent Directors are remunerated for their services by way of Directors' fees paid in the form of cash. Extending the Plan to the Independent Directors will provide an alternative to the cash remuneration currently offered as it may not always be possible to compensate such persons fully or appropriately by way of extra Directors' fees. For example, a specific Independent Director may contribute more than just by fulfilling his duties as an Independent Director. He may bring strategic and other values to the Group, which may be difficult to quantify in monetary terms. The grant of Awards to Independent Directors will allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company and to motivate Independent Directors to take extra efforts to promote the interests of the Company and/or the Group.

While the Company does not have any Non-Executive Director currently, for the same reason stated above, Non Executive Directors will also be eligible to participate in the Plan.

The selection of Directors to participate in the Plan and the number of Awards to be offered (in accordance with the Plan) will be made by the Remuneration Committee taking into consideration, inter alia, the services and contributions made by such Directors to the growth, development and success of the Group. The Remuneration Committee may, where it considers it relevant, take into account other factors such as the economic conditions and the Company's performance. Although the Independent Directors or Non-Executive Directors may be appointed as members of the Remuneration Committee, the rules of the Plan provide that a member of the Remuneration Committee shall not be involved in the deliberations of the Remuneration Committee in respect of the grant of an Award to such a member. In order to minimise any potential conflicts of interests, the Company does not intend to grant Awards of significant sizes to Independent Directors. The quantum an Award to an Independent Director will not be of such significance as will affect or compromise the independence of the Independent Director.

### Participation by Directors who are Controlling Shareholders or Directors who are Associates of Controlling Shareholders

Participation by Directors who are Controlling Shareholders or Directors who are Associates of Controlling Shareholders will require the approval of Independent Shareholders.

#### **2.2.2 Size**

The aggregate number of Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the number of new Shares issued and/or issuable in respect of all Awards granted under the Plan and any other share scheme which the Company may implement from time to time, including but not limited to the Scheme, will not exceed 15% of the total issued Shares in the capital of the Company (excluding treasury shares) on the day preceding the Award Date.

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## LETTER TO SHAREHOLDERS

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The following additional limits must not be exceeded:-

- (a) The aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Plan; and
- (b) The number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the Plan.

The Company may also deliver Shares pursuant to Awards granted under the Plan in the form of existing Shares purchased from the market or from Shares held in treasury. Such methods will not be subject to any limit as they do not involve the issuance of any New Shares.

The Directors believe that the size of the Plan is reasonable, taking into account the nature of the business in the industry, the contributions of the Participants, and the share capital. The Directors believe that the size of the Plan will give the Company sufficient flexibility to decide the number of Shares to be awarded under the Plan. However, it does not indicate that the Remuneration Committee will definitely issue Shares up to the prescribed limit. The Remuneration Committee will exercise its discretion in deciding the number of Shares to be awarded to each Participant under the Plan. This, in turn, will depend on and be commensurate with the performance and value of the Participant to the Group.

The number of Shares to be awarded to the Participant in accordance with the Plan shall be determined by the Remuneration Committee at its absolute discretion, such discretion shall be exercised taking into account criteria such as the rank and responsibilities, performance, years of service and potential for future development of the Participant.

### 2.2.3 Duration

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

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

### 2.2.4 Awards

Awards represent the right of a Participant to receive fully-paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

The Company believes that the ability to offer Awards free of charge will operate as a means to give recognition to the Participants for their outstanding performance and reward them for their valuable and dedicated service to the Company, as well as to motivate and encourage greater dedication and loyalty to the Company. It will also help to place the Company in a more competitive position when recruiting and retaining staff in an intensely competitive environment by enhancing the competitiveness of remuneration packages offered to existing and prospective employees.

Shares which are allotted and issued, or transferred, to a Participant are not subject to any restrictions against disposal, sale or any other dealings by the Participant.

### 2.2.5 Entitlement to Awards

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant, in accordance with the Plan shall be determined by the Remuneration Committee at its absolute discretion. Such discretion shall be exercised taking into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance,

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## LETTER TO SHAREHOLDERS

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years of service and potential for future development, contribution to the success of the Group and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period.

### 2.2.6 Details of Awards

The Remuneration Committee shall decide, *inter alia*, at its sole discretion, the following:

- (a) the Employee;
- (b) the Award Date;
- (c) the performance period;
- (d) the number of Shares which are the subject of the Award;
- (e) the performance target(s) which shall be set according to the specific roles of each Participant, and which may differ from Participant to Participant;
- (f) the Released Schedule; and
- (g) any other condition which the Remuneration Committee may determine in relation to that Award.

### 2.2.7 Operation of the Plan

Subject to prevailing legislation and the rules of the Catalist Rules, the Company will, in its sole and absolute discretion, deliver Shares to Participants upon vesting of their Awards by way of either:

- (a) an issue and allotment of new Shares; or
- (b) delivering existing Shares to the Participant, whether such existing Shares are purchased or acquired pursuant to the share purchase mandate or (to the extent permitted by law) held as treasury shares.

In determining whether to issue and allot new Shares or the delivery of existing Shares to the Participants to satisfy the Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing and allotting new Shares or delivering existing Shares.

The financial effects of the above methods are discussed in section 2.4 below.

New Shares allotted and issued and existing Shares procured by the Company for delivery, on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

The Remuneration Committee shall have the discretion to determine whether the performance target(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Remuneration Committee shall have the right to make reference to the audited results of the Company or the Group to take into account such factors as the Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events. Furthermore, the Remuneration Committee reserves the right to amend the performance targets(s) if the Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

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## LETTER TO SHAREHOLDERS

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### 2.3 Role and composition of the Remuneration Committee

The Remuneration Committee will be designated as the committee responsible for the administration of the Plan. As at the date of this Circular, the Remuneration Committee comprises Mr. Mahtani Bhagwandas, Mr. Giang Sovann and Mr. Ahmad Subri Bin Abdullah.

In compliance with the requirements of the Listing Manual, a Participant of the Plan who is a member of the Remuneration Committee shall not be involved in its deliberations in respect of Awards to be granted to or held by him or his Associates.

### 2.4. Financial effects of the Plan

#### 2.4.1 Share capital

The Plan may result in an increase in the Company's issued Shares where new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Plan and also whether the Awards are being satisfied or partly satisfied by Shares purchased by the Company. If instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, the Plan will have no impact on the Company's issued Shares.

In any case, the Plan provides that the number of Shares to be issued under the said Plan, together with the number of the Shares to be issued under the Scheme, will be subject to a maximum limit of 15% of the Company's total issued Shares.

#### 2.4.2 NTA

As explained in section 2.4.5 below, the Plan will result in a charge to the Company's profit and loss statement equal to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards. If new Shares are issued to Participants pursuant to the vesting of the Awards, there will be no effect on the NTA. If existing Shares are purchased for delivery to Participants, the NTA would decrease by the cost of the Shares purchased.

However, it should be noted that the delivery of Shares to Participants of the Plan is contingent upon the Participants meeting prescribed performance targets and conditions.

#### 2.4.3 EPS

The Plan will result in a change to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards.

Although the Plan will have a dilutive impact (to the extent that new Shares are issued pursuant to the Plan) on the EPS, it should again be noted that the delivery of Shares to Participants in respect of Awards will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

#### 2.4.4 Dilutive Impact

It is expected that the dilutive impact of the Plan on the NTA per Share and EPS will not be significant.

The Scheme currently provides for the issue of Shares pursuant to the exercise of Options granted thereunder of up to a maximum of fifteen per cent. (15%) of the Company's total issued share capital excluding treasury shares from time to time. Accordingly, there will be no significant dilution of Shareholders' shareholding percentages as a result of the introduction of the Plan as the Plan provides that the aggregate number of Shares to be issued under the Scheme and the Plan collectively will be subject to the same existing maximum limit of fifteen per cent. (15%) of the Company's total issued Shares excluding treasury shares.

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## LETTER TO SHAREHOLDERS

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### 2.4.5 Potential Cost of Awards

The Plan is considered a share-based payment that falls under the scope of FRS102, Share-based payment. Participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as an expense in the income statement with a corresponding increase in a reserve account over the vesting period. The total expense to be recognised over the vesting period is determined by reference to the fair value of each Award granted on the date of the grant. As at the end of each financial year, the Company will revise its estimated number of New Shares under the Awards that are expected to become exercisable on the vesting date recognised the effect of the revision of estimates in the income statement with a corresponding adjustment to the reserve account over the remaining vesting period.

The expense recognised in the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a “*market condition*”. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

However, if the performance target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the expense to be recognised in the income statement at each financial year ended, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative expense recognise in the income statement if the Awards do not ultimately vest.

### 2.5 Adjustments and alterations under the Plan

If a variation in the issued ordinary Share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, sub-subdivision, consolidation of Shares, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of Awards to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Remuneration Committee may determine at its own discretion to be appropriate.

Unless the Remuneration Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

- (a) issue of securities as consideration for an acquisition or a private placement of securities;
- (b) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Plan, the Scheme and any other share-based incentive schemes implemented by the Company;

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## LETTER TO SHAREHOLDERS

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- (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

Notwithstanding the provisions of the rules of the Plan:

- (a) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; or
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion fair and reasonable.

Upon any adjustment required to be made pursuant to rules of the Plan, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the vesting of an Award. Any adjustment shall take effect upon such written notification being given.

Subject to the rules of the Plan, the Plan may be modified and/or altered at any time and from time to time by a resolution of the Remuneration Committee provided that:

- (a) no modification or alteration shall be made which would adversely affect the rights attaching to any Awards granted prior to such modification or alteration, except with the consent in writing of such number of Participants who, if their Awards were released to them in full, would become entitled to not less than three-quarters in number of all the Shares which would be issued or delivered, as the case may be, upon the release of in full of all outstanding Awards;
- (b) any modifications or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

### 2.6 Disclosures

In accordance with the rules of the Listing Manual, the following shall be disclosed by the Company in its annual report for as long as the Plan continues in operation:

- (a) The names of the Remuneration Committee administering the Plan;
- (b) In respect of the following Participants:
  - (i) Directors;
  - (ii) Participants who are Controlling Shareholders and their Associates;
  - (iii) Participants, other than those referred to in (b)(i) and (b)(ii) above, who have been granted Options under the Scheme and/or who have received Shares pursuant to the vesting of Awards granted under the Plan which, in aggregate, represent five per cent. (5%) or more of the aggregate of the total number of Shares available under both the Plan and the Scheme collectively, the following information must be disclosed:
    - (A) the name of the Participant;

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## LETTER TO SHAREHOLDERS

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- (B) the following particulars relating to Options granted under the Scheme:
  - (aa) Options granted during the financial year under review (including terms);
  - (bb) the aggregate number of Shares comprised in Options granted since the commencement of the Scheme to the end of the financial year under review;
  - (cc) the aggregate number of Shares arising from Options exercised since the commencement of the Scheme to the end of the financial year under review; and
  - (dd) the aggregate number of Shares comprised in Options outstanding as at the end of the financial year under review;
- (C) the following particulars relating to Shares which are Released under the Plan:
  - (aa) the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan; and
  - (bb) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan;
- (c) In relation to the Plan, the following particulars:
  - (i) the aggregate number of Shares comprised in the Awards granted, since commencement of the Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in the Awards which have vested under the Plan during the financial year under review and in respect thereof, the proportion of:
    - (A) new Shares issued; and
    - (B) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased, pursuant to the Awards granted under the Plan; and
  - (iii) the aggregate number of Shares comprised in the Awards granted under each of the Plan which have not been Released, as at the end of the financial year under review.
- (d) such other information as may be required by the Listing Manual or the Act.

If any of the above disclosure is not applicable, an appropriate negative statement will be included.

may be more effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages comparable with multinational companies.

As such, Controlling Shareholders or Associates of Controlling Shareholders should be treated equally with other Employees as they are important to the development and success of the Group. As such, they should be similarly be entitled to take part and benefit from the Company's fair and equitable system of remuneration.



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## LETTER TO SHAREHOLDERS

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### 3. THE PROPOSED GRANT OF AWARD TO MR. CHAN LAI THONG UNDER THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

Subject to the Plan being approved by the Shareholders at the EGM, the Company proposes to grant an Award under the Plan to Mr. Chan Lai Thong on the following terms:

<u>Number of Shares comprised in the Award</u>	<u>Vesting condition of the Award</u>
10,000,000	An increase in total revenue of the Group in any financial year over the total revenue of the Group recorded in FY2012 (based on the audited financial figures) by 100%. The Award of 10,000,000 Shares to Mr. Chan will lapse in the event that the above vesting condition is not fulfilled by end of FY2016.

Mr. Chan Lai Thong is the Executive Chairman and Executive Director of the Company and is a Substantial Shareholder of the Company. On 8 Jan 2013, the Company granted Mr. Chan Lai Thong 10,000,000 Options under the Scheme. As at the Latest Practicable Date, Mr. Chan Lai Thong holds and is deemed to have an interest in 10,010,000 Shares representing approximately 6.4% of the total number of issued Shares. Assuming all the Shares under this Award and Options granted under the Scheme are vested in Mr. Chan Lai Thong and, he exercises all the Options, and the Company does not issue any new ordinary shares other than Shares to be issued pursuant to the exercise of the Options by him, Mr. Chan Lai Thong will hold and be deemed to hold 30,010,000 Shares representing 17.08% of the enlarged share capital comprising 175,680,100 Shares (being the aggregate of 155,680,100 issued Shares as at Latest Practicable Date and 20,000,000 Shares through the theoretical exercise of all Award and Options granted to Mr. Chan Lai Thong). Rule 803 of the Listing Manual requires the Company to seek Shareholders' approval if it proposes to issue securities to transfer a controlling interest. As such, the Company is seeking Shareholders' approval for the grant of this Award which would under the aforesaid assumptions transfer controlling interest in the Company to Mr. Chan Lai Thong.

**Shareholders should take note that if the grant of this Award is approved by Shareholders, Mr. Chan Lai Thong may gain a controlling interest in the Company under the aforesaid assumptions.**

This Award will form part of the remuneration package of Mr. Chan Lai Thong and may be more effective than cash bonuses in motivating him to work towards predetermined targets and/or to maximise his contributions, while at the same time allowing the Company to offer incentives and remuneration packages comparable with other major companies in the same industry. In addition, the Company believes that Mr. Chan Lai Thong will be more encouraged and motivated to continue his efforts in contributing towards the Group's long term objectives. Despite the substantial shareholding held by Mr. Chan Lai Thong in the Company and the grant of Options under the Scheme, the Company is of the view that this Award will motivate him to create higher Shareholders' value in order to realise the benefits of this Award. Even after vesting, the value of this Award would be best realised when the results and prospects of the Group's long term performances and growth translate directly into higher share price and higher Shareholders' wealth.

### 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders of the Company in the issued Shares (as at the Latest Practicable Date) are set out in Appendix B of this Circular.

Save as disclosed in this Circular, none of the Directors and the Controlling Shareholders of the Company has any other interest in the resolutions as set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 36 and 37 of this Circular will be held on 30<sup>th</sup> April 2013, at 11 a.m. at 31 International Business Park, Creative Resource, Function Room, Singapore 609221, for the purpose of considering and, if thought fit, passing the ordinary resolutions as set out in the Notice of EGM.

### 6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

#### 6.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf, will find attached to this Circular 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 reach the registered office of the Company at 31 International Business Park, #05-05, Creative Resource, Singapore 609921 not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

#### 6.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than 48 hours before the time fixed for the EGM.

#### 6.3 Abstention from Voting

Shareholders who are entitled to participate in the proposed Plan, shall abstain and shall procure his or her Associates to abstain from voting at the EGM on Ordinary Resolution 1 relating to the Plan as set out in the Notice of EGM.

All the Directors will be eligible to participate in the Plan. Therefore, the Directors (who are also Shareholders) shall also abstain and shall procure his or her Associates to abstain from voting at the EGM on Ordinary Resolution 1 as set out in the Notice of EGM.

Mr. Chan Lai Thong shall abstain and shall procure his Associates to abstain from voting at the EGM in respect of the Ordinary Resolution 2 as set out in the Notice of EGM.

The above mentioned persons will not accept appointments as proxies for voting at the EGM in respect of the respective Ordinary Resolutions unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for each of these Ordinary Resolutions.

### 7. DIRECTORS' RECOMMENDATION

All the Directors will be eligible to participate in the Plan and have therefore refrained from making any recommendation to the Shareholders on Ordinary Resolution 1 as set out in the Notice of EGM due to their interests in the Plan.

The Directors (other than Mr. Chan Lai Thong), for the reasons set out in this Circular, recommend that Shareholders vote in favour of Ordinary Resolutions 2.

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information and opinions given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the subject matters of this Circular, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or

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## LETTER TO SHAREHOLDERS

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otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 9. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information on the Company set out in Appendix B to this Circular.

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

**Chan Lai Thong**  
Executive Chairman and Executive Director

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## APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

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### 1. THE SBI OFFSHORE PERFORMANCE SHARE PLAN

The SBI Offshore Limited Performance Share Plan shall mean the share performance plan herein, as modified or altered from time to time and shall be referred to as Plan.

### 2. DEFINITIONS

In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<b>“Act”</b>	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time;
<b>“Articles”</b>	The Articles of Association of the Company;
<b>“Associate”</b>	(a) in relation to any Director, Chief Executive Officer of the Company or a Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object;</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and</li></ul> (b) in relation to a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
<b>“Auditors”</b>	The auditors of the Company for the time being;
<b>“Award”</b>	A contingent award of Shares granted under the Plan;
<b>“Award Date”</b>	In relation to an Award, the date on which the Award is granted;
<b>“Catalist”</b>	The sponsor-supervised listing platform of the SGX-ST known as Catalist;
<b>“CDP”</b>	The Central Depository (Pte) Limited;
<b>“Circular”</b>	This Circular to Shareholders dated 15 April 2013;
<b>“Chief Executive Officer”</b>	The most senior executive officer who is responsible under the immediate authority of the Board for the conduct of the business of the Company;

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## APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

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<b>“Company”</b>	SBI Offshore Limited;
<b>“Control”</b>	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
<b>“Controlling Shareholder”</b>	A person who:  (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or  (b) in fact exercises Control over the Company;
<b>“CPF”</b>	Central Provident Fund;
<b>“Director”</b>	A director of the Company, including an alternate director for the time being;
<b>“Employee”</b>	An employee of the Group (including an Executive Director, an Executive Director who is a Controlling Shareholder and an Executive Director who is an Associate of a Controlling Shareholder);
<b>“Executive Director”</b>	A director of the Company who is an Employee and performs an executive function;
<b>“Group”</b>	The Company and its subsidiaries, collectively;
<b>“Immediate Family”</b>	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling or parent;
<b>“Independent Director”</b>	An independent director of the Company. The current independent directors of the Company are Mr. Giang Sovann, Mr. Mahtani Bhagwandas and Mr. Ahmad Subri Bin Abdullah;
<b>“Listing Board”</b>	For the time being, Catalist, and in the event that the Company is upgraded to the Mainboard, it shall refer to the Mainboard of the SGX-ST;
<b>“Listing Manual”</b>	The listing manual of the SGX-ST and in particular the Listing Manual, Section B: Rules of Catalist, of the SGX-ST (while the Company is listed on Catalist) as amended, supplemented or modified from time to time;
<b>“Non-Executive Director”</b>	A non-executive non-independent director of the Company. Currently, the Company does not have any non-executive non-independent director;
<b>“Option”</b>	Option has the meaning ascribed to it in the rules of the Scheme;

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## APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

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<b>“Participant”</b>	A person who has been granted an Award pursuant to the Plan;
<b>“Plan”</b>	The proposed share performance plan, as modified or altered from time to time;
<b>“Record Date”</b>	In relation to any dividends, rights allotment or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions;
<b>“Released Award”</b>	An Award which has been released in accordance with Rule 7;
<b>“Released Schedule”</b>	In relation to an Award, a schedule in such form as the Remuneration Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be Released on the performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
<b>“Remuneration Committee”</b>	The remuneration committee of the Company for the time being;
<b>“Rules”</b>	The rules of the Plan as set out in Appendix A to the Circular and any reference to a particular Rule shall be construed accordingly;
<b>“Securities Account”</b>	A securities account maintained by a Depositor with CDP but does not include a securities sub-account;
<b>“Scheme”</b>	The SBI Offshore Employee Share Option Scheme approved and adopted by Shareholders on 28 September 2009, as modified or altered from time to time;
<b>“SGX-ST”</b>	The Singapore Exchange Securities Trading Limited;
<b>“Shareholders”</b>	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts;
<b>“Shares”</b>	Ordinary shares in the capital of the Company;
<b>“Subsidiary”</b>	Has the meaning ascribed to it in Section 5 of the Act;

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## APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

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**“Vesting Date”** In relation to Shares which are the subject of a Released Award, the date (as determined by the Remuneration Committee and notified to the relevant Participant) on which those Shares have vested pursuant to Rule 7;

### **Currencies, Units and Others**

**“S\$” and “cents” or “¢”** Singapore dollars and cents, respectively; and

**“%” or “per cent.”** Percentage or per centum.

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively by Section 130A of the Act.

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

Any reference in this Plan to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Act, the SGX-ST Listing Manual or any modification thereof, and used in this Plan, shall have the same meaning assigned to it under the Act, the SGX-ST Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day in this Plan shall be a reference to Singapore time unless otherwise stated.

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

### **3. OBJECTIVES OF THE PLAN**

The Plan is a share incentive scheme which will allow the Company, *inter alia*, to target specific performance objectives and to provide an incentive for Participants to achieve these targets. The Directors believe that the new plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company and also help to achieve the following objectives:

- (a) incentivise Employees to excel in their performance and encourage greater dedication and loyalty to the Company;
- (b) attract and retain Employees whose contributions are important to the long-term growth and profitability of the Group;
- (c) recognise and reward past contributions and services and motivate Employees to continue to strive for the Group’s long-term prosperity; and
- (d) develop a participatory style of management which instills loyalty and a stronger sense of association with the long-term goals of the Group.

### **4. ELIGIBILITY**

4.1 The following persons are eligible to participate in the Plan:

- (c) Employees
  - (iii) confirmed full-time Employees who have attained the age of 21 years on or before the date of Award; or

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## APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

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- (iv) Executive Directors, Executive Directors who are Controlling Shareholders and Executive Directors who are Associates of Controlling Shareholders; and
  - (d) Independent Directors and Non-Executive Directors who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group.
- 4.2 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another company within the Group.
- 4.3 Subject to the Act and any requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Remuneration Committee.
- 5. GRANT OF AWARDS**
- 5.1 Subject to Rule 8, the Remuneration Committee may, in its absolute direction, grant Awards to Employees by selecting such persons at any time during the period when the Plan is in force.
- 5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Remuneration Committee, which shall take account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service, potential for future development and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period. The performance targets, will be set by the Remuneration Committee depending on each individual Participant's job scope and responsibilities.
- 5.3 The Remuneration Committee shall decide in relation to an Award:
  - (a) the Employee;
  - (b) the Award Date;
  - (c) the performance period;
  - (d) the number of Shares which are the subject of the Award;
  - (e) the performance target(s) which shall be set according to the specific roles of each Participant, and which may differ from Participant to Participant;
  - (f) the Released Schedule; and
  - (g) any other condition which the Remuneration Committee may determine in relation to that Award.
- 5.4 The Remuneration Committee may amend or waive the performance period, the performance target(s) and/or the Released Schedule in respect of any Award:
  - (a) in the event of a take-over offer being made for the Shares or if Shareholders or under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
  - (b) if anything happens which causes the Remuneration Committee to conclude that:
    - (i) a changed performance target(s) and/or Released Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or



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## **APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

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(ii) the performance target(s) and/or Released Schedule should be waived,  
and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award, the Remuneration Committee shall send to each Participant an award letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the performance period;
- (c) the number of Shares which are the subject of the Award;
- (d) the performance target(s);
- (e) the Released Schedule; and
- (f) any other condition which the Remuneration Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Remuneration Committee. If a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Remuneration Committee, that Award or Released Award shall immediately lapse.

### **6. EVENTS PRIOR TO THE VESTING PERIOD**

6.1 An Award shall, to the extent not yet released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Remuneration Committee at its discretion;
- (b) subject to Rule 6.2, upon the Participant ceasing to be in the employment of the Group for any reason whatsoever;
- (c) the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of an Award; or
- (d) in the event of an order being made or a resolution passed for the winding up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1 (b), the Participant shall be deemed to have ceased employment as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date. Further, for the purpose of determining eligibility to participate in the Plan, the secondment of an Employee of the Group to another company within the Group shall not be regarded as a break in his employment with, or his employment having ceased by reason only of such secondment to be a full-time employee of the Group (as applicable).

6.2 In any of the following events, namely:

- (a) where the Participant ceases to be in the employment of the Group by reason of:

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## **APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

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- (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Remuneration Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Remuneration Committee; or
  - (v) the company under which he is employed or to which he is seconded, as the case may be, ceases to be a company of the Group;
- (b) the death of a Participant; or
- (c) any other event approved by the Remuneration Committee,

then the Remuneration Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the performance period and subject to the provisions of the Plan. In exercising its discretion, the Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the performance target(s) has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the applicable courts under applicable legislation; or
- (c) an order being made or a resolution being passed for the winding up of the Company (other than as provided in Rule 6.1 (d) or for amalgamation or reconstruction),

the Remuneration Committee will consider, at its discretion, and subject to any legal or regulatory requirements, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the performance target(s) has been satisfied and any legal or regulatory requirements, provided that any Awards not released prior to commencement of the winding up of the Company (whether voluntary or by order of court) shall, upon commencement of such winding up be null and void. Subject to the foregoing, where Awards are released, the Remuneration Committee will, as soon as practicable after the Awards have been released, procure the allotment to each Participant of the number of Shares so determined, such allotment to be made in accordance with Rule 7.

### **7. RELEASE OF AWARDS**

7.1 As soon as reasonably practicable after the end of each performance period, the Remuneration Committee shall review the performance target(s) specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.

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## APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

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- 7.2 If the Remuneration Committee determines in its sole discretion that the performance target(s) has not been satisfied or if the relevant Participant has not continued to be an employee of the Group from the Award Date up to the end of the relevant performance period that Award (subject to Rule 6) shall lapse and be of no value and the provisions of Rules 7.2 to 7.10 shall be of no effect.
- 7.3 The Remuneration Committee shall have the discretion to determine whether the performance target(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Remuneration Committee shall have the right to make reference to the audited results of the Group or the Company, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Remuneration Committee decides that a changed performance target would be a fairer measure of performance.
- 7.4 Subject to the prevailing legislation and the provisions of the Listing Manual, the Company will deliver Shares to Participants upon vesting of their Awards by way of an issue of new Shares or the transfer of Shares to the Participant.
- 7.5 In determining whether to issue new Shares or to transfer Shares held in treasury to satisfy the Award, the Company will have the right to take into account factors such as but not limited to the number of Shares to be delivered, the prevailing market price of the Shares, the financial effect on the Company of either issuing new Shares or transferring Shares held in treasury.
- 7.6 The Remuneration Committee will procure, upon the Board's approval therefore, the allotment or transfer to each Participant of the number of Shares which are to be released to that Participant pursuant to an Award under Rule 5. Any proposed issue of new Shares will be subject to there being in force at the relevant time the requisite Shareholders' approval under the Act for the issue of Shares. Any allotment of new Shares pursuant to an Award will take into account the rounding of odd lots.
- 7.7 Where new Shares are to be allotted or any Shares are to be transferred to a Participant pursuant to the release of any Award, the Vesting Date will be a trading day falling as soon as practicable after the review by the Remuneration Committee referred to in Rule 7.1. On the Vesting Date, the Remuneration Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- 7.8 Where new Shares are to be allotted upon the vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares on the Listing Board.
- 7.9 Shares which are allotted or transferred on the release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:
- (a) the Securities Account of that Participant maintained with CDP;
  - (b) the securities sub-account of that Participant maintained with a Depository Agent, or
  - (c) the CPF investment account maintained with a CPF agent bank,
- in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.
- 7.10 New Shares allotted and issued, and existing Shares held in treasury procured by the Company for transfer, on the release of an Award shall:
- (a) be subject to all the provisions of the Articles; and

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## **APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

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- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or before the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

### **8. LIMITATION ON THE SIZE OF THE PLAN**

- 8.1 The total number of new Shares which may be issued pursuant to Awards granted under the Plan, when aggregated with the aggregate number of Shares, over which options are granted under any other share option schemes of the Company, including but not limited to the Scheme, shall not exceed fifteen per cent. (15%) of the issued Shares of the Company (excluding any Shares held in treasury) on the day preceding the Award Date.
- 8.2 The following additional limits must not be exceeded:-
  - (a) The aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Plan; and
  - (b) The number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the Plan.
- 8.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Remuneration Committee under the Plan.

### **9. ADJUSTMENTS EVENTS**

- 9.1 If a variation in the issued ordinary Share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation of Shares, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of Awards to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Remuneration Committee may determine at its own discretion to be appropriate.

- 9.2 Unless the Remuneration Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

- (a) issue of securities as consideration for an acquisition or a private placement of securities;
- (b) cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including Directors or Employees of the Company pursuant to purchase or option scheme approved by Shareholders in general meeting, including the Plan, the Scheme or any other share-based incentive schemes implemented by the Company;
- (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and

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## **APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

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- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

9.3 Notwithstanding the provisions of Rule 9.1:

- (a) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
- (b) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

9.4 Upon any adjustment made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

9.5 Subject to the Rules, the Plan may be modified and/or altered at any time and from time to time by a resolution of the Remuneration Committee provided that:

- (a) no modification or alteration shall be made which would adversely affect the rights attaching to any Awards granted prior to such modification or alteration except with the consent in writing of such number of Plan Participants who, if their Awards were released to them in full, would become entitled to not less than three-quarters in number of all the Shares which would be issued or delivered, as the case may be, upon the release of in full of all outstanding Awards;
- (b) any modifications or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

### **10. ADMINISTRATION OF THE PLAN**

10.1 The Plan shall be administered by the Remuneration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board provided that a member of the Remuneration Committee who is a Participant shall not be involved in the deliberations of the Remuneration Committee in respect of the Awards to be granted to him in compliance with the requirements of the Listing Manual.

10.2 The Remuneration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as they may, in their absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Remuneration Committee.

10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Remuneration Committee or any of its members any liability whatsoever in connection with:

- (a) the lapsing of any Awards pursuant to any provision of the Plan;
- (b) the failure or refusal by the Remuneration Committee to exercise, or the exercise by the Remuneration Committee of any discretion under the Plan; and/or

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## **APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

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(c) any decision or determination of the Remuneration Committee made pursuant to any provision of the Plan.

10.4 Any decision or determination of the Remuneration Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Remuneration Committee shall not be required to furnish any reasons for any decision or determination made by it.

### **11. NOTICES AND COMMUNICATIONS**

11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses or facsimile number, and marked for the attention of the Remuneration Committee, as may be notified by the Company to the Participant in writing.

11.2 Any notice or document required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Remuneration Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company.

11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

### **12. MODIFICATIONS TO THE PLAN**

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Remuneration Committee, except that:

(a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were released to them upon the performance target(s) for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all outstanding Awards upon the performance target(s) for all outstanding Awards being satisfied in full;

(b) any modifications or alteration which would be to the advantage of Participants shall not be made except with the prior approval of the Shareholders in general meeting; and

(c) no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1 (a), the opinion of the Remuneration Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Remuneration Committee under any other provision of the Plan or adjust any Award.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Remuneration Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the

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## **APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

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Remuneration Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST or such other stock exchange on which the Shares are quoted or listed).

- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

### **13. TERMS OF EMPLOYMENT UNAFFECTED**

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages payable on the termination of his employment for any reason.

### **14. DURATION OF THE PLAN**

- 14.1 The Plan shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Plan is adopted by the Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in a general meeting, and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time at the discretion of the Remuneration Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be offered by the Company hereunder.
- 14.3 Notwithstanding the expiry or termination of the Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

### **15. TAXES**

All taxes (including income tax) arising from the grant or release of any Awards to any Participant under the Plan shall be borne by that Participant.

### **16. COSTS AND EXPENSES OF THE PLAN**

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the release of any Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including, but not limited to, the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the release of any Award shall be borne by the Company.

### **17. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Remuneration Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Catalist in accordance with Rule 7.8 or any other stock exchange on which the Shares are listed or quoted.

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## APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN

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### 18. DISCLOSURE IN ANNUAL REPORT

18.1 In accordance with the rules of the Listing Manual, the following shall be disclosed by the Company in its annual report for as long as the Plan continues in operation:

- (a) The names of the Remuneration Committee administering the Plan;
- (b) In respect of the following Participants:
  - (i) Directors;
  - (ii) Participants who are Controlling Shareholders and their Associates;
  - (iii) Participants other than those referred to in (b)(i) and (b)(ii) above, who have been granted Options under the Scheme and/or who have received Shares pursuant to the vesting of Awards granted under the Plan which, in aggregate, represent five per cent. (5%) or more of the aggregate of the total number of Shares available under both the Plan and the Scheme collectively, the following information must be disclosed:
    - (A) the name of the Participant;
    - (B) the following particulars relating to Options granted under the Scheme:
      - (aa) Options granted during the financial year under review (including terms);
      - (bb) the aggregate number of Shares comprised in Options granted since the commencement of the Scheme to the end of the financial year under review;
      - (cc) the aggregate number of Shares arising from Options exercised since the commencement of the Scheme to the end of the financial year under review; and
      - (dd) the aggregate number of Shares comprised in Options outstanding as at the end of the financial year under review;
    - (C) the following particulars relating to Shares which are Released under the Plan:
      - (aa) the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan; and
      - (bb) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan;
- (c) In relation to the Plan, the following particulars:
  - (i) the aggregate number of Shares comprised in the Awards granted, since commencement of the Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in the Awards which have vested under the Plan during the financial year under review and in respect thereof, the proportion of:
    - (A) new Shares issued; and
    - (B) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,



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## **APPENDIX A – PROPOSED RULES OF THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

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pursuant to the Awards granted under the Plan; and

- (iii) the aggregate number of Shares comprised in the Awards granted under each of the Plan which have not been Released, as at the end of the financial year under review.
- (d) such other information as may be required by the Listing Manual or the Act.

If any of the above disclosure is not applicable, an appropriate negative statement will be included.

### **19. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Remuneration Committee and its decision shall be final and binding in all respects.

### **20. ISSUE CONTRARY TO LAW**

Every Award shall be subject to the condition that no Shares shall be vested pursuant to an Award under the Plan if such vesting would be contrary to any law or enactment, or any rule or regulation of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

### **21. GOVERNING LAW**

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Awards in accordance with the Plan, and the Company shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

### **22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B**

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

## APPENDIX B - ADDITIONAL INFORMATION

### 1. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of the Directors and Substantial Shareholders as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders (based on notifications received from the respective Directors and substantial shareholders) as at the Latest Practicable Date were as follows:

	Direct interest		Deemed interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Chan Lai Thong <sup>(4)</sup>	4,010,000	2.58%	6,000,000 <sup>(2)</sup>	3.85%
Tan Woo Thian	45,900,000	29.48%	-	-
Giang Sovann	10,000	0.01%	-	-
Mahtani Bhagwandas	117,000	0.08%	-	-
Ahmad Subri Bin Abdullah	-	-	-	-
Chen JiaYu	-	-	-	-
<b>Substantial Shareholders (other than Director)</b>				
Hui Choon Ho	16,704,000	10.73%	13,444,000 <sup>(3)</sup>	8.64%

**Notes:**

- (1) Based on the total 156,680,100 issued Shares as at the Latest Practicable Date.
- (2) 6,000,000 ordinary shares were held in the name of Mayban Nominees (S) Pte Ltd.
- (3) 13,444,000 Shares were held in the name of Hong Leong Finance Nominees Pte Ltd.
- (4) 10,000,000 Options have been granted to Mr. Chan Lai Thong pursuant to the Scheme.

### 2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 31 International Business Park #05-05 Creative Resource Singapore 609921, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) Memorandum and Articles of Association of the Company; and
- (b) Rules of the Plan.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**SBI OFFSHORE LIMITED**  
(Company Registration No.: 199407121D)  
(Incorporated in the Republic of Singapore)  
("Company")

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of the Company will be held at 31 International Business Park, Creative Resource, Function Room, Singapore 609221 on 30<sup>th</sup> April 2013 at 11 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

#### **ORDINARY RESOLUTION 1: THE PROPOSED SBI OFFSHORE PERFORMANCE SHARE PLAN**

THAT:

- (a) the performance share plan to be known as the "SBI Offshore Performance Share Plan" ("**Plan**"), particulars of which are set out in the circular dated 15 April 2013 ("**Circular**"), under which awards ("**Awards**") of shares in the capital of the Company ("**Shares**") will be granted, free of charge, to selected employees of the Group, be and is hereby approved.
- (b) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the Plan;
  - (ii) to modify and/or amend the Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Plan and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan;
  - (iii) to grant Awards in accordance with the provisions of the Plan and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of fully paid-up Shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards provided that the aggregate number of Shares to be issued or issuable pursuant to the Plan and any other share based schemes of the Company subject to the passing of this Ordinary Resolution 1, and the Plan, shall not exceed fifteen per cent. (15%) of the issued Shares of the Company (excluding any Shares held in treasury) from time to time;
  - (iv) subject to the same being allowed by law, to apply any share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any Shares held in treasury) towards the satisfaction of Awards granted under the Plan; and
  - (v) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution; and
  - (vi) to delegate any of the above to any committee of the Board of Directors.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### ORDINARY RESOLUTION 2: THE PROPOSED GRANT OF AWARD TO MR. CHAN LAI THONG UNDER THE PLAN

That, subject to and contingent upon the passing of Ordinary Resolution 1,

- (a) the proposed grant of Award of 10,000,000 fully-paid Shares to Mr Chan Lai Thong pursuant to and in accordance with the rules of the Plan be and is hereby approved;
- (b) the Remuneration Committee or the Board of Directors be authorised to determine the terms and conditions of this Award ("**Terms of Award**"); and
- (c) subject to the Terms of Award and fulfillment of the vesting conditions of the Award, the Directors of the Company be and are hereby authorised (i) to allot and/or issue up to 10,000,000 fully paid-up Shares to Mr. Chan Lai Thong; or (ii) to up to 10,000,000 Shares purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any Shares held in treasury) to Mr. Chan Lai Thong.

By Order of the Board

Chan Lai Yin  
Company Secretary  
Singapore 15 March 2013

# SBI OFFSHORE LIMITED

(Company Registration No: 199407121D)  
(Incorporated in the Republic of Singapore)

## PROXY FORM

**IMPORTANT:**

1. For investors who have used their CPF monies to buy shares in the Company, this Circular is sent to them at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. This Proxy Form is therefore, 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 (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at 31 International Business Park, Creative Resource, Function Room, Singapore 609221 on 30<sup>th</sup> April 2013 at 11 a.m. and at any adjournment or postponement 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 or postponement thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

**(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)**

	Ordinary Resolutions	For	Against
1.	Proposed SBI Offshore Limited Performance Share Plan ("Plan")		
2.	Proposed grant of award to Mr. Chan Lai Thong under the Plan		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**



**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 130A of the Act, Chapter 50 of Singapore), you should insert the number of Shares, if you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Shareholders, you should insert the aggregate number of Shares entered against your name in the Depository Register and the number of Shares registered in your name in the Register of Shareholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A Shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or more proxies to attend and vote in his stead.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 31 International Business Park #05-05 Creative Resource Singapore 609921, not less than forty-eight (48) hours before the time appointed for the EGM.
4. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney shall be notarised. The notarised letter or power of attorney together with the proxy form shall be deposited at the registered office of the Company at 31 International Business Park #05-05 Creative Resource Singapore 609921; failing which the instruments will be treated as invalid.
5. Where a number of proxies have been appointed, the instrument shall specify the proportion of votes as to be represented by each proxy. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
6. 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 its duly appointed attorney or a duly authorised officer.
7. Where a Shareholder is a legal person, its legal representative, or such other person authorised by a resolution of its board of directors or other decision-making body, shall act as its corporate representative in attending the meeting.
8. A proxy need not be a member of the Company.
9. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the EGM if he is able to do so.
10. 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. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

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