

SBI OFFSHORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199407121D)
(the “Company”)

Minutes of the Annual General Meeting of the Company held on Monday, 29 June 2020 at 10.00 a.m. by electronic means through live webcast or live audio stream.

BY LIVE WEBCAST

Directors	:	Mr Mirzan Bin Mahathir (Executive Non-Independent Chairman)
	:	Mr Lawrence Kwan (Lead Independent Director)
	:	Mr James Kho Chung Wah (Independent Director)
	:	Mr Ahmad Subri Bin Abdullah (Independent Director)
In attendance	:	Mr Mark Leong Kei Wei (Chief Operating Officer)
	:	Ms Chong Wan Ling (Chief Financial Officer)
	:	Ms Alice Ng (Sponsor – ZICO Capital Pte. Ltd.)
	:	Ms Chan Lai Yin (Company Secretary)
	:	Mr Adrian Lee (Audit Partner – BDO LLP)
Shareholders	:	Attendance by live webcast

WELCOME BY CHAIRMAN

The Chairman, Mr. Mirzan Bin Mahathir, welcomed shareholders of the Company (“**Shareholders**”) or members who had pre-registered for the live webcast and/or live audio stream for observation of the Annual General Meeting (“**AGM**”) proceedings and attended the AGM of the Company by electronic means.

The Chairman acknowledged the Shareholders or members were present at the AGM by electronic means.

The Chairman introduced the Independent Directors of the Company, the Management team, the Sponsor, the Company Secretary and the Audit Partner who were attending the AGM by live webcast.

PRESENTATION BY CHAIRMAN

Before the commencement of the AGM, the Chairman shared updates of the activities of the Company since the Company was deemed a cash company with effect from 28 February 2019.

- The Company had focused on progressing the proposed acquisition for the past year to unlock value in the listing status of the Company. Currently, the Company is working towards completing the proposed acquisition of the Target Group, which is a group of related companies that are marine offshore and solutions providers in the oil and gas sector (“**Proposed Acquisition**”). The said transaction constitutes a reverse takeover of the Company.
- The Company had nominal revenue of US\$7,000 in FY2019. The Chairman emphasized that the Company is constantly aware of the necessity of conserving its cash balances and is working hard to achieve this goal. As part of the Company’s cost control efforts, staff-related costs had been reduced from US\$802,000 in FY2018 to US\$644,000 in FY2019. Besides, office expenses dropped from US\$543,000 in FY2018 to US\$390,000 in FY2019.
- The increase in administrative expenses by US\$0.4 million from US\$1.6 million in FY2018 to US\$2 million in FY2019 was largely due to (i) accrual of reimbursement of legal fees of US\$591,000 incurred by PwC for a lawsuit filed by the Company’s former CEO, Tan Woo Thian, against PwC for its findings on the Company’s acquisition and subsequent sale of a China entity in 2016 in which the claims have been recently dismissed by the High Court; and (ii) ongoing expenses of US\$241,000 related to the Proposed Acquisition.

- Excluding the above and other non-recurring ad hoc expenses for both years such as fees incurred for the independent review by KordaMentha and special audit by RSM, the administrative expenses for FY2019 would be US\$1.0 million, which is US\$0.3 million lower as compared to US\$1.3 million in FY2018.

The Chairman further shared on the status of the Proposed Acquisition, which the Company had made considerable progress with the Proposed Acquisition.

- The Company entered into a sale and purchase agreement with the vendor, Chan Kern Miang (“**Vendor**”), in May 2019 to acquire a group of 12 related companies in the offshore oil and gas industry (“**Target Group**”), after signing a term sheet with him in February 2019.
- On 21 February 2020, the Company completed its pre-clearance enquiry with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to the confirmation that there are no issues which will have any material adverse impact on the suitability of the enlarged group pursuant to the Proposed Acquisition to be listed on the Catalist Board of the SGX-ST.
- On 29 May 2020, the financial adviser to the Proposed Acquisition (on behalf of the Company) submitted to the SGX-ST the pre-admission notification in relation to the Proposed Acquisition enclosing, amongst others, the draft circular to Shareholders (“**Circular**”) and other relevant documents (“**Pre-Admission Notification**”).
- As at date of AGM, the Pre-Admission Notification is pending review and approval by the SGX-ST. Subject to and upon the receipt of approval of the SGX-ST, the Company will issue the Circular in respect of the Proposed Acquisition to all Shareholders electronically on the SGXNet and the Company’s corporate website. Thereafter, an extraordinary general meeting would be convened to seek Shareholders’ approval for the Proposed Acquisition.

The Chairman apprised on the support received from the professional team, which includes the financial adviser and continuing sponsor, independent valuer, independent market researcher, and legal counsels, in relation to the Proposed Acquisition.

The Chairman informed that the Vendor confirms that the Target Group remains operational, viable, and its banking relationships and financial liquidity remains healthy amid the disruptive COVID-19 pandemic.

The Chairman highlighted that the Company must complete the Proposed Acquisition and meet the requirements for a new listing pursuant to Rule 1017(2) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) by 31 August 2020. The Proposed Acquisition, if completed, is expected to generate a sustainable revenue stream for the Group and enhance the long term interests of the Shareholders. If the Proposed Acquisition goes through, the shares of the Company remain liquid and Shareholders can buy or sell on the market easily underpinned by a viable business unlike the current situation of being a cash company. Otherwise, the Company will be removed from the Official List of the SGX-ST if no further extension is granted by the SGX-ST. Shareholders should note that if the Company is delisted, Shareholders will continue to hold shares in the Company, but it would be an unlisted company which is generally valued at discount to the shares of comparable listed companies due to the lack of marketability. Besides, the Company will cease to be governed by the listing requirements of the SGX-ST and the Company need not comply with the corporate governance policy of the SGX-ST. Escrow amounts will no longer be required to be held in escrow pursuant to the Catalist Rules.

The Chairman further informed there is no certainty that there will be an exit offer, or if there should be one, that it will be done within the 6-month period (if at all) whilst the Catalist Rules require that an exit offer be made upon the delisting. Alternatively, in the event if the Company is delisted, the Company may explore distributing its remaining funds to Shareholders by way of a members’ voluntary liquidation or a capital reduction exercise. However, there can be no assurance that such a cash distribution exercise will be carried out in a timely manner and with the requisite support from the Shareholders as approval is required from members holding not less than 75% of the total Shares.

The Chairman drew attention of Shareholders to the PRC Escrow Amounts which are likely to be accessible by the Company in Singapore only upon the completion of a liquidation of Jiangyin SBI Offshore Equipment Co., Ltd. (“**JSBI**”), which is expected to take approximately 9 to 18 months to complete. An alternative to liquidation of JSBI is a sale of JSBI. The Board at the relevant time will be able to decide to sell JSBI, but being delisted and no longer subject to Catalist Rules, the then Board will be free to determine the purchaser, the purchase price, repatriation of sales proceeds of JSBI to the Company’s Singapore bank account and deal with any broker/introducer.

The Chairman emphasized that it is imperative for the Company to continue to have Shareholders’ blessing and support so that the efforts and sacrifices of all stakeholders over the past few years will not go to waste. The Chairman took the opportunity to thank directors and staff past and present, all consultants and advisors as well as the professionals working on the Proposed Acquisition, for their efforts in helping the Company through its journey.

CONDUCT OF MEETING

The Chairman informed that he exercised his right as Chairman of the meeting and demanded for all resolutions tabled at the meeting be voted by way of poll, as required by the Catalist Rules. He reiterated that Shareholders will not be able to vote through live webcast or live audio stream. The only way for Shareholders to exercise their voting rights is to appoint the Chairman as proxy. As Shareholders have appointed the Chairman as proxy, he would vote in accordance with the respective instructions to vote for or against or abstain from voting on, the resolutions tabled at the AGM.

The Chairman had requested the Lead Independent Director, Mr Lawrence Kwan to chair the AGM proceedings on his behalf and handed over the chair of the meeting to Mr Lawrence Kwan.

Mr Lawrence Kwan took over from Chairman of the meeting and informed on the appointment of Entrust Advisory Pte. Ltd. as scrutineer for the poll at the AGM. The scrutineer had checked the validity of the proxy forms received and votes have been counted.

QUESTIONS IN ADVANCE

As Shareholders would not be able to ask questions live during the AGM, Shareholders may submit questions in advance by 22 June 2020. Mr Lawrence Kwan drew attention to the Company’s SGXNet announcements released on 19 June 2020 and 26 June 2020 regarding the Company’s responses to questions submitted in advance by Shareholders.

QUORUM

As the quorum was present, Mr Lawrence Kwan declared the AGM open.

NOTICE

With the consent of the Meeting, the Notice dated 14 June 2020 convening the Meeting was taken as read.

The Chairman has proposed all resolutions tabled at the AGM.

ORDINARY BUSINESS

1. ORDINARY RESOLUTION 1: DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Meeting received and considered the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Auditors' Report thereon.

The Chairman had proposed the motion to receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Auditors' Report thereon.

Based on the proxy votes received, Mr Lawrence Kwan announced the results of the poll as follow:

	FOR	AGAINST
Number of votes	153,281,100	24,077,600
Percentage	86.42%	13.58%

Mr Lawrence Kwan declared Resolution 1 carried.

2. ORDINARY RESOLUTION 2: RE-ELECTION OF MR MIRZAN BIN MAHATHIR AS A DIRECTOR

In accordance to Article 93 of the Company's Constitution, Mr Mirzan Bin Mahathir ("Mr Mirzan") retires as a Director at the Meeting and being eligible, offered himself for re-election. Mr Mirzan has consented to continue in office.

Mr Lawrence Kwan had proposed the motion for re-election of Mr Mirzan Bin Mahathir who retires in accordance with Article 93 of the Company's Constitution.

Based on the proxy votes received, Mr Lawrence Kwan announced the results of the poll as follow:

	FOR	AGAINST
Number of votes	56,204,200	131,483,900
Percentage	29.95%	70.05%

Mr Lawrence Kwan declared Resolution 2 not carried.

3. ORDINARY RESOLUTION 3: RE-ELECTION OF MR JAMES KHO CHUNG WAH AS A DIRECTOR

In accordance to Article 93 of the Company's Constitution, Mr James Kho Chung Wah ("Mr James Kho") retires as a Director at the Meeting and being eligible, offered himself for re-election. Mr. James Kho has consented to continue in office.

Mr Lawrence Kwan informed that Mr James Kho, upon his re-election, will remain as Chairman of the Audit and Risk Management Committee as well as a Member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purpose of Rules 704(7) of the Catalist Rules.

The Chairman had proposed the motion for the re-election of Mr James Kho Chung who retires in accordance with Article 93 of the Company's Constitution.

Based on the proxy votes received, Mr Lawrence Kwan announced the results of the poll as follow:

	FOR	AGAINST
Number of votes	148,149,300	39,538,800
Percentage	78.93%	21.07%

Mr Lawrence Kwan declared Resolution 3 carried.

4. ORDINARY RESOLUTION 4: DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

The Directors had recommended the payment of S\$120,000 as directors' fees for the financial year ending 31 December 2020 to be paid on a quarterly basis in arrears.

The Chairman had proposed the motion to approve the payment of the Directors' fees of S\$120,000 for the financial year ending 31 December 2020 to be paid on a quarterly basis in arrears.

Based on the proxy votes received, Mr Lawrence Kwan announced the results of the poll as follow:

	FOR	AGAINST
Number of votes	63,015,100	124,673,000
Percentage	33.57%	66.43%

Mr Lawrence Kwan declared Resolution 4 not carried.

5. RESOLUTION 5: RE-APPOINTMENT OF AUDITORS

Mr Lawrence Kwan informed the meeting that Messrs BDO LLP had expressed their willingness to accept re-appointment as auditors of the Company.

The Chairman had proposed the motion to re-appoint Messrs BDO LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.

Based on the proxy votes received, Mr Lawrence Kwan announced the results of the poll as follow:

	FOR	AGAINST
Number of votes	153,281,100	24,077,600
Percentage	86.42%	13.58%

Mr Lawrence Kwan declared Resolution 5 carried.

SPECIAL BUSINESS

6. ORDINARY RESOLUTION 6: AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman proposed the motion to grant authority to the Directors to issue shares in the Company:

"THAT, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors to:-

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force), issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed one hundred per cent (100%) of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) is based on the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

- (i) new Shares arising from the conversion or exercise of convertible securities;
- (ii) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or share awards (as the case may be), were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (iii) any subsequent bonus issue, consolidation or subdivision of Shares;

adjustments in accordance with sub-paragraph 2(i) or 2(ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the requirements of the Catalist Rules imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

Based on the proxy votes received, Mr Lawrence Kwan announced the results of the poll as follow:

	FOR	AGAINST
Number of votes	55,826,000	131,862,100
Percentage	29.74%	70.26%

Mr Lawrence Kwan declared Resolution 6 not carried.

7. **ORDINARY RESOLUTION 7: AUTHORITY TO GRANT AWARDS AND TO ALLOT AND ISSUE SHARES UNDER THE SBI OFFSHORE PERFORMANCE SHARE PLAN**

The Chairman proposed the motion relating to authority to grant awards and to allot and issue shares under the SBI Offshore Performance Share Plan, details as follow:

“THAT pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised to grant awards in accordance with the provisions of the SBI Offshore Performance Share Plan (the “**Plan**”) and to allot and issue such number of fully paid shares from time to time as may be required to be issued pursuant to the vesting of awards under the Plan provided always that the aggregate number of new Shares to be allotted and issued pursuant to the Plan (including options granted under the Plan, the Scheme and any other scheme or plan for the time being of the Company) shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in general meeting, shall continue in full force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.”

Based on the proxy votes received, Mr Lawrence Kwan announced the results of the poll as follow:

	FOR	AGAINST
Number of votes	55,826,000	131,862,100
Percentage	29.74%	70.26%

Mr Lawrence Kwan declared Resolution 7 not carried.

CONCLUSION

There being no other business, Mr Lawrence Kwan informed the Chairman on the completion of all matters tabled at the AGM.

The Chairman thanked Shareholders for their attendance at the AGM and declared the Meeting closed at 10.36 a.m.

Confirmed as a True Record of the proceedings

Lawrence Kwan
Lead Independent Director