



SBI Offshore Limited

(Incorporated in the Republic of Singapore on 1 October 1994)

(Company Registration Number: 199407121D)

**UPDATE ON PAYMENT OF DIRECTORS' FEES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The board of directors (the "**Board**" or "**Directors**") of SBI Offshore Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 18 September 2018, 28 September 2018 and 4 October 2018 (the "**Announcements**") in relation to the proposed payment of Directors' fees of S\$227,000 for the financial year ended 31 December 2017 ("**FY2017**") (the "**FY2017 Directors' Fees**"), as well as the extraordinary general meeting of the Company held on 4 October 2018 ("**EGM**") to seek the approval of the shareholders of the Company ("**Shareholders**") for, *inter alia*, the proposed payment of the FY2017 Directors' Fees. As announced by the Company on 4 October 2018, the Company had, at the EGM, obtained Shareholders' approval for, *inter alia*, the proposed payment of the FY2017 Directors' Fees.

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcements.

As set out in the Company's announcement on 28 September 2018, the Company will be seeking legal advice on the prepayment of Directors' fees in respect of FY2017 ("**Fees**") made prior to the approval of Shareholders at the 2018 AGM. The Board wishes to announce that the Company had, on 10 October 2018, received the aforesaid legal advice ("**Legal Advice**") from Rajah & Tann Singapore LLP which stated, *inter alia*, the following:-

- (i) As the Fees were paid to the Company's directors before Shareholders had approved the Fees, the Company was likely in non-compliance of Section 169 of the Companies Act, Chapter 50 ("**Companies Act**"), which provides that a company shall not at any meeting or otherwise provide emoluments or improve emoluments for a director of a company in respect of his office as such unless the provision is approved by a resolution that is not related to other matters. Payment made in non-compliance with Section 169 of the Companies Act are recoverable by the Company. It will be for the relevant authorities to assess the matter in light of all the surrounding circumstances, such as whether the Company acted with any ill intent, whether the Company suffered any monetary loss, the remedial measures taken by the Company, etc..
- (ii) The Company's well intentions and motivations in paying out the Fees, as well as the prompt remedial actions taken by the Company after the 2018 AGM will serve to mitigate and/or minimise the risks of any possible regulatory action. These are summarised below:
 - (a) Shortly after the 2018 AGM, the Company wrote to the relevant seven (7) directors of the Company (including former directors of the Company) ("**Relevant Directors**") in respect of the Claw Back.
 - (b) As of 4 October 2018 prior to the EGM, the Company received the monies in respect of the Fees back from the Relevant Directors. As such, there appears to have been no loss suffered by the Company.
 - (c) In any event, the Company obtained the approval of Shareholders for the FY2017 Directors' Fees at the EGM. Since Shareholders' approval has been obtained, the Company is now in a position to release payment of the FY2017 Directors' Fees to the Relevant Directors to avoid potential disputes with them regarding the FY2017 Directors' Fees.
 - (d) As disclosed in the Company's letter to Shareholders dated 19 September 2018 (the "**Letter**"), the Board generally meets on a quarterly basis, but a total of seventeen (17) meetings of the Board and Board committees were held during the year 2017. The higher number of meetings of the Board and Board committees held in 2017 were largely due to issues and

matters requiring the Board's attention, and the then Board had spent substantial time and effort on corporate matters of the Company and the Group.

- (e) The Board was motivated by a desire to retain existing non-executive directors and secure suitable candidates as independent directors and to comply with the guidelines set out in the Code of Corporate Governance 2012, which required (among other things) that all the members of the Remuneration Committee and the Audit Committee be non-executive directors.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

By Order of the Board

Mirzan Bin Mahathir
Executive Non-Independent Chairman

10 October 2018

*This announcement has been prepared by SBI Offshore Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital 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 independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.