

## **CHANGES TO THE BOARD OF DIRECTORS**

*Unless expressly defined in this announcement, all capitalised terms used in this announcement will bear the respective meanings ascribed to them in the Company's announcement dated 11 March 2013 (the "**March Announcement**") unless the context otherwise requires. Shareholders may also wish to refer to the March Announcement.*

The Company wishes to announce the following changes to its board of directors (the "**Board**") with effect from 22 April 2013:-

- (a) Mr. Neil Bush ("**Mr. Bush**") shall be appointed as a Non-Executive Director and Non-Executive Chairman of the Company;
- (b) Mr. Yeo Wee Kiong, the current Non-Executive Chairman of the Company, has been re-designated as a Non-Executive Director;
- (c) Mr. Mao Jin Shan ("**Mr. Mao**") shall be appointed as an Executive Director and as the Managing Director of the Company; and
- (d) Mr. Gordon Tang ("**Mr. Tang**"), the current Managing Director of the Company, has been re-designated as a Non-Executive Director.

### **A. APPOINTMENT OF MR. NEIL BUSH**

- 1. In the March Announcement, it was stated that Mr. Bush is to be appointed to the Board as Non-Executive Chairman after the approval of his appointment by the Shareholders at the extra-ordinary general meeting (the "**EGM**") for the Rights Issue, Placement and the proposed expansion of business into the USA ("**Expansion of Business**") which EGM has yet to be convened.
- 2. It is now proposed and Mr. Bush has agreed, at the invitation of the Board, to bring forward his appointment to the Board. However, if for any reason approval or completion of the Rights Issue, Placement and/or Expansion of Business is not in place, Mr. Bush will resign from his appointment.
- 3. **Biography**

The following is a biography on Mr. Bush:

Mr. Bush graduated from Tulane University with a bachelor's degree in International Economics and from the Tulane University Freeman School of Business with a master's degree in Business Administration. Mr. Bush has over 30 years of experience in energy-related businesses and international business development, including working with Amoco Production Company (now BP) in Denver, Colorado. During the decade of the 1980s Mr. Bush formed two independent oil companies that explored for oil in various states including Wyoming, Colorado, California, and Michigan and in Argentina. He has engaged in various international business development activities with a focus on the U.S.A, the People's Republic of China (the "**PRC**") and the Middle East and has been a business partner of Mr. Tang, through

American Pacific International Capital Inc, (“**APIC**”). In particular, he has visited cities in the PRC and worked with numerous entities on a variety of projects including real estate development, energy, automobile parts, sheet rock manufacturing and paint production. Currently Mr. Bush has varied business interests in Hong Kong and China with ties to companies active in oil and gas exploration and exploitation, real estate development, and property management. He is a partner in a U.S. based EB5 investor business that attracts foreign investment into the U.S. that create jobs in exchange for immigration status. Mr. Bush is currently the President of ATX Oil, a company involved in the upstream oil and gas development in the U.S.A. He is also the Chairman of the Points of Light Institute, a national charitable organisation formed by President George H.W. Bush in 1989 to promote citizen service through volunteerism in communities across the U.S.A and increasingly overseas. He also serves on the boards of the Houston Salvation Army, as well as the Bush School of Government and Public Service.

#### 4. **Additional Information on Mr. Bush**

The following is a disclosure by Mr. Bush in connection with his appointment as non-executive Chairman of our Company on a matter in the US that occurred in the 1980s:

On 18 April 1991, the Director of the Office of Thrift Supervision (“**OTS**”), pursuant to his authority under section 8(b) of the Federal Deposit Insurance Act (12 United States Code), issued a cease and desist order against Mr. Bush (the “**Order**”). The preamble to the Order was that the Director of the OTS found that Mr. Bush, in his former capacity as a non-executive director of Silverado Banking, Savings and Loan Association, Denver, Colorado (which was liquidated in 1988), had engaged in unsafe and unsound practices and breaches of his fiduciary duties involving multiple conflicts of interest.

The first operative part of the Order directs that Mr. Bush cease and desist from any acts, omissions or practices involving any conflicts of interest, unsafe or unsound practices, or breaches of fiduciary duties (as defined in the Code of Federal Regulation of the United States (“**C.F.R**”), which Code has been superseded). The second operative part of the Order directs Mr. Bush to take the following specific actions when he becomes affiliated with (including becoming a director of) a United States federally insured depository institution, or any holding company thereof:

- (a) to obtain advice of competent counsel on his duties and responsibilities, both initially upon accepting such a position and when particular issues arise that may cause him to be uncertain about his responsibilities;
- (b) to abstain from voting or participating in any manner on any proposals in which he has a personal interest and may experience a direct or indirect benefit;
- (c) in connection with any transaction subject to subparagraph (b), to make full disclosure of the existence of his interest and its nature and extent, and of the facts known to him as to the matter or transaction under consideration;
- (d) at least annually, and with a continuing obligation in the event of a change of circumstances, to make full disclosure of any and all loans, investments, partnership interests, stock ownership, and any other business relationships,

which constitute a conflict of interest (as defined in 12 C.F.R S 571.7(as well as any successor statutes and regulations), the decision giving rise to the Order, and the common law, with persons who are customers or prospective customers of such institution or its affiliates; and

- (e) to refrain generally from violating the standard governing conflicts of interest, fiduciary duties, and safe or sound operations, as set forth in 12 C.F.R S 571.7 (as well as any successor statutes and regulations), the decision giving rise to the Order, and the common law.

The said Order remained effective and enforceable as at the date of this announcement which the Board notes and does not find it surprising because (i) the first operative part of the Order to cease and desist from any acts, omissions or practices involving any conflicts of interest, unsafe or unsound practices, or breaches of fiduciary duties are obligations which in substance seem to be based on common law principles that are applicable to directors and which principles of common law continues to be applicable and (ii) the second operative part of the Order states the specific actions (a) to (e) that Mr. Bush needs to take when he becomes affiliated with a United States federally insured depository institution, or any holding company thereof, are generally similar to some of the current corporate governance best practices advocated. The Board also notes that even though under the Order, Mr. Bush could be affiliated with (including becoming a director of) a United States federally insured depository institution, or its holding company, he has not been affiliated or acted as a director of such institution or holding company since the Order.

The Board also took into account that the issues and challenges in the 1980s relating to the savings and loans institutions in the US were sector wide and not specific to the company that Mr. Bush was a non-executive director and in which he was not involved in the day-to-day management of its business. In addition, the matter occurred some time ago and other than this matter, Mr. Bush's business career and investments have been successful and credible. Accordingly, the Board is satisfied with the suitability of Mr. Bush's appointment as a director of the Company and that he will be able to contribute positively to the Group. Independently, the Company's sponsor, SAC Capital Private Limited ("**Sponsor**") is also satisfied with the suitability of Mr. Bush's appointment as a director of the Company.

## **B. APPOINTMENT OF MR. MAO JINSHAN**

1. The Board has decided to appoint Mr. Mao as Executive Director and Managing Director of the Company for the following reasons:
  - (a) More effective executive representation in the USA.
  - (b) Alleviate time commitment of Mr. Tang.
2. **More Effective executive representation in the USA**

The Board is of the view that the Company needs more effective executive representation in the USA. Mr. Mao, who is currently a senior executive based in the USA with APIC (which is involved in USA real estate investments as part of Mr. Tang's private group) will be appointed as Managing Director of the Company. As can be seen in his biography below, Mr. Mao has wide-ranging experience in consultancy, engineering, financial, real estate and corporate governance. Upon his appointment, he will spend his time between Singapore and USA. His employment may be terminated by either party with 6 months' prior notice. APIC will be giving

a letter of undertaking to the Company to ensure that all real estate investment opportunities that it encounters in the USA shall be first offered to the Company, in order to resolve any potential conflicts of interest (“**Letter of Undertaking of First Right**”).

### 3. **Alleviate Time commitment of Mr. Tang**

Recent opportunities in China have demands on Mr. Tang’s time and attention. The mid March 2013 meeting of the National People’s Congress of China announced the “townships” urbanisation strategy across China. Mr. Tang has indicated to our Company of his intention to pursue “township” potential in Shantou and the surrounding region. As Chinese real estate projects are not within the business scope of the Company, Mr. Tang would be pursuing such projects through his private group in China which covers diverse areas such as food stuff processing and manufacturing, hotels, industrial parks, real estate, construction and biotech manufacturing in Shantou and Chaozhou. As Mr. Tang is expected to spend a fair amount of time in Shantou and China the appointment of Mr. Mao as Managing Director of the Company along with his effective presence in the US will alleviate the time commitment of Mr. Tang.

### 4. **Biography**

The following is a biography on Mr. Mao:

Mr. Mao graduated from Northwestern Polytechnical University, Xian, China with a bachelor’s degree in engineering and from the University of Lancaster, United Kingdom, with a Master in Business Administration. He started his career in 1984 as an engineer with the China Aeronautical Institute of System Engineering in Beijing, China. He then switched to investment and finance when he joined Everbright International Investment Consultancy Company, Beijing China. In 1995, Mr. Mao joined China Everbright Pacific Limited (“**CEP**”) (currently known as China Merchant Holdings (Pacific) Ltd), a company incorporated in Singapore and listed on the Stock Exchange of Singapore. He was subsequently appointed to the board of CEP as an executive director. In 2003, Mr. Mao returned to China to serve as the Deputy General Manager of the Merger and Acquisition Division of China Everbright Securities Company Ltd, in Shanghai. In 2004, Mr. Mao joined Haiyi Biotech Pte Ltd (now known as Haiyi Holdings Pte Ltd) as General Manager. In 2007, Mr. Mao became the General Manager and Executive Director of a food manufacturing cum processing company located in Shantou, namely, Guangdong Huamei Oil & Fat Company Ltd. Mr. Mao also had experience in running a hotel in Shantou as Deputy General Manager. In early June, 2012, Mr. Mao joined APIC in San Francisco as Vice President and was involved in APIC’s operations there. In particular, Mr. Mao oversees all aspects of the development process of complex urban development projects, including development of medium-sized apartment properties and large-sized complex shopping center projects. He was involved in all phases of a development project. Further details on the curriculum vitae of Mr. Mao will be provided in the circular to Shareholders for the EGM.

The Board took into account that Mr. Mao’s previous experience as a director of a listed company in Singapore for some years and his confirmation that he can devote sufficient time to the affairs of the Company in both the USA and Singapore notwithstanding that he will continue to hold a senior appointment in APIC. In addition, the Board is pleased to note that APIC would be giving the Company the Letter of Undertaking of First Right. The Board is satisfied with the suitability of Mr. Mao’s appointment as a Director and Managing Director of the Company and that he will be able to contribute positively to the Group.

### **C. ADDITIONAL INFORMATION ON SHANTOU AND MR. TANG**

Shantou's economy, which traditionally was more into trade, had lagged behind the other special economic zones ("SEZ") like Shenzhen and Zhuhai. It is well known that Shantou's trade sector helped fuel China's domestic economic growth and reforms. Shantou's vulnerability to its trade sector was evident during the 2001 to 2002 central government economic re-ordering of Shantou's trade sector, where custom duties matters had been disorderly on a wide scale for many years during the 1990s. The re-ordering was through wide spread investigations, prosecutions and convictions. As a result, major importers ceased imports and small traders who previously sourced goods through them folded which led to the near-collapse of the trading sector, with Shantou's economy having a negative growth. Although China thereafter reduced trade barriers and tariffs following its entry into the World Trade Organisation, which structurally freed up Chinese trade, Shantou's trading sector and economy continue to lag behind the other former SEZs. (For Shantou, which is relatively less developed, the "townships strategy" mentioned above may be a source of economic growth for its businesses.)

In the said 2001/2002 economic re-ordering, leading trade importers and their staff in Shantou were investigated, including the import and export business and trading related businesses of Mr. Tang's group. At that time, Mr. Tang's group had a total of about 1000 employees in businesses including import and export, trading, real estate, construction, logistics and biotech manufacturing in China and trading and investments in Singapore and USA. Of the many in Shantou who were convicted for custom matters, a few were staff in Mr. Tang's import and export business, then one of the leading importers in Shantou, and the trade and import activities ceased and business assets seized. Mr. Tang, as owner and chairman of the then Tang group and was not involved in the day to day running of the import business, was also investigated, with no penalties or convictions imposed by the Chinese courts (see also the Company's previous announcement of 15 January 2013 on his appointment as our Director).

The Board notes that issues and challenges in the Shantou trading business in the 1990s were sector wide and were not specific to Mr. Tang's import and export business. In addition, that business in 2001 was a part and not the whole of Mr. Tang's business group. The matter occurred some time ago and other than this matter, Mr. Tang's business career and investments have been successful and credible in Shantou, USA and Singapore. The Board remains satisfied with the suitability of Mr. Tang as a director of the Company. Independently, the Sponsor also remains satisfied with the suitability of Mr. Tang as a director of the Company.

### **D NEW COMPOSITION OF THE BOARD**

1. The Board believes that with the appointments of Mr. Bush and Mr. Mao to the Board, the Board will be further strengthened and the Company will be able to tap on their experiences and expertise to contribute to the Company's proposed venture into real estate projects and or investments in the USA. The Board is also taking steps to ensure that the Board will have sufficient independent Directors to comply with the recommendations of the Code of Corporate Governance. The Board will update Shareholders and make the necessary announcements upon the appointment of any new independent Directors to the Board.
2. The respective assessment of suitability as set out above on Mr. Bush, Mr. Mao and Mr. Tang to act as directors of the Company was made by the Nominating Committee and the Board.

At the Board level, Mr. Tang and his wife, Chen Huaidan abstained from voting and participating in the Board's deliberations on the suitability issues as (i) Mr. Bush has a joint interest with Mr. Tang in the Placement; (ii) Mr. Mao is currently a senior executive of APIC which is owned by Mr. Tang; and (iii) the 2001 Shantou China custom matter involved Mr. Tang's then import business.

3. Following the above changes, the composition of the Board is as follows:-

Mr. Neil Bush	(Non-Executive Chairman)
Mr. Mao Jinshan	(Managing Director)
Mr. Chan Heng Fai	(Deputy Managing Director)
Mdm. Chen Huaidan	(Executive Director)
Mr. Chan Tong Wan	(Executive Director)
Mr. Chan Tung Moe	(Executive Director)
Mr. Tang Yigang@ Tang Gordon	(Non-Executive Director)
Mr. Yeo Wee Kiong	(Non-Executive Director)
Mr. Tan Tai Soon	(Independent Non-Executive Director)
Mr. Wong Tat Keung	(Independent Non-Executive Director)

4. The compositions of the Audit, Nominating and Remuneration Committees remain unchanged and are as follows:

(a) Audit Committee

Mr. Wong Tat Keung	(Chairman)
Mr. Yeo Wee Kiong	
Mr. Tan Tai Soon	

(b) Nominating Committee

Mr. Wong Tat Keung	(Chairman)
Mr. Yeo Wee Kiong	
Mr. Tan Tai Soon	

(c) Remuneration Committee

Mr. Wong Tat Keung	(Chairman)
Mr. Yeo Wee Kiong	
Mr. Tan Tai Soon	

## E. MISCELLANEOUS

**SHAREHOLDERS ARE TO NOTE THAT** notwithstanding the immediate appointment of Mr. Bush to the Board, there is no certainty that the Rights Issue and/or the Placement referred to in March Announcement will be completed. As stated in the March Announcement, each of the Rights Issue and the Placement are conditional in nature and are subject to the fulfillment of various conditions precedent, including the approval of the Singapore Exchange Securities Trading Limited. Shareholders should exercise caution in dealing with their shares in the Company and that they should not hesitate to seek the advice of professional advisers if they are uncertain as to any course of action in dealing with their shares in the Company.

BY ORDER OF THE BOARD

Chan Tong Wan (Tony)  
Executive Director  
22 April 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange 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.

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