

Singapore CA Qualification Examination

17 June 2026

Business Value, Governance & Risk

INSTRUCTIONS TO CANDIDATES:

1. The time allowed for this examination paper is **3 hours 15 minutes**.
2. This examination paper has **FOUR (4)** questions and comprises **TWENTY-FIVE (25)** pages (including this instruction sheet). Each question may have **MULTIPLE** parts and **ALL** questions are examinable.
3. This is an open-book examination. During the examination, you are allowed to use your laptop and any calculators that comply with the ISCA's regulations. Please note that watches, mobile phones, tablets, and all other electronic devices **MUST NOT** be used during the examination and **MUST NOT** be within reach or sight or hearing from where you are seated to write the exam.
4. During the examination, videos of you and your computer screen will be recorded for the purpose of ensuring examination integrity and you have consented to these recordings.
5. This examination paper and all video recordings of this exam are the property of the Accounting and Corporate Regulatory Authority.
6. Only answers in English are accepted.

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****VERY IMPORTANT NOTICE****

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2. You may also download the question paper that allows annotation throughout your exam in Question 1 of the e-Exam portal.

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Question 1 – (a), (b) and (c)

Solar Photovoltaic Energy in Singapore and Southeast Asia

Solar photovoltaic energy (SVE) has become an increasingly important part of Southeast Asia's power mix. Since 2019, the sector has grown at an average annual rate of around 28%, supported by falling panel costs, national decarbonisation commitments, and rising demand from multinational companies seeking renewable energy certificates (RECs).

Singapore remains a regional leader despite its limited land area. Most installations are deployed on rooftops, floating on reservoirs, or paired with energy-storage systems. The Energy Market Authority aims for 2 gigawatt-peak (GWp) of installed solar capacity by 2030, where GWp denotes maximum output under standard test conditions (1 GWp is equal to 1,000 megawatt-peak or MWp).

Industrial customers such as data centres, semiconductor facilities, and logistics operators represent the largest share of demand. However, solar developers must maintain competitive pricing relative to gas-fired power, which continues to dominate the national grid.

SVE market segmentation

The SVE market generally divides into two segments:

- (1) Large utility-scale solar farms that are led by a small group of companies; and
- (2) Commercial and industrial rooftop sector that is served by more than 40 smaller contractors.

Competition in both of these segments remains intense, which is compressing profit margins and encouraging developers to differentiate through services such as battery systems, energy-efficiency solutions, and data-driven energy analytics.

Governments support SVE by offering feed-in tariffs...

Feed-in tariffs (FiTs) are government-set, guaranteed prices paid to renewable energy producers for each unit of electricity they generate and export to the grid. FiTs typically run for a fixed period, often 15 to 25 years, and are designed to:

- provide long-term revenue certainty for developers;

- accelerate investment by ensuring that solar projects recover their costs;
- encourage rapid deployment in the early stages of a market's renewable-energy transition.

Under FiT schemes, utilities or grid operators must purchase solar electricity from renewable energy producers at the pre-determined tariff, even if the tariff is above the prevailing wholesale electricity price. This was a key driver of Vietnam's solar boom between 2018 and 2021, where attractive FiTs triggered large-scale rooftop and utility-scale installations.

SVE across the Southeast Asia

- **Malaysia** is expanding solar deployment through its large-scale solar auctions, where developers bid to supply solar power at competitive prices, and through its net energy metering scheme for rooftops, which allows businesses and households to offset their electricity bills by exporting surplus solar energy back to the grid.
- **Vietnam** experienced a major solar boom between 2018 and 2021 due to attractive FiTs, and it continues to be a significant market.
- **Thailand and the Philippines** are also accelerating SVE adoption, particularly in rooftop projects and systems paired with battery storage.

Manufacturers of SVE products

Most solar panels in Southeast Asia are imported from China, with firms like LONGi, Trina, and JA Solar leading through scale and efficiency. Smaller volumes come from plants in Malaysia, Vietnam, and Thailand, supported by low costs and trade access.

However, supply chains remain exposed to shipping delays, raw material shortages, and scrutiny over polysilicon sourcing. Developers are increasingly expected to diversify suppliers and prove traceability to meet stricter environmental, social and governance (ESG) standards.

Going forward, the region's adoption of solar energy will depend on the following:

- (1) **Government policy** – Clear and stable government environmental policies are vital. Past growth was driven by subsidies such as feed-in tariffs and net

metering, but sudden shifts (like Vietnam's reduction in solar incentives) can slow markets.

- (2) **Grid and storage integration** – Solar power's variability makes maintaining grid stability challenging. Battery energy storage systems (BESS) are becoming essential to smooth supply and make solar a round-the-clock energy option.
- (3) **Investor expectations** – Capital is now tied to strong ESG performance. Investors demand supply chains free from forced labour, biodiversity safeguards for ground-mounted projects, and credible sustainability reporting.

Singapore government subsidies and tax reliefs for suppliers and consumers of solar energy and other renewable energies

The Singapore Government helps grow renewable energy through:

- **Investment allowance** providing additional tax relief on profits, based on the cost of approved energy-efficiency or emissions-reduction projects.
- **Accelerated capital allowances** allowing faster write-off for solar and other qualifying equipment (some assets can be fully written off in one year).
- **Grants** such as the **Energy Efficiency Fund (E2F)** and **Energy Efficiency Grant**, which can cover up to 70% of project costs for approved equipment and upgrades.

Consumers of renewable energy installations may also claim rebates on imported solar hardware and enjoy reduced network charges when they purchase locally-generated clean electricity.

SolarVista Energy Pte Limited

About SolarVista Energy Pte Limited

SolarVista Energy Pte Limited (SolarVista) builds and operates rooftop and utility-scale solar photovoltaic installations across Singapore, Malaysia, and Indonesia. SolarVista generally invoices customers in the local currency of the country in which it operates.

SolarVista's customers tend to be large, investment-grade industrial and commercial organisations, such as semiconductor fabs, precision-engineering plants, cold-chain logistics hubs and data-centre operators, which require reliable long-term electricity contracts to underpin carbon-reduction commitments.

Around sixty percent of contracted capacity is with multinational corporations, while the remainder is split between regional conglomerates and government-linked companies. All customers sign power-purchase agreements under which SolarVista provides the capital, installation and ongoing maintenance of the solar assets in exchange for an indexed energy tariff lower than the prevailing grid rate.

SolarVista is a significant SVE market player in Singapore which has installed SVE systems on more than 1,000 commercial and industrial buildings in Singapore and Johor. SVE installations require substantial technical expertise because they must be engineered to meet structural, electrical, and safety standards while maximising energy output. Since its establishment in 2016, SolarVista has gained significant market recognition and a strong reputation for delivering high-quality systems that meet complex installation requirements.

SolarVista also owns two 60 MWp ground-mounted farms in Indonesia under 25-year power purchase agreements.

SolarVista participates in monthly competitive rooftop auctions organised by industrial landlords and government agencies. In a typical tender, at least five other qualified bidders, ranging from specialist rooftop installers to regional utility subsidiaries, submit price bids, forcing SolarVista to compete by offering tariff offers and value-added services.

Singapore governance subsidies and tax reliefs for suppliers lower SolarVista's costs and improve the take-up of its SVE installations and power purchase agreements, strengthening margins and shortening investment payback periods.

SolarVista supply chain

SVE modules are manufactured by two Tier-1 Chinese suppliers based in Jiangsu and Zhejiang provinces. Approximately 70 percent are sourced from Longi Solar, noted for its high-efficiency monocrystalline solar panels, while the remaining 30 percent are

supplied by Trina Solar under a three-year framework agreement. China-based suppliers require SolarVista to settle its invoices in Chinese renminbi (RMB).

Like many renewable energy developers worldwide, SolarVista has experienced several significant shipping disruptions since 2020. COVID-19 port lockdowns in China and Southeast Asia, together with global container shortages in 2022, pushed module deliveries back by four to eight weeks. Although the March 2021 Suez Canal blockage and later Red Sea security risks did not affect the direct China–Singapore route, they created worldwide port congestion, vessel re-routing, and a scramble for container capacity. These global knock-on effects increased freight costs and reduced the availability of containers leaving Chinese ports.

As a result, SolarVista’s deliveries from Shanghai and other East China ports faced longer booking lead times and higher freight rates, causing delays to commercial operation dates and forcing last-minute rescheduling of installation crews.

Strategy for growth - Project Helios

The SolarVista Board has approved the “Project Helios” strategy, which targets the installation of a further 200 MWp of SVE capacity over 2026–2028. This will comprise additional rooftop arrays, expanded floating-solar deployments on Singapore’s reservoirs, and an 80 MWp ground-mounted project in Vietnam.

Sustainability performance

SolarVista already publishes greenhouse-gas-avoidance metrics and is targeting carbon-neutral operations by 2030, although it has faced criticism over the traceability of imported SVE solar panels in its supply chain.

Governance at SolarVista

SolarVista’s governance framework has developed as the business has expanded, with a formal Board and functional directors overseeing key areas such as finance, operations, IT, legal and strategy. However, recent feedback from independent directors and external auditors highlights that elements of risk management, internal controls and sustainability oversight have not kept pace with the company’s growth.

SolarVista Board of Directors

Name	Title / Capacity	Background	Age / Gender
Tan Wei Ming	Chair & CEO (Executive)	Co-founded SolarVista; 18 years in solar SVE development.	49 / Male
Lim Siew Hua	Chief Financial Officer	Ex-DBS Project Finance Director; Chartered Accountant.	45 / Female
Goh Jun Liang	Strategy Director	12 years in energy-sector M&A.	42 / Male
Koh Zhen Yi	Operations Director	15 years in SVE installation; former site lead in a listed firm.	46 / Male
Raymond Tan	Sales & Marketing Director	Specialist in ASEAN solar rooftop markets.	44 / Male
Samuel Ong	Human Resources Director	20 years in HR leadership and talent development.	50 / Male
Serene Leong	Chief Legal Officer	Former utilities counsel; cross-border power purchase agreements expert.	41 / Female
Lim Wei Jian	IT & Cyber Director	Cybersecurity and cloud infrastructure specialist.	39 / Male
Professor Alice Chen	Independent Non-Executive Director	Professor of Electrical Engineering; renewable integration expert.	54 / Female
David Teo	Independent Non-Executive Director	Former CEO, Pacific Power; 30+ years in utilities.	62 / Male

Name	Title / Capacity	Background	Age / Gender
Francis Low	Independent Non-Executive Director	Retired law firm partner; governance specialist.	67 / Male
Ong Kian Boon	Independent Non-Executive Director	25 years in infrastructure finance; renewable advisor.	58 / Male

Risk management at SolarVista

SolarVista maintains an established risk management function, led by an experienced risk manager who is responsible for updating the company's risk register and coordinating regular risk reporting to senior management and the Board.

The following extract from SolarVista's current risk register sets out the main risks facing the company as identified by the risk manager.

No.	Risk title	Risk description
1	Competition	Increasing competition from new solar rooftop companies and large regional developers continues to compress power purchase agreement tariffs and bid margins, threatening SolarVista's growth pipeline.
2	Technology change	Medium to long-term breakthroughs in higher-efficiency photovoltaic cells, large-scale battery energy storage systems or alternative renewable technologies should be expected.
3	Supply chain disruption	SolarVista has significant reliance on two manufacturers based in the People's Republic of China.
4	Reliance on governance of renewable energy policies.	SolarVista's business model depends on a stable government policy environment, whether in Singapore, Malaysia or Indonesia, that includes investment accelerated tax allowances, feed-in tariffs, and grid-access incentives and other renewable energy subsidies or reliefs.

No.	Risk title	Risk description
5	Skilled installation workforce	There is a shortage of certified electricians, riggers and commissioning engineers in Singapore and Johor which shows no sign of improvement.
6	Foreign exchange	Although about 85 percent of power-purchase-agreement revenue is invoiced in Singapore dollars, roughly 10 percent is denominated in Malaysian ringgit and 5 percent in Indonesian rupiah. On the cost side, approximately 70 percent of photovoltaic-module procurement is priced in Chinese renminbi (RMB), most inverters and balance-of-system components are purchased in United States dollars, and on-site labour in Malaysia and Indonesia is paid in local currency.

Email to Audit Committee Chair, David Teo, from SolarVista external auditor regarding improvements to internal-control environment dated 8 March 2026.

Dear David,

During our interim review, we noted that SolarVista's rapid expansion has outpaced some of the company's working-capital and credit-control processes.

In particular, invoicing and cash-application tasks remain largely manual, and customer credit limits are not systematically linked to the treasury team's rolling liquidity forecasts. We believe modest additional investment in internal controls would yield significant benefits.

For example, an automated receivables-ageing dashboard within the ERP system could trigger escalation workflows and real-time credit-limit adjustments, while a 13-week cash-flow forecasting module, rather than an annual forecast, would give management earlier visibility over funding gaps.

Enhanced segregation of duties between sales, credit approval and cash application would further reduce error risk and strengthen governance. In our experience, these steps shorten the cash-conversion cycle and improve covenant headroom without material cost.

Please let us know if you would like a more detailed recommendations paper ahead of year-end planning.

Regards,

Mei Ling

**e-Exam
Question
Number**

Question 1 Required:

2

- (a) Identify and explain the **TWO** strengths and **TWO** weaknesses of SolarVista and **TWO** opportunities for SolarVista in the solar photovoltaic industry.

(6 marks)

3

- (b) Evaluate the (i) frequency (high, medium or low) and (ii) potential impact (high, medium or low) of the **SIX** risks identified by the risk manager.

(12 marks)

4

- (c) Recommend a specific risk-control response for each risk discussed in part (b) and explain how this risk-control response will mitigate against risk exposure.

(6 marks)

(Total: 24 marks)

Question 2 – (a), (b), (c), and (d)

Existing Bank Loan

SolarVista has a fixed 6% loan of S\$200 million which was arranged on 1 April 2023, with a term of 10 years. The loan is repayable in instalments of S\$20 million per annum with the next repayment due on 31 March 2027.

The bank loan agreement includes three restrictive covenants as follows:

- (1) Interest-cover ratio must be greater than 3.
- (2) Book value of (non-current assets ÷ outstanding loan value) must be at least 200%.
- (3) SolarVista gearing ratio will not exceed the industry average of 40%. Debt is defined in the loan agreement as the book value of interest-bearing debt divided by the combined book values of debt and equity.

SolarVista is required to report to the bank on the following:

- (1) Actual restrictive covenants' results at each quarter end.
- (2) Forecast restrictive covenants' results for the following three years on a rolling basis. For example, on 31 March 2026, forecast covenant compliance at 31 March 2027, 2028, and 2029.

SolarVista's Financial Information

The Directors have provided a summary of SolarVista' financial information, as follows:

Statement of Profit and Loss for the year ended 31 March 2026	S\$'m
Revenue	128.5
Raw materials and other consumables	(33.4)
Personnel costs	(18.2)
Depreciation	(27.1)
Property expenses	(17.9)
Other operating expenses	(10.3)
Profit before interest and tax	21.6
Finance costs	(9.6)
Profit before tax	12.0
Tax at 17%	(2.0)
Profit for the year	10.0
Dividends	(2.0)
Retained profit	8.0

Statement of Financial Position for year ended 31 March 2026	S\$'m
Property, fixtures and fittings and equipment	288.9
Non-current assets	288.9
Inventories	11.1
Trade receivables	38.4
Cash and cash equivalents	53.6
Current assets	103.1
Total assets	392.0
Equity	
Share capital	10.0
Retained earning	168.6
Total Equity	178.6
Liabilities	
Trade and other payables	73.4
Loans and borrowings	20.0
Current liabilities	93.4
Non-current loans and borrowings	120.0
Total non-current liabilities	120.0
Total liabilities & equity	392.0

Three-year forecast profit and cashflow for years to 31 March 2027, 2028, and 2029

SolarVista's Board of Directors has requested a forecast profit and cash flow starting from 1 April 2026, at 31 March 2027, 31 March 2028, and 31 March 2029 based on the following information and assumptions provided by SolarVista's Chief Finance Officer (CFO).

Profit and cash-flow forecast assumptions

- Revenue is expected to increase by 10% in 2027 and then increase by 5% in 2028 and 2029.
- Raw materials and other consumables and all other operating expenses are expected to grow at 5% per annum each year for the next three years.
- Annual capital expenditure at the start of the year will be budgeted at S\$25 million per annum for the year ending 31 March 2027 and then S\$35 million per annum each year for the following two years. Depreciation on non-current assets is 10% per annum and is computed on a reducing balance basis. Full-year depreciation is computed for capital expenditure incurred during the year.
- Receivable and payable balances are expected to increase by 15% in 2027 and then increase by 5% in 2028 and 5% in 2029.
- From 1 April 2026, the annual dividend will remain at 20% of profit after tax.
- Assume that accounting depreciation and tax depreciation (capital allowances) for the calculation of corporation tax at 17% are equivalent.

Additional finance options

Additionally, the Board is considering options to raise an extra S\$50 million, which would provide funding to accelerate its 'Expansion for Growth' strategy, including scaling up solar projects, investing in new storage capacity, and strengthening regional market entry.

The following two finance options have been added to the agenda for the next SolarVista' Board meeting, for discussion by the Directors:

(1) Raise capital with a S\$50 million sale and leaseback of SolarVista property assets

SolarVista would sell its Tuas assembly warehouse and co-located head-office building to a listed real-estate investment trust for S\$ 50.0 million (independent valuation: S\$ 42.0 million). Immediately on completion, SolarVista would lease back the properties under a 15-year agreement with 2.0 % annual rent escalation and Year-1 lease payment of S\$ 3.2 million. At the end of lease agreement, SolarVista will not have a guaranteed option to renew the lease agreement with the new owner.

(2) Revolving credit facility

SolarVista's existing bank is willing to offer a five-year S\$ 50.0 million committed revolving green finance credit facility (RCF) at SORA + 2.00 %, with a 0.40 % undrawn commitment fee and a 0.75 % upfront arrangement fee. RCF covenants mirror the existing loan covenants and require the funds to be used only for the purposes of increasing the annual volume of solar panel installations. SolarVista can use and repay as much of the S\$ 50.0 million as required, however, at the end of five year, SolarVista will be required to repay all funds borrowed and outstanding unless the bank agrees to renew the RCF.

**e-Exam
Question
Number**

Question 2 Required:

- 5** (a) Ignoring the additional finance options, prepare an **annual cash-flow forecast** for SolarVista for the year ending 31 March 2027, 2028, and 2029 using the assumptions provided by the directors of SolarVista.

Note to Candidates: Show answers in S\$ millions and to no more than one decimal places.

(11 marks)

- 6** (b) Using the cash flow forecast from part (a), calculate compliance with all three loan covenants for each forecast year and provide an overall analysis to conclude on compliance with existing loan covenants.

(4 marks)

- 7** (c) Discuss the potential consequences and give recommendation for SolarVista in the event of a future breach of existing loan covenant requirements.

(2 marks)

- 8** (d) Evaluate **TWO** advantages **and TWO** disadvantages for each alternative to enhance liquidity:

(i) S\$50 m Revolving credit facility **(4 marks)**

(ii) S\$50 m Sale-and-lease-back agreement **(4 marks)**

(8 marks)

(Total: 25 marks)

Question 3 – (a) to (f)

Approach by potential purchaser

The Board of SolarVista has been informally approached by the CEO of a private equity investment group on the basis of a possible purchase of 100% of the equity of SolarVista.

The Board has requested the following equity valuations for SolarVista as at 31 March 2026.

- (1) A net assets valuation at book value and also at realisable value.
- (2) A free cash flow valuation

For the realisable net asset value, the Directors have estimated the realisable value of each class of asset as follows:

Class of Asset	Realisable value as % of book value
Property, Fixtures and Fittings, Equipment	90%
Inventories	85%
Trade and other receivables	80%

- An external brand consultant engaged by the Board has estimated that the open market value of the “SolarVista” brand is in the region of S\$100 million.

For the free cashflow valuation, the Directors have provided the following information and assumption:

- The free cash flow valuation to be based on the cash-flow forecast for 2027–2029 completed for the purpose of bank covenant compliance but adjusted where necessary.
- For the year 2030 and onwards, a terminal value should be computed assuming 5% growth per annum starting from the free cash flow determined for 2029.
- The beta of a similar Singapore-listed renewable energy company is 2.25. This proxy company is geared 1:2 (debt:equity). The Directors of SolarVista believe

this proxy company provides an appropriate equity beta which can be used to determine a risk-adjusted weighted average cost of capital.

- The current yield on 10-year Singapore government bonds is 4.25% which the directors estimate approximates to the risk-free rate of investment in Singapore.
- The current market return on the Singapore equity market portfolio is 7.5% and the corporate tax rate in Singapore is expected to remain at 17% in the future.
- Cash held by Solar-Vista is wholly required to fund ongoing operations so should not be considered to be surplus for the purpose of the discounted free cashflow valuation.

**e-Exam
Question
Number**

Question 3 Required:

- | | |
|-----------|---|
| 9 | <p>(a) Derive an appropriate discount rate for valuing the enterprise value of SolarVista.</p> <p style="text-align: right;">(6 marks)</p> |
| 10 | <p>(b) Using the discount rate from part (a), estimate SolarVista's equity value following the instructions provided by the directors of SolarVista.</p> <p style="text-align: right;">(8 marks)</p> |
| 11 | <p>(c) Determine an asset value for SolarVista based on (i) book value (ii) realisable value.</p> <p style="text-align: right;">(5 marks)</p> |
| 12 | <p>(d) Compare asset valuation and free cash flow valuation of SolarVista and explain why the valuations differ.</p> <p style="text-align: right;">(2 marks)</p> |
| 13 | <p>(e) Discuss how foreign exchange risk could impact (i) the asset valuation of SolarVista (ii) the discounted cash flow valuation of SolarVista.</p> <p style="text-align: right;">(4 marks)</p> |
| 14 | <p>(f) Discuss TWO factors that might lead a potential bidder for SolarVista to accept a higher price or negotiate a lower price from the free cash flow valuation for SolarVista determined in part (b).</p> <p style="text-align: right;">(2 marks)</p> <p style="text-align: right;">(Total: 27 marks)</p> |

Question 4 – (a), (b) and (c)

Email from Independent Non-Executive Director to SolarVista Chair regarding governance concerns

To: The Board of Solar Vista Energy

From: Professor Alice Chen, Independent Non-Executive Director

Subject: Governance concerns ahead of March 2026 SolarVista Board meeting

Date: 26 February 2026

Ahead of our forthcoming Board meeting scheduled for early March, I would like to highlight the following risk-governance matters that I believe require Board attention so the executive team can prepare supporting material in advance.

- (1) SolarVista still lacks a formal risk-appetite statement or quantified risk-capacity limits, despite this being raised previously. As a result, management and the Board have no clear boundaries on acceptable levels of financial, operational or market exposure.
- (2) Quarterly risk reports are frequently curtailed when Board meetings overrun, meaning emerging risks do not always receive timely review or discussion, and Board oversight can become inconsistent.
- (3) Risk oversight is currently concentrated within the Audit Committee, which meets only twice a year and focuses mainly on financial reporting. SolarVista has no dedicated Board-level Risk Committee to provide ongoing, forward-looking scrutiny of strategic and operational risks.
- (4) The internal audit function is provided by a boutique firm owned by the CEO's brother-in-law, giving rise to concerns about auditor independence and the potential for real or perceived conflicts of interest.
- (5) Risk register records individual risks but does not model combined downside scenarios, limiting the Board's ability to assess aggregate exposure or understand how multiple events could interact under stressed conditions.
- (6) For major initiatives such as Project Helios, SolarVista lacks a documented policy on minimum risk-adjusted hurdle rates by market or technology, increasing the likelihood that higher-risk projects may proceed without appropriately calibrated return expectations.

I recommend that we allocate time during the March board meeting to examine these observations and agree on concrete next steps.

Alice

Email from SolarVista Strategy Director to SolarVista CEO regarding governance concerns

To: Tan Wei Ming (CEO)

From: Goh Jun Liang, SolarVista Strategy Director

Subject: Governance of SolarVista's sustainability performance matters

Date: 5 March 2026

Dear Mr Tan,

Whilst SolarVista is highly rated for its solar solutions, we are lagging behind with governance of our sustainability matters. Below are related matters which are either impacting now or will do so in the short term. We need to consider a more formal way to manage this area, so we are not lagging behind our competitors and disappointing our key stakeholders.

Sustainability matters

Greenhouse-gas accounting is compiled almost entirely by external consultants, leaving the SolarVista Board with limited comfort regarding data integrity or underlying assumptions how emissions data is compiled and measured.

Polysilicon is a key raw material in most photovoltaic panels, and recent media scrutiny of polysilicon sourced from Xinjiang has raised concerns about the potential use of forced labour and inadequate supply-chain transparency in parts of the global solar manufacturing industry.

In addition, SolarVista must be prepared for Singapore's new climate-related disclosure framework, which will apply first to listed issuers and then be phased in for large non-listed companies. Although the standards are not yet in force for us, investors will still expect demonstrable climate-risk competence at Board level. At present, only one director has formal training in this area, and the Board does not yet fully understand the implications of these upcoming disclosure requirements.

Goh Jun Liang

**e-Exam
Question
Number**

Question 4 Required:

15

- (a) In response to each of the **SIX** concerns raised by Professor Alice Chen in her email to the SolarVista Board dated 26 February 2026, explain the potential consequences if the Board fails to take action and recommend **how** SolarVista can improve governance in response to the concern raised.

(12 marks)

16

- (b) Although SolarVista is not obliged to follow the Singapore Code of Corporate Governance as it is a private company, identify and explain **FOUR** governance practices from recognised codes such as the Singapore Code of Corporate Governance which SolarVista could adopt voluntarily, which are not covered in part (a).

Note to Candidates: For each suggested governance practice, briefly state how it would benefit SolarVista.

(6 marks)

17

- (c) Advise the Board on **THREE** improvements to the governance of sustainability performance at SolarVista in response to the matter raised by Goh Jun Liang in his email to the SolarVista's CEO on 5 March 2026.

Note to Candidates: As part of your answer, explain the potential benefit of each suggested improvement to governance at SolarVista.

(6 marks)

(Total: 24 marks)

END OF PAPER