



SBI Offshore Limited

(Incorporated in the Republic of Singapore on 1 October 1994)
(Company Registration Number: 199407121D)

DISPOSAL OF AN INDIRECT WHOLLY-OWNED SUBSIDIARY IN SOUTH AFRICA

1 INTRODUCTION

The Board of Directors (the "**Board**") of SBI Offshore Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Solar Energy Investments Pte. Ltd. ("**SEI**") has entered into an agreement dated 13 October 2017 (the "**SPA**"), with Mr. Chong Seng Huat (the "**Purchaser**") to sell its entire shareholdings, comprising of 100 ordinary shares, in Solar Africa Investments (Pty) Ltd ("**SAI**") (the "**Disposal**"). The Purchaser was the country manager for South Africa of the Group, and has resigned from the Group pursuant to the Disposal. The Purchaser is not related to any Director or controlling shareholder of the Company.

2 PRINCIPAL BUSINESS OF SAI

The principal business of SAI are those of developing, owning, operating & maintaining solar photovoltaic energy systems and plants in South Africa.

3 RATIONALE OF DISPOSAL

SAI and its subsidiary, Solar Africa Tirhani (Pty) Ltd ("**SAT**"), of which SAI holds a 70% interest in, had ceased business activities in South Africa (the "**Cessation**"). Prior to cessation, SAI was sourcing for projects in South Africa and SAT was set up with the intention of undertaking a solar power project in Hopetown, South Africa. Please refer to the Company announcement on 21 November 2016 for further information on SAT. After carrying out feasibility study on numerous projects, the Company was unable to identify a viable project which could comply with the Company's investment guidelines, resulting in the cessation. As a result of the cessation, SAI and SAT had become dormant companies. Accordingly, the Disposal represents an opportunity for the Group to avoid the cost of winding up SAI and SAT.

4 NET ASSET VALUE AND LOSS ATTRIBUTABLE TO DISPOSAL

Based on the unaudited consolidated financial statement of the Group for the half year period ended 30 June 2017 ("**1H2017**"), the net asset value of and loss attributable to SAI were approximately US\$56,000 and US\$184,000, respectively.

5 CONSIDERATION AND MATERIAL TERMS

The Disposal is for a nominal consideration of US\$1.00 paid in cash from the Purchaser to SEI. The nominal consideration was arrived at having considered that SAI and SAT have minimal assets and are both dormant. Further, the Group will incur more losses and operating expenses in winding up SAI and SAT. The Disposal is also carried out on a "as is, where is" basis without any warranties whether express or implied. As required by the Purchaser, SAI shall be sold without any liabilities owed to the Group. As such, the Company further waives the outstanding amount of US\$141,802.59 owed by SAI to the Company, and SEI also waives the outstanding amount of US\$567,260.15 owed by SAI to SEI ("**Waivers**").

6 LOSS INCURRED IN THE DISPOSAL AND NO SALE PROCEEDS

In view of the Waivers, after netting off the loss on disposal from the net asset position of SAI, the loss resulting from the Disposal is estimated at US\$56,000.

Since the consideration for the Disposal is nominal, there is no real proceed of sale.

7 SAI CEASED TO BE AN INDIRECT SUBSIDIARY OF THE COMPANY

Pursuant to the Disposal, SAI is no longer an indirect subsidiary of the Company.

8 RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

8.1 The relative figures of the Disposal using the applicable bases set out in Rule 1006 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") based on the latest announced unaudited consolidated financial statements of the Group for 1H2017 are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Disposal of US\$56,000, compared with the Group's net asset value of US\$20,340,000 for the financial period ended 30 June 2017.	0.3%
(b)	Net profit/loss ⁽¹⁾ attributable to the Disposal compared with the Group's net loss ⁽²⁾ .	Not meaningful ⁽²⁾
(c)	Aggregate value of the Consideration of US\$1.00, compared with the Company's market capitalisation ⁽³⁾ of S\$23,719,610 based on the total number of issued shares excluding treasury shares.	0.0% ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) Means profit or loss before income tax, minority interests and extraordinary items.

(2) Loss before attributable to SAI was US\$184,000 and the total loss attributable to the Group's loss before tax was US\$879,000 for the period ended 30 June 2017. The ratio for the net loss attributable to the Disposal to the Group's net loss is 20.9%.

(3) The Company's market capitalization of approximately S\$23,719,610 is determined by multiplying the issued share capital of the Company of 249,680,100 ordinary shares with the volume weighted average price of such shares transacted on 13 October 2017 of S\$0.095 per share.

(4) Negligible.

8.2 The relative figures under Rules 1006(a) of the Catalist Rules amount to 5% or less.

However, given that the relative figure computed under Rule 1006(b) is a negative figure, pursuant to Catalist Rule 1007(1), the Company will, through the Sponsor, consult the SGX-ST on the application of Chapter 10 of the Catalist Rules for the Disposal and the requirements, if applicable for an extraordinary general meeting.

9 FINANCIAL EFFECTS

The financial effects of the Disposal on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Disposal.

9.1 The financial effects set out below are based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2016 ("FY2016"), on the following key assumptions:

- (a) the effect on the earnings per share ("EPS") of the Group is based on the assumption that the Disposal had been effected at the beginning of FY2016; and
- (b) the effect on the net tangible assets ("NTA") per share of the Group is based on the assumption that the Disposal had been effected at the end of FY2016.

9.2 EPS

	Before the Transaction	After the Transaction
Net Loss (US\$'000)	(4,586)	(4,201)
Weighted average number of shares ('000)	249,680	249,680
EPS (US cents)	(1.84)	(1.68)

9.3 NTA PER SHARE

	Before the Transaction	After the Transaction
NTA (US\$'000)	20,290	20,248
Number of issued shares ('000)	249,680	249,680
NTA per Share (US cents)	8.13	8.11

9.4 The Disposal is not expected to have any material impact on the consolidated NTA and EPS of the Group for the financial year ending 31 December 2017.

10 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date hereof, none of the Directors has any interest, direct or indirect, in the Disposal, other than that arising from their respective shareholdings in the Company, if any.

To the best of the Directors' knowledge, none of the controlling shareholder of the Company and his associates has any interest, direct or indirect, in the Disposal, other than that arising from their respective shareholdings in the Company.

11 DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection by Shareholders during normal business hours from 9.00a.m. to 5.00 p.m. at the registered office of the Company at 20 Pioneer Crescent, #09-01 West Park BizCentral, Singapore 628555 for a period of three (3) months commencing from the date of this announcement.

12 DIRECTORS' RESPONSIBILITY STATEMENT

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

13 CAUTION IN TRADING

Shareholders and potential investors should exercise caution when trading in the SBI Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board

**Mirzan Bin Mahathir
Executive Chairman**

13 October 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

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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