



SBI Offshore Limited

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

**CLARIFICATION ON BUSINESS TIMES ARTICLE DATED 31 AUGUST 2017 ENTITLED
“SBI OFFSHORE HAS YET TO DEAL WITH THE ELEPHANT IN THE BOARDROOM”
 (“BT ARTICLE”)**

The Board of Directors of SBI Offshore Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the BT Article and wishes to clarify the following:-

(1) Update on the final report by UniLegal LLC (“**UniLegal**”)

The BT Article stated that the final report was still “being put in place” by UniLegal and it has been over six months since and there has nary been an update on the matter.

The Board wishes to inform the shareholders of the Company (“**Shareholders**”) that this was due, *inter alia*, to the time has been taken to establish the facts, recent requisition for replies from various parties concerned (which included executive officers of the Company who had involvement in the matters under review) as well as developments in other on-going cases containing details pertinent to the report. The processes involved include the need to obtain and verify information, confirmation and comments from various parties involved in the transactions. UniLegal had issued, as an interim report, the Fourth Report as was announced on 10 March 2017. Certain material responses have only been obtained only in July 2017, and certain verifications required in the second half of August 2017. Such responses are subject to review and further confirmations were needed from the respective parties. The final report by UniLegal has been circulated to the Board and relevant parties for comments and it is expected to be finalised shortly. The pertinent outcomes of the final report by UniLegal will be announced and appropriate information made available to the Shareholders.

(2) Cessation of Mr John Chan as the Chief Executive Officer (“**CEO**”) of the Company

The BT Article stated that the public disclosure relating to cessation of Mr John Chan as CEO of the Company was five days late given that the cessation of the CEO’s contract was effective on 16 August 2017. In addition, the BT Article highlighted that the said cessation appears even more unusual, if one assumes, as per typical practice, that the CEO would have been given a three months’ notice in the event of non-renewal of contract.

The Board wishes to clarify that the Company has issued a non-renewal notice to Mr John Chan on 16 August 2017. The Board, at the advice of its legal advisor, have been informed that as it is a non-renewal of a service contract



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and subject to the terms of the letter. Thus provisions for a three months' notice as stated in the BT Article may not be applicable.

The announcement on cessation of Mr John Chan as CEO requires verification of the statements therein and the Company had not been able to finalise the said announcement in view of, *inter alia*, the ongoing discussions on the terms of the service agreement and the provisions therein, between the legal advisors representing the Company and Mr John Chan. Notwithstanding the on-going discussions, the Board had decided to make the relevant announcement on 21 August 2017 on the premise that further announcement will be made, in the event that there is any material development or information arising from, *inter alia*, the outcome of the discussions as well as the exit interview to be conducted by the Company's Sponsor.

Subsequently, as announced on 4 September 2017, Mr John Chan has resigned as the Executive Director of the Company and he has made himself available for an interview. The details on the resignation of Mr John Chan's resignation as the CEO and Executive Director pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist ("**Catalist Rules**") had been announced on 4 September 2017.

- (3) Cessation of Mr Ahmad Subri Bin Abdullah ("**Mr Subri**") as the Independent Non-Executive Director of the Company

As stated in the announcement dated 16 August 2017, the reason for cessation of Mr Subri as the Independent Non-Executive Director of the Company was due to competing time commitment. The Board confirmed that they are not aware of any other reasons for the cessation of Mr Subri as the Independent Non-Executive Director of the Company other than those stated in the announcement dated 16 August 2017.

- (4) The Group's financial performance

The Board is fully aware of the Group's financial performance and a review of the Group's operations, performance and strategy has been conducted and is ongoing. This has resulted in the cessation of Mr. Chan as the CEO on 16 August 2017. Mr, Chan has since resigned as an executive Director on 31 August 2017. The Board have been reviewing possible acquisitions, investments as well review its strategy for solar businesses. As the landscape for solar businesses has changed, some of the transactions reviewed had not resulted in acquisitions or investments due either to strategic fit, risk involved or returns accorded. Notwithstanding further updates will be made where applicable.



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Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, tax or other advisors.

By Order of the Board

Mirzan Bin Mahathir
Executive Chairman

4 September 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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