



SBI Offshore Limited

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

**UPDATE ON THE NPT TRANSACTIONS - APPOINTMENT OF UNILEGAL LLC AS THE
LEGAL ADVISOR**

*Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the SGXNet announcements dated 10 September 2016 and 15 September 2016 entitled "Update on the NPT Transactions" and "Lodgement of Report with Commercial Affairs Department in relation to PwC report on the findings to date on the NPT Transactions" respectively (collectively, the "**Announcements**") and the letter to shareholders dated 1 September 2016 and the supplemental letter to shareholders dated 10 September 2016 (collectively, the "**Letters to Shareholders**").*

1. INTRODUCTION

The board of directors (the "**Board**") of SBI Offshore Limited (the "**Company**") refers to the Announcements and the Letters to Shareholders and wishes to update that the Company has on 8 November 2016 appointed UniLegal LLC ("**UniLegal**") as its legal advisor to perform review of the PwC findings on the NPT Transactions and the facts and circumstances surrounding Mr Lau Yoke Mun ("**Mr Lau**")'s conduct as a service provider ("**Review**").

2. INFORMATION ON UNILEGAL

UniLegal is a law firm based in Singapore, which was founded in 2002 through merger of three (3) reputable law firms. It comprises 9 Directors and 13 fee earners which includes 2 Consultants. The Directors and Consultants have been in practice between 34 years and 19 years. Its areas of practice include corporate finance, corporate advisory, commercial laws, insolvency and accounting related litigation involving forensics, Arbitration and Alternate Dispute Resolution, banking and finance, building construction, civil, commercial and corporate litigation, employment and labour, estate planning, insurance (marine and non-marine), intellectual property, probate, product liability, professional negligence, and trusts.

UniLegal's clients include corporations and businesses of all sizes in all stages of growth to established publicly traded corporations with international operations.

The partners-in-charge are Mr Yoong Nim Chor and Mr Nazim Khan.

Mr Yoong Nim Chor practises law in Singapore and in Malaysia, having practised for over 34 years in Singapore in the areas of corporate, corporate finance, commercial laws, financing and elements of dispute management and resolution both in and out of Court. He has extensively advised listed and non-listed companies in Singapore and elsewhere on, and has acted in legal proceedings in respect of, issues arising from their businesses, listing status,

meetings and procedural matters, and the duties as well as breaches of duties of officers of companies.

Mr Nazim Khan is a litigator of over 24 years' standing who undertakes mainly complex commercial and financial disputes in the Singapore Courts and in Commercial Arbitration.

Having reviewed and deliberated the track record and relevant experience of UniLegal and the lawyers having responsibility of these matters, the Board and the Special Investigation Committee are of the opinion that the appointment of UniLegal as the legal advisor of the Company in connection with the Review is appropriate. The Board has ascertained and UniLegal has confirmed that UniLegal and the lawyers having such responsibility have no actual or perceived conflict which would affect their ability to carry out the review.

3. SCOPE OF REVIEW TO BE UNDERTAKEN BY UNILEGAL

The scope of review to be undertaken by UniLegal shall cover, *inter alia*, the following:-

(A) To review PwC's NPT Findings

- a) To uncover the reasons behind the existence of the 2 sets of agreements (being the Undated Acquisition ETA and Dated Acquisition ETA) for the acquisition of 35% equity interest in NPT and 2 sets of agreements (being the First Disposal ETA and the Second Disposal ETA) for the disposal of 35% equity interest in NPT;
- b) To uncover the reasons behind lodging a particular set of agreements with the People's Republic of China ("**PRC**") tax authority and to establish who lodged the respective agreements with the PRC tax authority;
- c) To ascertain the set of agreements that is legally binding and which set of documents should be recognised by the Company;
- d) To ascertain the amount paid by the Company in 2008 or 2009 for the acquisition of 35% equity interest in NPT from the bank statements of the Company and the approving parties within the Company for such payment made;
- e) To ascertain the party liable under the PRC laws for the correct payment of withholding tax or any other liabilities for the acquisition and the disposal of NPT;
- f) To ascertain the amount of (contingent) liabilities that may arise or have arisen as a result of the existence of these 2 sets of agreements and the lodgement of 1 particular set with the PRC tax authority; and
- g) To ascertain the circumstances surrounding the preparation of the offer document dated 4 November 2009 in light of the discovery of these 2 sets of agreements now and if there are any breaches of the Securities and Futures Act (Cap 289 of Singapore) and/or the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

(B) To review the facts and circumstances surrounding Mr. Lau's conduct as a service provider and make an assessment on his suitability to be appointed as a director of the Company.

- a) To ascertain whether Mr Lau had indeed misplaced the bank tokens or lied to the Board that he had misplaced the bank tokens;
- b) To ascertain if the list of expenses submitted by Mr Lau (together with supporting documents) on expenses incurred by Solar Africa Investments Pty Ltd ("SAI") during his appointment as a service provider is complete;
- c) To ascertain if Mr Lau has failed to provide a proper accounting reconciliation for his cash advance of USD10,000;
- d) To provide an independent opinion on whether it is reasonably sufficient for the Group's chief financial officer to rely on Mr Lau's submission to prepare the balance sheet and profit & loss statement of SAI for consolidation with the Group accounts in light of the scale of SAI's operations then (and if not, how the Group's interim financial statements for the six months period ended 30 June 2016, which was announced on 13 August 2016, were prepared);
- e) To ascertain if Mr Lau had removed the files and SAI's petty cash of ZAR10,000 (S\$995);
- f) To establish clearly if Mr Lau had committed a legal offence or other regulations;
- g) To ascertain if there are any losses of assets to the Company arising from Mr Lau's conduct as a service provider. If so, to determine the quantum of loss.

UniLegal, with concurrence of the Special Investigation Committee, shall also review such other material matters which may arise or be discovered during the review process.

4. EXPECTED TIMELINE AND FURTHER UPDATE TO SHAREHOLDERS

UniLegal shall commence its review process immediately following the appointment. The timeline for such a review cannot be ascertained as of now. The review process involves the uncovering of facts and circumstances that include answers from various parties including past directors, establishing facts, circumstances and validity of documents and actions in the People's Republic of China and taking into account the results and findings of the CAD as they arise. Upon completion of the Review by UniLegal, the Company shall announce the findings and/or the outcome of the Review promptly and on timely manner; and the Special Investigation Committee will provide its views on the findings and/or the outcome of the Review.

The Special Investigation Committee will make the requisite announcement(s) as and when there are material developments arising from the Review and will provide regular updates on a half-year basis together with the Company's financial results announcement on progress of the Review until such time there is clarity on the outcome of the Review.

5. RECONVENING OF EXTRAORDINARY GENERAL MEETING

As announced on 16 September 2016, the Extraordinary General Meeting of the Company (as called on 8 August 2016 and further referred to in the Letters to Shareholders) (the "EGM") was adjourned sine die in accordance with the Constitution (Articles of Association) of the Company at the proposal of Shareholders, and on the vote of a majority of Shareholders. The Company undertakes that unless there have been material updates known to the Company on the status of the CAD investigation, the EGM will be reconvened on a reasonable date after

the conclusion or completion of the Review. The Company shall despatch a circular to Shareholders containing, *inter alia*, assessment by the Board, the Special Investigation Committee, and the continuing sponsor of the Company of the findings of the Review and re-assessment of suitability of the proposed directors taking into consideration the findings of the Review.

By Order of the Board

Amy Soh Wai Ling
Chief Financial Officer

21 November 2016

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.

*The contact person for the Sponsor is Mr. Liau H. K.
Telephone number: 6221 0271*