



SBI Offshore Limited

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

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- (I) **MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH FOR THE MONTH OF AUGUST 2018; AND**
 - (II) **QUARTERLY UPDATE OF BUSINESS PLANS AND DEVELOPMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**
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BACKGROUND

The board of directors (the “**Board**” or “**Directors**”) of SBI Offshore Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements in relation to its unaudited results for the financial year ended 31 December 2017 (“**FY2017**”) and half year ended 30 June 2018 (“**HY2018**”), which were released on 1 March 2018 and 7 August 2018, respectively (the “**Results Announcements**”).

As set out in the Results Announcements, the Company reported that (i) the Group’s revenue declined by 65.2% from US\$1,289,000 in the financial year ended 31 December 2016 to US\$448,000 in FY2017, due mainly to existing contracts nearing completion date and there were no new contracts secured by the Group; and (ii) no revenue was generated by the Group in HY2018 as there were no new contracts secured. Further to the above, the Group’s cash and cash equivalents accounted for 97.8% of the Group’s total assets, based on the unaudited financial statements of the Group as at 30 June 2018. The Company wishes to inform shareholders of the Company (“**Shareholders**”) that, based on the unaudited financial statements of the Group for the third quarter ended 30 September 2018 (“**3Q2018**”), notwithstanding that the Group had received new orders in the oil and gas (“**O&G**”) sector, the revenue recognised by the Group was only of a nominal value.

Accordingly, with reference to Rule 1017 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the Company may be deemed as a cash company by the SGX-ST and trading in the securities of the Company may be suspended as the assets of the Company consist wholly or substantially of cash.

The SGX-ST had, on 19 July 2018, informed the Company that it should demonstrate to the SGX-ST that it has a viable business to maintain its listing status by 28 February 2019 (“**Deadline**”). This could be in the form of securing contracts on a sustainable basis in the current business, and/or introduction of a new viable business. The Board and the sponsor of the Company must be satisfied that the business of the Group is able to generate recurring revenue and operational cash flow. If the Company is unable to demonstrate that it has a viable business by 28 February 2019, the SGX-ST reserves the right to deem it as a cash company under Rule 1017 of the Catalist Rules.

In addition to the above, on 19 July 2018 and 28 September 2018, the SGX-ST issued directives to the Company to provide (i) monthly valuation of assets and utilisation of cash commencing from the month of August 2018; and (ii) quarterly update of business plans and developments commencing from the quarter ended 30 September 2018 (the “**SGX Directives**”).

Pursuant to the SGX Directives, the Board wishes to provide Shareholders an update on the following:-

(I) MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH FOR THE MONTH OF AUGUST 2018

(a) The Group's assets and liabilities as at 31 August 2018⁽¹⁾ were as follows:-

	US\$'000
<u>Assets</u>	
Cash and cash equivalents	16,307
Trade and other receivables	377
Plant and equipment	1
Intangible assets	8
 Total assets	 16,693
 Less:-	
<u>Liabilities</u>	
Trade and other payables	682
Deferred tax liabilities	4
 Total liabilities	 686
 Net Assets	 16,007

(b) The Company's utilisation of cash in the month of August 2018⁽¹⁾ was as follows:-

	US\$'000
Opening cash and cash equivalents	16,396
<u>Receipts:-</u>	
- Interest received	11
- Other receivables	1
 <u>Payments:-</u>	
- Trade payables	(4)
- Staff costs and related expenses	(57)
- Professional fees (including, <i>inter alia</i> , tax, secretarial, etc)	(1)
- Other professional fees	(1)
- Rental expenses	(6)
- Other expenses	(11)
	16,328
Effect of foreign exchange rate changes on cash and cash equivalents ⁽²⁾	(21)
Closing cash and cash equivalents	16,307

Notes:-

(1) The figures above have not been reviewed or audited by the Company's auditors.

(2) The foreign exchange difference arose mainly from translation of balances or transactions denominated in Singapore Dollar and Chinese Renminbi.

(II) QUARTERLY UPDATE OF BUSINESS PLANS AND DEVELOPMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

The Group had received new orders in the O&G sector and had recognised revenue (albeit at nominal value) for 3Q2018. The Directors are of the view that the new requests for quotations and orders are encouraging notwithstanding competitive pressures within the offshore and marine (“O&M”) industry. Taking into account recent increase in oil prices, the Group remains alert to positive developments in the O&G sector, and is monitoring developments in spending by oil majors and companies across the entire O&G value chain to take appropriate steps to position the Group for the industry recovery. The Group will continue to assess and monitor developments in the O&M and solar energy businesses.

Concurrently, with a sound balance sheet, while the Group has been exploring strategic business and investment opportunities in other industries with a view to enhancing shareholders’ value, the Group has been actively working on potential business opportunities and partners in the O&G sector within the region. In 3Q2018, the Company had identified several potential deals and the Company is currently evaluating potential deals which are in the O&G sector (which encompasses the O&M industry) with an eye on negotiating terms which are beneficial to the Group and its shareholders. No definitive agreements have been agreed or entered into by the Group as of the date of this announcement. The Company will, in compliance with the disclosure obligations under the Catalist Rules, make appropriate announcements in the event that there are any material developments.

The Board notes the Deadline issued by the SGX-ST, and endeavours to work towards demonstrating to the SGX-ST that it has a viable business to maintain its listing status by 28 February 2019.

Save as disclosed in the Company’s previous announcements, there are no other material developments that may have a significant impact on the financial position of the Group or any other updates on its future direction. The Company will disclose any material updates or further information as and when there are any subsequent developments.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

By Order of the Board

**Mirzan Bin Mahathir
Executive Non-Independent Chairman**

30 September 2018

This announcement has been prepared by SBI Offshore Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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 Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.