



SBI Offshore Limited

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

EXECUTION OF SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO PROPOSED ACQUISITION

1. INTRODUCTION

1.1 The board of directors (the “**Board**”) of SBI Offshore Limited (the “**Company**” or the “**Purchaser**”) refers to the following announcements of the Company:

- (i) dated 30 May 2019 (“**Announcement**”) and 4 June 2019 in relation to the Company’s proposed acquisition of the entire issued and paid-up share capital of (i) Berlitz Offshore Limited, (ii) Berlitz Marine Pte. Ltd. (iii) Berlitz Continental Pte. Ltd., (iv) Berlitz Services Pte. Ltd., (v) Bes Sincere Pte. Ltd., (vi) Bes Savvy Pte. Ltd., (vii) Bes Solar Pte. Ltd., (viii) Bes Sparkle Pte. Ltd., (ix) Bes Regent Pte. Ltd., (x) Bes Power Pte. Ltd., (xi) Bes Trust Pte. Ltd., and (xii) Blue Ocean Services K Co Ltd. (“**Proposed Acquisition**”); and
- (ii) dated 20 February 2020, in relation to the execution of a supplemental agreement to the SPA (“**Supplemental Agreement**”) by the Company and the Vendor to extend the long stop date for the fulfilment and waiver of the conditions precedent relating to the Proposed Acquisition.

1.2 All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Announcement.

2. SECOND SUPPLEMENTAL AGREEMENT

2.1 The Board wishes to announce that the Company and the Vendor had, on 11 May 2020, entered into a second supplemental agreement to the SPA dated 30 May 2019 (as supplemented by the Supplemental Agreement dated 20 February 2020) (“**Second Supplemental Agreement**”), to modify, amend and vary certain terms of the SPA in the manner as set out in the Second Supplemental Agreement, as set out in paragraph 2.2 to paragraph 2.6 below. Save as amended by the Supplemental Agreement and the Second Supplemental Agreement, all other terms and conditions of the SPA remain in full force and effect. A summary of the modifications, amendments and variations to the SPA made pursuant to the Second Supplemental Agreement are set out below.

2.2 Amendment of the Share Consolidation ratio

Under the Catalist Rules, the resulting Issue Price must not, *inter alia*, be lower than the prescribed minimum price of S\$0.20. As the Issue Price is subject to certain adjustments prior to Completion (which are set out in the Announcement), the previous Share Consolidation ratio of two (2) existing shares of the Company into one (1) Consolidated Share has been increased to two and one half (2.5) existing shares into one (1) Consolidated Share. This allows for sufficient buffer so that price adjustments will not result in an Issue Price lower than the minimum price required under the Catalist Rules.

Accordingly, the definition of “Share Consolidation” in the SPA was amended as follows:

*“**Share Consolidation**” means the proposed consolidation of every two and a half (2.5) shares ~~two (2) shares~~ in the Purchaser into one (1) consolidated share on the Share Consolidation Books Closure Date, fractional entitlements to be disregarded, or such other consolidation ratio as the Purchaser and the Vendor may agree to, subject to compliance with the Catalist Rules and approval of the shareholders of the Purchaser;”*

2.3 Extension of the Earn-Out Payment

In accordance with the extension of the Long Stop Date under the Supplemental Agreement, all references to “**FY2020**” and “**FY2021**” in the SPA clauses relating to the determination of and the timeline for the Earn-Out Payment, as set out in paragraph 4.4 of the Announcement, have accordingly been deleted and replaced with “**FY2021**” and “**FY2022**” respectively.

2.4 Timing for determination of the Net Cash Amount

As the SPA clause states that the Net Cash Amount is to be determined one (1) week prior to the date of Completion, the Parties had, after consulting the financial adviser in respect of the Proposed Acquisition, agreed to provide for flexibility in the timing for determination of the Net Cash Amount. This flexibility is required in the event that any logistical issues or unforeseen circumstances result in delays shortly before Completion.

As such, the definition of “Net Cash Amount” in the SPA was amended as follows:

*“**Net Cash Amount**” means the cash and cash equivalents of the Purchaser one (1) week prior to the Completion Date or such other date prior to the Completion Date as may be agreed between the Parties in writing, such sum being inclusive of (i) all receivables and deposits, which shall not exceed US\$200,000 in aggregate; and (ii) the portion of the RTO Costs (as defined in Clause 14 below) to be borne by the Purchaser whether paid or payable, less all Liabilities of the Purchaser and excluding any proceeds received by the Purchaser from (i) the exercise of any warrants or options (if any) and (ii) the compliance placement to be undertaken in conjunction with the Acquisition (if any);”*

2.5 Service Agreements

The Parties had agreed, after having regard to the commercial context of the Proposed Acquisition, to vary the condition precedent for service agreements to be entered (as referred to in paragraph 4.7 (vi) of the Announcement) to be only in respect of the Vendor.

The corresponding condition precedent in the SPA (which was referred to in paragraph 4.7 (vi) of the Announcement) was amended as follows:

“the entry into of a service agreement between the Purchaser and ~~each of the Vendor and Perlin Chan Aik Ju, respectively~~, on terms mutually agreeable to the respective Parties;”

2.6 Clarification of references in the SPA

The following clarifications have been made to reflect the effects of the Share Consolidation on the quantity of shares and the Issue Price:

- (a) The following definitions were inserted in the SPA:

*“**Consolidated Shares**” means the Shares of the Purchaser after the completion of the Share Consolidation;*

*“**Pre-Consolidation Issue Price**” has the meaning ascribed to it in Clause 3.3, subject to the adjustments in accordance with the provisions of this Agreement and pursuant to the Share Consolidation;*

*“**Post-Consolidation Issue Price**” has the meaning ascribed to it in Clause 3.11A, and subject to the adjustments in accordance with the provisions of this Agreement;”*

- (b) The definition of "Issue Price" in the SPA was amended as follows:

"Issue Price" means the Pre-Consolidation Issue Price or the Post-Consolidation Issue Price, as the case may be has the meaning ascribed to it in Clause 3.3, as subsequently adjusted in accordance with the provisions of Clause 3.5 or pursuant to any Share Consolidation;

- (c) The clause in the SPA (referred to in paragraph 4.1(b) of the Announcement) was amended as follows:

*"Subject to Clauses 3.5 and 3.6 below, the Consideration shall be satisfied in full by the allotment and issue of such number of new shares in the capital of the Purchaser (the **"Consideration Shares"**) at an pre-consolidation issue price of S\$0.10 per Consideration Share on a pre-Share Consolidation basis (the **"Pre-Consolidation Issue Price"**), converted into US\$ based on the Agreed Exchange Rate, by the Purchaser to the Vendor (or such other persons directed by the Vendor in accordance with Clause 3.4 below) credited as fully paid. Based on the Pre-Consolidation Issue Price of S\$0.10, the number of Consideration Shares to be issued by the Purchaser shall be 487,800,000 new Shares. For the avoidance of doubt, the final number of Consideration Shares to be issued shall be determined based on the Post-Consolidation final Issue Price and the Consideration, both of which shall be subject to the adjustment conditions in accordance with Clauses 3.5 and 3.6 below."*

- (d) The clause in the SPA (referred to in paragraph 4.2(b) of the Announcement) be amended as follows:

"Subject always to Clause 4.1(b) below, in the event the Net Cash Amount is less than S\$20,000,000, the Issue Price be adjusted in accordance with the following formula:

Issue Price ~~S\$0.10~~ – [(20,000,000 - Y) / 20,000,000 x Issue Price ~~S\$0.10~~],

where Y represents the Net Cash Amount.

For the avoidance of doubt, the Issue Price shall only be adjusted in the event that the Net Cash Amount is less than S\$20,000,000. In the event that the Net Cash Amount is S\$20,000,000 or above, there shall be no adjustments to the Issue Price pursuant to this Clause 3.5."

- (e) A new clause was inserted in the SPA as follows:

*"Upon the execution of the Share Consolidation, to be carried out and take effect on or before Completion, (i) all references in the Second Supplemental Agreement to the Issue Price shall accordingly mean the **"Post-Consolidation Issue Price"** of S\$0.25 per Consolidated Share, (ii) all references in the Second Supplemental Agreement to new Shares to be issued (including without limitation, the Consideration Shares, the Additional Consideration Shares and the Compensation Shares) shall accordingly be varied to mean the new Consolidated Shares to be issued, and the number of Consolidated Shares to be issued shall be adjusted in accordance with the consolidation ratio of two and a half (2.5) Shares per one (1) Consolidated Share, and (iii) all terms, conditions and provisions contained therein shall remain in full force and effect."*

3. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA, the Supplemental Agreement and the Second Supplemental Agreement will be made available for inspection at the registered address of the Company at 70 Ubi Crescent #01-11 Ubi Techpark Singapore 408570, during normal business hours for a period of three (3) months commencing from the date of this announcement.

4. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the Shares of the Company, as the Proposed Acquisition is subject to numerous conditions and due diligence by the Company. In the event of any doubt as to the action they should take, Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors.

By Order of the Board

Mirzan Bin Mahathir
Executive Non-Independent Chairman

11 May 2020

*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**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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.