



SBI Offshore Limited

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

RESPONSE TO SGX QUERIES

The board of directors (the “**Board**”) of SBI Offshore Limited (the “**Company**”) wishes to inform that the Singapore Exchange Securities Trading Limited (“**SGX**”, “**SGX-ST**” or “**Exchange**”) had raised a query (as set out below) in relation to the Company’s announcement of the minutes of the Company’s annual general meeting held on 29 June 2020 (“**AGM Minutes**”) (the “**Announcement**”), and the Company wishes to provide its responses herein.

Unless otherwise defined, all capitalised terms used herein shall have the same meanings ascribed to them in the Announcement.

SGX Query:

The following statements are stated in the AGM Minutes:

*“Shareholders should note that if the Company is delisted, Shareholders will continue to hold shares in the Company, but it would be an unlisted company which is generally valued at discount to the shares of comparable listed companies due to the lack of marketability. Besides, the Company will cease to be governed by the listing requirements of the SGX-ST and the Company need not comply with the corporate governance policy of the SGX-ST. Escrow amounts will no longer be required to be held in escrow pursuant to the Catalist Rules” (“**Paragraph 1**”).*

*“The Chairman further informed there is no certainty that there will be an exit offer, or if there should be one, that it will be done within the 6-month period (if at all) whilst the Catalist Rules require that an exit offer be made upon the delisting. Alternatively, in the event if the Company is delisted, the Company may explore distributing its remaining funds to Shareholders by way of a members’ voluntary liquidation or a capital reduction exercise. However, there can be no assurance that such a cash distribution exercise will be carried out in a timely manner and with the requisite support from the Shareholders as approval is required from members holding not less than 75% of the total Shares” (“**Paragraph 2**”).*

We also refer to the Company’s announcements of 18 February 2020 and 26 June 2020.

- *In the Company’s announcement dated 26 June 2020 (Responses to AGM Queries), the Company also stated that “In the event that the Proposed Acquisition is not approved by Shareholders at the RTO EGM, the current Board will use its best endeavours to procure the Company to comply with the Catalist Rules, **in particular in this instance, Rules 1017(2) and 1308 of the Catalist Rules before the Company is to be delisted, and to explore all possible options for the Company prior to its***

delisting, in consultation with the Sponsor and the SGX-ST. Such options may include a cash exit offer for the Company, a sale of the Group's assets to raise proceeds, and/or other alternative means of cash distribution such as a members' voluntary liquidation or a capital reduction exercise. The Company will seek the necessary Shareholders' approval for such corporate action to be undertaken."

- In the Waiver granted by the Exchange on 18 February 2020 ("Waiver"), in relation to the 6 months extension of time to meet requirements for a new listing under Catalist Rule 1017(2), the Exchange imposed a condition that **in the event that the Company is unable to complete the Proposed Acquisition by the extended deadline (i.e. 31 August 2020), the Company will be delisted and a cash exit offer should be made to shareholders.** This was also announced by the Company on 18 February 2020.

The statements stated in the AGM minutes are **misleading**, and do not comply with the conditions imposed by the Exchange in granting the Waiver. Pending clarification from the Company, the Exchange reserves the right to re-assess the Waiver (i.e. extension of time to complete the Proposed Acquisition by 31 August 2020) is still valid, and/or whether further conditions or amendments need to be imposed.

Please clarify in an announcement on SGXNET in response to queries from the Exchange, that:

- In the event the Proposed Acquisition does not proceed, the Company will make a cash exit offer to shareholders **before** it is delisted, as required under **Catalist Rules 1308 and 1017(2)**.
- The Company must also state clearly that the cash exit offer is to be distributed from monies in the Escrow Accounts, and any other proceeds/options which the Company is exploring. For avoidance of doubt, the Company must replicate the requirements under Catalist Rules 1308 and 1017(2) in its announcement.
- In the announcement, the Company must explicitly make reference to Catalist Rule 1308 and reproduce the rule in its announcement.

Company's Response:

The Board takes the view that the AGM Minutes published on 29 June 2020 are not misleading as they should be read in conjunction with the Company's earlier responses to Shareholders' queries, as announced by the Board on 19 June 2020 and 26 June 2020.

Paragraph 1 of the AGM Minutes relates to the response on Shareholders' queries on what happens if the Company is delisted, and Paragraph 2 of the AGM Minutes relates to the response on Shareholders' queries on the completion of a cash exit offer within the 6-month period. In this regard, the Board is mindful that the Company has funds maintained in an escrow account under its subsidiary in the People's Republic of China ("**PRC**") which may not be remitted to Singapore within 6 months, and any cash distribution may not be completed in time.

In any event, the current Board wishes to reiterate that it is fully committed to ensuring compliance with the Catalist Rules and the conditions imposed by SGX-ST for the Waiver. In the event the Proposed Acquisition does not proceed, the Company will make a cash exit offer to shareholders in accordance with Catalist Rules 1017(2) and 1308 which are set out below:

Rule 1017(2) of the Catalist Rules stipulates that:

“The Exchange will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The issuer may (through its sponsor) apply to the Exchange for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the issuer providing information to investors on its progress in meeting key milestones in the transaction. In the event the issuer is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the issuer will be removed from the Official List and a cash exit offer in accordance with Rule 1308 should be made to its shareholders within 6 months.”

Rule 1308 of the Catalist Rules stipulates that:

“If an issuer is seeking to delist from the Exchange:

- (1) an exit offer must be made to the issuer's shareholders and holders of any other classes of listed securities to be delisted. The exit offer must:
 - (a) be fair and reasonable; and*
 - (b) include a cash alternative as the default alternative; and**
- (2) the issuer must appoint an independent financial adviser to advise on the exit offer and the independent financial adviser must opine that the exit offer is fair and reasonable.”*

Accordingly, pursuant to Rules 1017(2) and 1308 of the Catalist Rules, the Company will be required to make a cash exit offer to its shareholders before the Company is to be delisted. This is also in accordance with the Company's announcement on 18 February 2020 in relation to the Waiver granted by the SGX-ST. The cash exit offer would include distribution of monies held in the Company's escrow account in Singapore and the Company would also explore other options to repatriate its cash held in the subsidiary's escrow account in the PRC.

The Company will continue to provide to its shareholders updates on its progress in meeting key milestones in the Proposed Acquisition and will provide further details on the cash exit offer at the relevant time (where applicable).

By Order of the Board

Chan Lai Yin
Company Secretary

3 August 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.