



## SBI Offshore Limited

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

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### UPDATE ON THE STATUS OF OPENING OF ESCROW ACCOUNTS

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#### 1. INTRODUCTION

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 announcement dated 1 March 2019 (“**Previous Announcement**”) in relation to the Company becoming a cash company as defined under Rule 1017 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”). Unless otherwise defined, all terms and references used herein are as defined in the Previous Announcement.

#### 2. RULE 1017(1)(A) OF THE CATALIST RULES

Pursuant to Rule 1017(1)(a) of the Catalist Rules, the Company must place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from disposal(s) undertaken by the Company) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore (“**Approved Escrow Agent**”). The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST’s requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders and pro-rata distributions to shareholders.

As of 28 February 2019, the Group has an aggregate cash and cash equivalents of approximately US\$15,768,000 (“**Total Cash**”), comprising the following:-

- (i) approximately US\$12,586,000 maintained by the Company in Singapore; and
- (ii) approximately US\$3,182,000 (“**PRC Monies**”) maintained in the People’s Republic of China (“**PRC**”) by the Company’s PRC subsidiary, Jiangyin SBI Offshore Equipment Co., Ltd. (“**JSBI**”).

#### 3. ESCROW ACCOUNTS

To comply with Rule 1017(1)(a) of the Catalist Rules, the Company has to place not less than 90% of the Total Cash, being an aggregate of approximately US\$14,191,000, with Approved Escrow Agent(s). In March 2019, the Company placed approximately US\$11,053,000 (“**Escrow Amount**”, comprising US\$10,228,144 and S\$1,112,225.66) of the Total Cash in an escrow account opened with CIMB Bank Berhad Singapore Branch (“**Escrow Agent**”) (“**Singapore Escrow Account**”). To comply with Rule 1017(1)(a) of the Catalist Rules, the Company is required to place additional cash of not less than US\$3,138,000 (“**Balance Sum**”) with an Approved Escrow Agent.

### 3.1 Singapore Escrow Account

Salient terms of the agreement in respect of the Singapore Escrow Account (“**Escrow Agreement**”) are set out as follows:-

(i) Escrow Arrangements

The Escrow Agent shall deliver the Escrow Amount (or any portion thereof) in accordance with the terms of the Notice (as defined below) and the Escrow Agreement, upon receipt of a written notice signed by the Authorised Representatives (as defined below) in the prescribed forms as set out in the Escrow Agreement (the “**Notice**”) upon the occurrence of any of the following events:

- (a) Completion of reverse takeover: In the event the Company has completed the purchase or acquisition of a business which is able to satisfy the SGX-ST’s requirements for a new listing (the “**Acquisition**”), as set out in the announcement of the Company, and the receipt by the Escrow Agent of a letter/email confirmation from SGX-ST evidencing the same;
- (b) Waiver of Rule 1017 of the Catalist Rules: the SGX-ST having granted the Company a waiver from compliance with Rule 1017 of the Catalist Rules (the “**Waiver**”) to allow for a drawdown on the Escrow Amount (or any portion thereof), such application for Waiver having been made by the Company via its sponsor, in which case the Company shall provide the Escrow Agent a letter from the SGX-ST granting the Company the Waiver before the Escrow Amount (or any portion thereof) may be delivered;
- (c) Insolvency / Winding up of the Company:
  - (i) a judgment, a decree or order of court of competent jurisdiction is entered against the Company:
    - (A) adjudging the Company bankrupt or insolvent or approving a petition seeking its reorganisation or winding up;
    - (B) appointing a liquidator, provisional liquidator, judicial manager, provisional judicial manager or other similar officer;
    - (C) ordering the involuntary winding up or liquidation of the affairs of the Company; or
  - (ii) an order or a resolution is passed for the dissolution, winding up, reorganisation or liquidation of the Company pursuant to the Singapore Companies Act (Cap. 50);
  - (iii) if the Company institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the insolvency proceedings against it;
  - (iv) the Company consents to the filing of any winding up petition;
  - (v) the Company makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due; or
  - (vi) the Company takes or consents to any action in furtherance of any of the aforesaid purposes; or

(d) De-listing of the Company:

- (i) the Company is delisted as a result of it not being able to meet the requirements for a new listing within 12 months (or such other longer period of time as may be granted by the SGX-ST) from the time it becomes a cash company; or
- (ii) the Company is delisted as a result of it failing to complete the acquisition of the new business within the further 6 month extension period (if such time extension is granted by the SGX-ST) if it has already signed a definitive agreement for the acquisition of a new business in the 12 months period from the time it becomes a cash company; or
- (iii) the SGX-ST approves the voluntary delisting of the Company,

in which case the Company shall also provide the Escrow Agent a copy of the announcement of the Company and a letter/email confirmation from SGX-ST evidencing the same (as applicable).

(ii) Authorised Representatives

The Company had appointed Mr Mirzan Bin Mahathir (Executive Non-Independent Chairman of the Company), Mr Mark Leong Kei Wei (Chief Operating Officer of the Company) and Ms Chong Wan Ling (Chief Financial Officer of the Company) as the authorised representatives (each, an “**Authorised Representative**” and collectively, the “**Authorised Representatives**”), whereby any two of the Authorised Representatives are authorized to jointly enter into agreements with the Escrow Agent and/or give any notices or take any action on behalf of the Company in connection with the Escrow Agreement.

### 3.2 Escrow Arrangements for the Balance Sum

With regards to the PRC Monies, due to existing rules and regulations in the PRC governing the remittance of foreign exchange, the Company is not able to repatriate the PRC Monies to Singapore immediately as certain pre-requisites need to be fulfilled before being able to repatriate funds to Singapore through ways such as issuance of dividends, or remittance of royalties. As such, since March 2019, the Company has been exploring available options including, but not limited to, approaching financial institutions with presence in the PRC to open an escrow account with relevant and appropriate safeguards in the PRC (“**PRC Escrow Account**”), as well as repatriation of the PRC Monies back to Singapore (“**Repatriation**”) by way of capital reduction and/or liquidation of JSBI (“**Repatriation Options**”), taking into account the costs involved and time to complete.

The Company had, since March 2019, in consultation with its sponsor, explored with more than fifteen (15) financial institutions on the establishment of the PRC Escrow Account. However, due to differences in jurisdictions as well as banking regulations and practices in respect of escrow arrangements in the PRC, as at the date of this announcement, the Company is still unable to establish the PRC Escrow Account. The Company will endeavor to complete the opening of the PRC Escrow Account by July 2019, failing which, the Company is to proceed to commence the Repatriation Options.

Prior to the setting up of the PRC Escrow Account and/or completion of the Repatriation, to provide safeguards in respect of the PRC Monies, each of the Directors and the authorised signatories of the respective bank accounts where the PRC Monies are maintained in, had provided an undertaking to Singapore Exchange Regulation Pte Ltd to safeguard the entire PRC Monies until the date on which the establishment of the PRC Escrow Account is completed.

## 4. RESPONSIBILITY STATEMENT AND CAUTIONARY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to

the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Company and the Group, and the Directors are not aware of any facts the omissions of which would make any statement in this announcement misleading.

Since 21 March 2019, the Shares had been suspended (“**Suspension**”) as the Company requires more time to complete the opening of the escrow account(s) in order to comply with Rule 1017(1) of the Catalist Rules. The Company will provide update(s) on the status of the establishment of the PRC Escrow Account and/or the Repatriation, as and when they are completed, and will, once the escrow requirements under Rule 1017(1)(a) of the Catalist Rules are complied with, apply to the SGX-ST for the lifting of the Suspension.

## **By Order of the Board**

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

**6 June 2019**

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*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.*