

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

---

**PROPOSED ACQUISITION OF ASSETS FROM THE GRÄSS GROUP**

---

**1 INTRODUCTION**

- 1.1 The Board of Directors ("**Board**") of SBI Offshore Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the Company's announcement on 7 July 2015 ("**Previous Announcement**") in relation to the joint venture agreement ("**JVA**") dated 6 July 2015 entered into between the Company and a special-purpose company of the Gräss Group, GSS Renewables Private Limited ("**GSSR**") and the formation of the joint venture company, Graess Energy Private Limited ("**Graess Energy**").
- 1.2 The Board wishes to announce that the Company and Graess Energy had on 3 August 2015 entered into an addendum ("**Addendum**") with GSSR to the JVA to inject the following assets ("**Assets**") of the Gräss Group to Graess Energy:
- Gräss Engineering GmbH;
  - Gräss Operation Maintenance GmbH; and
  - Four existing solar photovoltaic power plants and systems ("**PV Projects**" and each, "**PV Project**") in Bulgaria.
- 1.3 To maintain the Company's 51% stake in Graess Energy, the Company will first acquire 51% ownership of the Assets from the Gräss Group ("**Vendor**") ("**Proposed Acquisition**"), and following the Proposed Acquisition, the Assets will be injected to Graess Energy as elaborated in paragraph 5.3 (both transactions collectively referred to as "**Proposed Transactions**").

**2 INFORMATION OF ASSETS**

**2.1 Gräss Engineering GmbH**

Gräss Engineering GmbH is a company registered and domiciled in Germany on 1 July 2014 which provides engineering services for new and existing PV Projects. It is wholly owned by Mr Sven Glados who is holding the equity on trust for Mr Harald Herbert Gräss ("**Mr Gräss**"), the founder of the Gräss Group.

As of 30 June 2015, the unaudited net tangible assets ("**NTA**") of Graess Engineering GmbH was US\$1.048 million while its unaudited profit before tax ("**PBT**") was US\$1.098 million for the period between 1 July 2014 and 30 June 2015.

**2.2 Gräss Operation Maintenance GmbH**

Gräss Operation Maintenance GmbH is a company registered and domiciled in Germany on 1 July 2014 which provides operation and maintenance services for existing PV Projects. It is wholly owned by Mr Uwe Peschke, who is holding the equity on trust for Mr Gräss.

As of 30 June 2015, the NTA of Graess Operation Maintenance GmbH was US\$1.152 million while its unaudited PBT was US\$1.253 million for the period between 1 July 2014 and 30 June 2015.

### 2.3 PV Projects in Kameno, Bulgaria

- a) Kameno PVS EOOD owns and operates 2.7 megawatts (“**MW**”) PV Project located in Kameno, Bulgaria, and has been in operations since 2012 with a 20 years’ power purchase agreement (“**PPA**”). It is a special purpose company wholly owned by Gräss Solartechnik AG, which is wholly owned by Mr Gräss. The entire equity of Kameno PVS EOOD will be transferred to Graess Energy pursuant to the Proposed Transactions.

As of 31 December 2014, the net tangible liabilities (“**NTL**”) of Kameno PVS EOOD was US\$0.316 million while the unaudited loss before tax (“**LBT**”) was US\$0.241 million for the year ended 31 December 2014..

- b) Wind Inovation 1 EOOD owns and operates a 2.8MW PV Project located in Kameno, Bulgaria, and has been in operations since 2012 with a 20 years’ PPA. It is a special purpose company which is also wholly owned by Gräss Solartechnik AG. The entire equity of Wind Inovation 1 EOOD will be transferred to Graess Energy pursuant to the Proposed Transactions.

As of 31 December 2014, the NTL of Wind Inovation 1 EOOD was US\$0.177 million while the unaudited NLBT was US\$0.129 million for the year ended 31 December 2014.

### 2.4 PV Project in Kotlenci, Bulgaria

Pi Vi Kotlenci BG EOOD owns and operates a 4.9MW PV Project located in Kotlenci, Bulgaria, and has been in operations since 2012 with a 20 years’ PPA. It is a special purpose company which is also wholly owned by Gräss Solartechnik AG. The entire equity of Pi Vi Kotlenci BG EOOD will be transferred to Graess Energy pursuant to the Proposed Transactions.

As of 31 December 2014, the NTL of Pi Vi Kotlenci BG EOOD was US\$0.305 million while the unaudited LBT was US\$0.173 million for the year ended 31 December 2014.

### 2.5 PV Project in Atolovo, Bulgaria

Energiini Proekti Bulgaria OOD owns and operates a 5.9MW PV Project located in Atolovo, Bulgaria, and has been in operations since 2012 with a 20 years’ PPA. It is a special purpose company which is owned by Gräss Solartechnik AG (99%) and Mr Gräss (1%). The entire equity of Energiini Proekti Bulgaria OOD will be transferred to Graess Energy pursuant to the Proposed Transactions.

As of 31 December 2013, the NTA of Energiini Proekti Bulgaria OOD was US\$0.059 million while the unaudited PBT was US\$0.052 million for the year ended 31 December 2013.

## 3 INFORMATION ON THE VENDOR

The Vendor was founded by Mr. Gräss in 1994 and has been involved in the development, engineering and installation of PV Projects. To date, it has successfully completed approximately 2,000 MW of PV Projects.

None of the Company's Directors and their associates is related to Mr Gräss and/or the Vendor. To the best of the Directors’ knowledge, none of the substantial shareholders of the Company and their associates is related to Mr Gräss and/or the Vendor.

## 4 RATIONALE AND BENEFITS OF THE PROPOSED TRANSACTIONS

The Proposed Transactions will provide Graess Energy with the relevant track record, expertise and existing projects to kick-start its business in the solar energy sector. The four PV Projects will also provide Graess Energy with a recurring income stream.

## 5 KEY TERMS OF THE PROPOSED TRANSACTIONS

### 5.1 Consideration

The consideration for the 51% ownership of the Assets is S\$13,974,000 (“**Consideration**”) and will be payable by the Company to GSSR on the Completion Date as follows:

- (a) S\$11,660,000 by way of allotment and issuance of an aggregate of 44,000,000 new ordinary shares in the capital of the Company (“**Consideration Shares**”) at an issue price of S\$0.265 (“**Issue Price**”) per Consideration Share, and
- (b) Balance of S\$2,314,000 in cash.

The Consideration was determined based on arm’s length negotiations and arrived at on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the existing PV projects being undertaken by the Vendor, goodwill and the projected cash flow over the lifespan of the four PV Projects in Europe. No valuation on the Assets has been commissioned.

The Company had reviewed the unaudited accounts of the Assets provided by the Gräss Group and is of the view that the Consideration represents approximately the value of 51% ownership in the Assets.

The Issue Price represents a 15.72% premium over the volume weighted average price for trades done on the shares of the Company (“**Shares**”) on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 30 July 2015 of S\$0.229 as no trades were done on the Shares on 31 July 2015, being the full market day prior to the date of the Addendum.

As at the date of this announcement, the Company has 249,680,100 ordinary shares in issue (“**Existing Share Capital**”). The Consideration Shares represent 14.98% of the enlarged issued and paid-up share capital of the Company of 293,680,100 shares (“**Enlarged Share Capital**”) following the allotment and issuance of the Consideration Shares.

### 5.2 Conditions Precedence (“**Conditions Precedence**”)

The Proposed Transactions are conditional upon, *inter alia*:

- (a) the Company having undertaken and completed all financial, operational and legal due diligence investigations with respect to the Assets and the results thereof being satisfactory by the Board in its absolute discretion on or before the Completion Date (as defined herein);
- (b) the Company obtaining such approval(s) from the Board (and if required, its shareholders) in connection with the Proposed Transactions; and
- (c) listing and quotation notice for the listing and quotation of the Consideration Shares being given by the SGX-ST and not having been revoked or amended and, where such notice is subject to conditions, to the extent that any conditions are required to be fulfilled on or before Completion Date, they are so fulfilled.

### 5.3 Injection of Assets into Graess Energy

Subsequent to the Proposed Acquisition, the Company and GSSR will inject 100% of the Assets (equivalent to S\$27,400,000) into Graess Energy in the proportion of 51% (equivalent to S\$13,974,000) and 49% (equivalent to S\$13,426,000) respectively. Graess Energy will issue 100 shares in its capital at an issue price of S\$274,000 per share of Graess Energy to the Company and GSSR in the proportion of 51% to 49%. Graess Energy shall continue to be a 51%-owned subsidiary of the Company after the Proposed Transactions.

### 5.4 Completion

Completion of the Proposed Transactions will take place within five business days after the satisfaction (or waiver) of all the Conditions Precedence, and no later than the long-stop date on 31 January 2016 ("**Long-Stop Date**") ("**Completion Date**"). In the event that any of the Conditions Precedence is not fulfilled by the Long-Stop Date, the Addendum shall be terminated without any claims or break fees. However, in the event if the Addendum is terminated, the Company will continue to explore other possible business venture with the Gräss Group and develop the business of Graess Energy. The Company expects that the completion of the Proposed Transaction to take place within this year.

### 5.5 Further Documents

Further agreements, deeds, and/or documents ("**Documents**") may have to be executed in relation to the transfer of each Asset as required in the relevant jurisdiction. The Company will make the necessary the announcement(s) should there be any deviation in the terms and conditions of the Proposed Transactions upon the entry into of such Documents.

## 6 AUTHORITY TO ISSUE THE CONSIDERATION SHARES

The allotment and issuance of the Consideration Shares, to GSSR will be carried out pursuant to the general share issue mandate ("**General Mandate**") obtained from the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company held on 24 April 2015 ("**2015 AGM**").

The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued shares (excluding treasury shares) as at the date of the 2015 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing Shareholders shall not exceed 50% of the Company's total number of issued shares (excluding treasury shares).

As at the date of the 2015 AGM, the number of issued shares was 249,680,100. No Shares were previously issued under the General Mandate prior to the Proposed Acquisition. As such, the total number of shares that may be issued pursuant to the General Mandate other than on a pro-rata basis is 124,840,050 shares. The proposed allotment and issuance of an aggregate of 44,000,000 Consideration Shares will fall within the limits of the General Mandate.

The Company will be making an application to the SGX-ST through its sponsor for the listing of and quotation for the Consideration Shares on the Catalist of the SGX-ST, and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

## 7 SOURCE OF FUNDS FOR THE PROPOSED TRANSACTIONS

The balance of cash of S\$2,314,000 as part of the Consideration will be funded by the Company's internal cash resources.

## 8 RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition, computed on the bases set out in Rule 1006 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("**Catalist Rules**") and based on the Group's latest announced audited consolidated financial statements for the full year ended 31 December 2014 ("**FY2014**") are set out below. The information below is calculated on the basis of an exchange rate of EUR0.88 to US\$1.

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	Net profit <sup>(1)</sup> attributable to 51% of the Assets of US\$1,860,000 compared with the Group's net profit of US\$1.014,000 for FY2014	183%
(c)	Aggregate value of the Consideration of S\$13,974,000, compared with the Company's market capitalisation <sup>(2)</sup> of S\$57,176,743 based on the total number of issued shares excluding treasury shares	24%
(d)	Number of equity securities issued by the Company as Consideration Shares of 44,000,000 shares, compared with the number of equity securities previously in issue of 249,680,100 shares	18%
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) Based on the latest available Gräss Engineering GmbH's and Gräss Operation Maintenance GmbH's unaudited statements for the full year ended 30 June 2015, Energini Proekti Bulgaria OOD's unaudited statements for the year ended 31 December 2013, and Kameno PVS EOOD's, Pi Vi Kotlenci BG EOOD's and Wind Inovation 1 EOOD's unaudited statements for the full year ended 31 December 2014.
- (2) The Company's market capitalization of approximately S\$57,176,743 is determined by multiplying the issued share capital of the Company of 249,680,100 Shares with the volume weighted average price of such Shares transacted on 30 July 2015 of S\$0.229 per Share as no trades were done on the Shares on 31 July 2015 (being the full market day prior to the date of the Addendum).

The relative figures under Rules 1006(c) and (d) exceed 5% but are less than 75%. While the relative figure under Rule 1006(b) exceeds 100%, in accordance to Rules 1014(b) and 1015(8) of the Catalist Rules, Rules 1014 and 1015 of the Catalist Rules do not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b). Accordingly, the Proposed Acquisition constitutes a "Disclosable Transaction" as defined under Chapter 10 of the Catalist Rules.

However, as disclosed in the Previous Announcement, the Company envisages that the design, engineering, construction, development, ownership, operation, maintenance and storage of solar PV Projects will become a new core business for the Group. As such, the Company will seek Shareholders' approval for the diversification

into this new business and the Proposed Acquisition. Further announcement will be provided in the circular which will be despatched to Shareholders in due course.

## 9 FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

9.1 The financial effects of the Proposed Transactions on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the completion of the Proposed Transactions.

9.2 The financial effects set out below have been prepared based on the latest audited consolidated financial statements of the Group for FY2014, on the following key assumptions:

- (a) the effect on the earnings per share (“EPS”) of the Group is based on the assumption that the Proposed Transactions had been effected at the beginning of FY2014; and
- (b) the effect on the NTA per share of the Group is based on the assumption that the Proposed Transactions had been effected at the end of FY2014.

### 9.3 EPS

EPS	Before Proposed Transactions	After Proposed Transactions
Net profit (US\$'000)	610	2,470
Weighted average number of Shares ('000)	203,951	247,951
EPS (US cents)	0.30	1.00

### 9.4 NTA per Share

NTA	Before Proposed Transactions	After Proposed Transactions
NTA (US\$'000)	28,961	30,422
Number of issued Shares ('000)	249,680	293,680
NTA per Share (US cents)	11.60	10.36

## 10 INTERESTS OF VENDOR, DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

	Before the Proposed Transactions <sup>(1)</sup>		After the Proposed Transaction <sup>(2)</sup>	
	No. of Shares	%	No. of Shares	%
<b>Directors</b>				
Chan Lai Thong	20,010,000 <sup>(3)</sup>	8.01	20,010,000 <sup>(3)</sup>	6.81
Tan Woo Thian	45,900,000	18.38	45,900,000	15.63
Mirzan Bin Mahathir	27,000,000 <sup>(4)</sup>	10.81	27,000,000 <sup>(4)</sup>	9.19
Mahtani Bhagwandas	117,000	0.05	117,000	0.04
Basil Chan	-	-	-	-
Ahmad Subri Bin Abdullah	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>				
Hui Choon Ho	30,209,000 <sup>(5)</sup>	12.10	30,209,000 <sup>(5)</sup>	10.29
Pheim Asset Management Sdn Bhd	16,814,000	6.73	16,814,000	5.73

Millennium Marine Pte Ltd	27,000,000	10.81	27,000,000	9.19
GSS Renewables Pte Ltd	-	-	44,000,000	14.98

Notes:

- (1) Based on the Company's Existing Share Capital of 249,680,100 Shares.
- (2) Based on the Company's Enlarged Share Capital of 293,680,100 Shares upon completion of the Proposed Transactions.
- (3) 6,000,000 ordinary shares are held in the name of Maybank Nominees (S) Pte Ltd.
- (4) Mirzan Bin Mahathir has a deemed interest in all the shares held by CE Ventures Offshore Ltd by virtue of his shareholding interest in CE Ventures Offshore Ltd.
- (5) 15,444,000 ordinary shares are held in the name of Hong Leong Finance Nominees Pte Ltd and Maybank Nominees (S) Pte Ltd.

None of the Directors has any interest, direct or indirect, in the Proposed Transactions, other than that arising from their respective shareholdings in the Company, if any.

To the best of the Directors' knowledge, none of the substantial shareholder of the Company and his associates has any interest, direct or indirect, in the Proposed Transactions, other than that arising from their respective shareholdings in the Company.

## 11 SERVICE CONTRACTS

No new Director will be appointed to the Board in connection with the Proposed Transactions.

Mr Antos Jerzy Glogowski and Mr Gräss, shareholders and directors of GSSR, shall be appointed as the Chief Executive Officer and the Chief Operating Officer of Graess Energy respectively, for an initial term of one year upon the signing of the JVA.

## 12 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the JVA and the Addendum are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 20 Pioneer Crescent, #09-01 West Park BizCentral, Singapore 628555 for a period of three (3) months commencing from the date of this announcement.

## 13 CAUTION IN TRADING

Shareholders and potential investors should exercise caution when trading in the Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

**By Order of the Board**

**Amy Soh Wai Ling**  
**Chief Financial Officer**  
**4 August 2015**

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for*

*compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*