



SBI Offshore Limited

SGX-CATALIST LISTED SBI OFFSHORE RECORDS 32% REVENUE GROWTH TO US\$9.43 MILLION IN FY'12; RESTRUCTURED BOARD AND MANAGEMENT TEAM SHARPEN GROUP FOCUS

Financial Highlights

US\$ ('mil)	FY'12	FY'11	Change (%)
Revenue	9.43	7.12	32
Cost of sales	(6.83)	(3.36)	103
Gross profit	2.61	3.77	(31)
Gross profit margin	28%	53%	(25)
Net Profit attributable to shareholders	0.66	0.27	144
Earnings per share (cent)*	0.54	0.22	145
Net asset value (cents)**	8.31	7.85	6

*EPS calculated based on weighted average number of shares in issue of 121,680,100

**NAV calculated based on total number of issued shares of 121,680,100

SINGAPORE, 1 March 2013 – SBI Offshore Limited (“SBI Offshore” and together with its subsidiaries, the “Group”) announced today that its revenue for the financial year ended 31 December 2012 (“FY’12”) increased 32% to US\$9.43 million in FY’12 from US\$7.12 million in FY’11 mainly due to a 96% increase in distribution revenue to US\$5.18 million from US\$2.64 million over the comparative periods.

Revenue for design, engineering and fabrication increased to US\$1.98 million in FY’12 from US\$0.09 million in FY’11 after commencement of projects secured by its Houston-based Sea Reef International Inc (“SRI”) on a blowout preventer (“BOP”) Transporter & BOP Crane. Manufacturing revenue increased by 76% to US\$0.85 million in FY’12 from US\$0.48 million a year ago due to increased delivery of lifeboats and davits.

The SGX Catalist-listed company said gross profit decreased by 31% to US\$2.61 million in FY’12 from US\$3.77 million in FY’11 mainly due to the decline of 64% on marketing income, higher margin contributor, to US\$1.4 million in FY’12 from US\$3.9 million in FY’11. Accordingly, gross profit margin declined to 28% in FY’12 from 53% in FY’11.

The increase in other income of 48% to US\$0.59 million in FY’12 from US\$0.40 million in FY’11 was mainly due to the US\$0.28 million compensation income received in China for use of a factory facility and utilities by a third party and the gain in disposal arising from compensation received after a portion of land owned by the Company’s 98%-owned



subsidiary, Jiangyin SBI Offshore Equipment Co. Ltd (“JSBI”) was compulsorily acquired for road widening purposes.

General and administrative expenses for FY’12 amounted to US\$3.03 million compared to US\$3.77 million a year ago. Employment costs and expenses of approximately US\$0.76 million were charged to work in progress for a US\$30 million Engineering, Procurement, Construction and Commissioning project in Malaysia secured by the Group in FY’12 (“EPCC Project”). These costs and expenses will be recognised as cost of sales when the related revenues are booked once the equipment is shipped in FY’13.

The share of results of joint venture soared to US\$0.47 million in FY’12 from US\$0.04 million in FY’11 as RBV Energy (Singapore) Pte. Ltd. (“RBV”) received orders from a new customer. Hence, net profit attributable to shareholders rose 144% to US\$0.66 million in FY’12 from US\$0.27 in FY’11.

Current assets increased to US\$23.05 million as at 31 December 2012 from US\$3.63 million as at 31 December 2011. This was mainly due to the increase in trade and other receivables resulting from the progress billing for the EPCC Project of approximately US\$7.77 million, comprising billings to its customers of approximately US\$2.93 million and deposits of approximately US\$4.84 million paid to suppliers for the same Project.

Net cash generated from operating activities of US\$2.15 million in FY’12 was mainly due to collections of milestone payments from the EPCC Project amounting to US\$9.55 million, partially offset by deposit payments to vendors of US\$4.84 million, as well as design and engineering costs of incurred on the Project. Net cash increased by US\$0.34 million, as a result of which cash and cash equivalent (net of fixed deposits pledged) stood at US\$1.67 million as at 31 December 2012 compared to US\$1.33 million as at 31 December 2011.

Fully diluted earnings per share based on a share capital base of 121,680,100 shares was 0.54 US cent in FY’12 compared to 0.22 US cent in FY’11 (121,680,100 shares). Net asset value per share increased to 8.31 US cents as at 31 December 2012 from 7.85 US cents as at 31 December 2011.

The Board of Directors has recommended a cash dividend of S\$0.002 per share.

In line with the strategy to shift the Group’s focus towards contract manufacturing and contract services, the Board of Directors was reconstituted and the management team restructured in FY’12. Under the leadership of a new Executive Chairman and newly inducted senior management, the Group has strengthened foundations and consolidated, and streamlined operations before re-tuning the business model.

“The Group has sharpened focus and set specific targets for growing the businesses divisions of RBV, Sea Reef International and JSBI, all of which have clear minimum profit goals. With the depth of experience, track record, a project team in place and extensive network, the Group hopes to secure follow-on projects of similar nature from the existing EPCC customer or potential new customers,” said Mr John Chan, Executive Chairman and Executive Director of SBI Offshore.

Mr. David Tan, Chief Executive Officer of SBI Offshore, said: “The global offshore and marine industry continues to be positive, as the oil and gas sector to which it is dependent



on has remained healthy. In 2013, continued exploration success and production activities are expected to support demand for deep-water floaters and premium jack-up rigs. Offshore services players should benefit from increased offshore construction, pipe-laying, production, inspection, repair and maintenance activities in the offshore oil fields."

The Group's order book as at 27 February 2013 stood at approximately US\$59 million.

Barring any unforeseen circumstances, the Group expects the FY'13 revenue and net profit to exceed that of FY'12.

End of Release

Issued on behalf of SBI Offshore Limited by WeR1 Consultants Pte Ltd

About SBI Offshore Limited

SBI Offshore has been involved in delivering quality products and services within the marine and offshore industry since its inception in 1996. Over the years the company has progressed and evolved from marketing and distributing of OEM products to undertaking design, engineering and fabrication of offshore and marine projects such as drilling equipment system, deck machinery and material handling systems. The company has established close relationships with its customers within its marketing and distribution network in Asia, Middle East and the America.

From concept to commissioning, SBI Offshore works closely with its principals, suppliers and sub-contractors to ensure enhanced efficiency, timely project delivery and competitive pricing. With our dedicated project management team, design and engineering centre in Houston, and in-house QA/QC proficiencies, we ensure consistent quality and timely delivery throughout all project phases. Our offshore equipment manufacturing business in China provides one-stop turnkey solutions for shipyard customers who increasingly seek vendors capable of supplying fabrication, assembly and testing services in support of deliveries to rig-builders in Asia.

This press release has been prepared by the Company and reviewed by the Company's sponsor, CNP Compliance Pte. Ltd. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

The Sponsor has not verified the contents of this press release including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in 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 correctness of any of the statements or opinions made or reports contained in this press release.



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