

SBI OFFSHORE LIMITED**Full Year Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2012
(All amounts in US\$ unless otherwise indicated)**

This announcement 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 announcement 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 announcement.

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PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Financial year ended		
	31.12.2012	31.12.2011	Increase/ (Decrease) %
	US\$	US\$	
Revenue	9,432,952	7,121,398	32
Cost of sales	(6,825,472)	(3,355,100)	(>100)
Gross profit	2,607,480	3,766,298	(31)
Other income	594,664	401,049	48
General and administrative expenses	(3,035,337)	(3,769,722)	(19)
Finance costs	(121,030)	(142,372)	(15)
Share of results of an associate	161,107	165,783	(3)
Share of results of joint ventures	474,136	42,420	(>100)
Profit before income tax	681,020	463,456	47
Income tax expense	(30,225)	(206,953)	(85)
Profit for the financial year	650,795	256,503	(>100)
Other comprehensive income:			
Exchange differences arising from translation of foreign operation, net of tax amounting to US\$ Nil	97,271	207,585	(53)
Total comprehensive income for the financial year	748,066	464,088	61
Profit attributable to:			
Owners of the parent	655,310	267,550	(>100)
Non-controlling interests	(4,515)	(11,047)	(59)
	650,795	256,503	(>100)
Total comprehensive income attributable to:			
Owners of the parent	750,707	470,912	59
Non-controlling interests	(2,641)	(6,824)	(61)
	748,066	464,088	61

1(a)(ii) Breakdown and explanatory notes to the income statement.

Profit before tax is arrived at after charging/(crediting) the following:

	Group Financial year ended		
	31.12.2012 US\$	31.12.2011 US\$	Increase/(Decrease) %
Amortisation of intangible assets	28,989	28,132	3
Depreciation of property, plant and equipment	412,529	377,072	9
Interest expenses	121,030	142,372	15
Foreign currency exchange loss/(gain)	74,567	(12,542)	(>100)
Gain on disposal of property, plant and equipment	(268,884)	(337,071)	(20)
Gain on disposal of property held for sale	-	(40,968)	NM
Interest Income	4,553	1,418	>100
Operating lease expenses	138,664	199,996	(31)

NM = Not meaningful

1(b)(i) A statement of financial position (for the Group), together with a comparative statement as at the corresponding period of immediately preceding year.

	Group		Company	
	31.12.2012 US\$	31.12.2011 US\$	31.12.2012 US\$	31.12.2011 US\$
Non-current assets				
Property, plant and equipment	5,637,133	5,263,849	51,649	118,980
Investments in subsidiaries	-	-	5,880,008	5,880,000
Investment in an associate	2,533,945	2,372,838	1,800,000	1,800,000
Investment in joint ventures	566,556	392,420	50,000	350,000
Intangible assets	1,134,100	1,405,565	-	-
	<u>9,871,734</u>	<u>9,434,672</u>	<u>7,781,657</u>	<u>8,148,980</u>
Current assets				
Inventories	209,296	363,150	47,322	35,562
Work in progress	3,333,651	-	2,710,830	-
Trade and other receivables	10,989,448	1,653,283	16,059,649	5,242,292
Amount owing by a joint venture	718,024	-	718,024	-
Cash and cash equivalents	7,954,707	1,610,481	7,379,502	1,295,221
	<u>23,205,126</u>	<u>3,626,914</u>	<u>26,915,327</u>	<u>6,573,075</u>
Current liabilities				
Trade and other payables	17,419,033	2,260,017	17,102,533	1,069,268
Bank borrowings	5,503,234	1,195,779	4,780,783	1,195,779

1(b)(i) A balance sheet (for the Group), together with a comparative statement as at the corresponding period of immediately preceding year. (Continued)

	Group		Company	
	31.12.2012 US\$	31.12.2011 US\$	31.12.2012 US\$	31.12.2011 US\$
Current income tax payable	13,634	52,448	13,634	52,448
	22,935,901	3,508,244	21,896,950	2,317,495
Net current assets	269,225	118,670	5,018,377	4,255,580
Non-current liabilities				
Deferred tax liabilities	33,595	4,271	4,271	4,271
	10,107,364	9,549,071	12,795,763	12,400,289
Net assets	10,107,364	9,549,071	12,795,763	12,400,289
Capital and reserves				
Share capital	6,397,479	6,397,479	6,397,479	6,397,479
Foreign currency translation account	463,787	368,390	-	-
Accumulated profits	3,152,869	2,687,332	6,398,284	6,002,810
Equity attributable to owners of the parent	10,014,135	9,453,201	12,795,763	12,400,289
Non-controlling interests	93,229	95,870	-	-
Total equity	10,107,364	9,549,071	12,795,763	12,400,289

1(b) (i) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 31.12.2012 US\$	As at 31.12.2011 US\$
Bank borrowings		
-secured	5,243,537	546,825
-unsecured	259,697	648,954
	5,503,234	1,195,779

Bank borrowings bear effective interest rate of range from 2.31% to 6.56% per annum

The bank borrowings are secured by way of charge on the Group's and Company's fixed deposits, leasehold land and proceed of collection from customer.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Financial year ended	Financial year ended
	31.12.2012	31.12.2011
	US\$	US\$
Cash flows from operating activities		
Profit before income tax	681,020	463,456
Adjustments for:		
Amortisation of intangible assets	28,989	28,132
Depreciation of property, plant and equipment	412,529	377,072
Gain on disposal of property held for sale	-	(40,968)
Gain on disposal of property, plant and equipment	(268,884)	(337,071)
Interest income	(4,553)	(1,418)
Interest expense	121,030	142,372
Share of results of an associate	(161,107)	(165,783)
Share of results of joint ventures	(474,135)	(42,420)
Share option expense	-	(6,423)
Operating profit before changes in working capital	334,889	416,949
Inventories	154,132	(176,143)
Work In Progress	(3,329,227)	-
Trade and other receivable	(10,025,590)	1,451,317
Trade and other payables	15,182,132	(672,628)
Cash generated from operations	2,316,336	1,019,495
Interest income	4,553	1,418
Interest expense	(121,030)	(142,372)
Income tax paid	(52,794)	(161,505)
Net cash from operating activities	<u>2,147,065</u>	<u>717,036</u>
Cash flows from investing activities		
Decrease in non-trade payables due to an associate, net	-	(1,179,125)
Increase in non-trade receivables due from joint ventures, net	-	(11,070)
Investment in joint ventures	-	(350,000)
Purchase of property, plant and equipment	(941,289)	(142,988)
Return on striking off a joint venture	300,000	-
Proceeds from disposal of a leasehold property	-	938,116
Proceeds from disposal of property, plant and equipment	720,768	-
Proceeds from disposal of property held for sale	-	245,770
Net cash from/(used in) investing activities	<u>79,479</u>	<u>(499,297)</u>
Cash flows from financing activities		
Proceeds of loan from bank borrowings	5,197,430	1,085,311
Repayment of finance lease	-	(15,084)
Repayment of bank borrowings	(889,975)	(1,379,250)
Pledged of fixed deposits with banks	(200,000)	-
Pledged of deposits with banks	(5,795,358)	-
Dividends paid	(189,773)	(197,436)
Net cash used in financing activities	<u>(1,877,676)</u>	<u>(506,459)</u>

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

Net change in cash and cash equivalents	348,868	(288,720)
Cash and cash equivalents at beginning of financial year	1,330,225	1,607,143
Effect of foreign exchange rate changes in cash and cash equivalent	(8,700)	11,802
Cash and cash equivalent at end of financial year	<u>1,670,393</u>	<u>1,330,225</u>

Cash and cash equivalents comprise of the following:

	31.12.2012	31.12.2011
	US\$	US\$
Cash and bank balances	1,670,393	1,330,225
Deposit	5,795,358	-
Fixed deposits	488,956	280,256
Cash and cash equivalents on consolidated balance sheets	7,954,707	1,610,481
Less: Deposits pledged	(5,795,358)	-
Less: Fixed deposits pledged	(488,956)	(280,256)
	<u>1,670,393</u>	<u>1,330,225</u>

Note: Increase in deposits pledged are solely for the purpose of secure the bank guarantee facility for the US\$30 million Engineering, Procurement, Construction and Commissioning ("EPCC") project in Malaysia secured by the Group in FY'12.

1(d)(i) A statement (for the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital	Foreign currency translation reserve	Accumulated profits	Equity attributable to owners of the parent	Non- controlling interests	Total Equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2012	6,397,479	368,390	2,687,332	9,453,201	95,870	9,549,071
Total comprehensive income for the financial year						
Profit for the financial Year	-	-	655,310	655,310	(4,515)	650,795
Other comprehensive Income						
Exchange differences arising from translation of foreign operation, net of tax	-	95,397	-	95,397	1,874	97,271
Total other comprehensive income for the financial year	-	95,397	655,310	750,707	(2,641)	748,066

Transactions with owners of the parent recognised directly in equity

Dividends	-	-	(189,773)	(189,773)	-	(189,773)
	-	-	(189,773)	(189,773)	-	(189,773)
Balance at 31 December 2012 Group	<u>6,397,479</u>	<u>463,787</u>	<u>3,152,869</u>	<u>10,014,135</u>	<u>93,229</u>	<u>10,107,364</u>

	Share capital	Foreign currency translation reserve	Share option reserve	Accumulated profits	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2011	6,397,479	165,028	6,423	2,617,218	9,186,148	102,694	9,288,842
Total comprehensive income for the financial year							
Profit for the financial Year	-	-	-	267,550	267,550	(11,047)	256,503
Other comprehensive Income							
Exchange differences arising from translation of foreign operation, net of tax	-	203,362	-	-	203,362	4,223	207,585
Total other comprehensive income for the financial year	-	203,362	-	-	203,362	4,223	207,585
Total comprehensive income for the financial year	-	203,362	-	267,550	470,912	(6,824)	464,088
Transactions with owners of the parent recognised directly in equity							
Share option expense	-	-	(6,423)	-	(6,423)	-	(6,423)
Dividends	-	-	-	(197,436)	(197,436)	-	(197,436)
Balance at 31 December 2011	<u>6,397,479</u>	<u>368,390</u>	<u>-</u>	<u>2,687,332</u>	<u>9,453,201</u>	<u>95,870</u>	<u>9,549,071</u>

1(d)(i) A statement (for the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
(Continued)

Company

	Share capital US\$	Share option reserve US\$	Accumulated profits US\$	Total equity US\$
Balance at 1 January 2012	6,397,479	-	6,002,810	12,400,289
Total comprehensive income for the financial year	-	-	585,247	585,247
Transactions with owners of the parent recognised directly in equity				
Dividends	-	-	(189,773)	(189,773)
Total transactions with owners of the parent	-	-	(189,773)	(189,773)
Balance at 31 December 2012	6,397,479	-	6,398,284	12,795,763

Company

	Share capital US\$	Share option reserve US\$	Accumulated profits US\$	Total Equity US\$
Balance at 1 January 2011	6,397,479	6,423	4,278,392	10,682,294
Total comprehensive income for the financial year	-	-	1,921,854	1,921,854
Transactions with owners of the parent recognised directly in equity				
Share option expense	-	(6,423)	-	(6,423)
Dividends	-	-	(197,436)	(197,436)
Total transactions with owners of the parent	-	(6,423)	(197,436)	(203,859)
Balance at 31 December 2011	6,397,479	-	6,002,810	12,400,289

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period immediately preceding financial year.

Ordinary Shares

	Number of shares	S\$	US\$
As at 31 December 2012 and 31 December 2011	<u>121,680,100</u>	<u>9,673,627</u>	<u>6,397,479</u>

There was no change in the Company’s share capital as at 31 December 2012 since the end of the previous period reported on, that was 31 December 2011.

There were no convertibles and treasury shares as at 31 December 2012 and 31 December 2011 respectively.

There were no outstanding share options granted under the Employees’ Share Option Scheme (“ESOS”) as at 31 December 2012 and 31 December 2011.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company had a total of 121,680,100 ordinary shares in issue as at 31 December 2012 and 31 December 2011 respectively.

There were no treasury shares as at 31 December 2012 and 31 December 2011.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have treasury shares during and as at the end of the current financial year reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. If the figures have been audited or reviewed, provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable. The figures have not been audited nor reviewed by the auditors.

4. Please state whether the same accounting policies and method of computation as the issuer's most recently audited financial statements have been followed.

The Group has adopted all the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2012. The adoption of these new/revised FRS and INT FRS has no material effect on the amounts reported for the current or prior reporting periods.

Save for the above mentioned, the Group has applied the same accounting policies and methods of computation in the financial statements as those used in the most recently audited annual financial statements for the financial year ended 31 December 2011. (FY'11)

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Save for the above mentioned, there was no other changes in the accounting policies and methods of computation for the financial year ended 31 December 2012. (FY'12)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	Group Full year ended	
	31.12.2012	31.12.2011
Earnings per ordinary share ("EPS")	US Cents	US Cents
(a) Basic	0.54	0.22
(b) On a fully diluted basis	0.54	0.22

For FY'12 and FY'11, the EPS was calculated by dividing the profit attributable to owners of the parent of US\$655,310 and US\$267,550 by the weighted average number of ordinary shares in issue of 121,680,100 and 121,680,100 respectively.

The diluted EPS is computed to be the same as the basic EPS as there were no dilutive instruments as at 31 December 2012 and 31 December 2011.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial period

	Group		Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Net assets (US\$)	10,107,364	9,549,071	12,795,763	12,400,289
Net asset value per ordinary share based on the number of shares in issue at end of year (US cents)	8.31	7.85	10.52	10.19

The net asset value per ordinary share of the Group and the Company as at 31 December 2012 and as at 31 December 2011 was calculated based on the total number of issued shares of 121,680,100.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of performance

	FY'12 US\$	FY'11 US\$	Increase %
Marketing	1,424,232	3,909,971	(64)
Distribution	5,176,569	2,640,367	96
Marketing and distribution	6,600,801	6,550,338	1%
Design, Engineering and Fabrication	1,979,586	86,650	>100%
Manufacturing	852,565	484,410	76
Total	9,432,952	7,121,398	32

The Group's revenue for FY'12 increased by US\$2.31 million or 32% to US\$9.43 million in FY'12 from US\$7.12 million in FY'11 mainly due to the 96% increase in distribution revenue to US\$5.18 million from US\$2.64 million over the comparative periods. This was due to the increase in demand from Singapore segment. Revenue for the design, engineering and fabrication increased to US\$1.98 million in FY'12 from US\$0.09 million in FY'11. This was due to the commencement of projects secured by 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 increase of delivery of lifeboats and davits.

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 due to the compensation income received for use of factory's facility and utilities by a third party amounting US\$0.28 million and gain in disposal of US\$0.27 million arising from compensation received following the compulsory acquisition of 2,693.6 square meters out of the 20,843 square meters of land owned by the Company's 98%-owned subsidiary, Jiangyin SBI Offshore Equipment Co. Ltd ("JSBI"), for road widening purposes.

Total general and administrative expenses for FY'12 amounted to approximately US\$3.03 million, a decrease of 19% from US\$3.77 million in FY'11. A number of the Company's employees has been working on the approximately US\$30 million EPCC project in Malaysia secured by the Group in FY'12 ("EPCC Project") as set out in the Company's announcement dated 28 January 2012. As such, the related employment costs and expenses of approximately US\$0.76 million were charged to work in progress ("WIP") and will be recognised as cost of sales when the related revenues are booked upon the shipment of equipment to customers, the bulk of which will occur within FY'13. Depreciation expense increased by 9% to US\$0.41 million in FY'12 from US\$0.37 million in FY'11, due to increase in property, plant and equipment in FY'12. Finance cost for FY'12 amounting to US\$0.12 million, decreased by 15% from US\$0.14 million in FY'11 due to the repayment of bank borrowings in FY'12.

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.

After taking into account all expenses together with share of results of an associate and joint venture, the Group's profit before income tax ("PBT") increased to US\$0.68 million in FY'12 from US\$0.46 million in FY'11.

The Group's profit after tax increased to US\$0.65 million in FY'12 from US\$0.26 million in FY'11.

Financial position

Non-current assets increased to US\$9.87 million as at 31 December 2012 from US\$9.43 million as at 31 December 2011, mainly due to the purchase of additional property, plant and equipment and investment in joint ventures & associate.

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 EPCC Project. WIP stood at US\$3.33 million as at 31 December 2012 due to direct labour costs and third-party design and engineering costs being incurred for the EPCC Project, while the increase in cash and cash equivalents of US\$6.34 million was mainly due to the collection of down-payment for the EPCC Project. This was offset partially by the decrease in inventory of US\$0.15 million in FY'12 from US\$0.36 million in FY'11 due to sales of davits by Jiangyin SBI Offshore Equipment Co., Ltd ("JSBI").

Current liabilities increased to US\$22.94 million as at 31 December 2012 from US\$3.51 million as at 31 December 2011. This was mainly attributable to the increase in trade and other payables to US\$17.42 million in FY'12 from US\$2.26 million in FY'11 due mainly to the deferred income derived from the progress billings for the EPCC Project amounting to US\$13.4 million, and increased bank borrowings of US\$4.31 million, from additional undertaken partially offset by repayment of bank borrowings during FY'12.

The increase in capital and reserves to US\$10.01 million as at 31 December 2012 from US\$9.45 million as at 31 December 2011 was mainly due to the profit from FY'12, offset partially by the dividend declared for FY'11 which was paid out in FY'12.

Cash flow statement

The Group reported an increase in cash and bank balances (net of fixed deposits pledged) of US\$0.34 million to US\$1.67 million as at 31 December 2012 from US\$1.33 million as at 31 December 2011.

Net cash generated from operating activities, which amounted to US\$2.15 million in FY'12, was mainly due to collections of milestone payments from EPCC Project amounting to US\$9.55 million. This increase was partially offset by deposit payments to vendors for the EPCC Project of US\$4.84 million, and payments to direct labour and third-parties for design and engineering costs incurred on the EPCC Project, amounting to US\$2.12 million.

Net cash from investing activities, which amounted to US\$0.08 million in FY'12, was mainly due to the return of paid-up capital from HS Offshore of US\$0.30 million and proceeds from disposal of plant and equipment of US\$0.72 million. This was offset by purchase of additional fixed assets of US\$0.94 million.

Net cash used in financing activities, which amounted to US\$1.88 million, comprised mainly of deposit pledge with banker to secure the bank guarantee facility.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary of the competitive conditions of the industry in which the group operates and any known factors that might affect the group in the next reporting period and the next 12 months has been provided.

Industry Outlook

Despite the global macro-economic uncertainties this year, the outlook of Singapore's offshore and marine industry continues to be positive, as the oil and gas sector to which it is dependent on has remained healthy. The global oil and gas industry is expected to remain buoyant due to the higher demand from emerging economies, particularly Asian economies such as China, India and ASEAN region.

In 2013, offshore drilling activities will continue to show healthy growth. Continued exploration success and production activities are expected to support the demand for deep-water floaters and premium jack-up rigs. The offshore services players would also benefit from increased offshore construction, pipe-laying, production, inspection, repair and maintenance activities in the offshore oil fields.

Group Outlook

In line with the corporate strategy to shift the Group's business activities 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 first consolidated, strengthened foundations 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. The specific goals of these three verticals will be supplemented by Group-wide initiatives to secure more projects including those of Engineering, Procurement, Construction and Commissioning ("EPCC") nature while developing adjacencies with a view to increasing market share and improving both revenue and profit growth. These initiatives may include mergers and acquisitions.

The Group expects to complete and deliver its ongoing EPCC Project by June 2013. 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 customer or potential new customers.

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

The Group's Houston-based design and engineering company, Sea Reef International Inc., is exploring opportunities to establish cooperation with manufacturers in the U.S.A. and Singapore. While improving the manufacturing capabilities and processes in its facilities in China, the Group is also developing the local contract manufacturing business.

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Ordinary Share	S\$0.002
Tax Rate	Tax exempt one-tier

**(b)(i) Amount per share (cents)
(Optional) Rate (%)**

S\$0.002 per share (based on the Company's issued and paid up capital of 121,680,100 shares)

(b)(ii) Corresponding Period of the Immediately Preceding Financial Year

Dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Ordinary Share	S\$0.002
Tax Rate	Tax exempt one-tier

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The dividend is tax exempt.

(d) The date the dividend is payable.

The date of the dividend payable will be announced later.

(e) Book closure date.

Notice will be given at a later date on the closure of the Share Transfer Books and register of Members of the Company to determine members' entitlement to the dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Dividend has been declared/recommended. Please see above.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not have a general mandate for interested person transactions. There were no other interested person transactions of S\$100,000 or more for FY'12.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group's businesses are broadly categorized into the following:

- (i) Marketing and distribution; and
- (ii) Manufacturing

FY'12

	Marketing and distribution US\$	Design, Engineering and Fabrication US\$	Manufacturing US\$	Elimination US\$	Consolidated US\$
Revenue					
Revenue from external customer	6,600,801	1,979,586	852,565	-	9,432,952
Intersegment revenues	-	1,513,433	614,804	(2,128,237)	-
	<u>6,600,801</u>	<u>3,493,019</u>	<u>1,467,369</u>	<u>(2,128,237)</u>	<u>9,432,952</u>
Results					
Segment results	360,488	(346,317)	(442,029)	-	(427,858)
Other Income	62,905	7,866	523,895	-	594,666
Finance costs	(78,071)	(69)	(42,891)	-	(121,031)
Share of result of an associate	-	-	161,107	-	161,107
Share of result of joint ventures	474,136	-	-	-	474,136
Profit before income tax	<u>819,458</u>	<u>(338,520)</u>	<u>200,082</u>	<u>-</u>	<u>681,020</u>
Income tax expense	(7,907)	(22,318)	-	-	(30,225)
Profit for the financial year	<u>811,551</u>	<u>(360,838)</u>	<u>200,082</u>	<u>-</u>	<u>650,795</u>
Non-controlling interest	-	-	4,515	-	4,515
Profit attributable to owners of the parent	<u>811,551</u>	<u>(360,838)</u>	<u>204,597</u>	<u>-</u>	<u>655,310</u>
Capital expenditure	44,589	215,798	680,902	-	941,289
Depreciation and amortisation expenses	55,248	35,955	350,315	-	441,518

	Marketing and distribution US\$	Design, Engineering and Fabrication US\$	Manufacturing US\$	Elimination US\$	Consolidated US\$
FY'12					
Assets and Liabilities					
Segment assets	24,937,265	549,244	7,577,272	-	33,063,781
Income tax recoverable					13,079
Total assets					<u>33,076,860</u>
Segment liabilities	21,610,045	217,645	1,094,576	-	22,922,266
Current income tax payable					13,634
Deferred tax liabilities					33,595
Total liabilities					<u>22,969,495</u>
FY'11					
	Marketing and distribution US\$	Design, Engineering and Fabrication US\$	Manufacturing US\$	Elimination US\$	Consolidated US\$
Revenue					
Revenue from external customer	6,550,338	86,650	484,410	-	7,121,398
Intersegment revenues	-	-	269,664	(269,664)	-
	<u>6,550,338</u>	<u>86,650</u>	<u>754,074</u>	<u>(269,664)</u>	<u>7,121,398</u>
Results					
Segment results	2,147,272	(1,406,130)	(343,517)	-	397,625
Finance costs	(96,804)	-	(45,568)	-	(142,372)
Share of result of an associate	-	-	165,783	-	165,783
Share of result of joint ventures	42,420	-	-	-	42,420
Profit before income tax	<u>2,092,888</u>	<u>(1,406,130)</u>	<u>(223,302)</u>	<u>-</u>	<u>463,456</u>
Income tax expense	(188,317)	(18,636)	-	-	(206,953)
Profit for the financial year	<u>1,904,571</u>	<u>(1,424,766)</u>	<u>(223,302)</u>	<u>-</u>	<u>256,503</u>
Non-controlling interest	-	-	11,047	-	11,047

FY'11	Marketing and distribution US\$	Design, Engineering and Fabrication US\$	Manufacturing US\$	Elimination US\$	Consolidated US\$
Profit attributable to owners of the parent	1,904,571	(1,424,766)	(212,255)	-	267,550
Capital expenditure	20,549	44,069	257,262	-	321,880
Depreciation and amortisation expenses	67,550	12,119	325,535	-	405,204
Assets and Liabilities					
Segment assets	5,367,974	469,834	7,175,064	-	13,012,872
Income tax recoverable					48,714
Total assets					<u>13,061,586</u>
Segment liabilities	2,236,280	366,154	853,362	-	3,455,796
Current income tax payable					52,448
Deferred tax liabilities					4,271
Total liabilities					<u>3,512,515</u>

Segmented results for operating segments

FY'12

	Singapore	People's Republic of China	Southeast Asia other than Singapore	Europe	USA	Others	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Revenue							
External revenue	5,594,292	112,217	429,095	1,318,537	1,976,511	2,300	9,432,952
Assets							
Segment asset	24,697,415	7,577,273	-	-	789,093	-	33,063,781
Income tax recoverable	-	13,079	-	-	-	-	13,079
Total asset	24,697,415	7,590,352	-	-	789,093	-	33,076,860

FY'11

	Singapore	People's Republic of China	Southeast Asia other than Singapore	Europe	USA	Others	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Revenue							
External revenue	2,276,908	356,260	990,542	3,252,941	86,650	158,097	7,121,398
Assets							
Segment asset	5,405,988	7,175,064	-	-	431,820	-	13,012,872
Income tax recoverable	-	48,714	-	-	-	-	48,714
Total asset	5,405,988	7,223,778	-	-	431,820	-	13,061,586

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to items 8 and 10.

16. A breakdown of sales.

	FY'12	FY'11	Increase/ (Decrease)
	US\$	US\$	%
Sales reported for first half year	3,335,327	5,063,072	34
Operating profit after income tax before deducting non-controlling interests reported for first half year	(9,102)	268,274	(>100)
Sales reported for second half year	6,097,625	2,058,326	>100
Operating profit after income tax before deducting non-controlling interests reported for second half year	659,897	(11,771)	>100

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY 2012	FY 2011
	US\$	US\$
Ordinary		
Final	199,133 ¹	189,772 ²
Total	199133	189,772

¹ FY12's final dividend of S\$0.002 per share, which was calculated based on number of ordinary shares as at 31 December 2012, and is subject to the approval of the shareholders at the forthcoming annual general meeting;

² The Group has declared and paid final dividend for FY11 of S\$0.002 per share, which was paid on 18 May 2012.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Rules of Catalyst, the information on the persons holding managerial positions who are related to a director, chief executive officer or substantial shareholder of the Company or of its principal subsidiaries are set out below:-

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Chen Jiayu	30	Daughter of Mr. David Tan, an Executive Director of the Company	Current Position Customer Support Director since 2006 Duties Responsible for customer support and overseas the logistics function of the Company.	NIL

BY ORDER OF THE BOARD

Chan Lai Thong
Executive Chairman

1 March 2013