



SBI OFFSHORE LIMITED

Company Registration No.199407121D

PROPOSED PLACEMENT OF 34,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF SBI OFFSHORE LIMITED (THE "COMPANY")

1. INTRODUCTION

The Board of Directors (the "**Directors**") of the Company wishes to announce the proposed issue or placement (the "**Proposed Placement**") of 34,000,000 new ordinary shares (the "**Placement Shares**") at an issue price of S\$0.108 (the "**Placement Price**") for each Placement Share.

Details on the Proposed Placement are provided herein.

2. PROPOSED PLACEMENT

The Directors wish to announce that the Company has on 6 March 2013 entered into separate subscription agreements (the "**Subscription Agreements**") with the subscribers listed in the table below (collectively, the "**Subscribers**"), pursuant to which the Subscribers have agreed to subscribe for such number of Placement Shares at the Placement Price, set forth opposite their respective names as set out in the table below.

S/N	Subscribers	No. of Shares	% of existing issued share capital^{(1) (3)}	% of enlarged issued share capital^{(2) (3)}
1.	Tao Feng	5,150,000	4.23%	3.31%
2.	Goh Fu Qiang, Kenneth	5,000,000	4.11%	3.21%
3.	Anparasan s/o Kamachi	4,000,000	3.29%	2.57%
4.	Soh Bun Kuang	4,000,000	3.29%	2.57%
5.	Goh Ju Poh Paul	4,000,000	3.29%	2.57%
6.	Chow Gan Soong	3,000,000	2.47%	1.93%
7.	Beh Bak Hai	1,500,000	1.23%	0.96%
8.	Fang Huan Yong	1,000,000	0.82%	0.64%
9.	Goh Huan Choong	1,000,000	0.82%	0.64%
10.	Goh Soon Huat Francis	1,000,000	0.82%	0.64%
11.	Sarinderjit Kaur	1,000,000	0.82%	0.64%
12.	Chia Jackson	500,000	0.41%	0.32%
13.	Chia Kok Hui	500,000	0.41%	0.32%
14.	Teh Chong Ann	500,000	0.41%	0.32%
15.	Yue Chin Ko	500,000	0.41%	0.32%
16.	Lim Siak Khuang	300,000	0.25%	0.19%
17.	Tam Gok Wei	250,000	0.21%	0.16%
18.	Yen Eden Yolu	250,000	0.21%	0.16%
19.	Tobias P.George	200,000	0.16%	0.13%

20.	Ng Kim Khoon	150,000	0.12%	0.10%
21.	Eng Ek Jin	50,000	0.04%	0.03%
22.	Irene Lim Suan Kim	50,000	0.04%	0.03%
23.	Pravinchandra K. s/o Keshavlal Dungarshi	50,000	0.04%	0.03%
24.	Richard Koh Siam Mong	50,000	0.04%	0.03%
	Total	34,000,000	27.94%	21.84%

Notes

(1) Based on existing issued share capital of 121,680,100 shares of the Company

(2) Based on enlarged issued share capital of 155,680,100 shares after the placement of 34,000,000 shares

(3) All discrepancies in the figures included herein between the listed and total amounts thereof are due to rounding. Accordingly, figures shown as totals in this announcement may not be an arithmetic aggregation of the figures that precede them.

The Placement Price represents a discount of approximately 10% to the volume weighted average price of S\$0.12 for trades done on Catalist on 5 March 2013 (being the preceding full market day up to the time the Subscription Agreements were signed). The Placement Price was arrived at based on a willing buyer, willing seller basis. In agreeing to the Placement Price, the Board also took into consideration the general market conditions.

The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing issued ordinary shares ("**Shares**") in the capital of the Company, except for any dividends, distributions or entitlements the record date of which falls before the date of issue of the Placement Shares.

The Subscribers were referred to the Company by the Directors, senior employees and consultants of the Company and are business associates or friends of these Directors, senior employees and consultants. No placement commission has been paid or will be payable by the Company for the Proposed Placement. The subscribers are all retail investors.

Pursuant to the Subscription Agreements, each of the Subscribers has represented that each of them is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812(1) of Section B: Rules of Catalist of the SGX-ST Listing Manual.

In addition, pursuant to the Subscription Agreements, each of the Subscribers has represented that each of them is not acting in concert with any other Subscriber or substantial shareholder of the Company and they do not act in accordance with the instructions of any other Subscriber or substantial shareholder of the Company.

Shareholders' Mandate

The Placement Shares will be allotted and issued pursuant to the general share issue mandate obtained from shareholders of the Company, by way of ordinary resolution, at the Annual General Meeting of the Company held on 25 April 2012 ("**General Mandate**"). Pursuant to the General Mandate, the directors of the Company are authorised to *inter alia*, issue new shares, other than on a pro rata basis to the shareholders of the Company, of up to 50.0% of the total number of issued Shares (excluding treasury shares) of 121,680,100 shares (the "**Share Capital**") as at the date of the said resolution.

The Placement Shares of 34,000,000 represent approximately 27.94% of the Share Capital as at the date of this announcement and the date of the Annual General Meeting. As such, the proposed issue and allotment of the Placement Shares will be within the limits of the General Mandate.

Financial Effects of the Private Placement

As at the date of this announcement, the issued and paid-up ordinary share capital of the Company is approximately S\$9,673,627 comprising 121,680,100 Shares. When completed and assuming that all the 34,000,000 Placement Shares are issued, the Proposed Placement will increase the existing issued and paid-up Share capital of the Company by approximately 38% to approximately S\$13,345,627 million comprising 155,680,100 Shares.

Based on the unaudited financial statements of the Company and its subsidiaries (the "Group") as at 31 December 2012, the net assets value per Share attributable to the Shareholders, after adjusting for the issue of 34,000,000 Placement Shares and assuming that the transaction had been completed at the financial ended 31 December 2012 ("FY2012"), will increase from approximately 8.31 US\$ cents to 8.39 US\$ cents.

Based on the unaudited financial statements of the Group of FY2012, the net profit per Share of the Group attributable to the Shareholders, after adjusting for the issue of 34,000,000 Placement Shares and assuming that the transaction had been completed at the beginning of FY2012 and assuming no returns for the deployment of the proceeds, will decrease from approximately 0.54 US\$ cents to approximately 0.42 US\$ cents.

Based on the audited financial statements of the Group as at 31 December 2011, the net assets value per Share attributable to the Shareholders, after adjusting for the issue of 34,000,000 Placement Shares and assuming that the transaction had been completed at the end of financial year ended 31 December 2011 ("FY2011"), will increase from approximately 7.85 US\$ cents to 8.03 US\$ cents.

Based on the audited financial statements of the Group as at 31 December 2011, the net profit per Share of the Group attributable to the Shareholders, after adjusting for the issue of 34,000,000 Placement Shares and assuming that the transaction had been completed at the beginning of FY2011 and assuming no returns for the deployment of the proceeds, will decrease from approximately 0.22 US\$ cents to approximately 0.17 US\$ cents.

Use of Proceeds

The proceeds to be raised from the Proposed Placement, after deducting estimated expenses of approximately S\$50,000 will amount to approximately S\$3,622,000 million (the "Net Proceeds").

The Company intends to utilise the Net Proceeds for the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)
General working capital for existing projects	10 to 20
Other strategic alliances, market expansion and such business development plans when opportunities arise	80 to 90

The Company will make periodic announcements on the use of the Proceeds as and when the Proceeds are materially disbursed, and provide a status report on the use of the Proceeds in the Company's annual report. The Company will disclose a breakdown with specific details on the use of Proceeds for working capital in such announcements and annual reports.

Conditions Precedent

The Proposed Placement is subject to certain conditions precedent more particularly set out in the Subscription Agreement, including the issuance of the listing and quotation notice for the Placement Shares by the SGX-ST.

An application to the SGX-ST via the sponsor of the Company will be made, for the listing of and quotation for the Placement Shares.

3. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

4. CONFIRMATIONS BY DIRECTORS

The Directors are of the opinion as at the date of this announcement, after taking into consideration the cash and cash equivalents, cash generated from operations and available banking facilities of the Group, that the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the rationale of the Proposed Placement is to provide additional working capital for existing projects and funding for other strategic alliances, market expansion and such business development plans when opportunities arise.

The Directors are of the opinion as at the date of this announcement, after taking into consideration the cash and cash equivalents, cash generated from operations and available banking facilities of the Group, that the Net Proceed after deducting estimated expenses from the Proposed Placement is sufficient to meet its present requirements.

5. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Placement Shares will be placed by the Company to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of Section B: Rules of Catalist of the SGX-ST Listing Manual. None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement (other than through their shareholdings in the Company).

6. RESPONSIBILITY 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 Proposed Placement, and the Company, and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements will be made available for inspection during normal business hours at the Company's registered office at 31 International Business Park #05-05 Creative Resource Singapore 609921 for a period of three (3) months commencing from the date of this announcement.

By Order of the Board of

Chan Lai Thong
Executive Chairman and Director

Date: 6 March 2013

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 Catalyst.

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 SGXST 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.

The contact person for the Sponsor is Mr Thomas Lam at 36 Carpenter Street, Singapore 059915, telephone: (65) 6323 8383; email: tlam@cnplaw.com.