

SBI OFFSHORE LIMITED**Full Year Financial Statements And Dividend Announcement for the Year Ended 31 December 2010
(All amounts in US\$ unless otherwise indicated)**

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 November 2009. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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.

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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 (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group			
Financial year ended			
	31.12.2010	31.12.2009	Increase/ (Decrease) %
	US\$	US\$	
Revenue	9,339,024	12,195,069	(23.4)
Cost of sales	(5,914,747)	(7,999,283)	(26.1)
Gross profit	3,424,277	4,195,786	(18.4)
Other income	201,838	210,215	(4.0)
General and administrative expenses	(3,542,022)	(1,858,240)	90.6
Finance costs	(83,516)	(376,487)	(77.8)
Share of results of an associate	201,015	206,040	(2.4)
Profit before income tax	201,592	2,377,314	(91.5)
Income tax expense	(53,282)	(416,322)	(87.2)
Profit for the financial year	148,310	1,960,992	(92.4)
Other comprehensive income:			
Exchange differences arising from translation of foreign operation, net of tax	165,232	1,925	8,483
Total comprehensive income for the financial year	313,542	1,962,917	(84.0)
Profit attributable to:			
Owners of the parent	135,110	1,987,660	(93.2)
Non-controlling interests	13,200	(26,668)	NM
	148,310	1,960,992	(92.4)
Total comprehensive income attributable to:			
Owners of the parent	297,187	1,989,585	(85.1)
Non-controlling interests	16,355	(26,668)	NM
	313,542	1,962,917	(84.0)

NM = Not meaningful

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		
	31.12.2010 US\$	31.12.2009 US\$	Increase/(Decrease) %
Depreciation of property, plant and equipment	164,531	51,476	219.6
Operating lease expenses	159,302	48,009	231.8
Impairment loss in goodwill	-	200,385	NM
Gain on disposal of plant and equipment	-	4,786	NM
Gain on disposal of a subsidiary	138,271	-	NM
Amortisation of prepayment	148,399	-	NM
Foreign currency exchange loss	53,287	102,840	(48.2)

NM = Not meaningful

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

	Group		Company	
	31.12.2010 US\$	31.12.2009 US\$	31.12.2010 US\$	31.12.2009 US\$
Non-current assets				
Property, plant and equipment	1,376,409	1,227,968	753,045	755,965
Investments in subsidiaries	-	-	5,880,000	2,160,000
Investment in an associate	2,207,055	2,006,040	1,800,000	1,800,000
Intangible assets	1,378,046	-	-	-
	<u>4,961,510</u>	<u>3,234,008</u>	<u>8,433,045</u>	<u>4,715,965</u>
Current assets				
Inventories	203,223	204,440	35,562	-
Property held for sale	201,238	-	-	-
Trade and other receivables	7,386,006	5,475,264	4,479,394	4,445,061
Cash and cash equivalents	1,887,399	3,452,983	1,490,314	2,868,586
	<u>9,677,866</u>	<u>9,132,687</u>	<u>6,005,270</u>	<u>7,313,647</u>
Current liabilities				
Trade and other payables	3,834,461	3,140,901	2,239,948	2,884,393
Dividend payable	-	156,617	-	156,617
Finance lease payable	15,084	-	15,084	-
Bank borrowings	1,489,718	376,359	1,489,718	376,359
Current income tax payable	7,000	459,697	7,000	459,697
	<u>5,346,263</u>	<u>4,133,574</u>	<u>3,751,750</u>	<u>3,877,066</u>
Net current assets	<u>4,331,603</u>	<u>4,999,113</u>	<u>2,253,520</u>	<u>3,436,581</u>

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	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	US\$	US\$	US\$	US\$
Non-current liabilities				
Bank borrowings	-	1,365,604	-	1,365,604
Deferred tax liabilities	4,271	4,271	4,271	4,271
	<u>4,271</u>	<u>1,369,875</u>	<u>4,271</u>	<u>1,369,875</u>
Net assets	<u>9,288,842</u>	<u>6,863,246</u>	<u>10,682,294</u>	<u>6,782,671</u>
Capital and reserves				
Share capital	6,397,479	4,130,211	6,397,479	4,130,211
Foreign currency translation account	165,028	2,951	-	-
Share option reserve	6,423	-	6,423	-
Accumulated profits	<u>2,617,218</u>	<u>2,643,745</u>	<u>4,278,392</u>	<u>2,652,460</u>
Equity attributable to owners of the parent	<u>9,186,148</u>	<u>6,776,907</u>	<u>10,682,294</u>	<u>6,782,671</u>
Non-controlling interests	102,694	86,339	-	-
Total equity	<u>9,288,842</u>	<u>6,863,246</u>	<u>10,682,294</u>	<u>6,782,671</u>

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

Amount repayable in one year or less, or on demand

	As at 31.12.2010	As at 31.12.2009
	US\$	US\$
Finance lease payable	15,084	-
Bank borrowings	<u>1,489,718</u>	<u>376,359</u>
	<u>1,504,802</u>	<u>376,359</u>

Amount repayable after one year

	As at 31.12.2010	As at 31.12.2009
	US\$	US\$
Bank borrowings	-	1,365,604
	<u>-</u>	<u>1,365,604</u>

Bank borrowings bear effective interest rate of approximately 5% per annum

The bank borrowings are secured by way of:

- (i) first legal charge on the Company's leasehold property; and
- (ii) charge on the Company's fixed deposits

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

	Group	
	Financial year ended	
	31.12.2010	31.12.2009
	US\$	US\$
Cash flows from operating activities		
Profit before income tax	201,592	2,377,314
Adjustments for:		
Depreciation of property, plant and equipment	164,531	51,476
Share of results of an associate	(201,015)	(206,040)
Loss on impairment of goodwill	-	200,385
Foreign exchange difference	215,366	83,553
Share option expense	6,423	-
Gain on disposal of plant and equipment	-	(4,786)
Gain on disposal of subsidiary	(138,271)	-
Amortisation of prepayment	148,399	-
Interest income	(787)	(45,683)
Interest expense	83,516	376,487
Operating profit before changes in working capital	479,754	2,832,706
Trade and other receivables	(2,252,061)	(469,128)
Trade and other payables	940,005	911,050
Inventories	(86,776)	(29,963)
Interest income	787	45,683
Interest expense	(83,516)	(376,487)
Income tax paid	(505,979)	(342,308)
Net cash (used in)/from operating activities	(1,507,786)	2,571,553
Cash flows from investing activities		
Purchase of plant and equipment	(1,699,005)	(581,547)
Acquisition of a subsidiary	-	119,397
Investment in an associate	-	(1,800,000)
Net cash used in investing activities	(1,699,005)	(2,262,150)
Cash flows from financing activities		
Proceeds of finance lease	34,393	-
Repayment of finance lease	(19,309)	(24,691)
Repayment of bank borrowings	(385,854)	(24,662)
Proceeds from bridging loan	-	1,288,565
Proceeds from disposal of plant and equipment	-	22,273
(Pledged)/Reversal of fixed deposits with banks	(154,960)	173,298
Repayment on issuance of redeemable preference share	-	(2,079,578)
Proceeds from issue of shares	2,281,808	4,041,713
Repayment for share issue expense	(14,540)	(451,783)
Dividends paid	(318,254)	(988,348)
Net cash from financing activities	1,423,284	1,956,787

1(c) A cash flow statement (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	(1,783,507)	2,266,190
Cash and cash equivalents at beginning of financial year	3,327,687	1,099,550
Effect of foreign exchange rate changes in cash and cash equivalent	62,963	(38,053)
Cash and cash equivalent at end of financial year	<u>1,607,143</u>	<u>3,327,687</u>

Cash and cash equivalents comprise of the following:

	31.12.2010	31.12.2009
	US\$	US\$
Cash and bank balances	1,607,143	3,327,687
Fixed deposits	280,256	125,296
Cash and cash equivalents on consolidated balance sheets	1,887,399	3,452,983
Less: Fixed deposits pledged	(280,256)	(125,296)
	<u>1,607,143</u>	<u>3,327,687</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.

Group

	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 2010	4,130,211	2,951	-	2,643,745	6,776,907	86,339	6,863,246
Issue of shares	2,281,808	-	-	-	2,281,808	-	2,281,808
Share issue expense	(14,540)	-	-	-	(14,540)	-	(14,540)
Share option expense	-	-	6,423	-	6,423	-	6,423
Total comprehensive income for the financial period	-	162,077	-	135,110	297,187	16,355	310,387
Dividends	-	-	-	(161,637)	(161,637)	-	(161,637)
Balance at 31 December 2010	<u>6,397,479</u>	<u>165,028</u>	<u>6,423</u>	<u>2,647,218</u>	<u>9,186,148</u>	<u>102,694</u>	<u>9,288,842</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)

Group

	Share capital	Foreign currency translation account	Accumulated profits	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2009	540,281	1,026	1,801,050	2,342,357	(6,390)	2,335,967
Issue of shares	4,041,713	-	-	4,041,713	-	4,041,713
Share issue expense	(451,783)	-	-	(451,783)	-	(451,783)
Incorporation of a subsidiary	-	-	-	-	119,397	119,397
Total comprehensive income for the financial year	-	1,925	1,987,660	1,989,585	(26,668)	1,962,917
Dividends	-	-	(1,144,965)	(1,144,965)	-	(1,144,965)
Balance at 31 December 2009	4,130,211	2,951	2,643,745	6,776,907	86,339	6,863,246

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.

Company

	Share capital	Share option reserve	Accumulated profits	Total equity
	US\$	US\$	US\$	US\$
Balance at 1 January 2010	4,130,211	-	2,652,460	6,782,671
Issue of shares	2,281,808	-	-	2,281,808
Share issue expense	(14,540)	-	-	(14,540)
Total comprehensive income for the financial period	-	-	1,787,569	1,787,569
Share option expense	-	6,423	-	6,423
Dividends	-	-	(161,637)	(161,637)
Balance at 31 December 2010	6,397,479	6,423	4,278,392	10,682,294

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)

	Share capital US\$	Accumulated profits US\$	Total equity US\$
Balance at 1 January 2009	540,281	1,847,295	2,387,576
Issue of shares	4,041,713	-	4,041,713
Share issue expense	(451,783)	-	(451,783)
Total comprehensive income for the financial year	-	1,950,130	1,950,130
Dividends	-	(1,144,965)	(1,144,965)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2009	4,130,211	2,652,460	6,782,671

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 30 June 2010 and 31 December 2010	<u>121,680,100</u>	<u>9,048,755</u>	<u>6,397,479</u>

There was no change in the Company's share capital as at 31 December 2010 since the end of the previous period reported on, that is 30 June 2010.

There were no convertibles and treasury shares as at 31 December 2010 and 31 December 2009 respectively.

The total number of outstanding share options granted under the Employees' Share Option Scheme ("ESOS") as at 31 December 2010 [31 December 2009: nil] were as follows:-

Exercise Period	Exercise Price	Options granted under ESOS Outstanding as at 31.12.2010
12/03/2011 – 11/03/2021	S\$0.194	200,000

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 and 110,680,100 ordinary shares in issue as at 31 December 2010 and 31 December 2009 respectively.

There were no treasury shares as at 31 December 2010 and 31 December 2009.

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 current financial period 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 2010. 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 2009.

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 2010.

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	
	31.12.2010	31.12.2009
Earnings per ordinary share ("EPS")	US Cents	US Cents
(a) Basic	0.12	1.80
(b) On a fully diluted basis	0.12	1.80

For financial year ended 31 December 2010 ("FY2010"), the basic EPS was calculated by dividing the profit attributable to owners of the parent of US\$135,110 by the weighted average number of shares in issue of 116,888,319.

For financial year ended 31 December 2009 ("FY2009"), the basic EPS was calculated by dividing the profit attributable to owners of the parent of US\$1,987,660 by the weighted average number of shares in issue of 110,680,100.

The diluted EPS is computed to be the same as the basic EPS as there were no dilutive instruments as at 31 December 2009 and 31 December 2010.

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	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Net assets (US\$)	9,186,148	6,776,907	10,682,294	6,782,671
Net asset value per ordinary share based on the number of shares in issue at end of year (US cents)	7.55	6.12	8.78	6.13

The net asset value per ordinary share of the Group and the Company as at 31 December 2010 is calculated based on the total number of issued shares of 121,680,100. The net asset value per ordinary share of the Group and the Company as at 31 December 2009 is calculated based on the total number of issued shares of 110,680,100.

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

	FY2010 US\$	FY2009 US\$
Sale of products and services	9,247,394	11,865,956
Manufacturing	91,630	329,113
	<u>9,339,024</u>	<u>12,195,069</u>

The Group's revenue for FY2010 decreased by US\$2.86 million or 23.4%, from US\$12.2 million in FY2009 to US\$9.34 million in FY2010 due to a decline in commission income as well as a decrease in orders from rig builders in Asia. In line with the lower revenue, gross profit for the Group decreased by 18.4% from US\$4.2 million in FY2009 to US\$3.42 million in FY2010.

Total general and administrative expenses for FY2010 amounted to approximately US\$3.54 million, an increase of 90.6% from US\$1.86 million in FY2009. This increase was primarily due to the start up cost of our new design and engineering subsidiaries, Sea Reef Offshore Pte Ltd ("SOPL") and Sea Reef International Inc. ("SRI") which amounted to US\$1.31 million and higher operating cost of our manufacturing subsidiary, Jiangyin SBI Offshore Equipment Co. Ltd ("JSBI") of US\$0.67 million. The Company also had a number of new hires in the Engineering and Sales division. Depreciation expense has also increased 219.6% from US\$0.05 million in FY2009 to US\$0.16 million in FY2010 due to the purchase of fixed assets, mainly in JSBI. Finance cost for FY2010 amounted to US\$0.08 million, a decrease of 77.8% from US\$0.38 million in FY2009 which did not recur in FY2010 as these redeemable preference shares were fully redeemed during FY2009.

Our share of results of an associate amounted to US\$0.20 million in FY2010. This was derived from our associate, Jiangyin Neptune Marine Appliance Co., Ltd. ("Jiangyin Neptune"), which we acquired a 35% shareholding interest on 3 March 2009.

Review of performance (Continued)

Notwithstanding the lower revenue and gross profit, the Group managed to achieve a gross profit margin of 36.7% in FY2010, representing a marginal increase as compared to 34.4% in FY2009. After taking into account all expenses, share of results of an associate, the Group's profit before income tax ("PBT") decreased by 91.5% from US\$2.38 million in FY2009 to US\$0.20 million in FY2010.

In tandem with the lower PBT, the Group's profit after tax decreased by 92.4% from US\$1.96 million in FY2009 to US\$0.15 million in FY2010 after taking into consideration the effect of income tax expenses.

Financial position

Non-current assets increased from US\$3.23 million as at 31 December 2009 to US\$4.96 million as at 31 December 2010, mainly due to the purchase in fixed assets as well as land use right obtained for our China contract engineering activities.

The increase in current assets from US\$9.13 million as at 31 December 2009 to US\$9.68 million as at 31 December 2010 was mainly due to the increase in trade and other receivables arising from the deposit paid to Jiangyin Neptune by JSBI for the acquisition of factory building pursuant to the addendum to the business and assets acquisition agreement dated 9 January 2010 ("Addendum Agreement") entered into between JSBI and Jiangyin Neptune.

Non-current liabilities decreased from US\$1.37 million as at 31 December 2009 to US\$0.0004 million as at 31 December 2010 mainly due to reclassification of bank borrowings from long-term to current borrowings in accordance to the latest accounting standard.

Current liabilities increased from US\$4.13 million as at 31 December 2009 to US\$5.35 million as at 31 December 2010. This was mainly attributed to finance lease undertaken during FY2010 and the weakening of US\$ against S\$ which led to an increase in loan outstanding, partially offset by the repayment of bank borrowings. The increase in current liabilities was also due to the bank borrowings which was previously classified as long term in FY2009 and was being classified as current in FY2010.

The increase in capital and reserves from US\$6.86 million as at 31 December 2009 to US\$9.29 million as at 31 December 2010 was mainly due to the net proceeds of US\$2.27 million raised from the issuance of 11 million ordinary shares on 8 June 2010 pursuant to a private placement ("Placement") and the profits from FY2010, partially offset by dividends declared and paid for FY2009.

The Group had positive working capital of US\$4.33 million as at 31 December 2010 and US\$5.0 million as at 31 December 2009.

Cash flow statement

The Group reported a net decrease in cash and cash equivalents (net of fixed deposits pledged) of US\$1.72 million from US\$3.32 million as at 31 December 2009 to US\$1.61 million as at 31 December 2010.

As compared to the net cash inflow from operating activities of US\$2.57 million for FY2009, the Group had a net cash used in operating activities for FY2010 of US\$1.51 million, mainly due to the substantial decrease in profit before tax for FY2010 as compared to FY2009 and an increase in trade and other receivables on prepayment to Jiangyin Neptune pursuant to the Addendum Agreement for the acquisition of factory building.

Cash flow used in investing activities for FY2010 amounted to US\$1.70 million, was mainly due to the purchase in fixed assets as well as land use right obtained for our China contract engineering activities.

Cash flow from financing activities for FY2010 amounted to US\$1.42 million, comprised mainly of net proceeds raised from the Placement of US\$2.27 million and partially offset by repayment of bank borrowings and dividends for FY2009 which was paid out in FY2010.

As at 31 December 2010, the Group had cash and cash equivalents amounting to US\$1.61 million, as compared to US\$3.32 million as at 31 December 2009.

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

The offshore rig building industry ended 2010 on a brighter note than that at the beginning. In the fourth quarter of FY2010 ("4Q2010"), interest for newbuilds rose significantly after a relatively quiet two-year period when regional shipyards were contemplating cutbacks and retrenchment.

To-date, jack-up rig orders are largely in response to demand for higher specifications offering greater hook loads, new blowout preventers, more deck space and greater drilling depths. On the other hand, the newbuilding of floaters such as drillships and semi-submersibles are in response to more deepwater and ultra-deepwater opportunities in Brazil, West Africa and Gulf of Mexico arising from higher oil prices.

The Group expects continued demand for new offshore units due to tougher drilling rules following the Macondo disaster in the Gulf of Mexico, even as the global economy recovers.

Company Outlook

The Group currently has an outstanding order book of approximately US\$7.1 million, mainly for delivery over the next 18 months. Backed by the sustained recovery of the offshore rig industry and our enlarged product portfolio, we are confident of securing more equipment orders in FY2011.

With a strong commercial and engineering team in place, we have begun offering turnkey design and engineering solutions to potential customers in Asia and the Middle East. The confirmation of any such orders, are expected to increase the Group's financial performance significantly.

Recent Developments

2010 was a transformational year for the Group. While the industry was still in the doldrums in early FY2010, the Group embarked on an aggressive drive to expand its design and engineering capabilities through a joint venture with Houston-based deck machinery design and engineering specialist, Sea Reef LLC. In early 2011, we also signed a legally-binding memorandum of understanding with Ram Machine Tooling Inc. (based in Mississippi, USA) to establish a joint venture to jointly pursue the global offshore/marine crane market. The Group has gained a vote of confidence from several major shipyards and rig/vessel owners who have included our new product lines in their master vendor list.

Our joint venture partners' established track records and brand recognition together with our low cost manufacturing and assembly operations in Asia offer a compelling proposition for rigs and vessels being built in Asia. We continue to pursue such synergistic joint ventures or merger and acquisition opportunities with other Western rig equipment OEMs - with the view of offering turnkey design and engineering solution packages to customers.

We have had favourable comments from Aker MH AS ("MH") for subcontract work done for them so far – although they may be of small scale. As MH has recently secured drilling equipment orders from Asian customers, we expect an increase in our subcontract work for MH in 2011.

As for our manufacturing facility in Jiangyin, Jiangsu Province, China, we have started to manufacture offshore equipment based on secured orders. We expect our manufacturing facility to be profitable in FY2011 - taking into account orders secured as well as orders being pursued by our sales/marketing team in Houston and Singapore.

The full year performance for FY2010 represents a year of investments and establishment of alliances with Western rig equipment specialists.

Recent Developments (Continued)

Barring any unforeseen circumstances, the Group is confident that the joint-ventures with established joint venture partners will contribute to the Group's performance in FY2011, which is expected to be better than that achieved in FY2010.

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 post-placement's issued and paid up number of shares of 121,680,100)

(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. Update on use of Placement proceeds as at date of announcement

	Allocated S\$000	Utilized S\$000
Investment in Jiangyin SBI Offshore Equipment Co. Ltd	1,500	1,500
Placement expenses	20	25
General working capital	1,670	1,665
Total	3,190	3,190

The proceeds from the Placement had been fully utilized according to its intended use.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical 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

FY2010

	Marketing and distribution US\$	Manufacturing US\$	Consolidated US\$
Revenue			
External revenue	9,247,394	91,630	9,339,024
Results			
Segment results	534,192	(651,937)	(117,745)
Unallocated income			201,838
Finance costs			(83,516)
Share of result of an associate			201,015
Profit before income tax			201,592
Income tax expense			(53,282)
Profit for the financial year			148,310
Non-controlling interest			(13,200)
Profit attributable to owners of the parent			135,110
Capital expenditure	13,982	1,677,036	1,691,018
Depreciation expenses	66,020	98,511	164,531
Assets and Liabilities			
Segment assets	7,695,056	6,893,489	14,588,545
Income tax recoverable			50,831
Total assets			14,639,376
Segment liabilities	3,785,930	1,553,333	5,339,263
Current income tax payable			7,000
Deferred tax liabilities			4,271
Total liabilities			5,350,534

FY2009

	Marketing and distribution US\$	Manufacturing US\$	Consolidated US\$
Revenue			
External revenue	11,865,956	329,113	12,195,069
Results			
Segment results	2,653,732	(115,801)	2,537,931
Unallocated income			210,215
Impairment loss in goodwill			(200,385)
Finance costs			(376,487)
Share of result of an associate			206,040
Profit before income tax			2,377,314
Income tax expense			(416,322)
Profit for the financial year			1,960,992
Non-controlling interests			26,668
Profit attributable to owners of the parent			1,987,660
Capital expenditure	581,547	-	581,547
Depreciation expenses	32,890	18,586	51,476
Assets and Liabilities			
Segment assets	12,203,534	112,664	12,316,198
Intangible asset			50,497
Total assets			12,366,695
Segment liabilities	4,629,448	253,416	4,882,864
Dividend payable			156,617
Current income tax payable			459,697
Deferred tax liabilities			4,271
Total liabilities			5,503,449

Segmented results for geographical segments

FY2010

	Singapore US\$	People's Republic of China US\$	Southeast Asia other than Singapore US\$	Europe US\$	USA US\$	Others US\$	Total US\$
Revenue							
External revenue	4,199,013	1,212,209	462,959	1,922,363	1,531,959	10,521	9,339,024
Assets							
Segment asset	7,553,585	6,893,489	-	-	141,471	-	14,588,545
Income tax recoverable	-	50,831	-	-	-	-	50,831
Total asset	7,553,585	6,944,320	-	-	141,471	-	14,639,376

FY2009

	Singapore US\$	People's Republic of China US\$	Southeast Asia other than Singapore US\$	Europe US\$	Others US\$	Total US\$
Revenue						
External revenue	7,072,720	1,626,666	13,367	3,479,024	3,292	12,195,069
Assets						
Segment assets	10,008,238	2,307,960	-	-	-	12,316,198
Income tax recoverable	-	50,497	-	-	-	50,497
Total asset	10,008,238	2,358,457	-	-	-	12,366,695

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to items 8 and 10.

15. A breakdown of sales

	FY2010 US\$	FY2009 US\$	Increase/ (Decrease)% US\$
Sales reported for first half year	4,688,068	5,976,752	(21.6)
Operating profit after income tax before deducting non-controlling interests reported for first half year	384,947	1,339,981	(71.3)
Sales reported for second half year	4,650,956	6,218,317	(25.2)
Operating profit after income tax before deducting non-controlling interests reported for second half year	(236,637)	621,011	(138.1)

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

	FY 2010	FY 2009
	US\$	US\$
Ordinary		
Interim	-	470,496 ²
Final	188,556 ¹	161,637 ²
Total	188,556	632,133

¹ FY2010's final dividend of S\$0.002 per share, which was calculated based on number of ordinary shares as at 31 December 2010, and is subject to the approval of the shareholders at the forthcoming Annual General Meeting;

² Prior to the Company's listing in November 2009, the Company paid interim dividends for FY2009 of S\$0.2877 per share and S\$0.23 per share. Pursuant to the Company's listing, the Group has declared interim and final dividend for FY2009 of S\$0.002 per share which were paid on 12 January 2010 and 20 May 2010 respectively.

BY ORDER OF THE BOARD

Jonathan Hui
Executive Chairman and
Chief Executive Officer

23 February 2011