



**SBI Offshore Limited**

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## **SBI OFFSHORE REPORTS US\$610,000 NET PROFIT, MAIDEN REVENUE CONTRIBUTION FOR RIG DESIGN & ENGINEERING SERVICES FOR MIDDLE EAST-CHINESE CONSORTIUM**

**SINGAPORE, 25 February 2015** – SGX Catalist-listed **SBI Offshore Limited** (“**SBI Offshore**” or the “**Company**” and together with its subsidiaries, the “**Group**”) announced today net profit of US\$610,000 for the financial year ended 31 December 2014 (“**FY2014**”) compared to US\$977,000 a year ago.

The provider of engineering and equipment solutions, fabrication, marketing and distribution of equipment to the offshore and marine (“**O&M**”) industry recorded revenue of US\$14.1 million in FY2014 which included partial recognition of the US\$24 million rig design and engineering services contract secured with a Middle East-Chinese consortium.

SBI Offshore’s gross profit increased 7% to US\$5.8 million in FY2014 from US\$5.5 million in FY2013.

Fully diluted earnings per share was 0.30 US cent in FY2014 compared to 0.58 US cent in FY2013. Net asset value per share increased to 12.06 US cents as at 31 December 2014 from 9.34 US cents as at 31 December 2013.

The Group’s cash and cash equivalents increased 253% to US\$17.3 million as at 31 December 2014 from US\$4.9 million as at 31 December 2013, lifted by a private share placement to several individuals.

Mr. Chan Lai Thong, Executive Chairman of SBI Offshore, said that while the recent falls in crude oil prices posed challenges for the entire O&M sector, the Group has already set in motion two major strategies to position for growth.

The first is the marketing, installation and provision of after-sales services for larger-scale O&M drilling equipment and systems (“**DES**”). SBI Offshore has been appointed lead procurement contractor for a semi-submersible to be built in China and has signed technical agreements with three shortlisted shipyards seeking to build the vessel.

“In view of China’s strategy to build up its fossil fuel reserves and other sources of supply, we believe there remains opportunities for large-scale DES or projects related to the O&M sector in China despite the recent fall in crude oil prices,” Mr Chan said.

In a second strategic thrust, the Group has commenced negotiations with a Middle East-Chinese consortium to build up to five jack-up drilling rigs based on engineering designs for which it has already commissioned from SBI Offshore.

“Despite the uncertainty in the O&M sector globally, we have gained traction with our initiatives executed this year. We remain actively engaged in negotiations with the consortium with a view to securing the order within FY2015,” he added.



**SBI Offshore Limited**

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**## End of Release ##**

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

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**About SBI Offshore Limited**

Established since 1994, SBI Offshore provides engineering, fabrication and equipment solutions to the offshore and marine industry. Since its public listing in November 2009, it is evolving into an integrated engineering solutions provider to the O&G industry with strategic alliances.

The Group's customer base includes some of the leading owners and builders of mobile offshore drilling and production units in the world. The Group's current distribution network currently encompasses Singapore, China, Indonesia, Malaysia, South Korea and Vietnam.

*This press release 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 Catalyst. The Sponsor has not verified the contents of this press release.*

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

*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.*

**Unaudited Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2014**  
**(All amounts in US\$ unless otherwise indicated)**

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

**1(a)(i) 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		
	31.12.2014	31.12.2013	Increase/ (Decrease)
	US\$'000	US\$'000	%
Revenue	14,149	41,792	(66)
Cost of sales	(8,309)	(36,314)	(77)
<b>Gross profit</b>	<b>5,840</b>	<b>5,478</b>	<b>7</b>
Interest income	102	13	>100
Other income	27	64	(58)
Administrative and other expenses	(5,544)	(4,930)	12
Finance costs	(70)	(142)	(51)
Share of results of an associate	212	187	13
Share of results of a joint venture	447	510	(12)
Profit before income tax	1,014	1,180	(14)
Income tax expense	(404)	(203)	99
<b>Profit for the financial year</b>	<b>610</b>	<b>977</b>	<b>(38)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of foreign operations	(117)	132	NM
<b>Total comprehensive income for the financial year</b>	<b>493</b>	<b>1,109</b>	<b>(56)</b>
<b>Profit attributable to</b>			
Owners of the parent	610	987	(38)
Non-controlling interests	-	(10)	NM
	610	977	(38)
<b>Total comprehensive income attributable to</b>			
Owners of the parent	493	1,119	(56)
Non-controlling interests	-	(10)	NM
	493	1,109	(56)

NM = Not meaningful

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

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

	Group		
	Financial year ended		
	31.12.2014 US\$'000	31.12.2013 US\$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	398	416	(4)
Amortization of intangible assets	73	81	(10)
Operating lease expenses	98	173	(44)
Employee share-based payment	547	570	(4)
Foreign currency exchange loss/(gain)	575	(18)	NM
Allowance for obsolete inventories	100	-	NM

NM = Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at end of the immediately preceding financial year.**

	Group		Company	
	31.12.2014 US\$'000	31.12.2013 US\$'000	31.12.2014 US\$'000	31.12.2013 US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	4,908	5,411	128	177
Intangible assets	1,157	1,326	72	108
Investments in subsidiaries	-	-	4,201	5,200
Investment in an associate	2,933	2,721	1,800	1,800
Investment in a joint venture	1,524	1,077	50	50
	<u>10,522</u>	<u>10,535</u>	<u>6,251</u>	<u>7,335</u>
<b>Current assets</b>				
Inventories	30	967	-	251
Trade and other receivables	11,062	8,372	17,733	14,474
Tax recoverable	9	18	-	-
Cash and cash equivalents	18,000	7,586	13,413	7,363
	<u>29,101</u>	<u>16,943</u>	<u>31,146</u>	<u>22,088</u>
<b>Current liabilities</b>				
Trade and other payables	8,130	8,690	6,486	8,713
Current income tax payable	431	211	33	190
Bank borrowings	940	1,967	940	1,967
	<u>9,501</u>	<u>10,868</u>	<u>7,459</u>	<u>10,870</u>
<b>Net current assets</b>	<u>19,600</u>	<u>6,075</u>	<u>23,687</u>	<u>11,218</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	4	23	4	4
<b>Net assets</b>	<u>30,118</u>	<u>16,587</u>	<u>29,934</u>	<u>18,549</u>
<b>Capital and reserves</b>				
Share capital	25,253	11,559	25,253	11,559
Other reserves	167	535	202	570
Foreign currency translations	479	596	-	-
Accumulated profits	4,219	3,897	4,479	6,420
<b>Equity attributable to owners of the parent</b>	<u>30,118</u>	<u>16,587</u>	<u>29,934</u>	<u>18,549</u>
<b>Total equity</b>	<u>30,118</u>	<u>16,587</u>	<u>29,934</u>	<u>18,549</u>

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

**Amount repayable in one year or less, or on demand**

	31.12.2014 US\$'000	31.12.2013 US\$'000
Bank borrowings		
-secured	940	1,967
-unsecured	-	-
	<u>940</u>	<u>1,967</u>

**Amount repayable after one year – Nil**

**Details of collaterals**

Bank borrowings bear effective interest rate of range from 2.53% to 5% (2013: 2.3% to 6.9%) per annum.

The bank borrowings are secured by way of charge on the Group's and Company's fixed deposits. (2013: The bank borrowings are secured by way of charge on the Group's and Company's fixed deposits and proceed of collection from a 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	
	31.12.2014	31.12.2013
	US\$'000	US\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	1,014	1,180
Adjustments for		
Amortization of intangible assets	73	81
Depreciation of property, plant and equipment	398	416
Loss on plant and equipment written off	-	9
Loss on disposal of property, plant and equipment	114	36
Allowance for obsolete inventories	100	-
Interest income	(102)	(13)
Interest expense	70	142
Employee share-based payment	547	570
Share of results of an associate	(212)	(187)
Share of results of a joint venture	(447)	(510)
Operating cash flows before working capital changes	<u>1,555</u>	<u>1,724</u>
Working capital changes		
Inventories	837	(350)
Trade and other receivables	(2,579)	3,281
Trade and other payables	(493)	(5,848)
Cash used in operations	<u>(680)</u>	<u>(1,193)</u>
Interest income	102	13
Interest expense	(70)	(142)
Income tax paid	(179)	(17)
<b>Net cash used in operating activities</b>	<u>(827)</u>	<u>(1,339)</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(75)	(209)
Purchase of intangible assets	(1)	(114)
Proceeds from disposal of plant and equipment	19	-
Additional investment in a subsidiary	-	(120)
<b>Net cash used in investing activities</b>	<u>(57)</u>	<u>(443)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(4,323)	(12,256)
Proceeds from bank borrowings	3,290	8,720
Release of bank deposits with bank	1,932	3,920
Pledge of fixed deposits with bank	-	(250)
Proceeds from issuance of shares	12,769	5,162
Dividends paid	(288)	(243)
<b>Net cash from financing activities</b>	<u>13,380</u>	<u>5,053</u>
<b>Net change in cash and cash equivalents</b>	12,496	3,271
Cash and cash equivalents at beginning of financial year	4,884	1,583
Effect of foreign exchange rate changes in cash and cash equivalents	(117)	30
<b>Cash and cash equivalents at end of financial year</b>	<u>17,263</u>	<u>4,884</u>
<b>Cash and cash equivalents comprise of the following:</b>		
	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash and bank balances	17,263	4,884
Deposit	-	1,963
Fixed deposits	737	739
Cash and cash equivalents on consolidated balance sheets	<u>18,000</u>	<u>7,586</u>
Less: Deposit pledged	-	(1,963)
Less: Fixed deposits pledged	(737)	(739)
Cash and cash equivalents on statement of cashflow	<u>17,263</u>	<u>4,884</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to									
Group	Share capital	Share-based payment reserves	Equity non-controlling interest	Foreign currency translation reserve	Accumulated profits	Equity attributable to owners of the parent	Non-controlling interest	Total equity	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2014	11,559	570	(35)	596	3,897	16,587	-	16,587	
<b>Total comprehensive income for the financial year</b>									
Profit for the financial year	-	-	-	-	610	610	-	610	
<b>Other comprehensive income</b>									
Exchange differences arising from translation of foreign operation	-	-	-	(117)	-	(117)	-	(117)	
<b>Total comprehensive income for the financial year</b>									
	-	-	-	(117)	610	493	-	493	
<b>Transactions with owners of the parent recognised directly in equity</b>									
Issue of shares pursuant to placement, net of share issue expenses	12,776	-	-	-	-	12,776	-	12,776	
Employee share-based payment	918		(368)	-	-	550	-	550	
Dividends	-		-	-	(288)	(288)	-	(288)	
<b>Total transactions with owners of the parent</b>									
	13,694	-	(368)	-	(288)	13,038	-	13,038	
<b>Balance as at 31 December 2014</b>									
	25,253	570	(403)	479	4,219	30,118	-	30,118	

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to									
Group	Share capital US\$'000	Share-based payment reserves US\$'000	Equity non- controlling interest US\$'000	Foreign currency translation reserve US\$'000	Accumulated profits US\$'000	Equity attributable to owners of the parent US\$'000	Non- controlling interest US\$'000	Total equity US\$'000	
Balance as at 1 January 2013	6,397	-	-	464	3,153	10,014	93	10,107	
<b>Total comprehensive income for the financial year</b>									
Profit/(loss) for the financial year	-		-	-	987	987	(10)	977	
<b>Other comprehensive income</b>									
Exchange differences arising from translation of foreign operation	-		-	132	-	132	-	132	
<b>Total comprehensive income for the financial year</b>	-	-	-	132	987	1,119	(10)	1,109	
<b>Transactions with owners of the parent recognised directly in equity</b>									
Issue of shares pursuant to placement, net of share issue expenses	5,162	-	-	-	-	5,162	-	5,162	
Employee share-based payment	-	570	-	-	-	570	-	570	
Dividends	-	-	-	-	(243)	(243)	-	(243)	
<b>Total transactions with owners of the parent</b>	5,162	570	-	-	(243)	5,489	-	5,489	
<b>Change in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interest	-	-	(35)			(35)	(83)	(118)	
<b>Balance as at 31 December 2013</b>	<b>11,559</b>	<b>570</b>	<b>(35)</b>	<b>596</b>	<b>3,897</b>	<b>16,587</b>	<b>-</b>	<b>16,587</b>	



1(d)(i) A statement (for the issuer and 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 US\$'000	Share-based payment reserves US\$'000	Accumulated profits US\$'000	Total equity US\$'000
Balance as at 1 January 2014	11,559	570	6,420	18,549
Total comprehensive income for the financial year	-	-	(1,653)	(1,653)

**Transactions with owners of the parent recognized directly in equity**

Issue of shares pursuant to placement, net of share issue expenses	12,776	-	-	12,776
Employee share-based payment	918	(368)	-	550
Dividends	-	-	(288)	(288)
<b>Total transactions with owners of the parent</b>	<b>13,694</b>	<b>(368)</b>	<b>(288)</b>	<b>13,038</b>

**Balance as at 31 December 2014**

<b>25,253</b>	<b>202</b>	<b>4,479</b>	<b>29,934</b>
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Balance as at 1 January 2013	6,397	-	6,399	12,796
Total comprehensive income for the financial year	-	-	264	264

**Transactions with owners of the parent recognized directly in equity**

Issue of shares pursuant to placement, net of share issue expenses	5,162	-	-	5,162
Employee share-based payment	-	570	-	570
Dividends	-	-	(243)	(243)
<b>Total transactions with owners of the parent</b>	<b>5,162</b>	<b>570</b>	<b>(243)</b>	<b>5,489</b>

**Balance as at 31 December 2013**

<b>11,559</b>	<b>570</b>	<b>6,420</b>	<b>18,549</b>
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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 of the immediately preceding financial year.

**Ordinary Shares**

	Number of shares ('000)	S\$'000	US\$'000
As at 31 December 2013	177,680	15,440	11,559
Issue of shares on 14 April 2014	3,000	348	277
As at 30 June 2014	180,680	15,788	11,836
Issue of shares on 18 July 2014	7,000	797	641
As at 30 September 2014	187,680	16,585	12,477
Issue of shares on 27 October 2014	35,000	9,110	7,213
Issue of shares on 31 October 2014	27,000	7,026	5,563
As at 31 December 2014	249,680	32,721	25,253

On 14 April 2014, the Company issued 3 million new ordinary shares to Mr Chan Lai Thong pursuant to the fulfilment of the vesting conditions of the Performance Share Plan.

On 18 July 2014, the Company issued the remaining 7 million new ordinary shares to Mr Chan Lai Thong pursuant to the fulfilment of the vesting conditions of the Performance Share Plan.

On 27 October 2014, the Company issued 35 million new ordinary shares via share placements to three investors at an issue price of S\$0.2605 per share.

On 31 October 2014, the Company issued the remaining 27 million new ordinary shares via share placements to an investor at an issue price of S\$0.2605 per share.

#### **Employees' Share Option Scheme ("ESOS")/Performance Share Plan ("PSP")**

The total number of outstanding share options granted under the ESOS as at 31 December 2014 was 10 million (31 December 2013: 13 million), details of which were as follows:-

<b>Exercise Period</b>	<b>Exercise Price</b>	<b>Balance b/f</b>	<b>Forfeited</b>	<b>Outstanding Options granted under ESOS as at 31 December 2014</b>
08/01/2014 – 08/01/2023	S\$0.10	10,000,000	-	10,000,000
26/12/2015 - 26/12/2023	S\$0.10	3,000,000	(3,000,000)	-

At the EGM held on 30 April 2013, shareholders approved the Company's proposal to introduce a performance share plan ("PSP"). The shareholders also approved the proposed grant of award of 10 million shares to Mr Chan Lai Thong under the PSP subject to the performance target and vesting conditions as set out in the shareholders' circular dated 15 April 2013, and circular resolution of the Remuneration Committee dated 30 April 2013.

On 14 April 2014, the Company had issued 3 million shares to Mr Chan Lai Thong pursuant to the fulfilment of the vesting conditions of the PSP.

On 18 July 2014, the Company had issued the remaining 7 million shares to Mr Chan Lai Thong pursuant to the fulfilment of the vesting conditions of the PSP.

Save for the aforementioned ESOS options and PSP shares, the Company did not have any other outstanding convertibles as at 31 December 2014 and 31 December 2013. The Company did not have any treasury shares as at 31 December 2014 and 31 December 2013.

#### **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 249,680,100 ordinary shares as at 31 December 2014 and 177,680,100 ordinary shares as at 31 December 2013.

There were no treasury shares as at 31 December 2014 and 31 December 2013.

#### **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.

#### **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. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

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

#### **4. Whether the same accounting policies and method of computation as the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in item 5 below, 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 2013.

**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.**

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 2014. 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.

**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, after deducting any provision for preference dividends.**

Earnings per ordinary share ("EPS")	Group	
	Financial year ended	
	31.12.2014	31.12.2013
	US Cents	US Cents
(a) Basic	0.31	0.67
Weighted average number of ordinary shares (in nearest thousand)	193,951	148,064
(b) On a fully diluted basis	0.30	0.58
Weighted average number of ordinary shares (in nearest thousand)	203,951	171,064

For financial year ended 31 December 2014 ("FY2014") and 31 December 2013 ("FY2013"), the EPS was computed based on the profit or loss attributable to owners of the parent and divided by the weighted average number of ordinary shares.

**7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**

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

	Group		Company	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net assets (US\$'000)	30,118	16,587	29,934	18,549
Total number of ordinary shares issued (in nearest thousand)	249,680	177,680	249,680	177,680
Net asset value per ordinary share	12.06	9.34	11.99	10.44

Based on the number of shares in issue at end of year (US cents)

The net asset value per ordinary share of the Group and the Company as at 31 December 2014 and 31 December 2013 was calculated based on the total number of ordinary shares issued as at the end of the reporting period.

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

Revenue	FY2014 US\$'000	FY2013 US\$'000	Change	
			US\$'000	%
Marketing and distribution	8,745	10,978	(2,233)	(20)
Projects	5,404	30,814	(25,410)	(82)
<b>Total</b>	<b>14,149</b>	<b>41,792</b>	<b>(27,643)</b>	<b>(66)</b>

The Group's revenue for FY2014 decreased by \$27.6 million to \$14.1 million compared to \$41.8 million for FY2013 as a result of the following factors:

- Marketing revenue of \$2.3 million for the reporting period comprising commission income received for securing sales orders for a principal, Aker MH, including the amounts received under the final Settlement Agreement as disclosed in the SGXNET announcement on 11 February 2014. On 3 July 2014, the Company had further announced that it would not proceed with the new Sales Representative Agreement with Aker MH. The decrease of marketing revenue was due to the termination of the sales representative agreement with Aker MH in FY2014.

- Distribution revenue decreased by \$0.2 million (3%) due to lower sales from distribution of fittings and pipes.

- Projects revenue of \$5.4 million was generated from progress recognition of income from projects in FY2014 which included partial recognition of the US\$24 million rig design and engineering services contract secured with a Middle East-Chinese consortium. Higher revenue from projects for FY2013 was due to the bulk of revenue being recognised for an Engineering, Procurement, Construction and Commissioning ("EPCC") project for an Asian client.

The Group's gross profit increased to \$5.8 million for FY2014 from \$5.5 million in FY2013, mainly due to higher gross profit margin from a Design and Engineering ("D&E") project.

Interest income increased from \$13,000 in FY2013 to \$0.1 million in FY2014 was mainly due to higher interest income on loan to a joint venture.

Other income decreased from \$64,000 in FY2013 to \$27,000 in FY2014 was mainly due to lower grants from local government in FY2014 as compared to FY2013.

Administrative and other expenses for FY2014 increased to \$5.5 million from \$4.9 million for FY2013, mainly due to foreign currency exchange loss. Lower operating lease expenses was mainly due to lower office rental as a result of relocation of corporate office.

Finance costs for FY2014 decreased to \$70,000 from \$142,000 in FY2013 was due to lower borrowing.

The Group's share of results of an associate for FY2014 increased by \$25,000 to \$212,000 compared to FY2013, due to higher profit contributed by the Group's 35%-owned associate company, Jiangyin Neptune Marine Appliance Co., Ltd ("NPT"). NPT reported revenue of approximately \$6.5 million (35%) for FY2014 and \$4.7 million (35%) for FY2013 (not included in the Group's consolidated revenue).

The Group's share of results of a joint venture, RBV Energy (Singapore) Pte Ltd ("RBVS"), for FY2014 decreased by \$63,000 to \$447,000 compared to FY2013. RBVS reported revenue of approximately \$6.3 million (50%) for FY2014 and \$5.8 million (50%) for FY2013 (not included in the Group's consolidated revenue).

The Group reported a net profit of \$0.6 million for FY2014, compared to a net profit of \$1.0 million for FY2013.

#### Financial position

Non-current assets stood at \$10.5 million as at 31 December 2014 and 31 December 2013, mainly due to increase in share of results of a joint venture and an associate business, offset by disposal of intangible assets, plant and equipment from an indirect subsidiary.

Current assets increased by \$12.2 million (72%) to \$29.1 million as at 31 December 2014 from \$16.9 million as at 31 December 2013. The increase was mainly due to higher cash and cash equivalents of \$10.4 million, trade and other receivables of \$2.7 million, offset by lower inventories of \$0.9 million which was inline with decline in sales. Trade receivables increased by \$2.7 million (34%) to \$10.6 million as at 31 December 2014 from \$7.9 million as at 31 December 2013, mainly due to progressive billing towards the end of FY2014 to a contract customer from the D&E project. Other receivables remains constant at \$0.5 million as at 31 December 2014 and 31 December 2013.

Current liabilities decreased by \$1.4 million (13%) to \$9.5 million as at 31 December 2014 from \$10.9 million as at 31 December 2013. This was mainly due to lower trade and other payables and lower bank borrowings. Trade payables increased by \$3.3 million (>100%) to \$6.4 million as at 31 December 2014 from \$3.1 million as at 31 December 2013, mainly due to reclassification of the project costs from other payables for EPCC project and project costs incurred for the D&E project. Other payables decreased by \$3.9 million (66%) to \$1.7 million as at 31 December 2014 from \$5.6 million as at 31 December 2013, This consist of accrued operating expenses, advance payments from customers and non-trade payables. The decreased in Other payables was mainly due to deduction in accrued project costs and lower advance payment from customers which was inline with decline in sales. Borrowings decreased by \$1.0 million due to net repayment of bank loans.

The Group's working capital position stood at \$19.6 million as at 31 December 2014, as compared to working capital of \$6.1 million as at 31 December 2013.

Share capital increased by \$13.7 million to \$25.3 million as at 31 December 2014 from \$11.6 million as at 31 December 2013, mainly due to issuance of performance shares and private share placements during FY2014.

## **Cash flows statement**

The Group's net cash used in operating activities amounted to \$827,000 for FY2014, as compared to net cash used of \$1.3 million for FY2013, mainly due to higher trade and other receivables and lower trade and other payables offset by lower inventories.

Net cash used in investing activities for FY2014 amounted to \$57,000, as compared to net cash used of \$443,000 for FY2013. This was mainly due to lower purchase for intangible assets, plant and equipment offset by the proceeds from disposal of plant and equipment.

Net cash from financing activities for FY2014 amounted to \$13.4 million, as compared to net cash from financing activities of \$5.1 million for FY2013. This was mainly due to proceed from the share placements announced in October 2014 amounting to \$12.8 million.

The Group's cash and cash equivalents (net of fixed deposits pledged) increased to \$17.3 million as at 31 December 2014, as compared to \$4.9 million as at 31 December 2013.

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

Not applicable: No forecast or prospect statement was previously disclosed to shareholders.

### **10. A commentary at the date of this announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

#### **Industry Outlook**

The recent decline in world oil prices has slowed orders for new drilling rigs, which have and will continue to impact demand for drilling and related equipment. Even before this decline, the Group had set in motion significant initiatives in FY2014 to reposition for growth in the offshore and marine ("O&M") sector. The two most important initiatives being executed include i) the marketing, installation and provision of after-sales services for larger-scale offshore oil and gas drilling equipment and systems ("DES") in the region; and ii) a specific thrust to capture O&M business opportunities in the Middle East region. Both have gained some traction despite the recent uncertainty surrounding the industry worldwide.

On 29 December 2014, the Group announced that it had been appointed as lead procurement contractor for a CS70 semi-submersible rig – designed by Moss Maritime of Norway – which will be built in China for the China Sunrise Group Co. Ltd ("CSG"). SBI Offshore has secured technical agreements with all three Chinese yards shortlisted by CSG. Upon appointment, the successful yard is expected to enter into an engineering, procurement and commissioning ("EPC") agreement with the Company with respect to a DES package by the first half of 2015. The Group continues to be very active in exploring similar DES opportunities in China. In view of China's strategy to build up its fossil fuel reserves and other sources of supply, the Group believes that there remains opportunities for large-scale DES or EPC projects related to the O&M sector in China despite the recent fall in crude oil prices.

With regards to the second major strategic thrust, the Group has commenced preliminary work for a US\$24 million contract to provide design and engineering ("D&E") services for a jack-up drilling rig that was commissioned in FY2014 by a Middle East consortium. The Group has commenced recognition of revenue from this D&E contract in FY2014 and expects further revenue contribution in FY2015. As announced on 27 August 2014, the same consortium has commenced negotiations with the Group to build up to five rigs based on the design being commissioned. Notwithstanding the challenges posed by the decline in oil prices, the Group remains actively engaged in negotiations with the consortium with a view to securing the order within FY2015.

### **11. Dividend**

#### **(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? No

#### **(b)(i) Amount per share (cents)**

(Optional) Rate (%)

N.A.

#### **(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).

N.A.

(d) The date the dividend is payable.

N.A.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

N.A.

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

No dividend has been declared or recommended for FY2014.

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

No general mandate has been obtained from shareholders for IPTs.

#### 14. Use of Proceeds

As at 25 February 2015, the Company has utilised the net proceeds of approximately S\$1.4 million from the shares placement of S\$2.75 million in December 2013 for existing projects expenses. The use of proceeds is in accordance with the stated use and percentage allocated as announced on 4 December 2013.

As at 25 February 2015, the Company has utilised the net proceeds of approximately S\$0.7 million from shares placement of S\$16.2 million in October 2014 for working capital in relation to day-to-day running expenses such as trades related and general administrative expenses and funding for the existing projects. The use of proceeds is in accordance with the stated use and percentage allocate as announced in October 2014.

#### Part II - ADDITIONAL INFOAMTION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for operating (of the Group) in the form presented in the issuer's not most recently audited annual financial statements, with comparative information for the immediately preceding year.

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

- (i) Marketing and Distribution;
- (ii) Project

FY2014	Marketing and			Consolidated US\$'000
	Distribution US\$'000	Project US\$'000	Elimination US\$'000	
<b>Revenue</b>				
Revenue from external customer	8,745	5,404	-	14,149
Intersegment revenue	438	1,088	(1,526)	-
<b>Results</b>				
Segment results	(1,788)	2,084	-	296
Other Income	128	1	-	129
Finance Cost	(57)	(13)	-	(70)
Share of results of an associate	212	-	-	212
Share of results of a joint ventures	447	-	-	447
<b>(Loss)/profit before income tax</b>	<b>(1,058)</b>	<b>2,072</b>	<b>-</b>	<b>1,014</b>
Income tax expense				(404)
<b>Profit for the financial year</b>				<b>610</b>
Non-controlling interest				-
<b>Profit attributable to owners of the parent</b>				<b>610</b>
Capital expenditure	64	12	-	76
Depreciation and amortisation	(122)	(349)	-	(471)
Loss on disposal of property, plant and equipment	-	(114)	-	(114)
<b>Assets and Liabilities</b>				
Segment assets	24,324	15,290	-	39,614
Income tax recoverable				9
Total assets				39,623
Segment Liabilities	7,333	1,737	-	9,070
Current income tax payable				431
Deferred tax liabilities				4
Total liabilities				9,505
<b>FY2013</b>				
	Marketing and			Consolidated US\$'000
	Distribution US\$'000	Project -	Elimination US\$'000	
<b>Revenue</b>				
Revenue from external customer	10,979	30,813	-	41,792
Intersegment revenue	-	947	(947)	-
<b>Results</b>				
Segment results	2,404	(1,856)	-	548
Other Income	76	1	-	77
Finance Cost	(92)	(50)	-	(142)
Share of results of an associate	187	-	-	187
Share of results of a joint venture	510	-	-	510
<b>Profit/(loss) before income tax</b>	<b>3,085</b>	<b>(1,905)</b>	<b>-</b>	<b>1,180</b>
Income tax expense				(203)
<b>Profit for the financial year</b>				<b>977</b>
Non-controlling interest				10
<b>Profit attributable to owners of the parent</b>				<b>987</b>
Capital expenditure	307	16	-	323
Depreciation and amortisation expenses	65	432	-	497
Loss on disposal of property, plant and equipment	-	36	-	36
Loss on property, plant and equipment written off	9	-	-	9
<b>Assets and Liabilities</b>				
Segment assets	16,484	10,946	-	27,430
Other recoverable				48
Total assets				27,478
Segment Liabilities	5,515	5,142	-	10,657
Current income tax payable				211
Deferred tax liabilities				23
Total liabilities				10,891

Geographical Information							
FY2014	Singapore	People's Republic of China	Southeast Asia Other than Singapore	Europe	USA	Others	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>							
External revenue	5,010	934	1,981	2,685	205	3,334	14,149
<b>Assets</b>							
Segment assets	29,273	10,338	-	-	3	-	39,614
Other tax recoverable	-	9	-	-	-	-	9
<b>Total assets</b>	<b>29,273</b>	<b>10,347</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>39,623</b>
FY2013	Singapore	People's Republic of China	Southeast Asia Other than Singapore	Europe	USA	Others	Total
	US\$'000	US\$'000	US\$'000	-	-	US\$'000	US\$'000
<b>Revenue</b>							
External revenue	6,632	1	29,030	4,124	1,992	13	41,792
<b>Assets</b>							
Segment assets	19,599	7,245	-	-	586	-	27,430
Other recoverable	-	18	-	-	30	-	48
<b>Total assets</b>	<b>19,599</b>	<b>7,263</b>	<b>-</b>	<b>-</b>	<b>616</b>	<b>-</b>	<b>27,478</b>

**16. 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.

**17. A breakdown of sales**

	FY2014	FY2013	Increase / (Decrease)
	US\$'000	US\$'000	%
Sales reported for first half year	7,866	31,755	(75)
Operating profit after income tax before deducting non-controlling interests reported for first half year	429	385	11
Sales reported for second half year	6,283	10,037	(37)
Operating profit after income tax before deducting non-controlling interests reported for second half year	181	592	NM

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

	FY2014	FY2013
	US\$'000	US\$'000
Ordinary	Note (1)	Note (2)
Final	-	288
<b>Total</b>	<b>-</b>	<b>288</b>

(1) The Group has not declared dividend for FY2014.

(2) The Group has declared and paid final dividend for FY2013 of S\$0.002 per share, which was paid on 20 May 2014.



19. 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 official 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 Catalist, 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	32	Daughter of Mr Tan Woo Thian, an Executive Director of the Company	<p>Current position as Human Resource &amp; Admin Manager with effect from 2 April 2013</p> <p>Duties</p> <p>Responsible for human resources and admin function of the Company</p>	No Change

BY ORDER OF THE BOARD

Chan Lai Thong  
Executive Chairman  
25-Feb-15

Tan Woo Thian  
Chief Executive Officer  
25-Feb-15