

SBI OFFSHORE LIMITED
(Registration No: 199407121D)
Unaudited Financial Statements and Dividend Announcement
For the First Half Year Ended 30 June (“1H”) 2019

PART I - 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	1H2019 (Unaudited) US\$'000	1H2018 (Unaudited) US\$'000	Change %
Revenue	7	-	NM
Cost of sales	(4)	-	NM
Gross profit	3	-	NM
<i>Other items of income</i>			
Interest income	106	108	(1.9)
Other income	54	373	(85.5)
<i>Other items of expense</i>			
Administrative and other expenses	(590)	(794)	(25.7)
Loss before income tax	(427)	(313)	36.4
Income tax	-	-	NM
Loss for the financial period	(427)	(313)	36.4
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of foreign operations, net of tax	(1)	16	NM
Total comprehensive income for the financial period	(428)	(297)	44.1
Loss attributable to:			
Owners of the parent	(427)	(313)	36.4
Non-controlling interests	-	-	NM
	(427)	(313)	36.4
Total comprehensive income attributable to:			
Owners of the parent	(428)	(297)	44.1
Non-controlling interests	-	-	NM
	(428)	(297)	44.1

NM – Not meaningful

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

Loss before tax of the Group is arrived at after charging/(crediting) the following:

	1H2019	1H2018	Change
	US\$'000	US\$'000	%
Depreciation of plant and equipment	*	4	NM
Amortisation of intangible assets	3	7	(57.1)
Operating lease expenses	32	34	(5.9)
Foreign currency exchange (gain)/loss	(20)	140	NM
Loss on disposal of non-current assets held for sale	-	4	(100)
Distribution received from a joint venture	(10)	-	NM
Compensation received from a joint venture	-	(100)	(100)
Dividend income	-	(100)	(100)

*Amount is less than US\$1,000

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

	Group		Company	
	30.06.2019 (Unaudited) US\$'000	31.12.2018 (Audited) US\$'000	30.06.2019 (Unaudited) US\$'000	31.12.2018 (Audited) US\$'000
Non-current assets				
Plant and equipment	20	1	20	-
Intangible assets	2	5	2	5
	22	6	22	5
Current assets				
Trade and other receivables	166	194	2,864	2,878
Cash and cash equivalents	15,263	15,725	12,147	12,627
	15,429	15,919	15,011	15,505
Total assets	15,451	15,925	15,033	15,510
Current liabilities				
Trade and other payables	667	713	294	337
	667	713	294	337
Net current assets	14,762	15,206	14,717	15,168
Non-current liability				
Deferred tax liability	4	4	4	4
Net assets	14,780	15,208	14,735	15,169
Equity				
Share capital	25,253	25,253	25,253	25,253
Other reserves	174	174	223	223
Foreign currency translation reserve	327	328	-	-
Accumulated losses	(10,974)	(10,547)	(10,741)	(10,307)
Total equity	14,780	15,208	14,735	15,169

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

- (a) the amount repayable in one year or less, or on demand;**
- (b) the amount repayable after one year;**
- (c) whether the amounts are secured or unsecured; and**
- (d) details of any collaterals.**

Not applicable. The Group did not have any borrowings or debt securities as at 30 June 2019 and 31 December 2018.

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	1H2019 (Unaudited) US\$'000	1H2018 (Unaudited) US\$'000
<u>Cash flows from operating activities</u>		
Loss before income tax	(427)	(313)
Adjustments for:		
Amortisation of intangible assets	3	7
Depreciation of plant and equipment	-(1)	4
Interest income	(106)	(108)
Loss on disposal of non-current assets held for sale	-	4
Unrealised foreign exchange (gain)/loss	(21)	132
Reversal of overprovision of reinstatement costs	(21)	-
Distribution received from a joint venture	(10)	-
Dividend income	-	(100)
Operating cash flows before working capital changes	(582)	(374)
Trade and other receivables	30	(83)
Trade and other payables	(32)	(41)
Cash used in operations	(584)	(498)
Interest income	106	108
Net cash used in operating activities	(478)	(390)
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment ⁽²⁾	(10)	-
Reinstatement costs paid	(4)	-
Net proceeds from disposal of non-current assets held for sale	-	2,369
Distribution received from a joint venture	10	-
Dividend received from a joint venture	-	100
Placement of restricted deposits ⁽³⁾	(11,077)	-
Net cash (used in)/from investing activities	(11,081)	2,469
<u>Cash flows from financing activity</u>		
Decrease in pledged fixed deposits	-	125
Net cash from financing activity	-	125
Net change in cash and cash equivalents	(11,559)	2,204
Cash and cash equivalents at beginning of financial period	15,708	14,580
Effect of foreign exchange rate changes in cash and cash equivalents	20	(167)
Cash and cash equivalents at end of financial period	4,169	16,617

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	1H2019 (Unaudited) US\$'000	1H2018 (Unaudited) US\$'000
Cash and cash equivalents comprise the following:		
Cash and cash equivalents	15,263	16,634
Less: Fixed deposits pledged	(17)	(17)
Less: Restricted deposits ⁽³⁾	(11,077)	-
Cash and cash equivalents at end of financial period	<u>4,169</u>	<u>16,617</u>

Notes:

- (1) Amount is less than US\$1,000.
- (2) During the period ended 30 June 2019, the Group acquired plant and equipment with an aggregate cost of US\$19,000. The additions were by way of cash payments of US\$10,000, provision for reinstatement costs of US\$6,000 and accruals for amount payable of US\$3,000.
- (3) This represents cash placed in escrow accounts opened with CIMB Bank Berhad Singapore Branch pursuant to Rule 1017(1)(a) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital US\$'000	Share- based payment reserve US\$'000	Equity non- controlling interests US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Equity attributable to owners of the parent US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2019	25,253	223	(49)	328	(10,547)	15,208	-	15,208
<i>Total comprehensive income for the financial period</i>								
Loss for the financial period	-	-	-	-	(427)	(427)	-	(427)
<i>Other comprehensive income</i>								
Exchange differences arising from translation of foreign operations	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the financial period	-	-	-	(1)	(427)	(428)	-	(428)
Balance at 30 June 2019	25,253	223	(49)	327	(10,974)	14,780	-	14,780

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital US\$'000	Share-based payment reserve US\$'000	Equity non- controlling interests US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Equity attributable to owners of the parent US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2018	25,253	223	(167)	273	(9,034)	16,548	-	16,548
<i>Total comprehensive income for the financial period</i>								
Loss for the financial period	-	-	-	-	(313)	(313)	-	(313)
<i>Other comprehensive income</i>								
Exchange differences arising from translation of foreign operations	-	-	-	16	-	16	-	16
Total comprehensive income for the financial period	-	-	-	16	(313)	(297)	-	(297)
<i>Transactions with owners of the parent recognised directly in equity</i>								
Strike off of a subsidiary	-	-	118	-	(118)	-	-	-
Total transactions with owners of the parent	-	-	118	-	(118)	-	-	-
Balance at 30 June 2018	25,253	223	(49)	289	(9,465)	16,251	-	16,251

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 capitalisation 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 reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2019	25,253	223	(10,307)	15,169
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(434)	(434)
Balance at 30 June 2019	25,253	223	(10,741)	14,735
Balance at 1 January 2018	25,253	223	(8,793)	16,683
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(261)	(261)
Balance at 30 June 2018	25,253	223	(9,054)	16,422

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period at the immediately preceding financial year.

	Issued and fully paid-up ordinary shares	Share capital US\$'000
Balance as at 31 December 2018 and 30 June 2019	249,680,100	25,253

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

The total number of outstanding share options granted under the ESOS as at 30 June 2019 was 8 million (30 June 2018: 8 million).

There were no outstanding share awards granted under the PSP as at 30 June 2019 (30 June 2018: NIL).

Save for the aforementioned ESOS options and PSP shares, the Company did not have any other outstanding convertibles as at 30 June 2019 and 30 June 2018.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

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 total number of issued shares as at 30 June 2019 was 249,680,100 (31 December 2018: 249,680,100). The Company did not have any treasury shares as at 30 June 2019 and 31 December 2018.

1(d)(iv) A statement showing all sales, transfers, 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 any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have neither been audited nor reviewed by the Company's 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 neither been audited nor reviewed by the Company's auditors.

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

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those used in the audited financial statements for the financial year ended 31 December 2018 except as disclosed in Note 5.

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 and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and SFRS(I) Interpretations ("**SFRS(I) INT**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2019. The adoption of these new and revised SFRS(I) and SFRS(I) INT did not result in any significant change to the Group's accounting policies and has no material effect on the Group's results for the financial period ended 30 June 2019.

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.

Group	1H2019	1H2018
Basic loss per share (US cents)	(0.17)	(0.13)
Weighted average number of shares ('000)	249,680	249,680
Fully diluted loss per share (US cents)	(0.17)	(0.13)
Weighted average number of shares ('000)	249,680	249,680

The basic and diluted loss per share were computed by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares. The effect of diluted potential ordinary shares from the share options granted under the ESOS is excluded from the denominator as it is antidilutive for 1H2019 and 1H2018.

7. Net asset value (for the issuer and group) per ordinary share based on the 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	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Net asset value per share (US cents)	5.92	6.09	5.90	6.08
Number of shares in issue ('000)	249,680	249,680	249,680	249,680

Net asset value per ordinary share was calculated by dividing the equity attributable to the owners of the Group and the Company by the number of ordinary shares issued.

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 financial period reported on.**

Statement of Comprehensive Income

(a) Revenue, cost of sales and gross profit

The Group generated adhoc sales amounting to US\$7,000 in 1H2019, in relation to the supply of lifeboat accessories and spare parts to local and overseas customers. With a cost of sales of US\$4,000, the Group reported gross profit of US\$3,000, which represented a gross profit margin of 42.9%.

(b) Interest income

Interest income had remained fairly constant in both periods, with a slight decrease of US\$2,000 from US\$108,000 in 1H2018 to US\$106,000 in 1H2019.

(c) Other income

Other income decreased by US\$319,000 or 85.5%, from US\$373,000 in 1H2018 to US\$54,000 in 1H2019.

Other income of US\$54,000 in 1H2019 comprised mainly the following:

- write-back of an overprovision of reinstatement expenses of US\$21,000 to restore the Company's office located at Pioneer Crescent to its original condition upon the expiry of the lease term in June 2019;
- foreign exchange gain of US\$20,000 in 1H2019, arising from the strengthening of Singapore Dollar against United States Dollar; and

- final distribution of US\$10,000 received from a joint venture, RBV Energy (Singapore) Pte Ltd (“**RBVS**”).

Other income in 1H2018 relates mainly to non-recurring gains as follows:

- reversal of directors’ fees paid in respect of FY2017 (US\$170,000) (“**FY2017 Directors’ Fees**”) in 1H2018, as the resolution for such payment was not approved by the Company’s shareholders (“**Shareholders**”) at the annual general meeting held on 25 April 2018. The relevant directors paid back to the Company the FY2017 Directors’ Fees in October 2018, and subsequent to the approval from Shareholders for the FY2017 Directors’ Fees at the extraordinary general meeting held on 4 October 2018, the Company released the payment of the FY2017 Directors’ Fees to the relevant directors;
- compensation received from a joint venture (US\$100,000); and
- reinstatement of dividend waived in prior years received from RBVS (US\$100,000).

(d) Administrative and other expenses

Administrative and other expenses decreased by US\$204,000 or 25.7%, from US\$794,000 in 1H2018 to US\$590,000 in 1H2019, mainly due to the following:

- foreign exchange loss of US\$140,000 in 1H2018 in respect of the translation of balances or transactions denominated in Singapore Dollar and Chinese Renminbi, as compared to foreign exchange gain in 1H2019 which was recorded as other income (as disclosed in paragraph 8(c) above);
- cost control measures maintained by the Group which resulted in lower costs incurred for expenses such as staff-related costs, professional fees, sponsorship fees and consultancy fees. These expenses reduced by US\$89,000 as compared to 1H2018; and
- decrease in depreciation of plant and equipment and amortisation of intangible assets by US\$8,000 as some assets were fully depreciated or amortised.

The aforementioned decrease was partially offset by the increase in expenses incurred in relation to the Proposed Acquisition (as defined herein) which amounted to US\$41,000 in 1H2019 (nil in 1H2018).

(e) Income tax

No income tax expense was recognised in both periods as the Group was in tax loss position.

(f) Loss for the financial period

As a result of the above, the Group registered a net loss of US\$427,000 in 1H2019, as compared to a net loss of US\$313,000 in 1H2018.

Statement of Financial Position

(a) Working capital

As at 30 June 2019, the Group's working capital stood at US\$14.78 million. The Group had cash and cash equivalents of US\$15.26 million with zero borrowings as at 30 June 2019.

(b) Non-current assets

Non-current assets increased from US\$6,000 as at 31 December 2018 to US\$22,000 as at 30 June 2019. The increase was mainly attributable to the purchase of office equipment and capitalisation of renovation costs in connection with the Company's office relocation in June 2019.

(c) Current assets

The Group's current assets amounted to US\$15.43 million as at 30 June 2019 (31 December 2018: US\$15.92 million). The decrease of US\$0.49 million was substantially contributed by:

- receipts of outstanding debts from a customer amounting to US\$15,000;
- decrease in interest receivables by US\$77,000, as majority of the fixed deposits were transferred to escrow accounts in Singapore in 1H2019, which generated lower interest as compared to fixed deposits; and
- decrease in cash and cash equivalents by US\$0.46 million, largely attributable to financing of working capital.

The aforementioned decrease was partially offset by an increase in deposit paid of US\$52,000, which relates mainly to a deposit paid to special auditor appointed pursuant to the Notice of Compliance issued by the Singapore Exchange Regulation Pte Ltd on 21 December 2018. Please refer to further details in paragraph 10.

(d) Current liabilities

Current liabilities decreased from US\$713,000 as at 31 December 2018 to US\$667,000 as at 30 June 2019, mainly due to settlement of other payables and accruals that were outstanding as at 31 December 2018.

Statement of Cash Flows

- (a) Operating cash outflows before changes in working capital amounted to US\$582,000 in 1H2019, due mainly to operating loss recorded during the period. The Group utilised net cash of US\$478,000 in operating activities in 1H2019.
- (b) Net cash used in investing activities of US\$11.08 million were mainly pertaining to the placement of restricted deposits into the Company's escrow accounts opened with CIMB Bank Berhad Singapore Branch pursuant to Rule 1017(1)(a) of the Catalist Rules.
- (c) There was no cash flow movement for financing activity in 1H2019.

As a result, the Group's cash and cash equivalents decreased from US\$15.71 million as at 31 December 2018 to US\$4.17 million as at 30 June 2019.

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 at the date of the 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.

The Group has received new orders, albeit low in value, in the oil and gas (“O&G”) sector and had recognised revenue for 1H2019. The continued requests for quotations and orders are encouraging notwithstanding that the revenue generated are of nominal value and the competitive environment in the O&G sector.

Subsequent to the announcements made by the Company on 20 February 2019, 30 May 2019, 4 June 2019, and 18 July 2019 in relation to the proposed acquisition of the entire issued and paid-up share capital of (i) Berlitz Offshore Limited, (ii) Berlitz Marine Pte. Ltd, (iii) Berlitz Continental Pte. Ltd., (iv) Berlitz Services Pte. Ltd., (v) Bes Sincere Pte. Ltd., (vi) Bes Savvy Pte. Ltd., (vii) Bes Solar Pte. Ltd., (viii) Bes Sparkle Pte. Ltd., (ix) Bes Regent Pte. Ltd., (x) Bes Power Pte. Ltd., (xi) Blue Ocean Services K Co Ltd, and (xii) Bes Trust Pte. Ltd. (formerly known as Metico Ocean Services Pte. Ltd.) (collectively, the “**Target Companies**”) (the “**Proposed Acquisition**”) from Mr Chan Kern Miang, the Company is currently working with the professionals to conduct the necessary due diligence on the Target Companies. Shareholders should note that as in all such acquisition transactions, there is no certainty or assurance that the Proposed Acquisition will be completed. . The Company will make the necessary announcements as and when there are material developments on the Proposed Acquisition.

On 21 March 2019, the Company announced that the Board has appointed RSM Corporate Advisory Pte Ltd as the special auditor (the “**Special Auditor**”) to investigate the matters set out in the Notice of Compliance issued by the Singapore Exchange Regulation Pte Ltd (“**SGX Regco**”) on 21 December 2018. As at the date of this announcement, the special audit is still on going and the Company will make appropriate announcements in due course.

On 1 March 2019, the Company announced that it became a cash company with effect from 28 February 2019 under Rule 1017 of the Catalist Rules. The shares of the Company had been suspended from trading since 21 March 2019 (“**Suspension**”). As at the date of this announcement, the Company has placed approximately US\$11.1 million and US\$3.1 million (being no less than 90% of the Group’s cash and cash equivalents of approximately US\$15.8 million as at 28 February 2019) in escrow accounts opened with CIMB Bank Berhad Singapore Branch and CIMB Bank Berhad Shanghai Branch respectively. The Company has applied to the SGX Regco (via the Company’s sponsor) for the lifting of the Suspension in view that the Company has completed the opening of the respective escrow accounts. The Company will make the necessary announcement in due course.

Going forward, the Group expects reduction in generation of its interest income as the interest paid on monies placed in escrow accounts are lower compared to fixed deposit accounts.

11. If a decision regarding dividend has been made:

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

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

Not applicable.

- (b)(ii) **Previous corresponding period (cents)**

None.

- (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).**

Not applicable.

- (d) **The date the dividend is payable**

Not applicable.

- (e) **The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined**

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the half year ended 30 June 2019. Pursuant to the share sale and purchase agreement of the Proposed Acquisition, the purchase consideration of the Proposed Acquisition is to be satisfied by the allotment and issue of such number of new ordinary shares in the capital of the Company ("**Consideration Shares**") at an issue price of S\$0.10 per Consideration Share ("**Issue Price**"). The Issue Price is subject to the Company maintaining a net cash amount of at least S\$20 million upon the completion of the Proposed Acquisition. Please refer to the Company's announcement dated 30 May 2019, 4 June 2019 and 18 July 2019 on the Proposed Acquisition for further information. In view of the above, the Company needs to retain its cash balances and accordingly, no dividend has been declared or recommended for the half year ended 30 June 2019.

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

No general mandate has been obtained from shareholders for IPTs.

14. Use of Proceeds

In October 2014, the Company issued 62 million new ordinary shares via share placements to four investors at an issue price of S\$0.2605 per share, raising net proceeds of approximately S\$16.1 million (equivalent to US\$12.8 million) (“**Placement Proceeds**”). The Company had last announced the use of Placement Proceeds as at 1 March 2019, in the Company’s annual report for the financial year ended 31 December 2018 (“**AR2018**”). Please refer to page 31 of the AR2018 for further information.

The Company had, on 20 June 2019, announced the executive summary of the report from KordaMentha Pte Ltd (“**KordaMentha**”), the independent reviewer appointed by the Company to undertake a review of the matter(s) that may have given rise to the write-off of approximately RMB17.3 million by Jiangyin SBI Offshore Equipment Co. Ltd to the Company (“**Announcement**”). Please refer to the Announcement for further details. Pursuant to the recommendations of KordaMentha and as set out in paragraphs 2.3 and 3.5 of the Announcement, the Company is in the process of reviewing past payments made out of the Placement Proceeds, and will update Shareholders accordingly, in due course, on the adjustments on the use of the Placement Proceeds.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

16. Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Mirzan Bin Mahathir and James Kho Chung Wah, being directors of the Company, do hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 30 June 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Mirzan Bin Mahathir
Executive Non-Independent Chairman

James Kho Chung Wah
Independent Director

Date: 14 Aug 2019

*This announcement has been prepared by SBI Offshore Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.