



SBI Offshore Limited

(Incorporated in the Republic of Singapore on 1 October 1994)

(Company Registration Number: 199407121D)

DISPOSAL OF LEASEHOLD PROPERTY

The Board of Directors (the “**Board**”) of SBI Offshore Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 26 August 2011 granted an option to purchase (the “**Option**”) to an unrelated party, who has nominated SMC Auto Pte Ltd as its nominee (the “**Purchaser**”) for the sale of the Company’s property at 53 Ubi Avenue 1, #01-33 Paya Ubi Industrial Park, Singapore 408934 (the “**Property**”) at a cash consideration of S\$1.23 million (exclusive of good and services tax (“**GST**”) (the “**Sale Consideration**”) (the “**Disposal**”). The Option has been exercised by the Purchaser on 2 September 2011.

Sale Consideration

The Sale Consideration was arrived at on a willing-seller, willing-buyer basis. The Sale Consideration will be wholly satisfied in cash in the following manner:

- (a) an initial amount of S\$12,300 (exclusive of GST) has been paid by the Purchaser to the Company in consideration of the Option (“the “**Option Fee**”);
- (b) an amount of S\$49,200, being 5% of the Sale Consideration (less the Option Fee and exclusive of GST) has been paid by the Purchaser to the Company upon the exercise of the Option by the Purchaser; and
- (c) the balance of S\$1,168,500 (exclusive of GST), being 95% of the Sale Consideration, shall be paid by the Purchaser to the Company on Completion (as defined below).

Salient Terms of the Disposal

The completion of the Disposal (the “**Completion**”) is subject to, *inter alia*, the following:-

- (a) the Property being sold in its present state and condition and its title, free from encumbrances; and
- (b) satisfactory replies being received by the Purchaser’s solicitors to the usual legal requisitions sent by them to the various government departments including the Land Transport Authority.

There are no other material conditions attached to the Disposal.

Rationale for the Disposal and Use of Sale Proceeds

The Property is currently used by the Group mainly for rental purposes. The Group is of the view that the Disposal is opportune.

The Sale Consideration will be used to finance the working capital requirements of the Group.

Relative Figures under Rule 1006 of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“Catalist Rules”)

The relative figures ⁽¹⁾ computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006 (a) – Net asset value of assets disposed of compared with the net assets value of the Group ⁽¹⁾	6.5% ⁽²⁾
Rule 1006 (b) – Net profits attributable to the assets disposed of compared with the consolidated net profits of the Group	7.0% ⁽³⁾
Rule 1006 (c) – Aggregate value of consideration given, compared with the Company’s market capitalisation	5.6% ⁽⁴⁾
Rule 1006 (d) – Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
Rule 1006 (e) – Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the Group’s proven and probable reserves	Not applicable

Notes:

- (1) *Based on the latest announced unaudited consolidated accounts for the half-year financial period ended 30 June 2011.*
- (2) *The net asset value of the Property is US\$607,007 as at 30 June 2011.*
- (3) *The net profits attributable to the Property represent the income from the partial rental of the Property for the half-year financial period ended 30 June 2011.*
- (4) *The Company’s market capitalisation is S\$21,902,418, which is determined by multiplying the existing number of issued shares on 26 August 2011, being 121,680,100 by the weighted average price of S\$0.18 per share transacted on the SGX-ST on 2 August 2011, being the last market day on which the shares were traded prior to the date the Option was entered into. For the avoidance of doubt, no shares were transacted on 26 August 2011.*
- (5) *Not applicable as the Sale Consideration will be satisfied in cash.*

Accordingly, the Disposal therefore constitutes a discloseable transaction pursuant to Chapter 10 of the Catalist Rules.

Financial Effects

The net book value of the Property as at 30 June 2011 was US\$607,007. The Disposal will result in an estimated net gain of S\$483,884 (equivalent to approximately US\$402,065 based on an exchange rate of US\$1 : S\$1.2035 as at 2 September 2011) (after deducting the related expenses).

Net Tangible Assets (“NTA”) per share

Assuming that the Disposal was completed on 31 December 2010, the pro forma effect on the NTA per share of the Group would be as follows:

	<u>Before Disposal</u>	<u>After Disposal</u>
	US\$	US\$
NTA	7,910,796	8,312,861
NTA per share	6.50	6.83

Earnings per Share (“EPS”)

Assuming that the Disposal was completed on 31 December 2010, the pro forma effect on the EPS of the Group would be as follows:

	<u>Before Disposal</u>	<u>After Disposal</u>
	US\$	US\$
Earnings	135,110	537,175
EPS	0.12	0.46

The above pro forma financial effects presented are theoretical in nature and only for illustration purposes. They do not represent the actual financial position and/or results of the Group.

Disclosure of Interests

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal, save for their shareholdings (if any) in the Company.

Document for Inspection

A copy of the Option in respect of the Disposal is available for inspection during normal business hours at the Company’s registered office for a period of three months from the date of this Announcement:

By order of the Board

Jonathan Hui
Executive Chairman and Chief Executive Officer

7 September 2011

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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