

SBI OFFSHORE LIMITED
(Registration No: 199407121D)
Unaudited Financial Statements and Dividend Announcement
For the Full Year Ended 31 December (“FY”) 2018

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	FY2018 US\$'000 (Unaudited)	FY2017 US\$'000 (Audited)	Change %
Revenue	22	448	(95.1)
Cost of sales	(14)	(433)	(96.8)
Gross profit	<u>8</u>	<u>15</u>	(46.7)
<i>Other items of income</i>			
Interest income	250	177	41.2
Other income	239	921	(74.0)
<i>Other items of expense</i>			
Administrative and other expenses	(1,892)	(5,772)	(67.2)
Loss before income tax	<u>(1,395)</u>	<u>(4,659)</u>	(70.1)
Income tax	-	(24)	(100.0)
Loss for the financial year	<u>(1,395)</u>	<u>(4,683)</u>	(70.2)
Loss attributable to:			
Owners of the parent	(1,395)	(4,679)	(70.2)
Non-controlling interests	-	(4)	(100.0)
	<u>(1,395)</u>	<u>(4,683)</u>	(70.2)

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	FY2018 US\$'000 (Unaudited)	FY2017 US\$'000 (Audited)	Change %
<u>Statement of comprehensive income</u>			
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	55	23	139.1
Reclassification to profit or loss from foreign currency translation reserve, arising from disposal of a foreign subsidiary	-	19	(100.0)
Total comprehensive income for the financial year	<u>(1,340)</u>	<u>(4,641)</u>	(71.1)
Total comprehensive income attributable to:			
Owners of the parent	(1,340)	(4,637)	(71.1)
Non-controlling interests	-	(4)	(100.0)
	<u>(1,340)</u>	<u>(4,641)</u>	(71.1)

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:

	FY2018 US\$'000	FY2017 US\$'000	Change %
Depreciation of property, plant and equipment	5	207	(97.6)
Amortisation of intangible assets	12	13	(7.7)
Amortisation of land lease prepayment	-	20	(100.0)
Operating lease expenses	68	120	(43.3)
Share-based payment credited	-	(42)	(100.0)
Foreign currency exchange loss/(gain)	283	(632)	NM
Write-down of inventories	-	460	(100.0)
Impairment loss on trade and other receivables	-	10	(100.0)
Impairment loss on non-current assets held for sale	-	2,182	(100.0)
Reversal of impairment loss on amount due from a joint venture	-	(73)	(100.0)
Loss on disposal of plant and equipment	-	1	(100.0)
Loss on disposal of an indirect subsidiary	-	24	(100.0)
Loss on disposal of non-current assets held for sale	4	-	NM
Distribution received from a joint venture	-	(66)	(100.0)
Waiver of debts granted to a joint venture	-	16	(100.0)
Provision for tax-related liabilities	-	373	(100.0)
Compensation received from a joint venturer	(100)	-	NM
Dividend income	(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 the end of the immediately preceding financial year.

	Group		Company	
	31.12.2018 (Unaudited) US\$'000	31.12.2017 (Audited) US\$'000	31.12.2018 (Unaudited) US\$'000	31.12.2017 (Audited) US\$'000
Non-current assets				
Plant and equipment	1	6	-	5
Intangible assets	5	17	5	17
	6	23	5	22
Current assets				
Trade and other receivables	194	469	2,878	3,562
Cash and cash equivalents	15,725	14,722	12,627	13,880
	15,919	15,191	15,505	17,442
Non-current assets held for sale	-	2,299	-	-
	15,919	17,490	15,505	17,442
Total assets	15,925	17,513	15,510	17,464
Current liabilities				
Trade and other payables	713	961	337	777
	713	961	337	777
Net current assets	15,206	16,529	15,168	16,665
Non-current liability				
Deferred tax liability	4	4	4	4
Net assets	15,208	16,548	15,169	16,683
Equity				
Share capital	25,253	25,253	25,253	25,253
Other reserves	174	56	223	223
Foreign currency translation reserve	328	273	-	-
Accumulated losses	(10,547)	(9,034)	(10,307)	(8,793)
Equity attributable to owners of the parent	15,208	16,548	15,169	16,683
Total equity	15,208	16,548	15,169	16,683

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 31 December 2018 and 2017.

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	FY2018 US\$'000 (Unaudited)	FY2017 US\$'000 (Audited)
<u>Cash flows from operating activities</u>		
Loss before income tax	(1,395)	(4,659)
Adjustments for:		
Amortisation of intangible assets	12	13
Amortisation of land lease prepayment	-	20
Reversal of overprovision of withholding tax	-	(35)
Depreciation of property, plant and equipment	5	207
Loss on disposal of plant and equipment	-	1
Loss on disposal of an indirect subsidiary	-	24
Loss on disposal of non-current assets held for sale	4	-
Unrealised foreign exchange loss/(gain)	276	(597)
Write-down of inventories	-	460
Gain on disposal of inventory sold as scrap	-	(27)
Reversal of impairment loss on amount due from a joint venture	-	(73)
Impairment loss on trade and other receivables	-	10
Impairment loss on non-current assets held for sale	-	2,182
Provision for tax-related liabilities	-	373
Interest income	(250)	(177)
Dividend income	(100)	-
Share-based payment credited	-	(42)
Waiver of debts granted to a joint venture	-	16
Operating cash flows before working capital changes	(1,448)	(2,304)
Inventories	-	26
Trade and other receivables	(52)	785
Trade and other payables	76	(618)
Cash used in operations	(1,424)	(2,111)
Interest income	250	177
Income tax paid	-	(24)
Net cash used in operating activities	(1,174)	(1,958)
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	-	(2)
Purchase of intangible assets	-	(10)
Proceeds from disposal of non-current assets held for sale	2,273	-
Dividend received from a joint venture	100	-
Disposal of subsidiary, net of cash disposed	-	(27)
Net cash from/ (used in) investing activities	2,373	(39)
<u>Cash flows from financing activity</u>		
Decrease in pledged fixed deposits	125	446
Net cash from financing activity	125	446

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.

Net change in cash and cash equivalents	1,324	(1,551)
Cash and cash equivalents at beginning of financial year	14,580	15,683
Effect of foreign exchange rate changes on cash and cash equivalents	(196)	448
Cash and cash equivalents at end of financial year	15,708	14,580

Cash and cash equivalents comprise the following:

Cash and cash equivalents	15,725	14,722
Less: Fixed deposits pledged	(17)	(142)
Cash and cash equivalents at end of financial year	15,708	14,580

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 year</i>								
Loss for the financial year	-	-	-	-	(1,395)	(1,395)	-	(1,395)
<i>Other comprehensive income</i>								
Exchange differences arising from translation of foreign operations	-	-	-	55	-	55	-	55
Total comprehensive income for the financial year	-	-	-	55	(1,395)	(1,340)	-	(1,340)
<i>Transactions with owners of the parent recognised directly in equity</i>								
Disposal of a subsidiary	-	-	118	-	(118)	-	-	-
Total transactions with owners of the parent	-	-	118	-	(118)	-	-	-
Balance at 31 December 2018	25,253	223	(49)	328	(10,547)	15,208	-	15,208

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 2017	25,253	265	(35)	231	(4,355)	21,359	(128)	21,231
Total comprehensive income for the financial year								
Loss for the financial year	-	-	-	-	(4,679)	(4,679)	(4)	(4,683)
Other comprehensive income								
Exchange differences arising from translation of foreign operations	-	-	-	23	-	23	-	23
Reclassification to profit or loss from foreign currency translation reserve, arising from disposal of a foreign subsidiary	-	-	-	19	-	19	-	19
Total comprehensive income for the financial year	-	-	-	42	(4,679)	(4,637)	(4)	(4,641)
Transactions with owners of the parent recognised directly in equity								
Reversal of employee share-based payment	-	(42)	-	-	-	(42)	-	(42)
Effects of waiver of amount due from non-controlling interests in subsidiaries	-	-	(132)	-	-	(132)	132	-
Total transactions with owners of the parent	-	(42)	(132)	-	-	(174)	132	(42)
Balance at 31 December 2017	25,253	223	(167)	273	(9,034)	16,548	-	16,548

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.

<u>Company</u>	Share capital US\$'000	Share- based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2018	25,253	223	(8,793)	16,683
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(1,514)	(1,514)
Balance at 31 December 2018	25,253	223	(10,307)	15,169
Balance at 1 January 2017	25,253	265	(2,693)	22,825
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(6,100)	(6,100)
Transactions with owners of the parent recognised directly in equity				
Reversal of employee share-based payment	-	(42)	-	(42)
Balance at 31 December 2017	25,253	223	(8,793)	16,683

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 30 June 2018 and 31 December 2018	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 31 December 2018 was 8 million (31 December 2017: 8 million).

There were no outstanding share awards granted under the PSP as at 31 December 2018 (31 December 2017: NIL).

Save for the aforementioned ESOS options and PSP shares, the Company did not have any other outstanding convertibles as at 31 December 2018 and 31 December 2017.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

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 31 December 2018 was 249,680,100 (31 December 2017: 249,680,100). The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

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.

Save as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared with those used in the audited financial statements for the financial year ended 31 December 2017.

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.

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS"), Singapore Financial Reporting Standards (International) ("SFRS(I)"), for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I) on 1 January 2018 and has prepared its first set of financial statements under SFRS(I) for the financial year ended 31 December 2018. In adopting SFRS(I), the Group is required to apply all the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) and new SFRS(I), amendments to and interpretation of SFRS(I) that are effective from 1 January 2018. The transition to SFRS(I) did not have any significant impact to the Group for the financial year ended 31 December 2018.

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	FY2018	FY2017
Basic loss per share (US cents)	(0.56)	(1.87)
Weighted average number of shares ('000)	249,680	249,680
Fully diluted loss per share (US cents)	(0.56)	(1.87)
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 FY2018 and FY2017.

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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net asset value per share (US cents)	6.09	6.63	6.08	6.68
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

Revenue decreased by 95.1%, from US\$0.45 million in FY2017 to US\$22,000 in FY2018 due to competitive pressures in the offshore and marine sector. The Group recorded adhoc sales in FY2018, in relation to the supply, installation and inspection of lifeboat accessories and spare parts.

Cost of sales decreased by 96.8%, from US\$0.43 million in FY2017 to US\$14,000 in FY2018, in line with the decrease in revenue. As a result, gross profit decreased by 46.7% from US\$15,000 in FY2017 to US\$8,000 in FY2018.

(b) Interest income

Interest income increased by 41.2%, from US\$0.18 million in FY2017 to US\$0.25 million in FY2018, mainly due to higher interest rate offered by the financial institutions in FY2018, as well as increase in principal amount placed with the financial institutions.

(c) Other income

Other income decreased by 74.0%, from US\$0.92 million in FY2017 to US\$0.24 million in FY2018.

Other income of US\$0.24 million in FY2018 consists mainly of the following:

- US\$0.1 million compensation received from joint venturer, RBV Energy Ltd in relation to four manifold contracts transferred from the joint venture-RBV Energy

(Singapore) Pte Ltd (“**RBVS**”) to the joint venturer in previous year;

- US\$0.1 million dividend income received from RBVS, being repayment of the FY2014 dividend which had been waived in FY2017; and
- Reversal of US\$36,000 for over-accruals of professional fees in prior year.

(d) Administrative and other expenses

Administrative and other expenses decreased by US\$3.88 million or 67.2%, from US\$5.77 million in FY2017 to US\$1.89 million in FY2018, mainly due to the following reasons:

- Cost reduction measures which led to a significant reduction in staff-related costs by US\$0.29 million or 26.4%, from US\$1.09 million in FY2017 to US\$0.80 million in FY2018;
- Depreciation of property, plant and equipment decreased by US\$0.20 million, mainly due to the disposal of leasehold property held by the China subsidiary, Jianguyin SBI Offshore Equipment Co., Ltd. (“**JSBI**”) in March 2018;
- Absence of one-off FY2017 expenses in FY2018, such as impairment loss on non-current assets held for sale of US\$2.18 million, write-down of inventories of US\$0.46 million, and loss on disposal of an indirect subsidiary of US\$24,000; and
- The Group has optimised its structure by the closure and disposal of its dormant subsidiaries to reduce the expenses incurred. As a result, the statutory and general operating expenses requirements by the Group in FY2018 had decreased.

The aforementioned decrease was partially offset by the foreign currency exchange loss of US\$0.28 million in FY2018, arising from the weakening of Singapore Dollar against US Dollar, as compared to foreign currency exchange gain of US\$0.63 million in FY2017.

(e) Income tax

There was no income tax expense recognised in FY2018. Income tax of US\$24,000 in FY2017 was solely attributable to the under provision of tax in prior years.

(f) Loss for the financial year

As a result of the above, the Group registered a net loss of US\$1.4 million in FY2018, as compared to a net loss of US\$4.7 million in FY2017.

Statement of Financial Position

(a) Working capital

As at 31 December 2018, the Group's working capital stood at US\$15.21 million. The Group had cash and cash equivalents of US\$15.73 million with zero borrowings as at 31 December 2018.

(b) Non-current assets

Non-current assets decreased from US\$23,000 as at 31 December 2017 to US\$6,000 as at 31 December 2018, largely due to the depreciation and amortisation charged during the year.

(c) Current assets

The Group's current assets amounted to US\$15.92 million as at 31 December 2018 (31 December 2017: US\$17.49 million). The decrease of US\$1.57 million was substantially contributed by:

- receipts of outstanding debts from customers;
- disposal of the non-current assets held for sale (leasehold property and land use rights of JSBI), completed in March 2018 ("**Disposal**"); and
- utilisation of prepayment for legal and commission expense of US\$163,000 recognised in FY2017 upon completion of the Disposal.

The aforementioned decrease was partially offset by the increase in cash and cash equivalents by US\$1.0 million, mainly due to the net proceeds received from the Disposal, less operating cash outflows.

(d) Current liabilities

Current liabilities decreased from US\$0.96 million as at 31 December 2017 to US\$0.71 million as at 31 December 2018, mainly due to settlement of other payables that were outstanding as at 31 December 2017.

Statement of Cash Flows

- (a) Operating cash outflows before changes in working capital amounted to US\$1.45 million in FY2018, due mainly to operating loss recorded during the year. The Group utilised net cash of US\$1.17 million in operating activities in FY2018.
- (b) Net cash of US\$2.37 million from investing activities in FY2018 was primarily contributed by the net proceeds received from the Disposal.
- (c) Net cash generated from financing activity amounted to US\$0.13 million in FY2018, due to the release of the pledged fixed deposits in April 2018.

As a result, the Group's cash and cash equivalents increased from US\$14.58 million as at 31 December 2017 to US\$15.71 million as at 31 December 2018.

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 in the oil and gas (“**O&G**”) sector and had recognised revenue (albeit at nominal value) for FY2018. The Group is of the view that the continued requests for quotations and orders are encouraging notwithstanding competitive pressures within the offshore and marine (“**O&M**”) industry.

On 20 February 2019, the Company announced that it had, on 19 February 2019, entered into a binding term sheet (“**Term Sheet**”) with Mr Chan Kern Miang (the “**Vendor**”) in relation to the proposed acquisition by the Company 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., and (xi) Blue Ocean Services K Co Ltd, from the Vendor (the “**Proposed Acquisition**”). The Term Sheet sets out certain terms and conditions which will form the broad basis of the definitive agreement(s) to be entered into in relation to the Proposed Acquisition (the “**Share Sale Agreement**”). The Proposed Acquisition is subject to, *inter alia*, the execution of the Share Sale Agreement and/or such other terms and conditions stated in the Company’s announcement dated 20 February 2019. Please refer to the Company’s announcement dated 20 February 2019 for further information on the Proposed Acquisition. The Proposed Acquisition, if successfully completed, will constitute a reverse takeover of the Company as defined under Chapter 10 of the Catalist Rules. In accordance with Chapter 10 of the Catalist Rules, the Proposed Acquisition will be subject to, amongst others, the approval of the shareholders of the Company at an extraordinary general meeting to be convened pursuant to Rule 1015 of the Catalist Rules.

On 21 December 2018, the Singapore Exchange Regulation Pte Ltd (“**SGX Regco**”) issued a Notice of Compliance (“**NOC**”) to the Company. Please refer to the NOC announced by the SGX Regco for further details. The Company will, in compliance with the disclosure obligations under the Catalist Rules, make appropriate announcements in the event that there are any material developments.

On 25 May 2018, the Company announced that the Board has appointed KordaMentha Pte Ltd (“**Independent Reviewer**”) to undertake a review of the matter(s) that may have given rise to the Unauthorised Write-off in FY2015, *inter-alia*, breaches in rules, laws and regulations as well as lapses in control. As at the date of this announcement, the report from the Independent Reviewer is in the process of finalisation and the Company will make appropriate announcements in due course.

On 1 March 2019, the Company announced that the SGX-ST had informed the Company that the Company will be deemed a cash company as defined under Rule 1017 of the Catalist Rules, with effect from 1 March 2019. Please refer to the Company’s announcement dated 1 March 2019 for further information.

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 financial year ended 31 December 2018. Pursuant to the Term Sheet 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 20 February 2019 on the Proposed Acquisition for further information. In view of the above, the Company needs to retain its cash balances and no dividend has been declared or recommended for the financial year ended 31 December 2018.

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). The use of the net proceeds from the issuance of placement shares was as follows:

Purpose	Allocation of Net Proceeds (as disclosed in the announcement dated 23 September 2014) (S\$'000)	Net Proceeds utilised as at 30 June 2018 (as announced on 7 August 2018) (S\$'000)	Net Proceeds utilised from 1 July 2018 to 31 January 2019 (S\$'000)	Balance of Net Proceeds as at 31 January 2019 (S\$'000)
New market expansion, new business development plans and new projects	11,306	2,513	-	8,793
Working capital and funding for existing projects	4,845	3,201	1,420 ⁽¹⁾	224
Total	16,151	5,714	1,420	9,017

Note:

- (1) Comprised expenses such as staff costs and related expenses, professional fees, repair and maintenance cost, and rental expenses.

The above utilisation is in line with the intended uses of the net proceeds stated in the Company's announcement dated 23 September 2014.

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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year

Geographical Information

FY2018 (Unaudited)

	Singapore US\$'000	People's Republic of China US\$'000	United States of America US\$'000	Total US\$'000
Revenue				
Revenue from external customers	17	-	5	22
Assets				
Segment assets	12,812	3,113	-	15,925

FY2017 (Audited)

	Singapore US\$'000	People's Republic of China US\$'000	United States of America US\$'000	Total US\$'000
Revenue				
Revenue from external customers	419	2	27	448
Assets				
Segment assets	14,197	3,316	-	17,513

17. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the operating segments

Please refer to paragraph 8 above.

18. A breakdown of sales

Group	FY2018 US\$'000	FY2017 US\$'000	Change %
Sales reported for first half year	-	441	(100.0)
Operating loss after tax before deducting minority interest reported for first half year	(313)	(914)	(65.8)
Sales reported for second half year	22	7	214.3
Operating loss after tax before deducting minority interest reported for second half year	(1,082)	(3,769)	(71.3)

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

Not applicable. No dividend has been declared or recommended for FY2018 and FY2017.

20. 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 director 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.

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Mirzan Bin Mahathir
Executive Non-Independent Chairman

James Kho Chung Wah
Independent Director

1 March 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"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. 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.

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.