

SBI OFFSHORE LIMITED**Full Year Financial Statements And Dividend Announcement for the Financial Year Ended 31 December 2011
(All amounts in US\$ unless otherwise indicated)**

This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.

PART 1 – 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 Financial year ended		Increase/ (Decrease) %
	31.12.2011 US\$	31.12.2010 US\$	
Revenue	7,121,398	9,339,024	(23.7)
Cost of sales	(3,355,100)	(5,914,747)	(43.3)
Gross profit	3,766,298	3,424,277	10.0
Other income	401,049	201,838	98.7
General and administrative expenses	(3,769,722)	(3,542,022)	6.4
Finance costs	(142,372)	(83,516)	(70.5)
Share of results of an associate	165,783	201,015	(17.5)
Share of results of joint ventures	42,420	-	NM
Profit before income tax	463,456	201,592	130
Income tax expense	(206,953)	(53,282)	288.4
Profit for the financial year	256,503	148,310	72.9
Other comprehensive income:			
Exchange differences arising from translation of foreign operation, net of tax amounting to US\$ Nil	207,585	168,386	23.3
Reclassification of foreign currency translation reserves on disposal of a subsidiary	-	(3,154)	
Total comprehensive income for the financial year	464,088	313,542	48.0
Profit attributable to:			
Owners of the parent	267,550	135,110	98.0
Non-controlling interests	(11,047)	13,200	NM
	256,503	148,310	72.9
Total comprehensive income attributable to:			
Owners of the parent	470,912	297,187	58.5
Non-controlling interests	(6,824)	16,355	NM
	464,088	313,542	48.0

NM = Not meaningful

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

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

	Group		
	Financial year ended		
	31.12.2011 US\$	31.12.2010 US\$	Increase/(Decrease) %
Depreciation of property, plant and equipment	361,116	308,254	17.1
Operating lease expenses	199,996	159,302	25.5
Gain on disposal of a subsidiary	-	138,271	NM
Gain on disposal of property held for sale	40,968	-	NM
Gain on disposal of a leasehold property	337,071	-	NM
Foreign currency exchange loss/(gain)	(12,542)	53,287	NM

NM = Not meaningful

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

	Group		Company	
	31.12.2011 US\$	31.12.2010 US\$	31.12.2011 US\$	31.12.2010 US\$
Non-current assets				
Property, plant and equipment	5,263,849	5,717,859	118,980	753,045
Investments in subsidiaries	-	-	5,880,008	5,880,000
Investment in an associate	2,372,838	2,207,055	1,800,000	1,800,000
Investment in joint ventures	392,420	-	350,000	-
Intangible assets	1,405,565	1,378,046	-	-
	<u>9,434,672</u>	<u>9,302,960</u>	<u>8,148,988</u>	<u>8,433,045</u>
Current assets				
Inventories	363,150	203,223	35,562	35,562
Property held for sale	-	201,238	-	-
Trade and other receivables	1,653,283	3,044,556	5,242,284	4,479,394
Cash and cash equivalents	1,610,481	1,887,399	1,295,221	1,490,314
	<u>3,626,914</u>	<u>5,336,416</u>	<u>6,573,067</u>	<u>6,005,270</u>
Current liabilities				
Trade and other payables	2,260,018	3,834,461	1,069,268	2,239,948
Finance lease payable	-	15,084	-	15,084
Bank borrowings	1,195,779	1,489,718	1,195,779	1,489,718
Current income tax payable	52,447	7,000	52,448	7,000
	<u>3,508,244</u>	<u>5,346,263</u>	<u>2,317,495</u>	<u>3,751,750</u>
Net current assets/(liabilities)	<u>118,670</u>	<u>(9,847)</u>	<u>4,255,572</u>	<u>2,253,520</u>

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

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	US\$	US\$	US\$	US\$
Non-current liabilities				
Deferred tax liabilities	4,271	4,271	4,271	4,271
Net assets	9,549,071	9,288,842	12,400,289	10,682,694
Capital and reserves				
Share capital	6,397,479	6,397,479	6,397,479	6,397,479
Foreign currency translation account	368,390	165,028	-	-
Share option reserve	-	6,423	-	6,423
Accumulated profits	2,687,332	2,617,218	6,002,810	4,278,392
Equity attributable to owners of the parent	9,453,201	9,186,148	12,400,289	10,682,294
Non-controlling interests	95,870	102,694	-	-
Total equity	9,549,071	9,288,842	12,400,289	10,682,294

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

Amount repayable in one year or less, or on demand

	As at 31.12.2011	As at 31.12.2010
	US\$	US\$
Finance lease payable	-	15,084
Bank borrowings		
-secured	546,825	450,337
-unsecured	648,954	1,039,381
	1,195,779	1,489,718
	1,195,779	1,504,802

Bank borrowings bear effective interest rate of range from 3.16% to 6.56% per annum

The bank borrowings are secured by way of charge on the Group's and Company's fixed deposits.

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	
	31.12.2011	31.12.2010
	US\$	US\$
Cash flows from operating activities		
Profit before income tax	463,456	201,592
Adjustments for:		
Amortisation of intangible assets	25,780	4,676
Depreciation of property, plant and equipment	361,116	308,254
Share of results of an associate	(165,783)	(201,015)
Share of results of joint ventures	(42,420)	-
Share option expense	(6,423)	6,423
Gain on disposal of a subsidiary	-	(138,271)
Gain on disposal of property held for sale	(40,968)	-
Gain on disposal of a leasehold property	(337,071)	-
Interest income	(1,418)	(787)
Interest expense	142,372	83,516
Operating profit before changes in working capital	398,641	264,388
Trade and other receivables	1,385,074	2,258,790
Trade and other payables	(1,603,902)	998,833
Inventories	(171,621)	(84,849)
Interest income	1,418	787
Interest expense	(142,372)	(83,516)
Income tax paid	(161,505)	(505,979)
Net cash (used in)/from operating activities	(294,267)	2,848,454
Cash flows from investing activities		
Disposal of a subsidiary	-	(30,093)
Purchase of intangible assets	-	(1,382,722)
Purchase of property, plant and equipment	(321,880)	(4,773,045)
Investment in joint ventures	(350,000)	-
Net cash used in investing activities	(671,880)	(6,185,860)
Cash flows from financing activities		
Proceeds of loan from bank borrowings	1,085,311	-
Repayment of finance lease	(15,084)	(19,309)
Repayment of bank borrowings	(1,379,250)	(252,245)
Proceeds from disposal of property held for sale	245,770	-
Proceeds from disposal of a leasehold property	938,116	-
Pledged of fixed deposits with banks	-	(154,960)
Proceeds from issue of shares	-	2,281,808
Share issue expense	-	(14,540)
Dividends paid	(197,436)	(318,254)
Net cash from financing activities	677,427	1,522,500

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. (Continued)

Net change in cash and cash equivalents	(288,720)	(1,814,906)
Cash and cash equivalents at beginning of financial year	1,607,143	3,327,687
Effect of foreign exchange rate changes in cash and cash equivalent	11,802	94,362
Cash and cash equivalent at end of financial year	<u>1,330,225</u>	<u>1,607,143</u>

Cash and cash equivalents comprise of the following:

	31.12.2011	31.12.2010
	US\$	US\$
Cash and bank balances	1,330,225	1,607,143
Fixed deposits	280,256	280,256
Cash and cash equivalents on consolidated balance sheets	1,610,481	1,887,399
Less: Fixed deposits pledged	(280,256)	(280,256)
	<u>1,330,225</u>	<u>1,607,143</u>

1(d)(i) A statement (for the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital	Foreign currency translation reserve	Share option reserve	Accumulated profits	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2011	6,397,479	165,028	6,423	2,617,218	9,186,148	102,694	9,288,842
Total comprehensive income for the financial year							
Profit for the financial year	-	-	-	267,550	267,550	(11,047)	256,503
Other comprehensive income							
Exchange differences arising from translation of foreign operation, net of tax	-	203,362	-	-	203,362	4,223	207,585
Total other comprehensive income for the financial year	-	203,362	-	-	203,362	4,223	207,585
Total comprehensive income for the financial year	-	203,362	-	267,550	470,912	(6,824)	464,088

Transactions with owners of the parent recognised directly in equity

Share option expense	-	-	(6,423)	-	(6,423)	-	(6,423)
Dividends	-	-	-	(197,436)	(197,436)	-	(197,436)
Balance at 31 December 2011	6,397,479	368,390	-	2,687,332	9,453,201	95,870	9,549,071

1(d)(i) A statement (for the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

Group

	Share capital	Foreign currency translation reserve	Share option reserve	Accumulated profits	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2010	4,130,211	2,951	-	2,643,745	6,776,907	86,339	6,863,246
Total comprehensive income for the financial year							
Net profit for the financial year	-	-	-	135,110	135,110	13,200	148,310
Other comprehensive Income							
Exchange differences arising from translation of foreign operation, net of tax	-	165,231	-	-	165,231	3,155	168,386
Reclassification of foreign currency translation reserves on disposal of a subsidiary	-	(3,154)	-	-	(3,154)	-	(3,154)
Other comprehensive income for the financial year	-	162,077	-	-	162,077	3,155	165,232
Total comprehensive income for the financial year	-	162,077	-	135,110	297,187	16,355	313,542

Transactions with owners of the parent recognised directly in equity

Issue of shares	2,281,808	-	-	-	2,281,808	-	2,281,808
Share issue expense	(14,540)	-	-	-	(14,540)	-	(14,540)
Share option expense	-	-	6,423	-	6,423	-	6,423
Dividends	-	-	-	(161,637)	(161,637)	-	(161,637)
Total transactions with owners of the parent	<u>2,267,268</u>	<u>-</u>	<u>6,423</u>	<u>(161,637)</u>	<u>2,112,054</u>	<u>-</u>	<u>2,112,054</u>
Balance at 31 December 2010	<u>6,397,479</u>	<u>165,028</u>	<u>6,423</u>	<u>2,617,218</u>	<u>9,186,148</u>	<u>102,694</u>	<u>9,288,842</u>

1(d)(i) A statement (for the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
(Continued)

Company

	Share capital US\$	Share option reserve US\$	Accumulated profits US\$	Total equity US\$
Balance at 1 January 2011	6,397,479	6,423	4,278,392	10,682,294
Total comprehensive income for the financial year	-	-	1,921,854	1,921,854
Transactions with owners of the parent recognised directly in equity				
Share option expense	-	(6,423)	-	(6,423)
Dividends	-	-	(197,436)	(197,436)
Total transactions with owners of the parent	-	(6,423)	(197,436)	(203,859)
Balance at 31 December 2011	<u>6,397,479</u>	<u>-</u>	<u>6,002,810</u>	<u>12,400,289</u>

Company

	Share capital US\$	Share option reserve US\$	Accumulated profits US\$	Total equity US\$
Balance at 1 January 2010	4,130,211	-	2,652,460	6,782,671
Total comprehensive income for the financial year	-	-	1,787,569	1,787,569
Transactions with owners of the parent recognised directly in equity				
Issue of shares	2,281,808	-	-	2,281,808
Share issue expense	(14,540)	-	-	(14,540)
Share option expense	-	6,423	-	6,423
Dividends	-	-	(161,637)	(161,637)
Total transactions with owners of the parent	2,267,268	6,423	(161,637)	2,112,054
Balance at 31 December 2010	6,397,479	6,423	4,278,392	10,682,294

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period immediately preceding financial year.

Ordinary Shares

	Number of shares	S\$	US\$
As at 31 December 2011 and 31 December 2010	<u>121,680,100</u>	<u>9,048,755</u>	<u>6,397,479</u>

There was no change in the Company's share capital as at 31 December 2011 since the end of the previous period reported on, that was 31 December 2010.

There were no convertibles and treasury shares as at 31 December 2011 and 31 December 2010 respectively.

There were no outstanding share options granted under the Employees' Share Option Scheme ("ESOS") as at 31 December 2011 (31 December 2010: 200,000)

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company had a total of 121,680,100 ordinary shares in issue as at 31 December 2011 and 31 December 2010 respectively.

There were no treasury shares as at 31 December 2011 and 31 December 2010.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have treasury shares during and as at the end of the current financial year reported on.

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

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

3. If the figures have been audited or reviewed, provide a statement on whether there are any qualifications or emphasis of matter.

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

4. Please state whether the same accounting policies and method of computation as the issuer's most recently audited financial statements have been followed.

The Group has adopted all the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2011. The adoption of these new/revised FRS and INT FRS has no material effect on the amounts reported for the current or prior reporting periods.

Save for the above mentioned, the Group has applied the same accounting policies and methods of computation in the financial statements as those used in the most recently audited annual financial statements for the financial year ended 31 December 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Save for the above mentioned, there was no other changes in the accounting policies and methods of computation for the financial year ended 31 December 2011.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	Group	
	Full year ended	
	31.12.2011	31.12.2010
Earnings per ordinary share ("EPS")	US Cents	US Cents
(a) Basic	0.22	0.12
(b) On a fully diluted basis	0.22	0.12

For financial year ended 31 December 2011 ("FY2011") and 31 December 2010 ("FY2010"), the EPS was calculated by dividing the profit attributable to owners of the parent of US\$267,550 and US\$135,110 by the weighted average number of ordinary shares in issue of 121,680,100 and 116,888,319 respectively.

The diluted EPS is computed to be the same as the basic EPS as there were no dilutive instruments as at 31 December 2011 and 31 December 2010.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial period

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net assets (US\$)	9,549,071	9,288,842	12,400,289	10,682,294
Net asset value per ordinary share based on the number of shares in issue at end of year (US cents)	7.85	7.63	10.19	8.78

The net asset value per ordinary share of the Group and the Company as at 31 December 2011 and as at 31 December 2010 was calculated based on the total number of issued shares of 121,680,100.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of performance

	FY2011 US\$	FY2010 US\$
Sale of products and services	6,636,988	9,247,394
Manufacturing	484,410	91,630
	7,121,398	9,339,024

The Group's revenue for FY2011 decreased by US\$2.22 million or 23.7%, from US\$9.34 million in FY2010 to US\$7.12 million in FY2011 due to a decline in distribution sales. As a result of higher commission income, gross profit for the Group increased by 10.0% from US\$3.42 million in FY2010 to US\$3.77 million in FY2011, representing an increase of 16.2% of gross profit margin from 52.9% in FY2010 to 53.1% in FY2011.

The increase in other income of 98.7% from US\$0.20 million in FY2010 to US\$0.40 million in FY2011 was mainly due to the gain from the sale of the Paya Ubi office in November 2011 (the "Sale").

Total general and administrative expenses for FY2011 amounted to approximately US\$3.77 million, an increase of 6.4% from US\$3.54 million in FY2010. This was primarily due to an increase in operating cost of the Group's design and engineering subsidiaries, Sea Reef Offshore Pte Ltd ("SOPL") and Sea Reef International Inc. ("SRI"), amounting to approximately US\$0.13 million. Depreciation expense has also increased 17.1% from US\$0.31 million in FY2010 to US\$0.36 million in FY2011 due to the purchase of additional fixed assets as manufacturing activity increased.

Finance cost for FY2011 amounted to US\$0.14 million, an increase of 70.5% from US\$0.08 million in FY2010 due to additional bank borrowings.

The Group's share of results of an associate decreased by 17.5% to US\$0.17 million in FY2011 as compared to US\$0.20 million in FY2010 mainly due to lower profit contributed by the Company's 35% interest associate, Jiangyin Neptune Marine Appliance Co., Ltd. ("NPT"). In FY2011, the Group's share of results of joint ventures was US\$0.04 million, contributed by the Company's business alliance via RBV Energy (Singapore) Pte. Ltd. with RBV Energy Ltd of the United Kingdom.

After taking into account all expenses together with share of results of an associate and joint ventures, the Group's profit before income tax ("PBT") increased by 129.9% from US\$0.20 million in FY2010 to US\$0.46 million in FY2011.

The Group's profit after tax increased by 72.9% from US\$0.15 million in FY2010 to US\$0.26 million in FY2011.

Financial position

Non-current assets increased from US\$9.30 million as at 31 December 2010 to US\$9.43 million as at 31 December 2011, mainly due to the purchase of additional fixed assets by Jiangyin SBI Offshore Equipment Co. Ltd ("JSBI") and investment in joint ventures ("JV").

Current assets decreased from US\$5.34 million as at 31 December 2010 to US\$3.63 million as at 31 December 2011 mainly due to the property held for sale by JSBI as at 31 December 2010, which was sold as at 31 December 2011 (the "Property"), as well as the decrease in trade and other receivables due to lower distribution sales.

Financial position (Continued)

Current liabilities decreased from US\$5.35 million as at 31 December 2010 to US\$3.51 million as at 31 December 2011. This was mainly attributed to the full settlement of a finance lease and a mortgage loan. The decrease in current liabilities was also due to the repayment of bank borrowings and amount owing to NPT.

The increase in capital and reserves from US\$9.29 million as at 31 December 2010 to US\$9.55 million as at 31 December 2011 was mainly due to the profits from FY2011, partially offset by dividends declared in FY2010 and paid out in FY2011.

The Group had a positive working capital of approximately US\$119,000 as at 31 December 2011 compared to a negative working capital of approximately US\$10,000 as at 31 December 2010.

Cash flow statement

The Group reported a net decrease in cash and cash equivalents (net of fixed deposits pledged) of US\$0.28 million from US\$1.61 million as at 31 December 2010 to US\$1.33 million as at 31 December 2011.

Net cash used in operating activities, amounted to US\$0.29 million in FY2011, mainly due to the decrease in other payables of JSBI due to NPT of approximately US\$0.96 million as well as payments to vendors which led to a decrease in trade and other payables.

Net cash used in investing activities, which amounted to US\$0.67 million, was mainly due to the purchase of fixed assets as well as investment in JV.

Net cash flow from financing activities which amounted to US\$0.68 million, comprised mainly of net proceeds from the Sale and the Property, partially offset by repayment of bank borrowings and dividends declared for FY2010 which was paid out in FY2011.

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

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary of the competitive conditions of the industry in which the group operates and any known factors that might affect the group in the next reporting period and the next 12 months has been provided.

Industry Outlook

We expect Brazil to take the lead in a new round of orders for drillships and semi-submersibles in 2012. SETE Brazil had recently ordered a drillship and a semi-submersible from Brazilian yards owned by Singapore groups and the industry expects SETE Brazil to follow up with further orders of the same ultra deepwater rigs soon.

Besides Brazil, increased offshore oil and gas field developments in Norway is expected to lead to more rig and platform orders for Asian yards. *Upstream* reported on 17 February 2012 that Norwegian independent Det Norske Oljeselskap is set to proceed with the Nkr2.5 billion (approximately US\$438 million) development of its Jette field. Statoil (a Norwegian National energy company) says that it is currently working on progressing 150 projects to development as it looks to achieve a production target of 2.5 million barrels of oil equivalent per day by 2020 from 1.98 m barrels currently and is expected to spend US\$17 billion on capital expenditures between 2012 to 2014 (*Upstream* 8 February 2012).

Industry Outlook (Continued)

More older rigs are expected to dock for upgrades in 2012, following the increased safety concerns call for upgrades to Blow Out Preventers (BOP) and ancillary equipment, and safety equipment such as lifeboats and davits. A research report by Citigroup in November 2011 showed that 68% of the global fleet of jackups or 326 units were more than 25 years old while 57% of semi-submersibles or 116 units were more than 25 years old.

With oil price rising above US\$120 per barrel recently, shallow water marginal fields in South East Asia and Middle East can feasibly be exploited or enhanced with the right equipment at the right price. While a jackup drilling rig may be too expensive for such operations, the use of tender rigs and liftboats is proving to be lucrative.

Group Outlook

Subsequent to the announcement made on 28 January 2012, the Group has further secured US\$5 million in additional orders for its Original Equipment Manufacturer (“OEM”) product lines, raising its order book to US\$41 million (mainly for delivery over the next 15 months) as at 23 February 2012.

The Group now co-owns a sizeable portfolio of OEM product lines, such as lifeboats and davits, high-pressure pipes, fittings and manifolds, deck machinery and load handling systems. With ongoing newbuilds and upgrades of rigs and offshore production/support vessels, the Group is confident of achieving further significant sales from these product lines.

The breakthrough initial two orders achieved by Sea Reef – worth approximately US\$1.3 million – should lead to recurring orders from the same customer, a leading international drilling contractor which is planning further rig upgrades. It has also received enquiries from other leading drilling contractors for equipment replacement or upgrades, due to higher safety standards following the Gulf of Mexico oil spill in April 2010. Combined with cutting off non-core activities (such as specialised offshore cranes and maintenance of equipment that do not belong to our core product lines) since the middle of FY2011, we expect Sea Reef, which lost US\$1.4 million in 2011, to perform better in 2012.

We have also been pre-qualified by the four major Korean yards (Hyundai, Samsung, Daewoo and STX) and have received several purchase enquiries for potentially significant orders. Korean yards are building 36 drillships and five semi-submersibles for delivery between 2012 and 2015 (Source: R S Platou Rig Monthly November 2011). Other Asian yards are also busy with a number of newbuild enquiries for drillships, semi-submersibles and jackups.

Moving Up The Value Chain – Tender Rigs, Liftboats, Turnkey Solutions & Contract Manufacturing

For the last two years the Group has been building up a dedicated commercial and engineering team, with global design and sales capabilities (Sea Reef of USA and RBV in the UK) and fabrication facilities (joint-venture with Honghua Group of China). Our portfolio of products and brands is now fairly well recognised in the industry, and many leading players now view us favourably.

With the above foundations in place, and having secured a substantial drilling equipment package order in January 2012, the Group is well-positioned to offer its own turnkey equipment solution to owners and operators of tender rigs and liftboats. SBI Offshore is now able to offer technical competence, competitive pricing and shorter delivery schedules. Our suite of capabilities has matured amidst two significant trends which point to a more flexible, customised and competitive model than that offered by traditional jack-up rigs. The first being the rising demand for tender rigs for shallow-water marginal fields. The second is that liftboats are increasingly popular for well workover, well servicing and maintenance as well as installation of offshore wind farms. This niche has thus far been neglected by the major equipment players which have been busy with larger packages for drillships, semi-submersibles and jackups. The Group believes it is uniquely positioned to fill this niche and is now working with well-known international rig/vessel design houses to develop a complete rig/vessel design and equipment package (at an affordable price) which has enormous potential in ASEAN, China, India and Middle East shallow waters.

Group Outlook (Continued)

The tight offshore equipment supply market will also create opportunities for our various joint-venture companies to offer contract manufacturing services at competitive prices and shorter delivery lead times. This bodes well for JSBI, which lost US\$0.6 million in 2011, that is expected to perform better as more sub-contracting orders have been secured compared to last year.

In view of the momentum of orders secured, ongoing market development efforts as well as rollout of its strategy, the Group believes that it is poised to record substantially higher orders and sales for FY2012 compared to the last couple of years.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Ordinary Share	S\$0.002
Tax Rate	Tax exempt one-tier

(b)(i) Amount per share (cents) (Optional) Rate (%)

S\$0.002 per share (based on the Company's issued and paid up capital of 121,680,100 shares)

(b)(ii) Corresponding Period of the Immediately Preceding Financial Year

Dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Ordinary Share	S\$0.002
Tax Rate	Tax exempt one-tier

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The dividend is tax exempt

(d) The date the dividend is payable.

The date of the dividend payable will be announced later.

(e) Book closure date.

Notice will be given at a later date on the closure of the Share Transfer Books and register of Members of the Company to determine members' entitlement to the dividend.

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

Dividend has been declared/recommended. Please see above.

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

The Group did not have a general mandate for interested person transactions. There were no other interested person transactions of S\$100,000 or more for FY2011.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

- (i) Marketing and distribution; and
- (ii) Manufacturing

FY2011

	Marketing and distribution US\$	Manufacturing US\$	Consolidated US\$
Revenue			
External revenue	6,636,988	484,410	7,121,398
Results			
Segment results	704,041	(552,353)	151,688
Unallocated income	245,937	-	245,937
Finance costs	(96,804)	(45,568)	(142,372)
Share of result of an associate	-	165,783	165,783
Share of result of joint ventures	42,420	-	42,420
Profit before income tax	895,594	(432,138)	463,456
Income tax expense	(206,953)	-	(206,953)
Profit for the financial year	688,641	(432,138)	256,503
Non-controlling interest	-	11,047	11,047
Profit attributable to owners of the parent	688,641	(421,091)	267,550
Capital expenditure	64,618	257,262	321,880
Depreciation expenses	79,669	281,447	361,116
Assets and Liabilities			
Segment assets	5,837,807	7,175,064	13,012,871
Income tax recoverable			48,714
Total assets			13,061,585
Segment liabilities	2,602,435	853,362	3,455,797
Current income tax payable			52,447
Deferred tax liabilities			4,271
Total liabilities			3,512,515

FY2010

	Marketing and distribution US\$	Manufacturing US\$	Consolidated US\$
Revenue			
External revenue	9,247,394	91,630	9,339,024
Results			
Segment results	534,192	(651,937)	(117,745)
Unallocated income	201,838	-	201,838
Share of result of an associate	-	201,015	201,015
Finance costs	(84,193)	677	(83,516)
Profit before income tax	651,837	(450,245)	201,592
Income tax expense	(53,282)	-	(53,282)
Profit for the financial year	598,555	(450,245)	148,310
Non-controlling interests	-	(13,200)	(13,200)
Profit attributable to owners of the parent	598,555	(463,445)	135,110
Capital expenditure	13,982	4,793,456	4,807,438
Depreciation expenses	66,020	246,910	312,930
Assets and Liabilities			
Segment assets	7,695,056	6,893,489	14,588,545
Income tax recoverable			50,831
Total assets			14,639,376
Segment liabilities	3,785,930	1,553,333	5,339,263
Current income tax payable			7,000
Deferred tax liabilities			4,271
Total liabilities			5,350,534

Segmented results for operating segments

FY2011

	Singapore	People's Republic of China	Southeast Asia other than Singapore	Europe	USA	Others	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Revenue							
External revenue	2,276,908	356,260	990,542	3,252,941	86,650	158,097	7,121,398
Assets							
Segment asset	5,405,987	7,175,064	-	-	431,820	-	13,012,871
Income tax recoverable	-	48,714	-	-	-	-	48,714
Total asset	5,405,987	7,223,778	-	-	431,820	-	13,061,585

FY2010

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

15. 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.

16. A breakdown of sales

	FY2011	FY2010	Increase/ (Decrease)%
	US\$	US\$	US\$
Sales reported for first half year	5,063,072	4,688,068	8.0
Operating profit after income tax before deducting non-controlling interests reported for first half year	268,274	384,947	(30.3)
Sales reported for second half year	2,058,326	4,650,956	(55.7)
Operating profit after income tax before deducting non-controlling interests reported for second half year	(11,771)	(236,637)	95.0

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

	FY 2011	FY 2010
	US\$	US\$
Ordinary		
Final	187,412 ¹	197,436 ²
Total	187,412	197,436

¹ FY2011's final dividend of S\$0.002 per share, which was calculated based on number of ordinary shares as at 31 December 2011, and is subject to the approval of the shareholders at the forthcoming annual general meeting;

² The Group has declared and paid final dividend for FY2010 of S\$0.002 per share which was paid on 16 May 2011.

18. 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 officer 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 Catalyst, 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	29	Daughter of Mr. David Tan, an Executive Director of the Company	Current Position Customer Support Director since 2006 Duties Responsible for customer support and overseas the logistics function of the Company.	NIL

BY ORDER OF THE BOARD

Jonathan Hui
Executive Chairman and
Chief Executive Officer

24 February 2012