



# BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

## Quarterly Financial Statement And Dividend Announcement for the Period Ended 31 December 2009

### PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

#### 1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	3 months ended			12 months ended		
	31/12/09 S\$'000	31/12/08 S\$'000	Change %	31/12/09 S\$'000	31/12/08 S\$'000	Change %
Revenue	15,557	31,495	(51)	79,245	74,381	7
Cost of goods sold	(1,608)	(19,648)	(92)	(27,946)	(52,439)	(47)
<b>Gross profit</b>	<b>13,949</b>	<b>11,847</b>	<b>18</b>	<b>51,299</b>	<b>21,942</b>	<b>134</b>
Other operating income	72	1,062	(93)	5,673	7,713	(26)
Administrative expenses	(2,368)	(2,063)	15	(7,261)	(5,409)	34
Other operating expenses	(1,598)	(982)	63	(3,332)	(1,230)	171
Finance cost	(1)	(2)	(50)	(9)	(6)	50
Share of results of associates (a)	261	(906)	NM	(251)	(538)	(53)
<b>Profit before taxation (b)</b>	<b>10,315</b>	<b>8,956</b>	<b>15</b>	<b>46,119</b>	<b>22,472</b>	<b>105</b>
Income tax expenses	(1,911)	(2,097)	(9)	(7,550)	(3,655)	107
<b>Net profit attributable to equity holders of the Company</b>	<b>8,404</b>	<b>6,859</b>	<b>23</b>	<b>38,569</b>	<b>18,817</b>	<b>105</b>

NM – Not meaningful

#### A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year

	Group					
	3 months ended			12 months ended		
	31/12/09 S\$'000	31/12/08 S\$'000	Change %	31/12/09 S\$'000	31/12/08 S\$'000	Change %
<b>Net profit attributable to equity holders of the Company</b>	<b>8,404</b>	<b>6,859</b>	<b>23</b>	<b>38,569</b>	<b>18,817</b>	<b>105</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>8,404</b>	<b>6,859</b>	<b>23</b>	<b>38,569</b>	<b>18,817</b>	<b>105</b>

**Explanatory notes:**

- (a) This relates to the Group's 49% share in the result of York Transport Equipment (Asia) Pte Ltd ("York Transport").
- (b) Profit before taxation is stated after charging / (crediting):

	Group					
	3 months ended			12 months ended		
	31/12/09 S\$'000	31/12/08 S\$'000	Change %	31/12/09 S\$'000	31/12/08 S\$'000	Change %
Depreciation	414	391	6	1,784	901	98
Amortisation of intangible assets	-	421	(100)	317	421	(25)
Foreign exchange loss/(gain)	1,572	(465)	NM	2,963	(1,515)	NM
Loss on disposal of property, plant and equipment	16	-	NM	32	-	NM
Interest income	(40)	(28)	43	(156)	(135)	16
Dividend income	-	-	-	(5,400)	(5,310)	2

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

	Group		Company	
	31/12/2009 S\$'000	31/12/2008 S\$'000	31/12/2009 S\$'000	31/12/2008 S\$'000
<b><u>Non-current assets</u></b>				
Property, plant and equipment	6,967	8,647	4	6
Intangible assets	7,551	7,868	-	-
Investment in subsidiaries	-	-	23,600	23,600
Investment in associates	(a) 10,318	10,569	9,616	9,616
Other investment	(b) 5,066	5,066	-	-
	29,902	32,150	33,220	33,222
<b><u>Current assets</u></b>				
Inventories	(c) 10,813	4,513	-	-
Work-in-progress	(d) 1,783	8,571	-	-
Trade receivables	(e) 6,189	36,304	-	-
Other receivables	974	887	12	14
Amounts due from subsidiaries	-	-	4,200	1,872
Cash and cash equivalents	(f) 81,824	37,644	34,826	25
	101,583	87,919	39,038	1,911
<b><u>Current liabilities</u></b>				
Obligations under finance leases	27	39	-	-
Excess of progress billings over work-in-progress	(d) 9,850	40,292	-	-
Trade payables and other liabilities	14,024	14,725	334	237
Amounts due to subsidiaries	-	-	71	7,409
Tax payable	7,895	4,357	7	8
	31,796	59,413	412	7,654
Net current assets / (liabilities)	69,787	28,506	38,626	(5,743)
<b><u>Non-current liabilities</u></b>				
Obligations under finance leases	(118)	(206)	-	-
Deferred tax liabilities	(100)	-	-	-
<b>Net assets</b>	99,471	60,450	71,846	27,479

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Equity attributable to equity holders of the Company</u></b>				
Share capital	21,726	18,115	21,726	18,115
Reserves	77,745	42,335	50,120	9,364
<b>Total equity</b>	<b>99,471</b>	<b>60,450</b>	<b>71,846</b>	<b>27,479</b>

**Explanatory notes:**

- (a) This relates to the 49% stake in York Transport.
- (b) The amount relates to the 15% equity stake in PPL Shipyard Pte Ltd ("PPL"), held through PPL Holdings Pte Ltd and its subsidiary.
- (c) The increase was due to building of inventory for future orders.
- (d) The reduction was due to higher completion of projects in the current year.
- (e) The decrease was due to the collection of receivables and in line with lower revenue for the current quarter ended 31 December 2009.
- (f) The Group's cash and cash equivalents included pledged deposits of S\$5,396,000 (2008: S\$6,535,000). These pledged deposits are pledged to the banks as collateral for banking facilities and issuance of bank guarantees.

**1(b)(ii) In relation to the aggregate amount of the 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**

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

As at 31/12/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27	-	39	-

**Amount repayable after one year**

As at 31/12/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
118	-	206	-

**Details of any collateral**

Certain motor vehicles are under finance lease arrangements.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	3 months ended		12 months ended	
	31/12/09 S\$'000	31/12/08 S\$'000	31/12/09 S\$'000	31/12/08 S\$'000
<b>Cash flows from operating activities:</b>				
Profit before tax	10,315	8,956	46,119	22,472
Adjustments for:				
Depreciation	414	391	1,784	901
Amortisation of intangible assets	-	421	317	421
Dividend income	-	-	(5,400)	(5,310)
Interest income	(40)	(30)	(156)	(135)
Interest expenses	1	2	9	6
Loss on disposal of property, plant and equipment	16	-	32	-
Share of results of associates	(261)	906	251	538
<b>Operating profit before working capital changes</b>	<b>10,445</b>	<b>10,646</b>	<b>42,956</b>	<b>18,893</b>
Decrease / (increase) in trade receivables	8,093	4,949	30,115	(10,464)
(Increase) / decrease in other receivables	(842)	292	(87)	673
Decrease / (increase) in inventories	277	(365)	(6,300)	1,612
Decrease / (increase) in pledged deposits	116	(209)	1,139	556
(Decrease) / increase in progress billings in excess of work-in-progress	(12,335)	19,849	(23,654)	17,133
(Decrease) / increase in trade payables and other liabilities	(233)	(2,856)	(701)	2,111
<b>Net cash flows from operations</b>	<b>5,521</b>	<b>32,306</b>	<b>43,468</b>	<b>30,514</b>
Interest received	40	30	156	135
Interest paid	(1)	(2)	(9)	(6)
Income tax refunded / (paid)	59	(653)	(3,912)	(3,232)
<b>Net cash flows from operating activities</b>	<b>5,619</b>	<b>31,681</b>	<b>39,703</b>	<b>27,411</b>
<b>Cash flows from investing activities:</b>				
Dividend received	-	-	5,400	5,915
Proceeds from disposal of property, plant and equipment	-	-	49	-
Purchase of property, plant and equipment	(20)	(394)	(185)	(3,076)
Repayment to vendors	-	(1,000)	-	(2,000)
Net cash outflow on acquisition of subsidiaries	-	-	-	(18,925)
<b>Net cash flows (used in) / from investing activities</b>	<b>(20)</b>	<b>(1,394)</b>	<b>5,264</b>	<b>(18,086)</b>
<b>Cash flows from financing activities:</b>				
Net proceeds from conversion of warrants	51	-	585	5
Net proceeds from warrant issue	3,026	-	3,026	-
Dividends paid on ordinary shares	-	-	(3,159)	-
Repayment of advance from related company	-	(5,403)	-	(5,403)
Repayment of finance leases	(7)	(10)	(100)	(24)
<b>Net cash flows from / (used in) financing activities</b>	<b>3,070</b>	<b>(5,413)</b>	<b>352</b>	<b>(5,422)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,669</b>	<b>24,874</b>	<b>45,319</b>	<b>3,903</b>
Cash and cash equivalents at beginning of period / year	67,759	6,235	31,109	27,206
<b>Cash and cash equivalents at end of period / year [Note A]</b>	<b>76,428</b>	<b>31,109</b>	<b>76,428</b>	<b>31,109</b>

**Notes to Cash Flow Statement:**

**(A) Cash and cash equivalent**

	31/12/09 S\$'000	31/12/08 S\$'000
<b>Cash and cash equivalents at end of period / year comprised of:</b>		
Cash at banks and in hand	44,813	2,864
Short-term deposits	37,011	34,780
	81,824	37,644
Less: Pledged deposits	(5,396)	(6,535)
	<u>76,428</u>	<u>31,109</u>

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

Group	Share capital S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>Balance at 1/1/2009</b>	18,115	2,344	39,991	42,335	60,450
Issuance of new shares from conversion of warrants*	534	-	-	-	534
Total comprehensive income for the period	-	-	30,165	30,165	30,165
Dividends on ordinary shares	-	-	(3,159)	(3,159)	(3,159)
<b>Balance at 30/9/2009</b>	18,649	2,344	66,997	69,341	87,990
Issuance of new shares from conversion of warrants*	51	-	-	-	51
Issuance of warrants**	3,274	-	-	-	3,274
Warrant issue expenses	(248)	-	-	-	(248)
Total comprehensive income for the period	-	-	8,404	8,404	8,404
<b>Balance at 31/12/2009</b>	<u>21,726</u>	<u>2,344</u>	<u>75,401</u>	<u>77,745</u>	<u>99,471</u>
<b>Balance at 1/1/2008</b>	18,110	2,344	21,174	23,518	41,628
Issuance of new shares from conversion of warrants*	5	-	-	-	5
Total comprehensive income for the period	-	-	11,958	11,958	11,958
<b>Balance at 30/9/2008</b>	18,115	2,344	33,132	35,476	53,591
Issuance of new shares from conversion of warrants*	-	-	-	-	-
Total comprehensive income for the period	-	-	6,859	6,859	6,859
<b>Balance at 31/12/2008</b>	<u>18,115</u>	<u>2,344</u>	<u>39,991</u>	<u>42,335</u>	<u>60,450</u>

Company	Share capital	Capital reserve	Accumulated profits	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1/1/2009</b>	18,115	2,344	7,020	9,364	27,479
Issuance of new shares from conversion of warrants*	534	-	-	-	534
Total comprehensive income for the period	-	-	(1,207)	(1,207)	(1,207)
Dividends on ordinary shares	-	-	(3,159)	(3,159)	(3,159)
<b>Balance at 30/9/2009</b>	18,649	2,344	2,654	4,998	23,647
Issuance of new shares from conversion of warrants*	51	-	-	-	51
Issuance of warrants**	3,274	-	-	-	3,274
Warrant issue expenses	(248)	-	-	-	(248)
Total comprehensive income for the period	-	-	45,122	45,122	45,122
<b>Balance at 31/12/2009</b>	<b>21,726</b>	<b>2,344</b>	<b>47,776</b>	<b>50,120</b>	<b>71,846</b>
<b>Balance at 1/1/2008</b>	18,110	2,344	5,851	8,195	26,305
Issuance of new shares from conversion of warrants*	5	-	-	-	5
Total comprehensive income for the period	-	-	(470)	(470)	(470)
<b>Balance at 30/9/2008</b>	18,115	2,344	5,381	7,725	25,840
Issuance of new shares from conversion of warrants*	-	-	-	-	-
Total comprehensive income for the period	-	-	1,639	1,639	1,639
<b>Balance at 31/12/2008</b>	<b>18,115</b>	<b>2,344</b>	<b>7,020</b>	<b>9,364</b>	<b>27,479</b>

\* - W110613

\*\* - W121116

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

During 2009, a total of 23,389,441 warrants (W110613) were exercised at S\$0.025 each by warrant holders to subscribe for 23,389,441 new ordinary shares of the Company.

In November 2009, the Company completed its renounceable non-underwritten rights issue (the "Warrant Issue") of 327,384,008 warrants (W121116) at an issue price of S\$0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.32 for each new share during the 3-year exercise period. The Warrant Issue was made on the basis of one warrant for every two existing ordinary shares in the capital of the Company held by entitled shareholders as at book closure date.

As at 31 December, the Company has the following warrants that remained outstanding:

	Expiry Date	Exercise Price	No. of warrants	
			2009	2008
W110613	13 June 2011	S\$0.025	731,802	24,121,243
W121116	16 November 2012	S\$0.320	327,384,008	-
			<u>328,115,810</u>	<u>24,121,243</u>

**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**

As at 31 December 2009, the Company's issued share capital was S\$21,725,689 (31 December 2008 – S\$18,115,259) comprising 654,768,017 ordinary shares (31 December 2008 – 631,378,576 ordinary shares).

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

Not applicable.

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

The figures have not been audited or reviewed by its auditors, Messrs Ernst & Young.

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

Not applicable.

**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 same accounting policies and methods of computation have been applied in the financial statements as in the most recently audited financial statements except for those as disclosed under paragraph 5 below.

**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 adopted the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009.

The adoption of the new or revised FRS and INT FRS did not result in any material effect on the financial statements, except for the disclosure of a statement of comprehensive income in accordance with the FRS 1 (revised) *Presentation of Financial Statements* and the revised segmental disclosure as required under FRS 108 *Operating Segments*.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group		Group	
	3 months ended		12 months ended	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
(i) Basic earnings per share (in cents)	1.28	1.09	6.03	2.98
(ii) Diluted earnings per share (in cents)	1.28	1.05	6.03	2.87

- (i) Basic earnings per ordinary share for the financial period ended 31 December 2009 was calculated based on the weighted average number of ordinary shares in issue of 639,287,313 (31 December 2008 – 631,324,221).
- (ii) Earnings per share for the financial period ended 31 December 2009 on a fully diluted basis was calculated based on the number of ordinary shares in issue during the period / year adjusted for the dilutive effect of 731,802 W110613 warrants (31 December 2008 – 24,121,243 W110613 warrants). This excluded the 327,384,008 W121116 warrants issued during the year as these warrants have no dilutive effect as the average market price of the Company's ordinary shares during the period is below the exercise price.

**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 period reported on and (b) immediately preceding financial year**

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net Asset Value per ordinary share based on issued share capital at the end of the period (in cents)	15.2	9.6	11.0	4.4

Net asset value per ordinary share as at 31 December 2009 and 31 December 2008 was calculated based on the number of shares in issue of 654,768,017 and 631,378,576 respectively.

**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**

**Revenue**

	4Q2009	4Q2008	FY2009	FY2008
	S\$'000	S\$'000	S\$'000	S\$'000
Equipment & services for offshore marine Oil & Gas Industry	15,557	31,495	79,245	74,381

The Group, through its wholly owned subsidiary, Sea Deep Shipyard Pte. Ltd. ("Sea Deep"), is a manufacturer and provider of specialised marine offshore equipment and services for



the oil and gas industry. The acquisition of Sea Deep was completed on 30 April 2008 and accordingly, only 8 months of Sea Deep's results were included in FY2008.

#### 4Q2009 vs 4Q2008

Group revenue for 4Q2009 was S\$15.6 million, a reduction of S\$15.9 million from that reported in 4Q2008, due to the slow down of activities in the marine offshore industry. Credit availability was affected by the global credit crunch, leading to a delay in the finalisation of a number of offshore projects. As at the end of 2009, the Group's net order book stood at US\$7 million, down from US\$19 million as at end September 2009. These orders are expected to be completed within the next 12 months.

#### FY2009 vs FY2008

Though there was a full 12-month contribution from Sea Deep to the Group in the current financial year, group revenue only increased marginally from S\$74.4 million in FY2008 to S\$79.2 million in FY2009 due to lower order intake.

### **Profitability**

#### 4Q2009 vs 4Q2008

Despite a lower revenue, gross profit for 4Q2009 was S\$13.9 million, an increase of S\$2.1 million (or 18%) from the corresponding period in 2008. The increase was due to a number of higher value contracts for the fabrication of specialised steel structures being completed or nearing completion during the current quarter, where higher margin was recognised towards the closing stages of completion.

Due to an improvement in operating environment and favourable foreign exchange, the Group's share of results from its 49% stake in York Transport was a profit of S\$261,000 in 4Q2009.

However, the Group's overall profitability was partially offset by a foreign exchange loss of S\$1.6 million in 4Q2009 owing to a weak US\$.

As a result of higher gross profit, the Group's net profit for 4Q2009 was S\$8.4 million, an increase of 23% from the corresponding period in 2008.

#### FY2009 vs FY2008

Gross profit for FY2009 was S\$51.3 million, an increase of S\$21.9 million from that reported in FY2008 due to higher number of projects for fabrication of specialised steel structures being completed or nearing completion during the current financial year, where higher margin was recognised towards the closing stages of completion.

The Group's profitability in FY2009 was further boosted by the receipt of one tier tax-exempt interim dividends from PPL amounting to S\$5.4 million. However, this was partially offset by a foreign exchange loss of S\$3.0 million resulting from the weakening of US\$ against S\$ during the year.

Share of results from the 49%-owned associate, York Transport, was an overall loss of S\$251,000 in FY2009 as demand for its trailer axles and components was adversely affected by the global recession during the earlier months of 2009.

On the whole, the Group has achieved record net profit of S\$38.6 million in FY2009, as compared to S\$18.8 million a year ago.

## Financial position & cash flow

Group shareholders' fund increased from S\$60.5 million at 31 December 2008 to S\$99.5 million at 31 December 2009, mainly attributable to retained profits for the year.

The Group also generated positive operating cash flows of S\$39.7 million during 2009, which resulted in net available cash and cash equivalent increasing from S\$31.1 million at 31 December 2008 to S\$76.4 million at 31 December 2009.

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

There is no material variance from the previous outlook statement.

**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 global economy and particularly the oil and gas sector in which we operate, is reported to be recovering gradually but expected to remain volatile in the near future. The Group is encouraged by new orders in the pipeline and an increase in inquiries lately from our customary markets. The Group expects to remain profitable in FY2010 from positive contributions from both its marine offshore and investment segments. With a net available cash balance of S\$76.4 million and a healthy balance sheet, the Group is well positioned to take advantage of opportunities as and when they unfold during the anticipated economic recovery.

**11. Dividend**

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

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

The Directors are pleased to recommend a tax exempt one-tier first and final dividend of 2.25 cents per share (2008: 0.5 cents per share) in respect of the financial year ended 31 December 2009 for approval by shareholders at the next Annual General Meeting to be convened.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	2.25 cents
Tax rate	Tax exempt

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

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

**(c) Date payable**

The proposed first and final dividend, if approved at the Annual General Meeting to be held on 22 April 2010, will be paid on 18 May 2010.

**(d) Books closure date**

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 6 May 2010 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, up to 5.00 p.m. on 5 May 2010 will be registered to determine shareholders' entitlement to the proposed first and final dividend ("Dividend"). Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 5 May 2010 will be entitled to the proposed Dividend.

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

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13. Segmented revenue and results for business or geographical 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**

**(a) Business segments**

The Group's operating segments are its strategic business units which are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprised the following reportable segments:

- |                     |   |   |
|---------------------|---|---|
| (i) Marine Offshore | - | essentially the Group's principal business activity in the manufacturing and provision of specialized marine offshore equipment and services for the oil and gas industry;                                |
| (ii) Investments    | - | includes the Group's 49% interest in York, which manufactures and distributes trailer axles and related components; and its 15% interest in PPL Shipyard, which designs and constructs offshore oil rigs. |
| (iii) Corporate     | - | consists of corporate office expenses.  |

	Marine offshore		Investments		Corporate		Adjustment and elimination		Group Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	79,245	74,381	-	-	-	-	-	-	79,245	74,381
<b>Results</b>										
EBITDA	44,806	20,730	5,400	5,310	(1,426)	(1,814)	(456)	(22)	48,324	24,204
Depreciation & amortisation	(2,098)	(1,320)	-	-	(3)	(2)	-	-	(2,101)	(1,322)
Interest expense	(9)	(6)	-	-	-	-	-	-	(9)	(6)
Interest income	134	20	-	-	22	114	-	-	156	134
Share of results of associates	-	-	(251)	(538)	-	-	-	-	(251)	(538)
Segment profit/(loss)	42,833	19,424	5,149	4,772	(1,407)	(1,702)	(456)	(22)	46,119	22,472
Total assets	72,123	87,500	15,384	15,635	43,978	16,935	-	-	131,485	120,070
Total liabilities	31,666	59,177	-	-	348	442	-	-	32,014	59,619
<b>Other segment information:</b>										
Dividend income	-	-	5,400	5,310	-	-	-	-	5,400	5,310
Investment in associates	-	-	10,318	10,569	-	-	-	-	10,318	10,569
Additions to non-current assets	185	3,072	-	-	-	4	-	-	185	3,076

**(b) Geographical segments**

	Segment revenue	
	2009	2008
	S\$'000	S\$'000
China	41,870	35,731
Singapore	28,461	22,130
Middle East	7,391	16,131
Asia Pacific (excluding China and Singapore)	1,462	389
Others	61	-
	79,245	74,381

Segment revenue is based on the billing location of customers.

All the assets and capital expenditure of the Group are located in Singapore.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Refer to paragraphs 8 and 10 above.

**15. A breakdown of sales**

	GROUP		
	2009 S\$'000	2008 S\$'000	Change %
Sales reported for first half year	34,911	16,613	110
Sales reported for second half year	44,334	57,768	(23)
Total sales	79,245	74,381	7
Profit after tax reported for first half year	11,499	3,456	233
Profit after tax reported for second half year	27,070	15,361	76
Total profit after tax	38,569	18,817	105

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	14,732	3,159
Preference	-	-
Total	14,732	3,159

**BY ORDER OF THE BOARD**

Aw Seok Chin  
Company Secretary  
26 February 2010