



BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

Quarterly Financial Statement And Dividend Announcement for the Period Ended 31 December 2010

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		
	31/12/10 S\$'000	31/12/09 S\$'000	Change %	31/12/10 S\$'000	31/12/09 S\$'000	Change %
		(restated)			(restated)	
Revenue	21,622	15,557	39	48,427	79,245	(39)
Cost of goods sold	(10,141)	(1,608)	531	(23,496)	(27,946)	(16)
Gross profit	11,481	13,949	(18)	24,931	51,299	(51)
Administrative expenses	(2,924)	(2,368)	23	(8,491)	(7,261)	17
Other operating income / (expenses), net	(201)	(1,526)	(87)	(2,256)	(3,059)	(26)
Finance cost	(1)	(1)	-	(7)	(9)	(22)
Share of results of associates (a)	127	261	(51)	389	(251)	NM
Share of results from investment in PPL (b)	-	13,853	(100)	15,823	55,411	(71)
Profit before taxation (c)	8,482	24,168	(65)	30,389	96,130	(68)
Income tax expenses (d)	(2,098)	(1,911)	10	(3,668)	(7,550)	(51)
Net profit attributable to equity holders of the Company	6,384	22,257	(71)	26,721	88,580	(70)

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		
	31/12/10 S\$'000	31/12/09 S\$'000	Change %	31/12/10 S\$'000	31/12/09 S\$'000	Change %
		(restated)			(restated)	
Net profit attributable to equity holders of the Company	6,384	22,257	(71)	26,721	88,580	(70)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income attributable to equity holders of the Company	6,384	22,257	(71)	26,721	88,580	(70)

Explanatory notes:

- (a) This relates to the Group's 49% share in the result of York Transport Equipment (Asia) Pte Ltd ("York").
- (b) This relates to the Group's 15% share in the results of PPL Shipyard Pte Ltd ("PPL") as a result of adopting FRS31 in the current financial year. For FY2010, the amount was based on the receipt of tax-exempt interim dividend of S\$15,823,000 from PPL in 2Q2010.

- (c) Profit before taxation is stated after charging / (crediting):

	Group					
	3 months ended			12 months ended		
	31/12/10	31/12/09	Change	31/12/10	31/12/09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation	448	414	8	1,792	1,784	-
Amortisation of intangible assets	-	-	-	-	317	(100)
Foreign exchange loss	288	1,572	(82)	2,457	2,963	(17)
Loss on disposal of property, plant and equipment	-	16	(100)	-	32	(100)
Interest income	(58)	(40)	45	(200)	(156)	28

- (d) The taxation charge was significantly lower than the statutory tax rate of Singapore, due to the Group's share of results from investment in PPL being accounted for net of tax.

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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	S\$'000	S\$'000	S\$'000	S\$'000
		(restated)		
<u>Non-current assets</u>				
Property, plant and equipment	5,262	6,967	23	4
Intangible assets	7,551	7,551	-	-
Investment in subsidiaries	-	-	20,000	23,600
Investment in associates (a)	10,707	10,318	9,616	9,616
Investment in PPL (b)	-	71,879	-	-
	23,520	96,715	29,639	33,220
<u>Current assets</u>				
Inventories	8,566	10,813	-	-
Work-in-progress	1,480	1,783	-	-
Trade and other receivables	8,148	7,163	29	12
Amounts due from subsidiaries	-	-	2,900	4,200
Pledged deposits (c)	7,455	5,396	-	-
Cash and short-term deposits	214,130	76,428	181,676	34,826
	239,779	101,583	184,605	39,038
<u>Current liabilities</u>				
Obligations under finance leases	23	27	-	-
Excess of progress billings over work-in-progress (d)	3,842	9,850	-	-
Trade payables and other liabilities (e)	10,875	14,024	484	334
Deferred gain on disposal of subsidiary (b)	58,237	-	141,941	-
Amounts due to subsidiaries	-	-	-	71
Tax payable (e)	3,635	7,895	7	7
	76,612	31,796	142,432	412
Net current assets	163,167	69,787	42,173	38,626

	Group		Company	
	31/12/2010 S\$'000	31/12/2009 S\$'000 (restated)	31/12/2010 S\$'000	31/12/2009 S\$'000
Non-current liabilities				
Obligations under finance leases	(76)	(118)	-	-
Deferred tax liabilities	(159)	(100)	-	-
Net assets	186,452	166,284	71,812	71,846
Equity attributable to equity holders of the Company				
Share capital	30,529	21,726	30,529	21,726
Reserves	155,923	144,558	41,283	50,120
Total equity	186,452	166,284	71,812	71,846

Explanatory notes:

- (a) This relates to the Group's 49% stake in York.
- (b) The Group's 15% equity stake in PPL Shipyard Pte Ltd ("PPL") was disposed during the year when the Company disposed of its 100% equity stake in PPL Holdings Pte Ltd to QD Asia Pacific Ltd for a consideration of US\$116.25m (or S\$150.54m) on 26 October 2010. However, due to the pending legal suit with Sembcorp Marine Ltd in respect of this disposal, the Group has deferred the gain on disposal of subsidiary.
- (c) These are deposits pledged to the banks as collateral for banking facilities and the issuance of bank guarantees.
- (d) The decrease was due to more projects reaching their final stages of completion and being recognised into the income statement.
- (e) The decrease was mainly due to the settlement of liabilities during the current period.

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 31/12/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
23	-	27	-

Amount repayable after one year

As at 31/12/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
76	-	118	-

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	
	31/12/10 S\$'000	31/12/09 S\$'000 (restated)	31/12/10 S\$'000	31/12/09 S\$'000 (restated)
Cash flows from operating activities:				
Profit before tax	8,482	24,168	30,389	96,130
Adjustments for:				
Depreciation	448	414	1,792	1,784
Amortisation of intangible assets	-	-	-	317
Interest income	(58)	(40)	(200)	(156)
Interest expenses	1	1	7	9
Loss on disposal of property, plant and equipment	-	16	-	32
Share of results of associates	(127)	(261)	(389)	251
Share of results from investment in PPL	-	(13,853)	(15,823)	(55,411)
Operating profit before working capital changes	8,746	10,445	15,776	42,956
Decrease / (increase) in trade and other receivables	708	7,251	(1,216)	30,028
Decrease / (Increase) in inventories	1,027	277	2,247	(6,300)
Decrease / (increase) in pledged deposits	422	116	(2,059)	1,139
Decrease in net progress billings in excess of work-in-progress	(705)	(12,335)	(5,705)	(23,654)
Increase / (decrease) in trade payables and other liabilities	2,098	(233)	(3,149)	(701)
Net cash flows from / (used in) operations	12,296	5,521	5,894	43,468
Interest received	58	40	200	156
Interest paid	(1)	(1)	(7)	(9)
Income tax paid	(1,185)	59	(7,869)	(3,912)
Net cash flows from / (used in) from operating activities	11,168	5,619	(1,782)	39,703
Cash flows from investing activities:				
Dividend received	-	-	15,823	5,400
Disposal of subsidiary, net of cash disposed [Note A]	130,347	-	130,347	-
Proceeds from disposal of property, plant and equipment	-	-	-	49
Purchase of property, plant and equipment	(53)	(20)	(87)	(185)
Net cash flows from / (used in) from investing activities	130,294	(20)	146,083	5,264
Cash flows from financing activities:				
Net proceeds from conversion of warrants	2	51	8,803	585
Net proceeds from warrant issue	-	3,026	-	3,026
Dividends paid on ordinary shares	-	-	(15,356)	(3,159)
Repayment of obligations under finance leases	(6)	(7)	(46)	(100)
Net cash flows (used in) / from financing activities	(4)	3,070	(6,599)	352
Net increase in cash and cash equivalents	141,458	8,669	137,702	45,319
Cash and cash equivalents at beginning of period / year	72,672	67,759	76,428	31,109
Cash and cash equivalents at end of period / year	214,130	76,428	214,130	76,428

Notes to Cash Flow Statement:

(A) Disposal of subsidiary

On 26 October 2010, the Company disposed 100% of the issued and paid-up capital of PPL Holdings Pte Ltd for a gross consideration of US\$116.25m (or S\$150.54m).

The aggregate effect of the disposal of subsidiary is as follows:

	S\$'000
Investment in PPL	71,879
Other receivables	231
Cash and short-term deposits	15,194
Net assets disposed	<u>87,304</u>
Add: Deferred gain on disposal of subsidiary	<u>58,237</u>
Net Consideration received	145,541
Less: Cash and short-term deposits of subsidiary	<u>(15,194)</u>
Net cash inflow from disposal of subsidiary	<u>130,347</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	Capital reserve	Accumulated profits	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1/1/2010					
- as previously reported	21,726	2,344	75,401	77,745	99,471
- adoption of FRS31	-	-	66,813	66,813	66,813
- as restated	21,726	2,344	142,214	144,558	166,284
Issuance of new shares from conversion of warrants*	8	-	-	-	8
Issuance of new shares from conversion of warrants**	8,793	-	-	-	8,793
Total comprehensive income for the period	-	-	20,337	20,337	20,337
Dividends on ordinary shares	-	-	(15,356)	(15,356)	(15,356)
Balance at 30/9/2010	30,527	2,344	147,195	149,539	180,066
Issuance of new shares from conversion of warrants*	-	-	-	-	-
Issuance of new shares from conversion of warrants**	2	-	-	-	2
Total comprehensive income for the period	-	-	6,384	6,384	6,384
Balance at 31/12/2010	30,529	2,344	153,579	155,923	186,452
Balance at 1/1/2009					
- as previously reported	18,115	2,344	39,991	42,335	60,450
- adoption of FRS 31	-	-	16,802	16,802	16,802
- as restated	18,115	2,344	56,793	59,137	77,252
Issuance of new shares from conversion of warrants*	534	-	-	-	534
Total comprehensive income for the period	-	-	66,323	66,323	66,323
Dividends on ordinary shares	-	-	(3,159)	(3,159)	(3,159)
Balance at 30/9/2009	18,649	2,344	119,957	122,301	140,950
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	-	-	22,257	22,257	22,257
Balance at 31/12/2009	21,726	2,344	142,214	144,558	166,284

Company	Share capital	Capital reserve	Accumulated profits	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1/1/2010	21,726	2,344	47,776	50,120	71,846
Issuance of new shares from conversion of warrants*	8	-	-	-	8
Issuance of new shares from conversion of warrants**	8,793	-	-	-	8,793
Total comprehensive income for the period	-	-	1,980	1,980	1,980
Dividends on ordinary shares	-	-	(15,356)	(15,356)	(15,356)
Balance at 30/9/2010	30,527	2,344	34,400	36,744	67,271
Issuance of new shares from conversion of warrants*	-	-	-	-	-
Issuance of new shares from conversion of warrants**	2	-	-	-	2
Total comprehensive income for the period	-	-	4,539	4,539	4,539
Balance at 31/12/2010	30,529	2,344	38,939	41,283	71,812
Balance at 1/1/2009	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)
Balance at 30/9/2009	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
Balance at 31/12/2009	21,726	2,344	47,776	50,120	71,846

* - 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 2010, 326,849 warrants (W110613) and 27,483,627 warrants (W121116) were exercised at S\$0.025 and S\$0.320 each by warrant holders, respectively, to subscribe for a total of 27,810,476 new ordinary shares in the Company.

As at 31 December 2010 and 31 December 2009, the Company has the following warrants that remained outstanding:

	Expiry Date	Exercise Price	No. of warrants	
			31 Dec 2010	31 Dec 2009
W110613	13 June 2011	S\$0.025	404,953	731,802
W121116	16 November 2012	S\$0.320	299,900,381	327,384,008
			<u>300,305,334</u>	<u>328,115,810</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 2010, the Company's issued share capital was S\$30,528,621 (31 December 2009 – S\$21,725,689) comprising 682,578,493 ordinary shares (31 December 2009 – 654,768,017 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 LLP.

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 as described below.

The Company has adopted FRS 31 *Interests in Joint Ventures* to account for its 15% equity stake in PPL, which was held by PPL Holdings Pte Ltd. Accordingly, the Company has equity accounted for its share of results in PPL.

The above change in accounting policy has been applied retrospectively. The adoption of FRS 31 results in the following financial statement effects:

	Group		
	As at 31/12/2010 S\$'000	As at 31/12/2009 S\$'000 (restated)	As at 1/1/2009 S\$'000 (restated)
Increase / (decrease) in:			
<u>Consolidated balance sheet</u>			
Investment in PPL	-	66,813	16,802
Accumulated profits	-	66,813	16,802
Net Asset Value per share (cents)	-	10.2	1.2

	Group	
	2010 S\$'000	2009 S\$'000 (restated)
Increase / (decrease) in:		
<u>Consolidated income statement</u>		
Share of results in investment in PPL	-	55,411
Dividend income	-	(5,400)
Basic earnings per share (cents)	-	7.83
Diluted earnings per share (cents)	-	7.81

For clarity of information, the table below showed the computation of the gain on disposal for 2 scenarios, i.e. before and after adoption of equity accounting.

	Group		
	After adoption of equity accounting S\$'000	Before adoption of equity accounting S\$'000	Difference S\$'000
Proceed from disposal	150,543	150,543	-
Add / (less):			
Share of net asset of PPLH (before equity accounting for share of results of PPL)	(20,491)	(20,491)	-
Share of PPL results till 31/12/2009	(66,813)	-	(66,813)
Share of PPL result in FY2010	(15,823)	-	(15,823)
Dividend received in FY2010	15,823	-	15,823
Expenses relating to disposal	(5,002)	(5,002)	-
Gain on disposal *	<u>58,237</u>	<u>125,050</u>	(66,813)

* - Due to the pending legal suit with Sembcorp Marine Limited in respect of this disposal, the Group has deferred the gain on disposal of S\$58.2 million.

The new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS that are applicable for the current financial year have no material effect on the financial statements.

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

See paragraph 4 above.

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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
(i) Basic earnings per share (in cents)	0.94	3.40	3.97	13.86
(ii) Diluted earnings per share (in cents)	0.65	3.40	2.74	13.84

(i) Basic earnings per ordinary share for the financial period ended 31 December 2010 was calculated based on the weighted average number of ordinary shares in issue of 673,536,701 (31 December 2009 – 639,287,313).

- (ii) Earnings per share for the financial year ended 31 December 2010 on a fully diluted basis was calculated based on the number of ordinary shares in issue during the year adjusted for the dilutive effect of 300,305,334 warrants (31 December 2009 – 731,802 warrants).

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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Net Asset Value per ordinary share based on issued share capital at the end of the period (in cents)	27.3	25.4	10.5	11.0

Net asset value per ordinary share as at 31 December 2010 and 31 December 2009 was calculated based on the number of shares in issue of 682,578,493 and 654,768,017 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

4Q2010 vs 4Q2009

Group revenue for 4Q2010 was S\$21.6 million, an increase of 39% from the corresponding period in 2009. This was mainly attributed to the progressive recognition of revenue from new orders secured in early 2010.

FY2010 vs FY2009

Group revenue fell from S\$79.2 million in FY2009 to S\$48.4 million in FY2010 due to the slower new order intake in 2009 as a result of the global financial crisis, which delayed many oil and gas projects.

As at the end of December 2010, the Group's net order book stood at US\$33 million, a significant improvement from a net order book of US\$7 million as at December 2009. These orders are expected to be completed within the next 12 months.

Profitability

4Q2010 vs 4Q2009

Gross profit for 4Q2010 was S\$11.5 million as compared to S\$13.9 million as reported in 4Q2009. The reduction was due to a number of higher value contracts for the fabrication of specialised steel structures being completed or near completion as of 4Q2009, where higher margins were recognised towards the closing stages of completion.

Administrative expenses increased from S\$2.4 million in 4Q2009 to S\$2.9 million in 4Q2010, mainly due to higher professional and legal fees.

In 4Q2010, the Group disposed of its indirect 15% equity stake in PPL when it disposed of the 100% equity stake in PPL Holdings Pte Ltd to QD Asia Pacific Ltd for a consideration of US\$116.25m (or S\$150.54m). As a result, the Group ceased equity accounting the results of PPL. However, due to the pending legal suit with Sembcorp Marine Ltd in respect of this disposal, the Group has deferred the gain of S\$58.2 million from the disposal of subsidiary.

Due to the weakening of the US\$ against S\$, the Group reported a foreign exchange loss of S\$288,000 in the current quarter.

Consequently, the Group's net profit for 4Q2010 was S\$6.4 million, a reduction of 71% from the corresponding period in 2009.

FY2010 vs FY2009

Similarly, on the back of lower revenue for FY2010, gross profit for the year ended 31 December 2010 was S\$24.9 million, a drop of 51% from FY2009.

For FY2010, the Group's share of profits from its 49% stake in York was S\$389,000, as compared to a share of losses of S\$251,000 in FY2009. This was due mainly to an improved operating environment for the trailer axle industry in the Indian market in recent quarters.

Due to the adoption of FRS 31, the Group equity accounted for its 15% share in the results of PPL. Accordingly, the Group recorded S\$15.8 million and S\$55.4 million for FY2010 and FY2009 respectively. As the Group was unable to obtain the results of PPL for the period from 1 January 2010 to 26 October 2010 (date of disposal), it has therefore equity accounted the FY2010 results based on the S\$15,823,000 interim dividend received from PPL on 30 April 2010. The comparative figure for FY2009 was based on PPL's audited results.

Due to lower contribution from PPL, the Group's net profit for FY2010 was S\$26.7 million, a reduction of 70% from that of S\$88.6 million as reported for FY2009.

Financial position & cash flow

Group shareholders' fund increased from S\$166.3 million at 31 December 2009 to S\$186.5 million at 31 December 2010, attributable to retained profits for the year.

Due to the lower level of activities in FY2010, the Group's net cash flows used in operating activities were S\$1.8 million for the current year. However, with the completion of the disposal of PPL Holdings Pte Ltd in 4Q2010, the Group's cash and short-term deposits stood at S\$214.1 million as of December 2010.

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 Group is encouraged by the strong pickup in activities within the oil and gas sector since the last quarter of 2010, which has translated to higher order intake for the Group in recent months. As a result, the Group's net order book strengthened to US\$33 million as at end December 2010, from US\$20 million as at end September 2010. The Group remains confident of the oil and gas sector's long term fundamentals and expects to remain profitable in FY2011. With a cash and short-term deposits of S\$214.1 million and a healthy balance sheet, the Group is able to actively explore synergistic opportunities and potential businesses to add to the Group.

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 3.00 cents per share (2009: 2.25 cents per share) in respect of the financial year ended 31 December 2010 for approval by shareholders at the next Annual General Meeting to be convened.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	3.00 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 29 April 2011, will be paid on 26 May 2011.

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 12 May 2011 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 11 May 2011 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 11 May 2011 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 (up to date of disposal in October 2010), which designs and constructs offshore oil rigs.
- (iii) Corporate - consists of corporate office expenses.

	Marine offshore		Investments		Corporate		Adjustment and elimination		Group Total	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Revenue	48,427	79,245	-	-	-	-	-	-	48,427	79,245
Results										
EBITDA	20,322	44,806	-	-	(3,946)	(1,426)	(600)	(456)	15,776	42,924
Depreciation & amortization	(1,784)	(2,098)	-	-	(8)	(3)	-	-	(1,792)	(2,101)
Interest expense	(7)	(9)	-	-	-	-	-	-	(7)	(9)
Interest income	55	134	-	-	145	22	-	-	200	156
Share of results of associates	-	-	389	(251)	-	-	-	-	389	(251)
Share of results from investment in PPL	-	-	15,823	55,411	-	-	-	-	15,823	55,411
Segment profit/(loss)	18,586	42,833	16,212	55,160	(3,809)	(1,407)	(600)	(456)	30,389	96,130
Total assets	70,865	72,123	10,707	82,197	181,727	43,978	-	-	263,299	198,298
Total liabilities	18,119	31,666	-	-	58,728	348	-	-	76,847	32,014
Other segment information:										
Investment in associates	-	-	10,707	10,318	-	-	-	-	10,707	10,318
Investment in PPL	-	-	-	71,879	-	-	-	-	-	71,879
Additions to non-current assets	60	185	-	-	27	-	-	-	87	185

(b) Geographical segments

	Segment revenue	
	2010	2009
	S\$'000	S\$'000
China	15,254	41,870
Singapore	8,072	28,461
Middle East	22,079	7,391
Asia Pacific (excluding China and Singapore)	2,890	1,462
Others	132	61
	<u>48,427</u>	<u>79,245</u>

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		
	2010	2009	Change
	S\$'000	S\$'000	%
Sales reported for first half year	13,022	34,911	(63)
Sales reported for second half year	35,405	44,334	(20)
Total sales	<u>48,427</u>	<u>79,245</u>	(39)
Profit / (loss) after tax reported for first half year	20,255	39,205	(48)
Profit / (loss) after tax reported for second half year	6,466	49,375	(87)
Total profit after tax	<u>26,721</u>	<u>88,580</u>	(70)

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	20,477	15,356
Preference	-	-
Total	20,477	15,356

BY ORDER OF THE BOARD

Aw Seok Chin
Company Secretary
22 February 2011