



# BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

## Quarterly Financial Statement And Dividend Announcement for the Period Ended 31 December 2012

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

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

#### CONSOLIDATED INCOME STATEMENT

	Group					
	3 months ended			12 months ended		
	31/12/12 S\$'000	31/12/11 S\$'000	Change %	31/12/12 S\$'000	31/12/11 S\$'000	Change %
Revenue	16,402	32,738	(50)	98,244	81,147	21
Cost of goods sold	(11,397)	(24,717)	(54)	(73,160)	(57,637)	27
<b>Gross profit</b>	<b>5,005</b>	<b>8,021</b>	<b>(38)</b>	<b>25,084</b>	<b>23,510</b>	<b>7</b>
Administrative expenses	(1,506)	(3,330)	(55)	(7,908)	(11,878)	(33)
Other operating income / (expenses), net	(278)	(255)	9	68,959	(734)	NM
Finance cost	(50)	-	NM	(122)	(21)	481
Share of results of associates (a)	(11)	(683)	(98)	587	(247)	NM
<b>Profit before taxation</b> (b)	<b>3,160</b>	<b>3,753</b>	<b>(16)</b>	<b>86,600</b>	<b>10,630</b>	<b>715</b>
Income tax expenses (c)	(408)	(922)	(56)	(3,208)	(2,999)	7
<b>Net profit attributable to equity holders of the Company</b>	<b>2,752</b>	<b>2,831</b>	<b>(3)</b>	<b>83,392</b>	<b>7,631</b>	<b>993</b>

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3 months ended			12 months ended		
	31/12/12 S\$'000	31/12/11 S\$'000	Change %	31/12/12 S\$'000	31/12/11 S\$'000	Change %
<b>Net profit attributable to equity holders of the Company</b>	<b>2,752</b>	<b>2,831</b>	<b>(3)</b>	<b>83,392</b>	<b>7,631</b>	<b>993</b>
Other comprehensive income:						
Net gain / (loss) on fair value changes of available-for-sale investment	1,700	(1,900)	NM	7,500	(7,500)	NM
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>4,452</b>	<b>931</b>	<b>378</b>	<b>90,892</b>	<b>131</b>	<b>69,283</b>

NM – Not meaningful

**Explanatory notes:**

- (a) This relates to the Group's 20% share in the results of Discovery Offshore S.A. ("DO") and its 49% share in the results of York Transport Equipment (Asia) Pte Ltd ("York"), prior to its disposal of York in 1Q2012.
- (b) Profit before taxation is stated after charging / (crediting):

	Group					
	3 months ended			12 months ended		
	31/12/12 S\$'000	31/12/11 S\$'000	Change %	31/12/12 S\$'000	31/12/11 S\$'000	Change %
Depreciation	339	399	(15)	1,414	1,716	(18)
Inventory written down	-	3	NM	-	3	NM
Interest income	(291)	(50)	482	(510)	(215)	137
Interest expenses	50	-	NM	122	21	481
Foreign exchange (gain) / loss	(197)	277	NM	871	875	-
Loss on disposal of property, plant and equipment	-	-	-	-	85	NM
Recognition of deferred gain on disposal of subsidiary	-	-	-	(58,237)	-	NM
Gain on disposal of associates	-	-	-	(10,894)	-	NM

- (c) The taxation charge for the current year was significantly lower than the statutory income tax rate of Singapore as the recognition of the deferred gain on disposal of subsidiary, PPL Holdings Pte Ltd ("PPLH"), of S\$58.2 million and the gain on disposal of associates (York) of S\$10.9 million are capital in nature and not subjected to any income tax. For the corresponding period in 2011, the taxation charge was significantly higher than the statutory income tax rate of Singapore as certain operating expenses incurred by the corporate head office could not be offset against taxable profits of the operating subsidiaries.

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

	Group		Company	
	31/12/2012 S\$'000	31/12/2011 S\$'000	31/12/2012 S\$'000	31/12/2011 S\$'000
<b><u>Non-current assets</u></b>				
Property, plant and equipment	2,822	3,842	10	20
Intangible assets	7,551	7,551	-	-
Investment in subsidiaries	-	-	20,000	20,000
Investment in associates (a)	32,020	10,358	32,031	9,616
Available-for-sale investment (a)	-	20,118	-	20,118
Deferred tax assets	392	-	-	-
	42,785	41,869	52,040	49,754
<b><u>Current assets</u></b>				
Inventories (b)	19,162	6,357	-	-
Work-in-progress (c)	25,845	31,561	-	-
Trade and other receivables (d)	19,724	11,810	184	31
Amounts due from subsidiaries	-	-	2,700	600
Pledged deposits (e)	11,067	6,500	-	-
Cash and short-term deposits	173,902	169,277	167,790	142,123
	249,700	225,505	170,674	142,754
<b><u>Current liabilities</u></b>				
Loans and borrowings (f)	3,678	-	-	-
Excess of progress billings over work-in-progress (c)	1,845	7,118	-	-
Trade payables and other liabilities (d)	12,946	27,133	1,339	1,565
Deferred gain on disposal of subsidiary (g)	-	58,237	-	141,941
Tax payable	4,073	3,096	5	9
	22,542	95,584	1,344	143,515

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2012</b>	<b>31/12/2011</b>	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Net current assets / liabilities	227,158	129,921	169,330	(761)
<b>Net assets</b>	<b>269,943</b>	<b>171,790</b>	<b>221,370</b>	<b>48,993</b>
<b><u>Equity attributable to equity holders of the Company</u></b>				
Share capital	50,317	36,053	50,317	36,053
Reserves	219,626	135,737	171,053	12,940
<b>Total equity</b>	<b>269,943</b>	<b>171,790</b>	<b>221,370</b>	<b>48,993</b>

**Explanatory notes:**

- (a) This relates to the Group's interest in 13,201,362 shares (or 20.155%) in DO, a foreign offshore drilling company. The total consideration for this investment amounted to S\$32.0 million. In 4Q2012, the Group re-designated its investment in DO from that of an available-for-sale investment to an associated company. For the corresponding period in 2011, the investment in associates is related to the Group's 49% stake in York, which it had disposed of in 1Q2012.
- (b) The increase in inventories was associated with an anticipated higher level of production.
- (c) The decrease in net work-in-progress was due to higher percentage of recognition of revenue and cost for the existing projects.
- (d) The increase in receivables was due to higher completion of projects at year end.
- (e) These are deposits pledged to the banks as collateral for banking facilities and the issuance of bank guarantees. The increase was due to additional banking facilities secured during the current period.
- (f) These are short-term bank borrowings drawn down by the Company's subsidiary in the current period for working capital purposes.
- (g) The reduction was due to the recognition of the deferred gain on the Company's disposal of PPLH to QD Asia Pacific Ltd ("QD") back in October 2010 in the current period. The recognition of the gain on disposal was deferred previously due to the pending outcome of the legal dispute with Sembcorp Marine Ltd ("SCM").

**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**

<b>As at 31/12/2012</b>		<b>As at 31/12/2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
3,678	-	-	-

**Amount repayable after one year**

<b>As at 31/12/2012</b>		<b>As at 31/12/2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
-	-	-	-

**Details of any collateral**

Certain deposits have been pledged to the banks as collateral for these banking facilities.

**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	3 months ended		12 months ended	
	31/12/12 S\$'000	31/12/11 S\$'000	31/12/12 S\$'000	31/12/11 S\$'000
<b>Cash flows from operating activities:</b>				
Profit before tax	3,160	3,753	86,600	10,630
Adjustments for:				
Depreciation	339	399	1,414	1,716
Inventory written down	-	3	-	3
Interest income	(291)	(78)	(510)	(215)
Interest expenses	50	-	122	21
Recognition of deferred gain on disposal of subsidiary	-	-	(58,237)	-
Gain on disposal of associates	-	-	(10,894)	-
Loss on disposal of property, plant and equipment	-	-	-	85
Share of results of associates	11	683	(587)	247
<b>Operating profit before working capital changes</b>	<b>3,269</b>	<b>4,760</b>	<b>17,908</b>	<b>12,487</b>
Increase in trade and other receivables	(2,665)	(1,753)	(7,914)	(3,662)
(Increase) / decrease in inventories	(2,797)	1,564	(12,805)	2,206
Decrease / (increase) in pledged deposits	62	-	(4,567)	955
Decrease / (increase) in net work-in-progress	18,526	(24,643)	443	(26,805)
(Decrease) / increase in trade payables and other liabilities	(1,117)	15,765	(14,187)	16,258
(Decrease) in derivatives	(67)	-	-	-
<b>Net cash flows from / (used in) operations</b>	<b>15,211</b>	<b>(4,307)</b>	<b>(21,122)</b>	<b>1,439</b>
Interest received	291	78	510	215
Interest paid	(50)	-	(122)	(21)
Income tax paid	(69)	(487)	(2,623)	(3,017)
<b>Net cash flows from / (used in) operating activities</b>	<b>15,383</b>	<b>(4,716)</b>	<b>(23,357)</b>	<b>(1,384)</b>
<b>Cash flows from investing activities:</b>				
Dividend received	-	-	-	102
Net proceeds from disposal of associates	-	-	21,850	-
Purchase of available-for-sale investment	(182)	(2,267)	(4,413)	(27,618)
Purchase of property, plant and equipment	(23)	(7)	(394)	(381)
<b>Net cash flows (used in) / from investing activities</b>	<b>(205)</b>	<b>(2,274)</b>	<b>17,043</b>	<b>(27,897)</b>
<b>Cash flows from financing activities:</b>				
Net proceeds from conversion of warrants	9,898	-	11,720	5,524
Net proceeds from warrant issue	-	-	2,544	-
Dividends paid on ordinary shares	-	-	(7,003)	(20,997)
(Repayment) / net proceeds from loans and borrowings	(5,444)	-	3,678	-
Repayment of obligations under finance leases	-	-	-	(99)
<b>Net cash flows from / (used in) financing activities</b>	<b>4,454</b>	<b>-</b>	<b>10,939</b>	<b>(15,572)</b>

Group	3 months ended		12 months ended	
	31/12/12	31/12/11	31/12/12	31/12/11
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net increase / (decrease) in cash and cash equivalents</b>	19,632	(6,990)	4,625	(44,853)
Cash and cash equivalents at beginning of period / year	154,270	176,267	169,277	214,130
<b>Cash and cash equivalents at end of period / year</b>	<b>173,902</b>	<b>169,277</b>	<b>173,902</b>	<b>169,277</b>

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

Group	Share capital	Capital reserve	Accumulated profits	Other reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1/1/2012</b>	36,053	2,344	140,893	(7,500)	135,737	171,790
Profit for the period	-	-	80,640	-	80,640	80,640
Other comprehensive income for the period	-	-	-	5,800	5,800	5,800
Issuance of warrants	2,801	-	-	-	-	2,801
Warrants issue expenses	(257)	-	-	-	-	(257)
Issuance of new shares from conversion of warrants **	1,801	-	-	-	-	1,801
Issuance of new shares from conversion of warrants ***	21	-	-	-	-	21
Dividends on ordinary shares	-	-	(7,003)	-	(7,003)	(7,003)
<b>Balance at 30/9/2012</b>	<b>40,419</b>	<b>2,344</b>	<b>214,530</b>	<b>(1,700)</b>	<b>215,174</b>	<b>255,593</b>
Profit for the period	-	-	2,752	-	2,752	2,752
Other comprehensive income for the period	-	-	-	1,700	1,700	1,700
Issuance of new shares from conversion of warrants **	9,898	-	-	-	-	9,898
Issuance of new shares from conversion of warrants ***	-	-	-	-	-	-
<b>Balance at 31/12/2012</b>	<b>50,317</b>	<b>2,344</b>	<b>217,282</b>	<b>-</b>	<b>219,626</b>	<b>269,943</b>
<b>Balance at 1/1/2011</b>	30,529	2,344	154,259	-	156,603	187,132
Profit for the period	-	-	4,800	-	4,800	4,800
Issuance of new shares from conversion of warrants*	8	-	-	-	-	8
Issuance of new shares from conversion of warrants**	5,516	-	-	-	-	5,516
Other comprehensive income for the period	-	-	-	(5,600)	(5,600)	(5,600)
Dividends on ordinary shares	-	-	(20,997)	-	(20,997)	(20,997)
<b>Balance at 30/9/2011</b>	<b>36,053</b>	<b>2,344</b>	<b>138,062</b>	<b>(5,600)</b>	<b>134,806</b>	<b>170,859</b>
Profit for the period	-	-	2,831	-	2,831	2,831
Other comprehensive income for the period	-	-	-	(1,900)	(1,900)	(1,900)
<b>Balance at 31/12/2011</b>	<b>36,053</b>	<b>2,344</b>	<b>140,893</b>	<b>(7,500)</b>	<b>135,737</b>	<b>171,790</b>

Company	Share capital	Capital reserve	Accumulated profits	Other reserves	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1/1/2012</b>	36,053	2,344	18,096	(7,500)	12,940	48,993
Profit for the period	-	-	152,270	-	152,270	152,270
Other comprehensive income for the period	-	-	-	5,800	5,800	5,800
Issuance of warrants	2,801	-	-	-	-	2,801
Warrants issue expenses	(257)	-	-	-	-	(257)
Issuance of new shares from conversion of warrants **	1,801	-	-	-	-	1,801
Issuance of new shares from conversion of warrants ***	21	-	-	-	-	21
Dividends on ordinary shares	-	-	(7,003)	-	(7,003)	(7,003)
<b>Balance at 30/9/2012</b>	<b>40,419</b>	<b>2,344</b>	<b>163,363</b>	<b>(1,700)</b>	<b>164,007</b>	<b>204,426</b>
Profit for the period	-	-	5,346	-	5,346	5,346
Other comprehensive income for the period	-	-	-	1,700	1,700	1,700
Issuance of new shares from conversion of warrants **	9,898	-	-	-	-	9,898
Issuance of new shares from conversion of warrants ***	-	-	-	-	-	-
<b>Balance at 31/12/2012</b>	<b>50,317</b>	<b>2,344</b>	<b>168,709</b>	<b>-</b>	<b>171,053</b>	<b>221,370</b>
<b>Balance at 1/1/2011</b>	30,529	2,344	38,939	-	41,283	71,812
Loss for the period	-	-	(5,908)	-	(5,908)	(5,908)
Issuance of new shares from conversion of warrants*	8	-	-	-	-	8
Issuance of new shares from conversion of warrants**	5,516	-	-	-	-	5,516
Other comprehensive income for the period	-	-	-	(5,600)	(5,600)	(5,600)
Dividends on ordinary shares	-	-	(20,997)	-	(20,997)	(20,997)
<b>Balance at 30/9/2011</b>	<b>36,053</b>	<b>2,344</b>	<b>12,034</b>	<b>(5,600)</b>	<b>8,778</b>	<b>44,831</b>
Profit for the period	-	-	6,062	-	6,062	6,062
Other comprehensive income for the period	-	-	-	(1,900)	(1,900)	(1,900)
<b>Balance at 31/12/2011</b>	<b>36,053</b>	<b>2,344</b>	<b>18,096</b>	<b>(7,500)</b>	<b>12,940</b>	<b>48,993</b>

\* - W110613 (expired in FY2011)

\*\* - W121116 (expired in FY2012)

\*\*\* - W150605

**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 the period ended 31 December 2012, 36,560,833 warrants (W121116) and 77,000 warrants (W150605) were exercised at S\$0.32 and S\$0.27 each by warrant holders, respectively, to subscribe for a total of 36,637,833 new ordinary shares in the Company.

The remaining unexercised 246,102,048 warrants (W121116) expired on 16 November 2012.

As at 31 December 2012 and 2011, the Company has the following warrants that remained outstanding:

	Expiry Date	Exercise Price	No. of warrants	
			31 Dec 2012	31 Dec 2011
W121116	16 November 2012	S\$0.32	-	282,662,881
W150605	5 June 2015	S\$0.27	280,040,952	-

**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 2012, the Company's issued share capital was S\$50,316,870 (31 December 2011 – S\$36,053,443) comprising 736,806,714 ordinary shares (31 December 2011 – 700,168,881 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.

For the current financial year, the Group expects the auditors to issue an "except for" qualified opinion due to the appropriateness of the S\$15.8 million, based on the interim dividend received by the Group in April 2010, recorded as the Group's share of results from PPL Shipyard Pte Ltd for the period from 1 January 2010 to 26 October 2010 (date of disposal). Consequently, this amount has been included in the S\$58.2 million gain on disposal of PPLH which is recognised in the current statement of profit and loss.

**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.

**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**

Not applicable.

**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	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
(i) Basic earnings per share (in cents)	0.38	0.41	11.79	1.10
(ii) Diluted earnings per share (in cents)	0.27	0.29	8.45	0.78

(i) Basic earnings per ordinary share for the financial period year 31 December 2012 was calculated based on the weighted average number of ordinary shares in issue of 707,031,802 (31 December 2011 – 694,098,861).

(ii) Earnings per share for the financial year ended 31 December 2012 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 280,040,952 warrants (31 December 2011 – 282,662,881 warrants).

**7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	Group		Company	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Net Asset Value per ordinary share based on issued share capital at the end of the period (in cents)	36.6	24.5	30.0	7.0

Net asset value per ordinary share as at 31 December 2012 and 2011 was calculated based on the number of shares in issue of 736,806,714 and 700,168,881 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**

### 4Q2012 vs 4Q2011

Group revenue decreased from S\$32.7 million in 4Q2011 to S\$16.4 million in 4Q2012 as certain existing orders have a longer completion period and the general slowdown in order in-take for the second half of 2012.

### FY2012 vs FY2011

The Group's revenue for FY2012 improved by 21% from S\$81.1 million in FY2011 to S\$98.2 million due mainly to higher progressive recognition of orders in the first half of 2012. As at the end of December 2012, the Group's net order book stands at US\$49 million. These orders are expected to be completed within the next 12 to 18 months.

## **Profitability**

### 4Q2012 vs 4Q2011

On the back of a lower revenue for the quarter, gross profit reduced from S\$8.0 million in 4Q2011 to S\$5.0 million in 4Q2012. However, the reduction in gross profit was partially offset by lower administrative expenses of S\$1.8 million, primarily due to lower legal fees incurred in relation to the legal suit with SCM.

In 4Q2012, the Group re-designated its 20% investment in DO as an associated company and recorded a share of loss of S\$11,000 for the current quarter. The Group's share of results from its 49% stake in York for 4Q2011 recorded a loss of S\$0.7 million, attributed mainly from foreign exchange losses. 1Q2012, saw the Group disposing of its remaining 49% interest in York hence there was no further contribution from York in the current quarter.

Consequently, the Group's net profit for 4Q2012 was S\$2.8 million, a marginal reduction of 3% from the corresponding period in 2011.

### FY2012 vs FY2011

Group gross profit increased by a lower 7% to S\$25.1 million for the year ended 31 December 2012 on lower margins as a result of a different product mix and competition.

For the current financial year, the Group reported a net profit of S\$83.4 million, a significant improvement of 993% from the previous year. This was mainly due from :

- Recognition of deferred gain on disposal of subsidiary (PPLH) of S\$58.2 million;
- Gain on disposal of associates (York) of S\$10.9 million; and
- Lower administrative expenses of S\$4.0 million, due to lower legal fees incurred in relation to the legal suit with SCM.

## Financial position & cash flow

Shareholders' fund increased significantly from S\$171.8 million as at 31 December 2011 to S\$269.9 million as at 31 December 2012, this is mainly due to the recognition of deferred gain on disposal of subsidiary (PPLH) and gain from disposal of associates (York).

For the year ended 31 December 2012, the Group reported net operating cash outflows of S\$23.4 million, primarily due to higher working capital required for higher inventories and lower payables. However, this negative operating cash flows were offset by proceeds from the disposal of associates (S\$21.9 million) and proceeds from conversion of warrants (S\$11.7 million), resulting in an overall positive cash flows of S\$4.6 million. The Group's cash and short-term deposits remain healthy at S\$173.9 million as at 31 December 2012.

**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 economic environment remains challenging and uncertain for the next 12 months. Although the outlook for the industry is also weighed down by the tight credit market, the Group is confident of the positive long term fundamentals of the oil and gas industry and the Group will seek opportunities to expand its presence.

The Group's 20%-owned associate, DO, is on track to take delivery of the first of its two ultra-high specification jack-up drilling rigs in June 2013.

**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 1.5 cents per share (2011: 1 cent per share) and a tax exempt (one-tier) special dividend of 8.5 cents per share (2011: Nil) in respect of the financial year ended 31 December 2012 for approval by shareholders at the next Annual General Meeting to be convened.

Name of Dividend	Final	Special
Dividend type	Cash	Cash
Dividend per share	1.5 cents	8.5 cents
Tax rate	Tax exempt	Tax exempt

On 6 June 2012, the Company issued 280,117,952 warrants (W150605) and these warrants were constituted under a deed poll dated 4 May 2012 (the "Deed Poll"). In view of the special dividend, the Company has appointed NRA Capital Pte. Ltd. as the Approved Person (as defined in the Deed Poll) to determine the adjustments, if any, to be made to the W150605 warrants. A separate SGX announcement will be made shortly.

**(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 and special dividends, if approved by shareholders at the Annual General Meeting to be held on 25 April 2013, will be paid on 23 May 2013.

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 10 May 2013 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 Share 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 9 May 2013 will be registered to determine shareholders' entitlement to the proposed first and final and special dividends ("Dividends"). Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 9 May 2013 will be entitled to the proposed Dividends.

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

Not applicable.

**13. Interested Person Transactions**

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

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

**14. 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 specialised 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, the Group's 20% interest in Discovery Offshore S.A. and the recognition of the deferred gain on disposal of subsidiary; and |
| (iii) Corporate     | - | consists of corporate office expenses.   |

	Marine offshore		Investments		Corporate		Adjustment and elimination		Group Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>	98,244	81,147	-	-	-	-	-	-	98,244	81,147
<b>Results</b>										
EBITDA	21,534	21,099	-	-	(3,026)	(8,100)	(600)	(600)	17,908	12,399
Depreciation & amortization	(1,401)	(1,704)	-	-	(13)	(12)	-	-	(1,414)	(1,716)
Interest expense	(122)	(21)	-	-	-	-	-	-	(122)	(21)
Interest income	29	49	-	-	481	166	-	-	510	215
Recognition of deferred gain on disposal of subsidiary	-	-	58,237	-	-	-	-	-	58,237	-
Gain on disposal of associates	-	-	10,894	-	-	-	-	-	10,894	-
Dividend income from associate	-	-	-	102	-	-	-	(102)	-	-
Share of results of associates	-	-	587	(247)	-	-	-	-	587	(247)
Segment profit/(loss)	20,040	19,423	69,718	(145)	(2,558)	(7,946)	(600)	(702)	86,600	10,630

	Marine offshore		Investments		Corporate		Adjustment and elimination		Group Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total assets	84,930	87,173	32,020	30,476	175,535	149,725	-	-	292,485	267,374
Total liabilities	21,198	35,773	-	-	1,344	59,811	-	-	22,542	95,584

**Other segment information:**

Investment in associates	-	-	32,020	10,358	-	-	-	-	32,020	10,358
Available-for-sale investment	-	-	-	20,118	-	-	-	-	-	20,118
Additions to non-current assets	391	372	-	-	3	9	-	-	394	381

**(b) Geographical segments**

	Segment revenue	
	2012	2011
	S\$'000	S\$'000
China	76,064	46,434
Singapore	18,103	15,100
Middle East	1,020	3,238
Asia Pacific (excluding China and Singapore)	3,048	16,361
Others	9	14
	98,244	81,147

Segment revenue is based on the billing location of customers.

Except for the Group's investment in DO which is located in Europe, all the assets and capital expenditure of the Group are located in Singapore.

**15. 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.

**16. A breakdown of sales**

	GROUP		
	2012	2011	Change
	S\$'000	S\$'000	%
Sales reported for first half year	60,136	29,913	101
Sales reported for second half year	38,108	51,234	(26)
Total sales	98,244	81,147	21
Profit / (loss) after tax reported for first half year	74,935	507	14,680
Profit / (loss) after tax reported for second half year	8,457	7,124	19
Total profit after tax	83,392	7,631	993

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

	2012 (S\$'000)	2011 (S\$'000)
Ordinary	73,681*	7,003
Preference	-	-
Total	73,681	7,003

\* - 2012 proposed first and final and special dividends are estimated based on share capital of 736,806,714 ordinary shares at the end of the financial year.

**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(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Nga Ko Nie  
Company Secretary  
22 February 2013