



BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

Quarterly Financial Statement And Dividend Announcement for the Period Ended 31 December 2013

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 | | |
| | 31/12/13 | 31/12/12 | Change | 31/12/13 | 31/12/12 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 15,380 | 16,402 | (6) | 83,299 | 98,244 | (15) |
| Cost of goods sold | (8,972) | (11,397) | (21) | (59,531) | (73,160) | (19) |
| Gross profit | 6,408 | 5,005 | 28 | 23,768 | 25,084 | (5) |
| Administrative expenses | (2,183) | (3,306) | (34) | (7,813) | (9,708) | (20) |
| Other operating income / (expenses), net | (a) 1,001 | (278) | NM | 10,628 | 68,959 | (85) |
| Finance cost | - | (50) | NM | (8) | (122) | (93) |
| Share of results of associates | (b) - | (11) | NM | (495) | 587 | NM |
| Profit before taxation | (c) 5,226 | 1,360 | 284 | 26,080 | 84,800 | (69) |
| Income tax expenses | (d) (1,039) | (408) | 155 | (3,707) | (3,208) | 16 |
| Net profit attributable to equity holders of the Company | 4,187 | 952 | 340 | 22,373 | 81,592 | (73) |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Group | | | | | |
|---|----------------|--------------|------------|-----------------|---------------|-------------|
| | 3 months ended | | | 12 months ended | | |
| | 31/12/13 | 31/12/12 | Change | 31/12/13 | 31/12/12 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Net profit attributable to equity holders of the Company | 4,187 | 952 | 340 | 22,373 | 81,592 | (73) |
| Other comprehensive income: | | | | | | |
| Net gain / (loss) on fair value changes of available-for-sale investment | - | 1,700 | NM | - | 7,500 | NM |
| Total comprehensive income attributable to equity holders of the Company | 4,187 | 2,652 | 58 | 22,373 | 89,092 | (75) |

NM – Not meaningful

Explanatory notes:

- (a) For FY2013, the amount included a gain of S\$8.8 million from the disposal of associate, Discovery Offshore S.A. ("DO"). Comparative figures for FY2012 included the gain of S\$10.9 million on disposal of York Transport Equipment (Asia) Pte Ltd ("York") and the recognition of the deferred gain of S\$58.2 million on the disposal of subsidiary, PPL Holdings Pte Ltd ("PPLH").
- (b) For the current year, the amount relates to the Group's 20% share in the results of DO prior to its disposal in June 2013. The comparative figure for FY2012 was the Group's 49% share in the results of York, prior to its disposal in March 2012.
- (c) Profit before taxation is stated after charging / (crediting):

| | Group | | | | | |
|--|-----------------------|-----------------|---------------|------------------------|-----------------|---------------|
| | 3 months ended | | | 12 months ended | | |
| | 31/12/13 | 31/12/12 | Change | 31/12/13 | 31/12/12 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Depreciation | 290 | 339 | (14) | 1,237 | 1,414 | (13) |
| Loss on disposal of property, plant and equipment | 54 | - | NM | 51 | - | NM |
| Interest income | (146) | (291) | (50) | (487) | (510) | (4) |
| Interest expenses | - | 50 | NM | 8 | 122 | (93) |
| Foreign exchange (gain) / loss | (909) | (197) | 361 | (1,634) | 871 | NM |
| Recognition of deferred gain on disposal of subsidiary | - | - | - | - | (58,237) | NM |
| Gain on disposal of associates | - | - | - | (8,757) | (10,894) | (20) |

- (d) The taxation charge for 2013 and 2012 were significantly lower than the statutory income tax rate of Singapore as the gains on disposals of associates and subsidiary were capital in nature and therefore not subjected to any income tax.

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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Non-current assets</u> | | | | |
| Property, plant and equipment | 6,057 | 2,822 | 4,319 | 10 |
| Intangible assets | 7,551 | 7,551 | - | - |
| Investment in subsidiaries | - | - | 21,000 | 20,000 |
| Investment in associates (a) | - | 32,020 | - | 32,030 |
| Other investments (b) | 2,456 | - | 2,456 | - |
| Deferred tax assets | 876 | 392 | - | - |
| | 16,940 | 42,785 | 27,775 | 52,040 |
| <u>Current assets</u> | | | | |
| Inventories (c) | 5,573 | 19,162 | - | - |
| Work-in-progress (d) | 14,547 | 25,845 | - | - |
| Trade and other receivables (d) | 13,237 | 19,724 | 104 | 184 |
| Amounts due from subsidiaries | - | - | 5,478 | 2,700 |
| Pledged deposits (e) | - | 11,067 | - | - |
| Cash and short-term deposits | 205,871 | 173,902 | 156,810 | 167,790 |
| | 239,228 | 249,700 | 162,392 | 170,674 |
| <u>Current liabilities</u> | | | | |
| Loans and borrowings (f) | - | 3,678 | - | - |
| Excess of progress billings over work-in-progress (d) | 820 | 1,845 | - | - |
| Trade payables and other liabilities (d) | 11,738 | 14,746 | 1,371 | 3,139 |
| Tax payable | 3,767 | 4,073 | 4 | 5 |
| | 16,325 | 24,342 | 1,375 | 3,144 |

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31/12/2013 S\$'000 | 31/12/2012 S\$'000 | 31/12/2013 S\$'000 | 31/12/2012 S\$'000 |
| Net current assets | 222,903 | 225,358 | 161,017 | 167,530 |
| Net assets | 239,843 | 268,143 | 188,792 | 219,570 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 86,850 | 50,317 | 86,850 | 50,317 |
| Reserves | 152,993 | 217,826 | 101,942 | 169,253 |
| Total equity | 239,843 | 268,143 | 188,792 | 219,570 |

Explanatory notes:

- (a) On 24 June 2013, the Group disposed of its entire 20.3% shareholdings in DO for gross proceeds of approximately S\$41 million.
- (b) Other investments relate to the Company's investment in a quoted corporate bond and a minority stake in an unquoted investment fund company, which was incorporated in Luxembourg.
- (c) The decrease was due to higher utilisation of inventories for existing projects.
- (d) The reductions were in line with the lower level of production activities for the current year.
- (e) The deposits pledged to the banks as collateral for banking facilities and the issuance of bank guarantees were released by the banks during the current year.
- (f) The short-term bank borrowings, which were drawn down by the Company's subsidiary previously for working capital purposes, were fully repaid in 1Q2013.

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 31/12/2013 | | As at 31/12/2012 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | 3,678 | - |

Amount repayable after one year

| As at 31/12/2013 | | As at 31/12/2012 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | - | - |

Details of any collateral

Certain deposits had been pledged to the banks as collateral for banking facilities. These pledged deposits were released by the banks in 2Q2013.

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 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31/12/13 S\$'000 | 31/12/12 S\$'000 | 31/12/13 S\$'000 | 31/12/12 S\$'000 |
| Cash flows from operating activities: | | | | |
| Profit before tax | 5,226 | 1,360 | 26,080 | 84,800 |
| Adjustments for: | | | | |
| Depreciation | 290 | 339 | 1,237 | 1,414 |
| Interest income | (146) | (291) | (487) | (510) |
| Interest expenses | - | 50 | 8 | 122 |
| Recognition of deferred gain on disposal of subsidiary | - | - | - | (58,237) |
| Gain on disposal of associates | - | - | (8,757) | (10,894) |
| Loss on disposal of property, plant and equipment | 54 | - | 51 | - |
| Share of results of associates | - | 11 | 495 | (587) |
| Operating profit before working capital changes | 5,424 | 1,469 | 18,627 | 16,108 |
| Decrease / (increase) in trade and other receivables | 6,029 | (2,665) | 6,487 | (7,914) |
| Decrease / (increase) in inventories | 16,058 | (2,797) | 13,589 | (12,805) |
| Decrease / (increase) in pledged deposits | - | 62 | 11,067 | (4,567) |
| (Increase) / decrease in net work-in-progress | (14,434) | 18,526 | 10,273 | 443 |
| (Decrease) / increase in trade payables and other liabilities | (3,949) | 683 | (3,008) | (12,387) |
| Decrease in derivatives | - | (67) | - | - |
| Net cash flows from / (used in) operations | 9,128 | 15,211 | 57,035 | (21,122) |
| Interest received | 146 | 291 | 487 | 510 |
| Interest paid | - | (50) | (8) | (122) |
| Income tax paid | (912) | (69) | (4,497) | (2,623) |
| Net cash flows from / (used in) operating activities | 8,362 | 15,383 | 53,017 | (23,357) |
| Cash flows from investing activities: | | | | |
| Proceed from disposal of property, plant and equipment | - | - | 3 | - |
| Net proceeds from disposal of associates | - | - | 40,524 | 21,850 |
| Purchase of additional stake in associates | - | - | (242) | - |
| Purchase of other investments | (2,137) | (182) | (2,456) | (4,413) |
| Placement of short-term deposits | (4,000) | - | (4,000) | - |
| Purchase of property, plant and equipment | (4,020) | (23) | (4,526) | (394) |
| Net cash flows (used in) / from investing activities | (10,157) | (205) | 29,303 | 17,043 |
| Cash flows from financing activities: | | | | |
| Net proceeds from conversion of warrants | - | 9,898 | 36,533 | 11,720 |
| Net proceeds from warrant issue | - | - | - | 2,544 |
| Dividends paid on ordinary shares | - | - | (87,206) | (7,003) |
| (Repayment) / net proceeds from loans and borrowings | - | (5,444) | (3,678) | 3,678 |
| Net cash flows from / (used in) financing activities | - | 4,454 | (54,351) | 10,939 |

| Group | 3 months ended | | 12 months ended | |
|---|----------------|----------------|-----------------|----------------|
| | 31/12/13 | 31/12/12 | 31/12/13 | 31/12/12 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Net (decrease) / increase in cash and cash equivalents | (1,795) | 19,632 | 27,969 | 4,625 |
| Cash and cash equivalents at beginning of period / year | 203,666 | 154,270 | 173,902 | 169,277 |
| Cash and cash equivalents at end of period / year | 201,871 | 173,902 | 201,871 | 173,902 |

The Group's cash and cash equivalents as at 31 December 2013 excluded short-term deposits which are made for more than 3 months amounting to S\$4,000,000 (31 December 2013: Nil).

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 |
| Balance at 1/1/2013 | 50,317 | 2,344 | 215,482 | - | 217,826 | 268,143 |
| Profit for the period | - | - | 18,186 | - | 18,186 | 18,186 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Issuance of new shares from conversion of warrants * | 36,533 | - | - | - | - | 36,533 |
| Dividends on ordinary shares | - | - | (87,206) | - | (87,206) | (87,206) |
| Balance at 30/9/2013 | 86,850 | 2,344 | 146,462 | - | 148,806 | 235,656 |
| Profit for the period | - | - | 4,187 | - | 4,187 | 4,187 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Balance at 31/12/2013 | 86,850 | 2,344 | 150,649 | - | 152,993 | 239,843 |
| Balance at 1/1/2012 | 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) |
| Balance at 30/9/2012 | 40,419 | 2,344 | 214,530 | (1,700) | 215,174 | 255,593 |
| Profit for the period | - | - | 952 | - | 952 | 952 |
| Other comprehensive income for the period | - | - | - | 1,700 | 1,700 | 1,700 |
| Issuance of new shares from conversion of warrants ** | 9,898 | - | - | - | - | 9,898 |
| Balance at 31/12/2012 | 50,317 | 2,344 | 215,482 | - | 217,826 | 268,143 |

| 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 |
| Balance at 1/1/2013 | 50,317 | 2,344 | 166,909 | - | 169,253 | 219,570 |
| Profit for the period | - | - | 6,437 | - | 6,437 | 6,437 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Issuance of new shares from conversion of warrants * | 36,533 | - | - | - | - | 36,533 |
| Dividends on ordinary shares | - | - | (87,206) | - | (87,206) | (87,206) |
| Balance at 30/9/2013 | 86,850 | 2,344 | 86,140 | - | 88,484 | 175,334 |
| Profit for the period | - | - | 13,458 | - | 13,458 | 13,458 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Balance at 31/12/2013 | 86,850 | 2,344 | 99,598 | - | 101,942 | 188,792 |
| Balance at 1/1/2012 | 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) |
| Balance at 30/9/2012 | 40,419 | 2,344 | 163,363 | (1,700) | 164,007 | 204,426 |
| Profit for the period | - | - | 3,546 | - | 3,546 | 3,546 |
| Other comprehensive income for the period | - | - | - | 1,700 | 1,700 | 1,700 |
| Issuance of new shares from conversion of warrants ** | 9,898 | - | - | - | - | 9,898 |
| Balance at 31/12/2012 | 50,317 | 2,344 | 166,909 | - | 169,253 | 219,570 |

** - 2009 Warrants (expired in November 2012)

* - 2012 Warrants

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 year, 135,258,130 warrants and 76,000 warrants were exercised at S\$0.270 and S\$0.185 each respectively by warrant holders, to subscribe for a total of 135,334,130 new ordinary shares in the Company.

As at 31 December, the Company had the following outstanding warrants:

| | Expiry Date | Exercise Price | No. of warrants | |
|---------------|-------------|----------------|-----------------|-------------|
| | | | 31 Dec 2013 | 31 Dec 2012 |
| 2012 Warrants | 5 June 2015 | S\$0.185 ^ | 144,706,822 | 280,040,952 |

^ At the Company's AGM held on 25 April 2013, the shareholders approved a first and final tax exempt (one-tier) dividend of 1.5 cents per ordinary share and a special tax exempt (one-tier) dividend of 8.5 cents per ordinary share for the year ended 31 December 2012. As the special dividend was distributed out of reserves which were attributable to profits or gains arising from the disposal of investments by the Company, the exercise price of the 2012 Warrants of S\$0.270 per share was adjusted to S\$0.185 per share on 13 May 2013, so as to reflect the lower intrinsic value of the Company's share after the special dividend.

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 2013, the Company's issued share capital was S\$86,850,625 (31 December 2012 – S\$50,316,870) comprising 872,140,844 ordinary shares (31 December 2012 – 736,806,714 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.

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 | |
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| (i) Basic earnings per share (in cents) | 0.47 | 0.13 | 2.69 | 11.54 |
| (ii) Diluted earnings per share (in cents) | 0.40 | 0.09 | 2.29 | 8.27 |

(i) Basic earnings per ordinary share for the financial year ended 31 December 2013 was calculated based on the weighted average number of ordinary shares in issue during the year of 832,125,414 (31 December 2012 – 707,031,802).

(ii) Earnings per share for the financial year ended 31 December 2013 on a fully diluted basis was calculated based on the weighted average number of ordinary shares in issue during the year adjusted for the dilutive effect of 144,706,822 warrants outstanding at 31 December 2013 (31 December 2012 – 280,040,952 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 | |
|--|------------|------------|------------|------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Net Asset Value per ordinary share based on issued share capital at the end of the year (in cents) | 27.5 | 36.4 | 21.6 | 29.8 |

Net asset value per ordinary share as at 31 December 2013 and 2012 was calculated based on the number of shares in issue of 872,140,844 and 736,806,714 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

4Q2013 vs 4Q2012

The Group's revenue for 4Q2013 slipped S\$1.0 million to S\$15.4 million, due to the general slowdown in order in-take between July 2012 to June 2013.

FY2013 vs FY2012

The Group's revenue for FY2013 eased by 15% to S\$83.3 million, stemming from lower revenue recognition from new projects that were secured in FY2013.

As a result of the improvement in order in-take for the past 2 quarters, the Group's net order book stands at US\$54 million, as compared to US\$33 million 6 months ago. These orders are expected to be completed within the next 12 to 18 months.

Profitability

4Q2013 vs 4Q2012

The Group's net profit surged 340% to S\$4.2 million in 4Q2013, fueled by:

- higher project margins from improvement in production efficiency;
- foreign exchange gains of S\$0.9 million, resulting from the strengthening of the US dollars and Euro against the Singapore Dollars; and

FY2013 vs FY2012

For FY2013, the Group achieved a net profit of S\$22.4 million, as compared to S\$81.6 million for FY2012 due to lower gains on disposals of investments. The profit included the gains on disposals of Discovery Offshore (S\$8.8 million) in FY2013 and PPL Holdings Pte Ltd (S\$58.2 million) and York Transport Equipment (Asia) Pte Ltd (S\$10.9 million) in FY2012. Excluding these investment gains, the Group profits would be S\$13.6 million and S\$12.5 million for FY2013 and FY2012, respectively.

Financial position & cash flow

Shareholders' funds decreased from S\$268.1 million as at 31 December 2012 to S\$239.8 million as at 31 December 2013. This was primarily due to the payment of dividends of S\$87.2 million to shareholders, which was partially offset by proceeds from the conversion of warrants (S\$36.5 million) and retained profits for the year.

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

There were no forecast nor prospect statement previously disclosed.

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 long term prospects of the oil and gas industry remains positive though the near terms prospects prove challenging. As such, the Group continues to seek new opportunities to diversify and increase revenue streams. To that end, the Group has incorporated two subsidiaries in the last year and hired key personnel to manage the new entities. Baker Engineering Pte. Ltd. will be responsible for the design, engineering, development and fabrication of components and equipment for the oil & gas and offshore marine industry. BT Investment Pte. Ltd. will focus on acquisitions and strategic alliances with international or domestic companies potentially in the oil & gas and offshore marine space.

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 1.0 cent per share (2012: 1.5 cents per share) and a tax exempt (one-tier) special dividend of 4.0 cents per share (2012: 8.5 cents per share) in respect of the financial year ended 31 December 2013 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 | 1.0 cent | 4.0 cents |
| Tax rate | Tax exempt | Tax exempt |

On 6 June 2012, the Company issued 280,117,952 warrants ("2012 Warrants") and these warrants are constituted under a deed poll dated 4 May 2012 (the "Deed Poll"). In view of the proposed special dividend of 4.0 cents per share to be distributed out of reserves which are attributable to the profits or gains arising from the disposal of investments by the Company (as defined in the Deed Poll), an adjustment will need to be made to the 2012 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 2014, will be paid on 22 May 2014.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 9 May 2014 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 8 May 2014 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 8 May 2014 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 investments in associates and other investments and the recognition of gains on disposal of investments; and
- (iii) Corporate - consists of corporate office expenses.

| | Marine offshore | | Investments | | Corporate | | Adjustment and elimination | | Group Total | |
|--|-----------------|---------|-------------|---------|-----------|---------|----------------------------|---------|-------------|---------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 83,299 | 98,244 | - | - | - | - | - | - | 83,299 | 98,244 |
| Results | | | | | | | | | | |
| EBITDA | 21,476 | 21,534 | (21) | - | (2,279) | (4,826) | (600) | (600) | 18,576 | 16,108 |
| Depreciation & amortization | (1,229) | (1,401) | - | - | (8) | (13) | - | - | (1,237) | (1,414) |
| Interest expense | (8) | (122) | - | - | - | - | - | - | (8) | (122) |
| Interest income | 57 | 29 | - | - | 430 | 481 | - | - | 487 | 510 |
| Recognition of deferred gain on disposal of subsidiary | - | - | - | 58,237 | - | - | - | - | - | 58,237 |
| Gain on disposal of associates | - | - | 8,757 | 10,894 | - | - | - | - | 8,757 | 10,894 |
| Share of results of associates | - | - | (495) | 587 | - | - | - | - | (495) | 587 |
| Segment profit/(loss) | 20,296 | 20,040 | 8,241 | 69,718 | (1,857) | (4,358) | (600) | (600) | 26,080 | 84,800 |

| | Marine offshore | | Investments | | Corporate | | Adjustment and elimination | | Group Total | |
|-------------------|-----------------|---------|-------------|---------|-----------|---------|----------------------------|---------|-------------|---------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Total assets | 92,479 | 84,930 | 2,456 | 32,020 | 161,233 | 175,535 | - | - | 256,168 | 292,485 |
| Total liabilities | 14,944 | 21,198 | 6 | - | 1,375 | 3,144 | - | - | 16,325 | 24,342 |

| | | | | | | | | | | |
|-----------------------------------|-----|-----|-------|--------|-------|---|---|---|-------|--------|
| Other segment information: | | | | | | | | | | |
| Investment in associates | - | - | - | 32,020 | - | - | - | - | - | 32,020 |
| Acquisition of other investments | - | - | 2,456 | - | - | - | - | - | 2,456 | - |
| Additions to non-current assets | 208 | 391 | - | - | 4,318 | 3 | - | - | 4,526 | 394 |

(b) Geographical segments

| | Segment revenue | |
|--|-----------------|---------|
| | 2013 | 2012 |
| | S\$'000 | S\$'000 |
| China | 51,594 | 76,064 |
| Singapore | 21,271 | 18,103 |
| Middle East | 1,534 | 1,020 |
| Asia Pacific (excluding China and Singapore) | 8,819 | 3,048 |
| Others | 81 | 9 |
| | 83,299 | 98,244 |

Segment revenue is based on the billing location of customers.

Except for the Group's investment in an available-for-sale investment of S\$339,000 at 31 December 2013 and an investment in associate of S\$32.0 million at 31 December 2012 which are 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 | | |
|--|----------------|----------------|---------------|
| | 2013 | 2012 | Change |
| | S\$'000 | S\$'000 | % |
| Sales reported for first half year | 47,201 | 60,136 | (22) |
| Sales reported for second half year | 36,098 | 38,108 | (5) |
| Total sales | 83,299 | 98,244 | (15) |
| Profit after tax reported for first half year | 14,567 | 74,935 | (81) |
| Profit after tax reported for second half year | 7,806 | 6,657 | 17 |
| Total profit after tax | 22,373 | 81,592 | (73) |

17. 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 | 43,607* | 87,206 |
| Preference | - | - |
| Total | 43,607 | 87,206 |

* 2013 proposed first and final and special dividends are estimated based on share capital of 872,140,844 ordinary shares in issue 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

| Name | Age | Family Relationship with any director and/or chief executive officer and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|----------------|-----|---|--|---|
| Jeanette Chang | 37 | Daughter of Dr Benety Chang, Chief Executive Officer and substantial shareholder of the Company. | Executive Director of the Company since 1 September 2013. Responsible for corporate administration and human resources. | Appointed as Executive Director on 1 September 2013. |

BY ORDER OF THE BOARD

Nga Ko Nie
Company Secretary
18 February 2014