



**BAKER TECHNOLOGY LIMITED**

Company Registration No.: 198100637D

**Unaudited Full Year Financial Statements and Dividend Announcement  
for the Year Ended 31 December 2017**

**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 |                |            |
|   | 31/12/17       | 31/12/16       | Change     | 31/12/17        | 31/12/16       | Change     |
|   | S\$'000        | S\$'000        | %          | S\$'000         | S\$'000        | %          |
| Revenue   | 1,754          | 2,403          | -27        | 5,002           | 21,520         | -77        |
| Cost of goods sold  | (1,213)        | (781)          | +55        | (2,383)         | (15,849)       | -85        |
| <b>Gross profit</b>   | <b>541</b>     | <b>1,622</b>   | <b>-67</b> | <b>2,619</b>    | <b>5,671</b>   | <b>-54</b> |
| Administrative expenses                                       | (3,282)        | (2,534)        | +30        | (10,576)        | (10,950)       | -3         |
| Other operating income / (expenses), net                      | 183            | (53)           | NM         | 713             | 2,425          | -71        |
| Impairment loss on goodwill                                   | -              | (7,551)        | -100       | -               | (7,551)        | -100       |
| Foreign exchange (loss) / gain                                | (911)          | 3,163          | NM         | (4,039)         | 1,183          | NM         |
| <b>Loss before taxation</b> (a)                               | <b>(3,469)</b> | <b>(5,353)</b> | <b>-35</b> | <b>(11,283)</b> | <b>(9,222)</b> | <b>+22</b> |
| Income tax credit (b)   | 307            | 895            | -66        | 593             | 895            | -34        |
| <b>Net loss attributable to equity holders of the Company</b> | <b>(3,162)</b> | <b>(4,458)</b> | <b>-29</b> | <b>(10,690)</b> | <b>(8,327)</b> | <b>+28</b> |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | Group          |                |            |                 |                |            |
|---|----------------|----------------|------------|-----------------|----------------|------------|
|   | 3 months ended |                |            | 12 months ended |                |            |
|   | 31/12/17       | 31/12/16       | Change     | 31/12/17        | 31/12/16       | Change     |
|   | S\$'000        | S\$'000        | %          | S\$'000         | S\$'000        | %          |
| <b>Net loss attributable to equity holders of the Company</b>                   | <b>(3,162)</b> | <b>(4,458)</b> | <b>-29</b> | <b>(10,690)</b> | <b>(8,327)</b> | <b>+28</b> |
| Other comprehensive income:   |                |                |            |                 |                |            |
| Net fair value (loss) / gain on other investments                               | (9)            | 65             | NM         | 73              | 153            | -52        |
| <b>Total comprehensive income attributable to equity holders of the Company</b> | <b>(3,171)</b> | <b>(4,393)</b> | <b>-28</b> | <b>(10,617)</b> | <b>(8,174)</b> | <b>+30</b> |

NM – Not meaningful

**Explanatory notes:**

- (a) Loss before taxation is stated after charging / (crediting):

|   | <b>Group</b>          |                 |               |                        |                 |               |
|---|-----------------------|-----------------|---------------|------------------------|-----------------|---------------|
|   | <b>3 months ended</b> |                 |               | <b>12 months ended</b> |                 |               |
|   | <b>31/12/17</b>       | <b>31/12/16</b> | <b>Change</b> | <b>31/12/17</b>        | <b>31/12/16</b> | <b>Change</b> |
|   | <b>S\$'000</b>        | <b>S\$'000</b>  | <b>%</b>      | <b>S\$'000</b>         | <b>S\$'000</b>  | <b>%</b>      |
| Depreciation and amortisation                 | 954                   | 504             | +89           | 2,828                  | 1,911           | +48           |
| Interest income                               | (157)                 | (65)            | +142          | (661)                  | (668)           | -1            |
| Inventories and work-in-progress written down | 379                   | 36              | +953          | 501                    | 1,391           | -64           |

- (b) These mainly relate to excess provision from prior years written back and the reversal of deferred taxation in the current year.

**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**

|  |     | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--|-----|-------------------|-------------------|-------------------|-------------------|
|  |     | <b>31/12/2017</b> | <b>31/12/2016</b> | <b>31/12/2017</b> | <b>31/12/2016</b> |
|  |     | <b>S\$'000</b>    | <b>S\$'000</b>    | <b>S\$'000</b>    | <b>S\$'000</b>    |
| <b><u>Non-current assets</u></b>                                   |     |                   |                   |                   |                   |
| Property, plant and equipment                                      | (a) | 113,410           | 16,461            | 6                 | 2                 |
| Intangible assets  |     | 1,810             | 2,050             | -                 | -                 |
| Investment in subsidiaries   |     | -                 | -                 | 22,800            | 22,800            |
| Other investments  | (b) | 2,388             | 3,317             | 2,388             | 3,317             |
| Deferred tax assets  |     | 17                | 248               | -                 | -                 |
|  |     | <b>117,625</b>    | <b>22,076</b>     | <b>25,194</b>     | <b>26,119</b>     |
| <b><u>Current assets</u></b>                                       |     |                   |                   |                   |                   |
| Inventories and work-in-progress                                   | (c) | 695               | 86,470            | -                 | -                 |
| Trade and other receivables  | (d) | 2,843             | 5,870             | 64                | 1,101             |
| Amounts due from subsidiaries                                      |     | -                 | -                 | 100,641           | 93,074            |
| Other investments  | (b) | 1,068             | 3,218             | 1,068             | 3,218             |
| Cash and short-term deposits                                       |     | 86,642            | 106,956           | 79,872            | 99,157            |
|  |     | <b>91,248</b>     | <b>202,514</b>    | <b>181,645</b>    | <b>196,550</b>    |
| <b><u>Current liabilities</u></b>                                  |     |                   |                   |                   |                   |
| Excess of progress billings over work-in-progress                  | (c) | 104               | 122               | -                 | -                 |
| Trade payables and other liabilities                               | (d) | 5,804             | 8,044             | 412               | 1,241             |
| Amounts due to subsidiaries  |     | -                 | -                 | 5,000             | 5,653             |
| Tax payable  |     | 407               | 302               | -                 | 26                |
|  |     | <b>6,315</b>      | <b>8,468</b>      | <b>5,412</b>      | <b>6,920</b>      |
| Net current assets   |     | <b>84,933</b>     | <b>194,046</b>    | <b>176,233</b>    | <b>189,630</b>    |
| <b><u>Non-current liability</u></b>                                |     |                   |                   |                   |                   |
| Deferred tax liabilities   |     | (44)              | (455)             | -                 | -                 |
| <b>Net assets</b>  |     | <b>202,514</b>    | <b>215,667</b>    | <b>201,427</b>    | <b>215,749</b>    |
| <b><u>Equity attributable to equity holders of the Company</u></b> |     |                   |                   |                   |                   |
| Share capital  |     | 108,788           | 108,788           | 108,788           | 108,788           |
| Reserves   |     | 93,726            | 106,879           | 92,639            | 106,961           |
| <b>Total equity</b>  |     | <b>202,514</b>    | <b>215,667</b>    | <b>201,427</b>    | <b>215,749</b>    |

**Explanatory notes:**

- (a) The increase in property, plant and equipment was mainly due to the completion and capitalisation of the liftboat.
- (b) Other investments included the Company's investment in quoted corporate bonds (\$2.2m) and a minority stake in an unquoted investment fund company (\$1.3m), which was incorporated in Luxembourg. The decrease in other investments was due to maturity of corporate bonds during the current year.
- (c) The decrease in inventories and work-in-progress was mainly due to the completion in construction and capitalisation of the liftboat.
- (d) The decrease in trade receivables, other receivables, trade payables and other liabilities were in line with the reduction of production activities for the current year.

**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 31/12/2017 |           | As at 31/12/2016 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| -                | -         | -                | -         |

**Amount repayable after one year**

| As at 31/12/2017 |           | As at 31/12/2016 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| -                | -         | -                | -         |

**Details of any collateral**

Not applicable.

**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     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 31/12/17<br>S\$'000 | 31/12/16<br>S\$'000 | 31/12/17<br>S\$'000 | 31/12/16<br>S\$'000 |
| <b>Cash flows from operating activities:</b>                  |                     |                     |                     |                     |
| Loss before tax   | (3,469)             | (5,353)             | (11,283)            | (9,222)             |
| Adjustments for:  |                     |                     |                     |                     |
| Depreciation and amortisation                                 | 954                 | 504                 | 2,828               | 1,911               |
| Interest income   | (157)               | (65)                | (661)               | (668)               |
| Inventories and work-in-progress written down                 | 379                 | 36                  | 501                 | 1,391               |
| Unrealised exchange loss / (gain)                             | 880                 | (2,944)             | 4,094               | (1,131)             |
| Gain on disposal of property, plant and equipment             | -                   | -                   | -                   | (1)                 |
| Impairment loss on goodwill                                   | -                   | 7,551               | -                   | 7,551               |
| <b>Operating loss before working capital changes</b>          | <b>(1,413)</b>      | <b>(271)</b>        | <b>(4,521)</b>      | <b>(169)</b>        |
| Decrease in trade and other receivables                       | 813                 | 2,472               | 2,732               | 5,652               |
| Increase in inventories and work-in-progress                  | (4,952)             | (4,460)             | (13,576)            | (30,632)            |
| Increase / (decrease) in trade payables and other liabilities | 2,458               | (6,393)             | (2,211)             | (5,577)             |
| <b>Net cash flows used in operations</b>                      | <b>(3,094)</b>      | <b>(8,652)</b>      | <b>(17,576)</b>     | <b>(30,726)</b>     |
| Interest received   | 173                 | 188                 | 695                 | 699                 |
| Income tax refund / (paid)                                    | 1                   | 2                   | 518                 | (196)               |
| <b>Net cash flows used in operating activities</b>            | <b>(2,920)</b>      | <b>(8,462)</b>      | <b>(16,363)</b>     | <b>(30,223)</b>     |
| <b>Cash flows from investing activities:</b>                  |                     |                     |                     |                     |
| Maturity of other investments                                 | -                   | 2,118               | 2,691               | 3,398               |
| Purchase of intangible asset                                  | (16)                | (20)                | (16)                | (105)               |
| Purchase of property, plant and equipment                     | (578)               | (263)               | (689)               | (1,998)             |
| Proceed from disposal of property, plant and equipment        | -                   | -                   | -                   | 1                   |
| <b>Net cash flows (used in) / from investing activities</b>   | <b>(594)</b>        | <b>1,835</b>        | <b>1,986</b>        | <b>1,296</b>        |
| <b>Cash flows from financing activity:</b>                    |                     |                     |                     |                     |
| Dividends paid on ordinary shares                             | -                   | -                   | (2,536)             | (5,072)             |
| <b>Net cash flows used in financing activity</b>              | <b>-</b>            | <b>-</b>            | <b>(2,536)</b>      | <b>(5,072)</b>      |
| <b>Net decrease in cash and cash equivalents</b>              | <b>(3,514)</b>      | <b>(6,627)</b>      | <b>(16,913)</b>     | <b>(33,999)</b>     |
| Effect of exchange rate changes on cash and cash equivalents  | (860)               | 1,883               | (3,401)             | 885                 |
| Cash and cash equivalents at beginning of period / year       | 91,016              | 111,700             | 106,956             | 140,070             |
| <b>Cash and cash equivalents at end of period / year</b>      | <b>86,642</b>       | <b>106,956</b>      | <b>86,642</b>       | <b>106,956</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<br>S\$'000 | Capital reserve<br>S\$'000 | Accumulated profits<br>S\$'000 | Other reserve<br>S\$'000 | Total reserves<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|----------------------------|--------------------------------|--------------------------|---------------------------|-------------------------|
| <b>Balance at 1/1/2017</b>                | <b>108,788</b>           | <b>2,344</b>               | <b>104,609</b>                 | <b>(74)</b>              | <b>106,879</b>            | <b>215,667</b>          |
| Loss for the period                       | -                        | -                          | (7,528)                        | -                        | (7,528)                   | (7,528)                 |
| Other comprehensive income for the period | -                        | -                          | -                              | 82                       | 82                        | 82                      |
| Dividends on ordinary shares              | -                        | -                          | (2,536)                        | -                        | (2,536)                   | (2,536)                 |
| <b>Balance at 30/9/2017</b>               | <b>108,788</b>           | <b>2,344</b>               | <b>94,545</b>                  | <b>8</b>                 | <b>96,897</b>             | <b>205,685</b>          |
| Loss for the period                       | -                        | -                          | (3,162)                        | -                        | (3,162)                   | (3,162)                 |
| Other comprehensive income for the period | -                        | -                          | -                              | (9)                      | (9)                       | (9)                     |
| <b>Balance at 31/12/2017</b>              | <b>108,788</b>           | <b>2,344</b>               | <b>91,383</b>                  | <b>(1)</b>               | <b>93,726</b>             | <b>202,514</b>          |
| <b>Balance at 1/1/2016</b>                | <b>108,788</b>           | <b>2,344</b>               | <b>118,008</b>                 | <b>(227)</b>             | <b>120,125</b>            | <b>228,913</b>          |
| Loss for the period                       | -                        | -                          | (3,869)                        | -                        | (3,869)                   | (3,869)                 |
| Other comprehensive income for the period | -                        | -                          | -                              | 88                       | 88                        | 88                      |
| Dividends on ordinary shares              | -                        | -                          | (5,072)                        | -                        | (5,072)                   | (5,072)                 |
| <b>Balance at 30/9/2016</b>               | <b>108,788</b>           | <b>2,344</b>               | <b>109,067</b>                 | <b>(139)</b>             | <b>111,272</b>            | <b>220,060</b>          |
| Loss for the period                       | -                        | -                          | (4,458)                        | -                        | (4,458)                   | (4,458)                 |
| Other comprehensive income for the period | -                        | -                          | -                              | 65                       | 65                        | 65                      |
| <b>Balance at 31/12/2016</b>              | <b>108,788</b>           | <b>2,344</b>               | <b>104,609</b>                 | <b>(74)</b>              | <b>106,879</b>            | <b>215,667</b>          |

| Company                                   | Share capital<br>S\$'000 | Capital reserve<br>S\$'000 | Accumulated profits<br>S\$'000 | Other reserve<br>S\$'000 | Total reserves<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|----------------------------|--------------------------------|--------------------------|---------------------------|-------------------------|
| <b>Balance at 1/1/2017</b>                | <b>108,788</b>           | <b>2,344</b>               | <b>104,691</b>                 | <b>(74)</b>              | <b>106,961</b>            | <b>215,749</b>          |
| Loss for the period                       | -                        | -                          | (3,405)                        | -                        | (3,405)                   | (3,405)                 |
| Other comprehensive income for the period | -                        | -                          | -                              | 82                       | 82                        | 82                      |
| Dividends on ordinary shares              | -                        | -                          | (2,536)                        | -                        | (2,536)                   | (2,536)                 |
| <b>Balance at 30/9/2017</b>               | <b>108,788</b>           | <b>2,344</b>               | <b>98,750</b>                  | <b>8</b>                 | <b>101,102</b>            | <b>209,890</b>          |
| Profit for the period                     | -                        | -                          | (8,454)                        | -                        | (8,454)                   | (8,454)                 |
| Other comprehensive income for the period | -                        | -                          | -                              | (9)                      | (9)                       | (9)                     |
| <b>Balance at 31/12/2017</b>              | <b>108,788</b>           | <b>2,344</b>               | <b>90,296</b>                  | <b>(1)</b>               | <b>92,639</b>             | <b>201,427</b>          |
| <b>Balance at 1/1/2016</b>                | <b>108,788</b>           | <b>2,344</b>               | <b>80,874</b>                  | <b>(227)</b>             | <b>82,991</b>             | <b>191,779</b>          |
| Loss for the period                       | -                        | -                          | (2,128)                        | -                        | (2,128)                   | (2,128)                 |
| Other comprehensive income for the period | -                        | -                          | -                              | 88                       | 88                        | 88                      |
| Dividends on ordinary shares              | -                        | -                          | (5,072)                        | -                        | (5,072)                   | (5,072)                 |
| <b>Balance at 30/9/2016</b>               | <b>108,788</b>           | <b>2,344</b>               | <b>73,674</b>                  | <b>(139)</b>             | <b>75,879</b>             | <b>184,667</b>          |
| Profit for the period                     | -                        | -                          | 31,017                         | -                        | 31,017                    | 31,017                  |
| Other comprehensive income for the period | -                        | -                          | -                              | 65                       | 65                        | 65                      |
| <b>Balance at 31/12/2016</b>              | <b>108,788</b>           | <b>2,344</b>               | <b>104,691</b>                 | <b>(74)</b>              | <b>106,961</b>            | <b>215,749</b>          |

**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**

There was no change in the Company's issued share capital during the year ended 31 December 2017.

The Company did not hold any treasury shares as at 31 December 2017 and 31 December 2016.

**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 2017 and 31 December 2016, the Company's issued share capital excluding treasury shares was \$108,788,054 comprising 202,877,948 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**

Nil.

**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 the Company's auditor.

**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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2016.

**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**

Nil.

**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 |            |
|  | 31/12/2017     | 31/12/2016 | 31/12/2017      | 31/12/2016 |
| (i) Basic earnings per share (in cents)    | (1.56)         | (2.20)     | (5.27)          | (4.10)     |
| (ii) Diluted earnings per share (in cents) | (1.56)         | (2.20)     | (5.27)          | (4.10)     |

Basic earnings per ordinary share for the current quarter and full year ended 31 December 2017 were calculated based on the weighted average number of ordinary shares in issue of 202,877,948.

**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    |            |
|--|------------|------------|------------|------------|
|  | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| Net asset value per ordinary share based on issued share capital at the end of the year (in cents) | 99.8       | 106.3      | 99.3       | 106.3      |

Net asset value per ordinary share as at 31 December 2017 and 31 December 2016 was calculated based on the number of shares in issue of 202,877,948.

**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**

Group revenue for the three months ended 31 December 2017 ("4Q2017") decreased by \$0.6 million to \$1.8 million from the corresponding period in 2016 due to the continued weakness in the oil and gas industry. Similarly, Group revenue for the year ended 31 December 2017 ("FY2017") decreased 77% to \$5.0 million, as compared to the last financial year ("FY2016").

**Profitability**

In line with the reduction in revenue, gross profit decreased to \$0.5 million in 4Q2017. Gross profit for FY2017 was at \$2.6 million, which included a write-back of expired warranty provision of \$1.2 million (FY2016 : \$0.6 million).

Other operating income for FY2016 included a one-off compensation income of \$1.7 million from a supplier for defective material. Due to the absence of such item, other operating income decreased by 71% to \$0.7 million.

During FY2016, the Group made an impairment charge for its goodwill in a subsidiary (\$7.6 million) in view of the continued weakness in the oil and gas industry. There was no such impairment charge in the current year.

The Group recognised foreign exchange losses of \$0.9 million and \$4.0 million for the current quarter and year ended 31 December 2017, arising from the weakening of the US dollar against Singapore dollar.

The Group reported a net loss of \$3.2 million and \$10.7 million for 4Q2017 and FY2017, respectively. The Group's loss was attributable to lower revenue and foreign exchange losses.

**Financial position and cash flow**

Group shareholders' funds decreased from \$215.7 million as at 31 December 2016 to \$202.5 million as at 31 December 2017, attributable mainly to the net loss and dividend payment during the year.

For 4Q2017 and FY2017, the Group posted net operating cash outflows of \$2.9 million and \$16.4 million respectively, due to working capital required for operations. The Group's cash and short-term deposits stood at \$86.6 million, with no borrowings as at 31 December 2017.



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

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

**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 outlook of the oil and gas industry indicates cautious recovery with firmer oil prices.

The Group has secured a time charter contract for its Liftboat, the Blue Titanium. The Liftboat will be deployed in Southeast Asia to support rejuvenation works for oil and gas platforms for a National Oil Company. It is to be deployed in the later part of the 2<sup>nd</sup> quarter of 2018. This charter is expected to contribute to the Group's financial performance for the financial year ending 31 December 2018.

**11. Dividend**

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

Any dividend recommended for the current financial period reported on? None

**(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**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the period under review.

**13. Interested Person Transactions**

The Company did not obtain a general mandate from shareholders for IPTs.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

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

**15. 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 quoted and unquoted investments, investment income and the gains on disposal of investments; and
- (iii) Corporate - consists of corporate services and treasury functions.

|                                   | Marine offshore |                 | Investments     |                 | Corporate       |                 | Adjustment and elimination |                 | Group Total     |                 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------------|-----------------|-----------------|-----------------|
|                                   | 2017<br>S\$'000 | 2016<br>S\$'000 | 2017<br>S\$'000 | 2016<br>S\$'000 | 2017<br>S\$'000 | 2016<br>S\$'000 | 2017<br>S\$'000            | 2016<br>S\$'000 | 2017<br>S\$'000 | 2016<br>S\$'000 |
| <b>Revenue</b>                    | 5,002           | 21,520          | -               | -               | -               | -               | -                          | -               | 5,002           | 21,520          |
| <b>Results</b>                    |                 |                 |                 |                 |                 |                 |                            |                 |                 |                 |
| EBITDA                            | (2,525)         | (5,297)         | (387)           | (340)           | (5,005)         | (712)           | (1,199)                    | (1,630)         | (9,116)         | (7,979)         |
| Depreciation & amortisation       | (2,825)         | (1,906)         | -               | (1)             | (3)             | (4)             | -                          | -               | (2,828)         | (1,911)         |
| Interest income                   | 12              | 10              | 187             | 219             | 462             | 439             | -                          | -               | 661             | 668             |
| Segment loss                      | (5,338)         | (7,193)         | (200)           | (122)           | (4,546)         | (277)           | (1,199)                    | (1,630)         | (11,283)        | (9,222)         |
| <b>Total assets</b>               | 128,736         | 117,759         | 195             | 6,571           | 79,942          | 100,260         | -                          | -               | 208,873         | 224,590         |
| <b>Total liabilities</b>          | 5,918           | 8,489           | 29              | 24              | 412             | 410             | -                          | -               | 6,359           | 8,923           |
| <b>Other segment information:</b> |                 |                 |                 |                 |                 |                 |                            |                 |                 |                 |
| Acquisition of other investment   | -               | -               | 302             | 315             | -               | -               | -                          | -               | 302             | 315             |
| Additions to non-current assets   | 100,732         | 1,998           | -               | -               | 7               | -               | -                          | -               | 100,739         | 1,998           |

**(b) Geographical segments**

|  | Segment revenue |               |
|--|-----------------|---------------|
|  | 2017            | 2016          |
|  | S\$'000         | S\$'000       |
| China  | 15              | 5,852         |
| Singapore                                    | 1,288           | 2,122         |
| Asia Pacific (excluding China and Singapore) | 764             | 3,624         |
| Middle East                                  | 2,608           | 9,751         |
| Others                                       | 327             | 171           |
|  | <u>5,002</u>    | <u>21,520</u> |

Segment revenue is based on the billing location of customers.

Except for the Group's investment in an available-for-sale investment of S\$1,326,000 at 31 December 2017 (2016: S\$1,024,000) which are located in Europe, all the assets and capital expenditure of the Group are located in Singapore.

**16. 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.

**17. A breakdown of sales**

|  | GROUP           |                |        |
|--|-----------------|----------------|--------|
|  | 2017            | 2016           | Change |
|  | S\$'000         | S\$'000        | %      |
| Sales reported for first half year           | 2,422           | 14,091         | -83    |
| Sales reported for second half year          | 2,580           | 7,429          | -65    |
| Total sales                                  | <u>5,002</u>    | <u>21,520</u>  | -77    |
| Loss after tax reported for first half year  | (3,998)         | (2,386)        | +68    |
| Loss after tax reported for second half year | (6,692)         | (5,941)        | +13    |
| Total loss after tax                         | <u>(10,690)</u> | <u>(8,327)</u> | +28    |

**18. 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<br>(S\$'000) | Previous Full Year<br>(S\$'000) |
|------------|-------------------------------|---------------------------------|
| Ordinary   | -                             | 2,536                           |
| Preference | -                             | -                               |
| Total      | -                             | 2,536                           |

**19. 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 | 41  | Daughter of Dr Benety Chang, Chief Executive Officer and substantial shareholder of the Company.    | Executive Director of the Company since 1 September 2013.<br><br>Responsible for corporate administration and human resources. | Nil   |

**BY ORDER OF THE BOARD**

Nga Ko Nie  
Company Secretary  
27 February 2018