



# BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

## Unaudited Second Quarter and Half Year Financial Statement for the Period Ended 30 June 2018

### 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

|                                                               | Group              |                    |             |                    |                    |             |
|---------------------------------------------------------------|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
|                                                               | 3 months ended     |                    |             | 6 months ended     |                    |             |
|                                                               | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 | Change<br>% | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 | Change<br>% |
| Revenue                                                       | 3,516              | 1,421              | +147        | 4,199              | 2,422              | +73         |
| Cost of goods sold                                            | (2,149)            | (827)              | +160        | (2,361)            | (267)              | +784        |
| <b>Gross profit</b>                                           | <b>1,367</b>       | <b>594</b>         | <b>+130</b> | <b>1,838</b>       | <b>2,155</b>       | <b>-15</b>  |
| Administrative expenses                                       | (4,385)            | (2,227)            | +97         | (9,155)            | (4,483)            | +104        |
| Other operating income, net                                   | 195                | 173                | +13         | 371                | 355                | +5          |
| Foreign exchange gain / (loss)                                | 1,796              | (586)              | NM          | 1,072              | (2,279)            | NM          |
| <b>Loss before taxation</b>                                   | <b>(1,027)</b>     | <b>(2,046)</b>     | <b>-50</b>  | <b>(5,874)</b>     | <b>(4,252)</b>     | <b>+38</b>  |
| Income tax credit / (expense)                                 | 44                 | (14)               | NM          | 44                 | 254                | -83         |
| <b>Net loss attributable to equity holders of the Company</b> | <b>(983)</b>       | <b>(2,060)</b>     | <b>-52</b>  | <b>(5,830)</b>     | <b>(3,998)</b>     | <b>+46</b>  |

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|                                                                                 | Group              |                    |             |                    |                    |             |
|---------------------------------------------------------------------------------|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
|                                                                                 | 3 months ended     |                    |             | 6 months ended     |                    |             |
|                                                                                 | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 | Change<br>% | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 | Change<br>% |
| <b>Net loss attributable to equity holders of the Company</b>                   | <b>(983)</b>       | <b>(2,060)</b>     | <b>-52</b>  | <b>(5,830)</b>     | <b>(3,998)</b>     | <b>+46</b>  |
| Other comprehensive income:                                                     |                    |                    |             |                    |                    |             |
| Net fair value loss on other investments                                        | (8)                | (17)               | -53         | (15)               | (24)               | -38         |
| <b>Total comprehensive income attributable to equity holders of the Company</b> | <b>(991)</b>       | <b>(2,077)</b>     | <b>-52</b>  | <b>(5,845)</b>     | <b>(4,022)</b>     | <b>+45</b>  |

NM – Not meaningful

**Explanatory notes:**

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

|                             | Group              |                    |             |                    |                    |             |
|-----------------------------|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
|                             | 3 months ended     |                    |             | 6 months ended     |                    |             |
|                             | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 | Change<br>% | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 | Change<br>% |
| Depreciation & amortization | 2,037              | 518                | +293        | 4,061              | 1,020              | +298        |
| Interest income             | (141)              | (162)              | -13         | (285)              | (329)              | -13         |

- (b) For the quarter and period ended 30 June 2018, the amount relates to the write-back of deferred tax liabilities.

**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              |                       |
|--------------------------------------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                                                    | 30/6/2018<br>S\$'000 | 31/12/2017<br>S\$'000 | 30/6/2018<br>S\$'000 | 31/12/2017<br>S\$'000 |
| <b><u>Non-current assets</u></b>                                   |                      |                       |                      |                       |
| Property, plant and equipment                                      | 115,075              | 113,410               | 5                    | 6                     |
| Intangible assets                                                  | 1,702                | 1,810                 | -                    | -                     |
| Investment in subsidiaries                                         | -                    | -                     | 22,800               | 22,800                |
| Other investments (a)                                              | 2,451                | 2,388                 | 2,451                | 2,388                 |
| Deferred tax assets                                                | 17                   | 17                    | -                    | -                     |
|                                                                    | <b>119,245</b>       | <b>117,625</b>        | <b>25,256</b>        | <b>25,194</b>         |
| <b><u>Current assets</u></b>                                       |                      |                       |                      |                       |
| Inventories and contract assets                                    | 1,297                | 695                   | -                    | -                     |
| Trade and other receivables (b)                                    | 5,028                | 2,843                 | 68                   | 64                    |
| Amounts due from subsidiaries                                      | -                    | -                     | 108,444              | 100,641               |
| Other investments (a)                                              | 798                  | 1,068                 | 798                  | 1,068                 |
| Cash and short-term deposits                                       | 76,366               | 86,642                | 69,435               | 79,872                |
|                                                                    | <b>83,489</b>        | <b>91,248</b>         | <b>178,745</b>       | <b>181,645</b>        |
| <b><u>Current liabilities</u></b>                                  |                      |                       |                      |                       |
| Contract liabilities                                               | 85                   | 104                   | -                    | -                     |
| Trade payables and other liabilities                               | 5,105                | 5,804                 | 361                  | 412                   |
| Amounts due to subsidiaries                                        | -                    | -                     | 6,050                | 5,000                 |
| Tax payable                                                        | 141                  | 407                   | -                    | -                     |
|                                                                    | <b>5,331</b>         | <b>6,315</b>          | <b>6,411</b>         | <b>5,412</b>          |
| <b>Net current assets</b>                                          | <b>78,158</b>        | <b>84,933</b>         | <b>172,334</b>       | <b>176,233</b>        |
| <b><u>Non-current liability</u></b>                                |                      |                       |                      |                       |
| Deferred tax liabilities                                           | -                    | (44)                  | -                    | -                     |
| <b>Net assets</b>                                                  | <b>197,403</b>       | <b>202,514</b>        | <b>197,590</b>       | <b>201,427</b>        |
| <b><u>Equity attributable to equity holders of the Company</u></b> |                      |                       |                      |                       |
| Share capital                                                      | 108,788              | 108,788               | 108,788              | 108,788               |
| Reserves                                                           | 88,615               | 93,726                | 88,802               | 92,639                |
| <b>Total equity</b>                                                | <b>197,403</b>       | <b>202,514</b>        | <b>197,590</b>       | <b>201,427</b>        |

**Explanatory notes:**

- (a) Other investments included the Company's investment in quoted corporate bonds (\$1.0m) and a minority stake in an unquoted investment fund company (\$2.2m), which was incorporated in Luxembourg.
- (b) The increase in trade and other receivables were in line with the increase in revenue for the current quarter and period.

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

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

| As at 30/6/2018 |           | As at 31/12/2017 |           |
|-----------------|-----------|------------------|-----------|
| Secured         | Unsecured | Secured          | Unsecured |
| S\$'000         | S\$'000   | S\$'000          | S\$'000   |
| -               | -         | -                | -         |

**Amount repayable after one year**

| As at 30/6/2018 |           | As at 31/12/2017 |           |
|-----------------|-----------|------------------|-----------|
| 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     |                    | 6 months ended     |                    |
|---------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                               | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 | 30/6/18<br>S\$'000 | 30/6/17<br>S\$'000 |
| <b>Cash flows from operating activities:</b>                  |                    |                    |                    |                    |
| Loss before tax                                               | (1,027)            | (2,046)            | (5,874)            | (4,252)            |
| Adjustments for:                                              |                    |                    |                    |                    |
| Depreciation & amortization                                   | 2,037              | 518                | 4,061              | 1,020              |
| Inventory written down                                        | 16                 | -                  | 16                 | -                  |
| Interest income                                               | (141)              | (162)              | (285)              | (329)              |
| Unrealised exchange (gain) / loss                             | (1,768)            | 578                | (1,081)            | 2,363              |
| <b>Operating loss before working capital changes</b>          | <b>(883)</b>       | <b>(1,112)</b>     | <b>(3,163)</b>     | <b>(1,198)</b>     |
| (Increase) / decrease in trade and other receivables          | (3,113)            | 848                | (2,074)            | 2,467              |
| Increase in inventories & contract assets / liabilities       | (319)              | (1,995)            | (637)              | (5,968)            |
| Increase / (decrease) in trade payables and other liabilities | 1,961              | (2,367)            | (580)              | (5,172)            |
| <b>Net cash flows used in operations</b>                      | <b>(2,354)</b>     | <b>(4,626)</b>     | <b>(6,454)</b>     | <b>(9,871)</b>     |
| Interest received                                             | 131                | 144                | 282                | 335                |
| Income tax (paid) / refunded                                  | -                  | -                  | (266)              | 517                |
| <b>Net cash flows used in operating activities</b>            | <b>(2,223)</b>     | <b>(4,482)</b>     | <b>(6,438)</b>     | <b>(9,019)</b>     |
| <b>Cash flows from investing activities:</b>                  |                    |                    |                    |                    |
| Purchase of other investments                                 | (83)               | (269)              | (120)              | (299)              |
| Maturity of other investments                                 | 1,059              | -                  | 1,059              | 279                |
| Purchase of property, plant and equipment                     | (4,771)            | (15)               | (5,618)            | (58)               |
| <b>Net cash flows used in investing activities</b>            | <b>(3,795)</b>     | <b>(284)</b>       | <b>(4,679)</b>     | <b>(78)</b>        |
| <b>Cash flows from financing activity:</b>                    |                    |                    |                    |                    |
| Dividends paid on ordinary shares                             | -                  | (2,536)            | -                  | (2,536)            |
| <b>Net cash flows used in financing activity</b>              | <b>-</b>           | <b>(2,536)</b>     | <b>-</b>           | <b>(2,536)</b>     |
| <b>Net decrease in cash and cash equivalents</b>              | <b>(6,018)</b>     | <b>(7,302)</b>     | <b>(11,117)</b>    | <b>(11,633)</b>    |
| Effect of exchange rate changes on cash and cash equivalents  | 1,503              | (489)              | 841                | (1,898)            |
| Cash and cash equivalents at beginning of period              | 80,881             | 101,216            | 86,642             | 106,956            |
| <b>Cash and cash equivalents at end of period</b>             | <b>76,366</b>      | <b>93,425</b>      | <b>76,366</b>      | <b>93,425</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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

| Group                                       | Share capital  | Capital reserve | Accumulated profits | Other reserve | Total reserves | Total equity   |
|---------------------------------------------|----------------|-----------------|---------------------|---------------|----------------|----------------|
|                                             | S\$'000        | S\$'000         | S\$'000             | S\$'000       | S\$'000        | S\$'000        |
| <b>Balance at 31/12/2017</b>                | 108,788        | 2,344           | 91,383              | (1)           | 93,726         | 202,514        |
| Impact on adoption of new accounting policy | -              | -               | 734                 | -             | 734            | 734            |
| Loss for the period                         | -              | -               | (4,847)             | -             | (4,847)        | (4,847)        |
| Other comprehensive income for the period   | -              | -               | -                   | (7)           | (7)            | (7)            |
| <b>Balance at 31/3/2018</b>                 | <b>108,788</b> | <b>2,344</b>    | <b>87,270</b>       | <b>(8)</b>    | <b>89,606</b>  | <b>198,394</b> |
| Loss for the period                         | -              | -               | (983)               | -             | (983)          | (983)          |
| Other comprehensive income for the period   | -              | -               | -                   | (8)           | (8)            | (8)            |
| <b>Balance at 30/6/2018</b>                 | <b>108,788</b> | <b>2,344</b>    | <b>86,287</b>       | <b>(16)</b>   | <b>88,615</b>  | <b>197,403</b> |
| <b>Balance at 1/1/2017</b>                  | 108,788        | 2,344           | 104,609             | (74)          | 106,879        | 215,667        |
| Loss for the period                         | -              | -               | (1,938)             | -             | (1,938)        | (1,938)        |
| Other comprehensive income for the period   | -              | -               | -                   | (7)           | (7)            | (7)            |
| <b>Balance at 31/3/2017</b>                 | <b>108,788</b> | <b>2,344</b>    | <b>102,671</b>      | <b>(81)</b>   | <b>104,934</b> | <b>213,722</b> |
| Loss for the period                         | -              | -               | (2,060)             | -             | (2,060)        | (2,060)        |
| Other comprehensive income for the period   | -              | -               | -                   | (17)          | (17)           | (17)           |
| Dividends on ordinary shares                | -              | -               | (2,536)             | -             | (2,536)        | (2,536)        |
| <b>Balance at 30/6/2017</b>                 | <b>108,788</b> | <b>2,344</b>    | <b>98,075</b>       | <b>(98)</b>   | <b>100,321</b> | <b>209,109</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 31/12/2017</b>                | 108,788                  | 2,344                      | 90,296                         | (1)                      | 92,639                    | 201,427                 |
| Impact on adoption of new accounting policy | -                        | -                          | 734                            | -                        | 734                       | 734                     |
| Loss for the period                         | -                        | -                          | (5,777)                        | -                        | (5,777)                   | (5,777)                 |
| Other comprehensive income for the period   | -                        | -                          | -                              | (7)                      | (7)                       | (7)                     |
| <b>Balance at 31/3/2018</b>                 | <b>108,788</b>           | <b>2,344</b>               | <b>85,253</b>                  | <b>(8)</b>               | <b>87,589</b>             | <b>196,377</b>          |
| Profit for the period                       | -                        | -                          | 1,221                          | -                        | 1,221                     | 1,221                   |
| Other comprehensive income for the period   | -                        | -                          | -                              | (8)                      | (8)                       | (8)                     |
| <b>Balance at 30/6/2018</b>                 | <b>108,788</b>           | <b>2,344</b>               | <b>86,474</b>                  | <b>(16)</b>              | <b>88,802</b>             | <b>197,590</b>          |
| <b>Balance at 1/1/2017</b>                  | 108,788                  | 2,344                      | 104,691                        | (74)                     | 106,961                   | 215,749                 |
| Loss for the period                         | -                        | -                          | (1,658)                        | -                        | (1,658)                   | (1,658)                 |
| Other comprehensive income for the period   | -                        | -                          | -                              | (7)                      | (7)                       | (7)                     |
| <b>Balance at 31/3/2017</b>                 | <b>108,788</b>           | <b>2,344</b>               | <b>103,033</b>                 | <b>(81)</b>              | <b>105,296</b>            | <b>214,084</b>          |
| Loss for the period                         | -                        | -                          | (765)                          | -                        | (765)                     | (765)                   |
| Other comprehensive income for the period   | -                        | -                          | -                              | (17)                     | (17)                      | (17)                    |
| Dividends on ordinary shares                | -                        | -                          | (2,536)                        | -                        | (2,536)                   | (2,536)                 |
| <b>Balance at 30/6/2017</b>                 | <b>108,788</b>           | <b>2,344</b>               | <b>99,732</b>                  | <b>(98)</b>              | <b>101,978</b>            | <b>210,766</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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.**

There was no change in the Company's share capital for the three months ended 30 June 2018.

The Company did not hold any treasury shares as at 30 June 2018 and 30 June 2017.

**1(d)(iii) To show the total number of issued shares excluding treasury shares and subsidiary holdings as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 June 2018 and 31 December 2017, the Company's issued share capital excluding treasury shares and subsidiary holdings was \$108,788,054 comprising 202,877,948 ordinary shares.

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

Nil.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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**

Except as disclosed in paragraph 5 below, 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 2017.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its financial information under SFRS(I)s since the quarter ended 31 March 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The adoption of the new standards did not have any significant impact on the financial statements of the Group except for the following:

**Adoption of SFRS (I) 9 Financial Instruments**

SFRS (I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS (I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group and Company adopted the new standard on the required effective date without restating prior periods' information and recognizes any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

### Adoption of SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Following the presentation requirements in SFRS(I) 15, the Group has presented due from customers on construction contracts as contract assets and due to customers on construction contract as contract liabilities.

**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 |           | 6 months ended |           |
|                                            | 30/6/2018      | 30/6/2017 | 30/6/2018      | 30/6/2017 |
| (i) Basic earnings per share (in cents)    | (0.48)         | (1.02)    | (2.87)         | (1.97)    |
| (ii) Diluted earnings per share (in cents) | (0.48)         | (1.02)    | (2.87)         | (1.97)    |

Basic earnings per ordinary share for the current quarter and half year ended 30 June 2018 and 30 June 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   |            |
|------------------------------------------------------------------------------------------------------|-----------|------------|-----------|------------|
|                                                                                                      | 30/6/2018 | 31/12/2017 | 30/6/2018 | 31/12/2017 |
| Net asset value per ordinary share based on issued share capital at the end of the period (in cents) | 97.3      | 99.8       | 97.4      | 99.3       |

Net asset value per ordinary share as at 30 June 2018 and 31 December 2017 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 quarter ended 30 June 2018 ("2Q2018") increased by \$2.1 million to \$3.5 million from the corresponding period in 2017 due mainly to charter income. Similarly, Group revenue for the half year ended 30 June 2018 ("1H2018") increased 73% to \$4.2 million year-on-year.

## **Profitability**

The Group recorded a lower gross profit for 1H2018 than the corresponding period in 2017 despite a higher revenue. The drop in gross profit was due to the absence of a write-back of expired warranty provision in the current period.

Administrative expenses for 2Q2018 and 1H2018 were higher than the corresponding periods in 2017 mainly due to depreciation charges of its completed liftboat and under-absorption of overheads.

The Group recognised foreign exchange gains of \$1.8 million and \$1.1 million for 2Q2018 and 1H2018, arising from the strengthening of the US dollar against the Singapore dollar.

The Group reported a net loss of \$1.0 million and \$5.8 million for 2Q2018 and 1H2018, respectively. The Group's losses were attributable to the continued weakness in the oil and gas industry.

## **Financial position and cash flow**

Group shareholders' fund decreased from \$202.5 million as at 31 December 2017 to \$197.4 million as at 30 June 2018, attributable mainly to net loss for the current period.

For 2Q2018 and 1H2018, the Group reported net operating cash outflows of \$2.2 million and \$6.4 million, respectively, due to working capital required for operation. The Group's cash and short-term deposits were at \$76.4 million, with no borrowings as at 30 June 2018.

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

None.

### **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**

In line with higher oil prices, the industry outlook has improved with better utilisation of vessels and equipment. However, charter rates have not increased and there are still overcapacities in a fragmented market. The Group will continue to be cautious and prudent.

On 26 July 2018, the Group completed the acquisition of 371,646,150 shares (or 52.72%) in CH Offshore Ltd. ("CHO") for approximately \$45.1 million. In accordance with Rule 14.1 of the Singapore Code of Take-overs and Mergers, the Group will make a mandatory unconditional cash offer for up to a maximum of 93,486,233 shares (or 13.26%) in CHO. This acquisition is expected to contribute to the Group's revenue and results 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? None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

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

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

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

**14. Confirmation that the issuer has procured undertaking from all 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).

**15. Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and of the Group for the second quarter and half year ended 30 June 2018 to be false or misleading.

**BY ORDER OF THE BOARD**

Nga Ko Nie  
Company Secretary  
27 July 2018