BENG KUANG MARINE LIMITED
Registration No. 199400196M

Unaudited financial statement and dividend announcement for the year ended 31 December 2010

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

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		GROUP			GROUP		
		4th Qtr of 2010	4th Qtr of 2009	Increase / (Decrease)	FY 2010	FY 2009	Increase / (Decrease)
	Notes	S$'000	S$'000	%	S$'000	S$'000	%
Revenue		**16,522**	**26,845**	**(38%)**	**78,488**	**138,458**	**(43%)**
Cost of sales		(12,424)	(20,928)	(41%)	(58,031)	(108,867)	(47%)
Gross profit		**4,098**	**5,917**	**(31%)**	**20,457**	**29,591**	**(31%)**
Other operating income (net)	(A)	200	320	(38%)	396	703	(44%)
Administrative expenses		(4,058)	(3,294)	23%	(13,876)	(14,843)	(7%)
Selling & distribution expenses		(348)	(514)	(32%)	(1,491)	(2,156)	(31%)
(Loss) / profit from operations		**(108)**	**2,429**	**NM**	**5,486**	**13,295**	**(59%)**
Financial Income		29	3	867%	39	6	550%
Financial expenses		(348)	(438)	(21%)	(1,441)	(1,583)	(9%)
Share of results of associates, net of tax		(75)	(37)	103%	(281)	(239)	18%
(Loss) / profit before taxation	**(B)**	**(502)**	**1,957**	**NM**	**3,803**	**11,479**	**(67%)**
Taxation		(54)	(298)	(82%)	(1,118)	(2,645)	(58%)
(Loss) / profit after taxation		**(556)**	**1,659**	**NM**	**2,685**	**8,834**	**(70%)**
Attributable to :							
Equity holders of the Company		**(537)**	**1,536**	**NM**	**2,725**	**8,566**	**(68%)**
Non-controlling interests		(19)	123	NM	(40)	268	NM
		(556)	**1,659**	**NM**	**2,685**	**8,834**	**(70%)**

NM - Not meaningful

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	GROUP			GROUP		
	4th Qtr of 2010	4th Qtr of 2009	Increase / (Decrease)	FY 2010	FY 2009	Increase / (Decrease)
	S$'000	S$'000	%	S$'000	S$'000	%
Profit after taxation	**(556)**	**1,659**	**NM**	**2,685**	**8,834**	**(70%)**
Foreign currency translation differences	21	1	NM	21	(14)	NM
Total comprehensive (loss) / income	**(535)**	**1,660**	**NM**	**2,706**	**8,820**	**(69%)**
Total comprehensive income attributable to:						
Equity holders of the Company	**(516)**	**1,537**	**NM**	**2,746**	**8,552**	**(68%)**
Non-controlling interests	(19)	123	NM	(40)	268	NM
Total comprehensive (loss) / income	**(535)**	**1,660**	**NM**	**2,706**	**8,820**	**(69%)**

NM - Not meaningful

Notes
(A) The Group's other operating income (net) includes:

Gain / (loss) on disposal of property, plant and equipment	54	(9)	22	(23)
Property, plant and equipment written off	-	-	-	(53)
Foreign currency translation loss	(49)	(119)	(122)	(167)
Other income	195	448	496	946

(B) The Group's profit from operations is arrived at after crediting / (charging)

Interest income	29	3	39	6
Interest expense on borrowings	(323)	(484)	(1,357)	(1,529)
Depreciation of property, plant and equipment	(1,536)	(1,583)	(6,076)	(5,856)
Amortisation of intangible asset	(14)	(26)	(68)	(61)
Write-back of allowance for doubtful debts	351	770	750	1,011
Allowance for doubtful debts	(293)	(95)	(874)	(377)
Allowance for stock obsolescence	(42)	(1,047)	(42)	(1,047)

NM - Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	54,924	45,792	1,401	1,017
Intangible assets	2,621	2,663	-	-
Investment in subsidiaries	-	-	12,022	9,392
Investment in associates	3,695	4,152	-	200
Due from subsidiaries (non-trade)	-	-	-	51
Current assets				
Inventories	9,824	9,020	-	-
Work-in-progress in excess of progress billings	8,558	9,243	2,365	2,280
Trade debtors	19,201	22,313	-	-
Other debtors	2,040	2,041	398	452
Prepayment	749	1,000	-	1
Due from subsidiaries (trade)	-	-	4,189	3,701
Due from subsidiaries (non trade)	-	-	44,233	33,631
Due from related parties (trade)	17,926	22,423	4,373	6,480
Due from related parties (non trade)	-	17	-	17
Due from associates (non-trade)	2	82	-	68
Fixed deposits	11,333	982	8,004	-
Cash and bank balances	12,733	18,286	2,160	5,865
	82,366	**85,407**	**65,722**	**52,495**
Current liabilities				
Trade creditors	11,536	19,711	57	88
Bills payable to banks	2,467	956	554	-
Other creditors and accruals	9,683	15,282	2,225	3,119
Due to subsidiaries (trade)	-	-	211	3,667
Due to subsidiaries (non-trade)	-	-	446	386
Due to related parties (trade)	27	1,853	181	306
Due to related parties (non trade)	-	289	-	-
Provision for income tax	1,690	3,017	-	-
Lease obligations	1,375	1,643	197	50
Short-term bank loans	24,081	22,814	21,328	20,000
Term loans	2,694	2,678	1,256	1,258
	53,553	**68,243**	**26,455**	**28,874**
Net current assets	**28,813**	**17,164**	**39,267**	**23,621**

	GROUP		COMPANY	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
	S$'000	S$'000	S$'000	S$'000
Non-current liabilities				
Lease obligations	1,664	817	429	81
Deferred taxation	990	866	37	-
Term loans	4,961	7,620	1,875	3,125
	7,615	9,303	2,341	3,206
Net assets	**82,438**	**60,468**	**50,349**	**31,075**
Equity attributable to equity holders of the Company				
Share capital	49,651	28,909	49,651	28,909
Revenue reserves	28,171	27,696	698	2,166
Translation reserves	(13)	(34)	-	-
	77,809	56,571	50,349	31,075
Non-controlling interests	4,629	3,897	-	-
Total equity	**82,438**	**60,468**	**50,349**	**31,075**

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 31-Dec-10		As at 31-Dec-09	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Short-term bank loans	-	26,548	-	23,770
Term loans	941	1,753	935	1,743
Lease obligations	1,375	-	1,643	-

Amount repayable after one year

	As at 31-Dec-10		As at 31-Dec-09	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Term loans	2,270	2,691	3,182	4,438
Lease obligations	1,664	-	817	-

Details of any collateral

Included in the Group's secured borrowings are:-
(a) S$3,211,000 (31 Dec 2009: S$4,117,000) in respect of a loan secured by a leasehold property.
(b) Lease obligations are secured by the underlying equipment.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	FY 2010	FY 2009
	S$'000	S$'000
Cash flows from operating activities		
Profit before taxation	3,803	11,478
Adjustments for:		
Allowance for doubtful debts	874	641
Write-back of allowance for doubtful debts	(750)	(1,011)
(Gain) / loss on disposal of property, plant and equipment	(22)	23
Property, plant and equipment written off	1	53
Depreciation of property, plant and equipment	6,076	5,856
Allowance for stock obsolescence	42	1,047
Inventories written-down	-	519
Amortisation of intangible assets	68	61
Share of results of associates	281	239
Interest income	(39)	(6)
Interest expenses	1,357	1,529
Grant of equity-settled share to employees	-	1,037
Operating profit before working capital changes	**11,691**	**21,466**
(Increase) / decrease in:		
Inventories	(678)	4,467
Work-in-progress in excess of progress billings	740	408
Trade debtors	3,215	796
Other debtors	228	4,779
Prepayments	251	(135)
Due from related parties, net	4,515	(2,577)
Due from associates, net	79	(62)
Increase / (decrease) in:		
Trade creditors	(8,188)	2,289
Other creditors and accruals	(5,786)	(6,361)
Due to related parties, net	(2,116)	1,604
Net cash generated from operations	**3,951**	**26,674**
Interest received	40	6
Interest paid	(1,541)	(1,619)
Income taxes paid	(2,322)	(2,665)
Net cash generated from operating activities	**128**	**22,396**

	GROUP	
	FY 2010	FY 2009
	S$'000	S$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	1,072	243
Purchase of property, plant and equipment	(13,550)	(21,216)
Proceeds from Non-controlling shareholder of a subsidiary	870	-
Net cash outflow on acquisition of sole-proprietorship	(37)	-
Net cash outflow on acquisition of Non-controlling interests' share in subsidiaries	(166)	(285)
Investment in associate	-	(200)
Net cash used in investing activities	**(11,811)**	**(21,458)**
Cash flows from financing activities		
Repayment of finance lease liabilities	(2,128)	(2,301)
Increase / (Decrease) in bills payable to banks	1,511	(5,213)
Proceeds from / (repayment of) short term bank loans	1,343	(8,527)
(Repayments of) / proceeds from term loans	(2,658)	10,266
Dividends paid to shareholder	(2,250)	(1,924)
Dividends paid to Non-controlling shareholders of a subsidiary	(98)	-
Proceeds from Issue of new ordinary shares	20,742	11,761
Net cash generated from financing activities	**16,462**	**4,062**
Net effect of exchange rate changes in consolidating subsidiaries	19	(12)
Net increase in cash and cash equivalents	**4,798**	**4,988**
Cash and cash equivalents at beginning of the period	**19,268**	**14,280**
Cash and cash equivalents at end of the period	**24,066**	**19,268**

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.

	Attributable to equity holders of the Company					
	Share Capital	Revenue Reserve	Translation Reserves	Total Reserves	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GROUP						
Balance as at 1 January 2009	16,111	21,057	(20)	21,037	3,911	41,059
Issuance of shares	11,800	-	-	-	-	11,800
Issue of shares under BKM Performance Share Plan	1,066	-	-	-	-	1,066
Share issue expense	(68)	-	-	-	-	(68)
Acquisition of Non-controlling interests	-	-	-	-	(282)	(282)
Premium paid on acquisition of Non-controlling interests	-	(3)	-	(3)	-	(3)
Dividends relating to 2008 paid	-	(1,924)	-	(1,924)	-	(1,924)
Total comprehensive income for the year	-	8,566	(14)	8,552	268	8,820
Balance as at 31 December 2009	**28,909**	**27,696**	**(34)**	**27,662**	**3,897**	**60,468**
Balance as at 1 January 2010	28,909	27,696	(34)	27,662	3,897	60,468
Issuance of shares	21,150	-	-	-	-	21,150
Share issue expense	(408)	-	-	-	-	(408)
Issuance of share to Non-controlling interest	-	-	-	-	870	870
Dividends relating to 2009 paid	-	(2,250)	-	(2,250)	(98)	(2,348)
Total comprehensive income for the year	-	2,725	21	2,746	(40)	2,706
Balance as at 31 December 2010	**49,651**	**28,171**	**(13)**	**28,158**	**4,629**	**82,438**
COMPANY						
Balance as at 1 January 2009	16,111	2,947	-	2,947	-	19,058
Issuance of shares	11,800	-	-	-	-	11,800
Issue of shares under BKM Performance Share Plan	1,066	-	-	-	-	1,066
Share issue expense	(68)	-	-	-	-	(68)
Dividends relating to 2008 paid	-	(1,924)	-	(1,924)	-	(1,924)
Total comprehensive income for the year	-	1,143	-	1,143	-	1,143
Balance as at 31 December 2009	**28,909**	**2,166**	**-**	**2,166**	**-**	**31,075**
Balance as at 1 January 2010	28,909	2,166	-	2,166	-	31,075
Issuance of shares	21,150	-	-	-	-	21,150
Share issue expense	(408)	-	-	-	-	(408)
Dividends relating to 2009 paid	-	(2,250)	-	(2,250)	-	(2,250)
Total comprehensive income for the year	-	782	-	782	-	782
Balance as at 31 December 2010	**49,651**	**698**	**-**	**698**	-	**50,349**

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, 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.

Pursuant to the Call Option Agreement dated 7 September 2009, the new subscribers were granted a Call Option to subscribe 38,000,000 new shares in the Company at an exercise price of $0.25 per share. This Call Option is exercisable at the sole discretion of the subscribers within the period of 3 years from the date of the Call Option Agreement.

As at 31 December 2010, 22,000,000 Call Option shares have been exercised with 16,000,000 Call Option shares to be carried forward to 2011.

On 25 August 2010, the Company issued 90,000,000 new ordinary shares at $0.21 each with net proceeds of S$18.5 million pursuant to a Placement Agreement dated 16 August 2010.

The details of changes in the Company's share capital were as follows:

Issued and fully paid	**No.of ordinary shares**	**S$'000**
Balance as at 1 January 2010	441,041,625	28,909
Issue of new shares on exercise of Option	9,000,000	2,245
Issue of new shares pursuant to the placement	90,000,000	18,497
Balance as at 31 December 2010	540,041,625	49,651

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 immediate preceding year.

	As at 31-Dec-10	**As at 31-Dec-09**
	No. of shares	**No. of shares**
Issued and fully paid	540,041,625	441,041,625

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

None.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

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 for the adoption of new Financial Reporting Standards ("FRS") as mentioned in paragraph 5 below, the Group has applied consistent accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 December 2009.

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.**

With effect from 1 January 2010, the Group adopted the following new/amended FRS which are relevant to the Group's operations:-

Amendment to FRS 7	Cash Flow Statements
FRS27 (revised)	Consolidated and Separate Financial Statement
FRS103(revised)	Business Combination

The adoption of the above FRS did not result in substantial changes in the Group's accounting policy.

6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share for the period base on net profit attributable to shareholders (in cents):	Group	
	FY 2010	**FY 2009**
a) Based on weighted average number of ordinary shares on issue; and	0.57	2.14
Weighted no.of shares in issue	481,332,036	399,633,976
b) On a fully diluted basis	0.57	2.14

N/A - not applicable

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-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
Net asset value per ordinary share based on issued share capital at end of the period/year (in cents)	14.41	12.83	9.32	7.05

31-Dec-10

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the period of S$77.81 million and the Company's net asset value as at the end of the period of S$50.35 million divided by the share capital of 540,041,625 ordinary shares.

31-Dec-09

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the period of S$56.57 million and the Company's net asset value as at the end of the period of S$31.08 million divided by the share capital of 441,041,625 ordinary shares.

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

INCOME STATEMENT REVIEW

4th Quarter of FY2010

	4th Quarter results			
Group Turnover	**FY 2010**	**FY 2009**	**+ / (-)**	**+ / (-)**
	S$'million	**S$'million**	**S$'million**	**%**
Infrastructure & Engineering ("IE")	**4.68**	**8.81**	**(4.13)**	**(46.9)**
Corrosion Prevention ("CP")	**7.92**	**12.99**	**(5.07)**	**(39.0)**
Supply & Distribution ("SD")	**3.72**	**5.00**	**(1.28)**	**(25.6)**
Shipping & Others ("SH")	**0.20**	**0.05**	**0.15**	**300.0**
	16.52	**26.85**	**(10.33)**	**(38.5)**

The Group's turnover for the quarter 4Q2010 decreased by 38.5% to S$16.52 million as compared to 4Q2009. The revenue of IE division dropped by 46.9%, the revenue of CP division declined by 39.0% and the revenue of SD division dropped by 25.6%. The SH division started to generate revenue during 4Q2010.

Revenue from our IE division decreased by S$4.13 million from S$8.81 million in 4Q2009 to S$4.68 million in 4Q2010. This was contributed by fewer contracts secured in the first half of FY2010. There was recovery in 4Q2010 as compared to 3Q2010 as the Group secured two contracts this year on a crane barge and a patrol vessel which are currently work in progress.

After the completion of the long term offshore projects that were secured in FY2007/08 at the end of FY2009 and 1H2010, CP divison's revenue declined in the previous quarter and remained weak during 4Q2010.

Revenue from SD division decreased during 4Q2010 as a result of weak demand and market conditions for hardware.

Leveraging on the Group's service offering in the provision of ship building and ship repair services, the Group has expanded and diversified its business activities into shipping in 4Q2010. During the said period, the SH division has commenced business on chartering a pair of tug boat and barge.

The Group's gross profit decreased by 30.7% to S$4.1 million in 4Q2010 as compared to S$5.9 million in 4Q2009. The Group's gross profit margin increased by 2.8% to 24.8% in 4Q2010 as compared to 22.0% in 4Q2009. The higher gross profit margin was mainly contributed from the reduction in operating cost and various cost-cutting measures to streamline operations during the period.

The net loss attributable to shareholders of S$0.54 million in 4Q2010 was contributed by higher administrative costs. There was an increase for administrative expenses because of the IE project management team's expansion plans in Batam yard.

FY 2010

	Full Year result			
Group Turnover	**FY 2010**	**FY 2009**	**+ / (-)**	**+ / (-)**
	S$'million	**S$'million**	**S$'million**	**%**
Infrastructure Engineering ("IE")	**16.98**	**57.04**	**(40.06)**	**(70.2)**
Corrosion Prevention ("CP")	**43.88**	**58.28**	**(14.40)**	**(24.7)**
Supply & Distribution ("SD")	**17.43**	**23.09**	**(5.66)**	**(24.5)**
Shipping & Others ("SH")	**0.20**	**0.05**	**0.15**	**300.0**
	78.49	**138.46**	**(59.97)**	**(43.3)**

The Group's turnover for the 12 months ended 31 December 2010 declined by 43.3% to S$78.49 million as compared to the same period last year. The revenue for IE division decreased by 70.2%, CP division decreased by 24.7% and SD division decreased by 24.5%. The SH division commenced its shipping business in the fourth quarter of FY2010.

Revenue from our IE division decreased S$40.06 million from S$57.04 million in FY2009 to S$16.98 million in FY2010. In the first half of FY2010, IE division faced a challenging operating environment, and experience stiff competition among established yards around the region. The Group had restructured itself to position itself as a yard operator. Hence, IE division began to experience accelerated costs as a result of increased depreciation and overheads costs through building up of the yard infrastructure and strengthening of its project management teams respectively. The IE division's business improved in the second half of FY2010 as compared to the first half of FY2010. This sign of recovery was backed by the announcement on securing of contracts in May 2010 for the construction of a crane barge, and in October 2010 to construct a patrol vessel.

Revenue from our CP division declined S$14.40 million from S$58.28 million in FY2009 to S$43.88 million in FY2010. This was mainly due to lesser projects undertaken from the offshore jack-up rigs contracts. Business from the hullside blasting and painting activities remains stable and continues to provide a steady source of revenue for the Group.

Revenue from our SD division declined S$5.66 million from S$23.09 million in FY2009 to S$17.43 million in FY2010. Our SD division performed below expectation due to weak demand for hardwares in FY2010.

The Group's net profits attributable to shareholders decreased by 68.2% to S$2.73 million for the year ended 31 December 2010 as compared to S$8.57 million for the previous corresponding year. The decrease in profit attributable to shareholders was due to reduction in revenue for the year, higher fixed costs and depreciation expenses on the Batam fabrication yard. Due to the inelasticity on the rate of reducing various fixed administrative overheads, plus the IE division currently expanding its human resources to strengthen its capabilities, the Group only managed to reduce its administrative expenses by 6.5% from S$14.84 million for the year ended 31 December 2009 to S$13.88 million for the year ended 31 December 2010.

CASHFLOW STATEMENT

The Group reported near to breakeven on cashflow from the operating activities in FY2010. This was due to a decrease in profits generated from operations to cover the working capital changes especially repayment to trade creditors, bank interests and income taxes.

The net outflow from investing activities in FY2010 was S$11.81 million. The outlay was mainly related to yard developments, purchase of heavy crane and various machineries for the Batam yards. During the year, the shipping division added a used rolo vessel, a tug boat and a cargo barge.

The net cash generated from financing activities in FY2010 was S$16.46 million. The inflow was mainly from raising of equity through issuance of new shares for S$2.25 million arising from the exercise of option shares pursuant to the Call Option Agreement dated 7 September 2009 . The Company also raised S$18.5 million from issuance of new shares pursuant to a placement agreement dated 16 August 2010. The outflow from financing activties was due to payment towards finance lease liabilities of S$2.13 million, repayment of S$2.66 million on bank term loan and payment of S$2.25 million dividends to shareholders.

The cash and cash equivalents amounted to S$24.07 million as at 31 December 2010, representing an increase of 24.9% as compared to S$19.27 million as at 31 December 2009.

ASSETS AND LIABILITIES

The Group's Balance Sheet remains strong with total assets of S$143.61 million.

Property, plant and equipment increased from S$45.8 million as at 31 December 2009 to S$54.9 million as at 31 December 2010. As mentioned above, the Group has invested on yard developments, purchase of a heavy crane and various machineries for the Batam yards during the year. In addition, the SH division added a used rolo vessel, a tug boat and a cargo barge.

The reduction in trade receivables were in tandem with the lower sales transactions as at 31 December 2010.

The Group's total liabilities was S$61.17 million at end of 31 December 2010 as compared to S$77.55 million at end of 31 December 2009. The significant drop in liabilities was mainly contributed by the reduction in trade payables and accrual expenses as a result of lesser projects on hand.

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

Not applicable.

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.**

We expect the demand for oil rigs and construction vessels to increase due to the recent surge in oil prices. As such, the Group's outlook for this sector is expected to be positive for FY2011.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend:	First & Final	
Dividend Type:	Cash	
Dividend Rate (Gross):	0.15	cents
Tax Rate:	Tax Exempt One-tier	

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend:	First & Final	
Dividend Type:	Cash	
Dividend Rate (Gross):	0.50	cents
Tax Rate:	Tax Exempt One-tier	

(c) Date payable

The proposed first and final dividend, if approved at the Annual General Meeting to be held on 19 April 2011, will be paid on the 12 May 2011.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 30 April 2011 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited at 138 Robinson Road, The Corporate Office, #17-00 Singapore 068906 up to 5.00 p.m. on 29 April 2011 will be registered to determine shareholders' entitlements to the proposed first and final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 29 April 2011 will be entitled to the proposed dividend.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

OPERATING SEGMENTS

	GROUP 2010 (Year to-date)				
	INFRASTRUCT-URE & ENGINEERING	CORROSION PREVENTION	SUPPLY & DISTRIBUTION	SHIPPING & OTHERS	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Sales					
Total segment sales	21,917	45,414	22,014	205	89,550
Inter-segment sales	(4,937)	(1,531)	(4,589)	(5)	(11,062)
Sales to external parties	16,980	43,883	17,425	200	78,488
Results					
Segment result	485	2,214	3,141	(438)	5,402
Interest expense	(127)	(836)	(394)	-	(1,357)
Interest Income	23	15	1	-	39
Share of results of associates	-	(7)	-	(274)	(281)
Profit before taxation	381	1,386	2,748	(712)	3,803
Taxation					(1,118)
Profit after taxation					2,685
Non-controlling interests					40
Profit attributed to Equity holder					2,725
Other Information					
Segments assets	40,126	66,287	21,857	13,051	141,321
Unallocated assets					2,285
Consolidated total assets					143,606
Segment assets includes:-					
Investment in associates	-	-	-	3,695	3,695
Additions to: Property, plant and equipment	4,673	3,923	58	7,603	16,257
Segments liabilities	12,196	10,027	9,641	2,032	33,896
Unallocated liabilities					27,272
Consolidated total liabilties					61,168

	GROUP 2009 (Year to-date)				
	INFRASTRUCT-URE & ENGINEERING	CORROSION PREVENTION	SUPPLY & DISTRIBUTION	SHIPPING & OTHERS	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Sales					
Total segment sales	59,378	60,846	30,209	53	150,486
Inter-segment sales	(2,343)	(2,568)	(7,117)	-	(12,028)
Sales to external parties	57,035	58,278	23,092	53	138,458
Results					
Segment result	4,861	6,246	2,389	(255)	13,241
Interest expense	(131)	(995)	(403)	-	(1,529)
Interest Income	1	4	-	1	6
Share of results of associates	-	(17)	-	(222)	(239)
Profit before taxation	4,731	5,238	1,986	(476)	11,479
Taxation					(2,645)
Profit after taxation					8,834
Non-controlling interests					(268)
Profit attributed to Equity holder					8,566

	GROUP 2009 (Year to-date)				
	INFRASTRUCT-URE & ENGINEERING	CORROSION PREVENTION	SUPPLY & DISTRIBUTION	SHIPPING & OTHERS	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Other Information					
Segments assets	45,680	61,007	24,314	4,744	135,745
Unallocated assets					2,269
Consolidated total assets					138,014
Segment assets includes:-					
Investment in associates	-	183	-	3,969	4,152
Additions to: Property, plant and equipment	12,355	1,433	7,426	-	21,214
Segments liabilities	21,742	13,851	13,613	74	49,280
Unallocated liabilities					28,266
Consolidated total liabilties					77,546

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15 A breakdown of sales.

	GROUP			
	FY 2010 S$'000	FY 2009 S$'000	+ / (-) S$'000	+ / (-) %
First Half				
(a) Revenue	**43,327**	**76,470**	**(33,143)**	**(43.3%)**
(b) Profit after tax	**2,946**	**5,665**	**(2,719)**	**(48.0%)**
Second Half				
(a) Revenue	**35,161**	**61,988**	**(26,827)**	**(43.3%)**
(b) (Loss) / profit after tax	**(261)**	**3,169**	**(3,430)**	**NM**

NM - Not meaningful

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

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details).

	Latest Full Year 2010	Previous Full Year 2009
	S$'000	S$'000
Ordinary	810	2,205
Preference	-	-
Total:	810	2,205

17 Summary of Interested Person Transactions for the financial period ended 31 December 2010

	4th Quarter of FY2010		Full Year 2010	
	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Revenue/(Expenses)	S$	S$	S$	S$
Labroy Shipbuilding & Engineering Pte Ltd				
Provision of corrosion prevention services		81,812		2,374,105
Provision of infrastructure engineering services		-		133,512
Sale of hardware equipments, tools and other consumables		16,312		35,416
Rental of machineries		8,844		360,014
PT Nanindah Mutiara Shipyard				
Sale of hardware equipment, tools and other consumables		-		351,344
Procurement of Yard's Consumables		47,186		(55,064)
Labroy Offshore Engineering Pte Ltd				
Provision of corrosion prevention services		-		2,138,265
Provision of infrastructure engineering services		-		(1,874,942)
PT Graha Trisaka Industri				
Provision of corrosion prevention services		-		2,295,000
Provision of infrastructure engineering services		-		2,911,302
Sale of hardware equipments, tools and other consumables		38,072		470,528
Drydocks World-Singapore Pte Ltd				
Provision of corrosion prevention services		2,400		19,897
Sale of hardware equipments, tools and other consumables		972,839		2,613,409
Transportation charges		(4,621)		(10,537)
PT Drydocks World Pertama				
Provision of corrosion prevention services		222,409		1,314,970
Provision of infrastructure engineering services		-		(3,355)
Sale of hardware equipments, tools and other consumables		11,566		57,025

BY ORDER OF THE BOARD

Chua Beng Kuang
Executive Chairman
22 February 2011

Chua Meng Hua
Managing Director