BENG KUANG MARINE LIMITED

Registration No. 199400196M

Unaudited Financial Statement For The Year Ended 31 December 2012

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

1(a) 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			GROUP		
		4th Qtr of 2012	4th Qtr of 2011	Increase / (Decrease)	FY 2012	FY 2011	Increase / (Decrease)
	Notes	S$'000	S$'000		S$'000	S$'000	
Revenue		20,187	38,524	(48%)	94,571	145,433	(35%)
Cost of sales		(16,211)	(31,814)	(49%)	(74,882)	(118,773)	(37%)
Gross profit		3,976	6,710	(41%)	19,689	26,660	(26%)
Other gain / (loss), net	(A)	287	578	(50%)	(3,689)	(3)	NM
Expenses							
- Selling and distribution		(246)	(791)	(69%)	(1,843)	(1,885)	(2%)
- Administrative		(4,735)	(4,937)	(4%)	(16,853)	(17,264)	(2%)
- Finance		(592)	(539)	10%	(2,559)	(2,139)	20%
Share of loss of associated companies		-	(426)	NM	(107)	(634)	(83%)
(Loss) / profit before income tax	(B)	(1,310)	595	NM	(5,362)	4,735	NM
Income tax credit / (expense)		158	(506)	NM	(250)	(1,056)	(76%)
Net (loss) / profit		(1,152)	89	NM	(5,612)	3,679	NM
(Loss) / profit attributable to:							
Equity holders of the Company		(1,323)	482	NM	(4,438)	4,511	NM
Non-controlling interests		171	(393)	NM	(1,174)	(832)	41%
		(1,152)	89	NM	(5,612)	3,679	NM

NM - Not meaningful

1(a) 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. (Cont'd)

	Notes	GROUP 4th Qtr of 2012 S$'000	GROUP 4th Qtr of 2011 S$'000	Increase / (Decrease)	GROUP FY 2012 S$'000	GROUP FY 2011 S$'000	Increase / (Decrease)
Net (loss) / profit		(1,152)	89	NM	(5,612)	3,679	NM
Currency translation differences arising from consolidation		226	(55)	NM	(96)	(88)	9%
Other comprehensive income / (loss), net of tax		226	(55)	NM	(96)	(88)	9%
Total comprehensive (loss) / income		(926)	34	NM	(5,708)	3,591	NM
Total comprehensive (loss) / income attributable to:							
Equity holders of the Company		(1,093)	464	NM	(4,522)	4,453	NM
Non-controlling interests		167	(430)	NM	(1,186)	(862)	38%
		(926)	34	NM	(5,708)	3,591	NM

	GROUP 4th Qtr of 2012 S$'000	GROUP 4th Qtr of 2011 S$'000	GROUP FY 2012 S$'000	GROUP FY 2011 S$'000
Notes				
(A) The Group's other gain / (loss), net includes:				
Gain on disposal of property, plant and equipment	23	332	212	401
Property, plant and equipment written off	(2)	-	(2)	(30)
Impairment loss on goodwill	-	-	(2,269)	-
Impairment loss on investment in associated companies	(7)	-	(1,966)	-
Impairment loss on intangible assets	-	-	(234)	-
Foreign exchange gain / (loss), net	26	107	40	(761)
Interest Income	4	5	20	33
Other Income	243	134	510	354
(B) The Group's (loss) / profit from operations is arrived at after (charging) / crediting				
Interest expense on borrowings	(592)	(539)	(2,559)	(2,139)
Depreciation of property, plant and equipment	(1,709)	(2,183)	(8,382)	(6,674)
Amortisation of intangible asset	-	(14)	(44)	(58)
Write-back of allowance for impairment of trade receivables	280	192	318	435
Allowance for impairment of trade receivables	(565)	(563)	(1,055)	(691)
Write down of inventories	(95)	(120)	(95)	(120)
Inventories written off	(21)	(31)	(21)	(31)

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

	GROUP		COMPANY	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash and bank balances	15,077	13,860	2,799	925
Assets held-for-sale	7,854	-	-	-
Trade and other receivables	50,179	105,182	66,974	66,662
Inventories	14,824	12,077	-	-
	87,934	131,119	69,773	67,587
Non-current assets				
Investment in associated companies	-	3,061	-	-
Investment in subsidiaries	-	-	4,515	12,059
Intangible assets	64	2,610	-	-
Property, plant and equipment	100,418	98,154	1,375	1,405
	100,482	103,825	5,890	13,464
Total assets	188,416	234,944	75,663	81,051
LIABILITIES				
Current liabilities				
Trade and other payables	34,190	69,693	4,165	6,452
Current income tax liabilities	834	1,678	-	-
Borrowings	55,963	59,783	18,086	22,661
	90,987	131,154	22,251	29,113
Non-current liabilities				
Borrowings	18,677	17,935	270	1,004
Deferred tax liabilities	678	993	16	19
	19,355	18,928	286	1,023
Total liabilities	110,342	150,082	22,537	30,136
NET ASSETS	78,074	84,862	53,126	50,915
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	49,651	49,651	49,651	49,651
Currency translation reserve	(155)	(71)	-	-
Retained profits	26,354	31,872	3,475	1,264
	75,850	81,452	53,126	50,915
Non-controlling interests	2,224	3,410	-	-
Total equity	78,074	84,862	53,126	50,915

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-12		As at 31-Dec-11	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Bank borrowings and overdrafts	7,841	37,733	18,438	34,338
Term loans	6,398	1,767	2,245	2,429
Finance lease liabilities	2,224	-	2,333	-

Amount repayable after one year

	As at 31-Dec-12		As at 31-Dec-11	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Term loans	15,037	459	10,865	1,821
Finance lease liabilities	3,181	-	5,249	-

Details of any collateral

Included in the Group's secured borrowings are:-
(a) S$5,927,000 (31 December 2011: S$6,695,000) in respect of a loan secured by a leasehold property.
(b) S$23,349,000 (31 December 2011: S$8,414,000) in respect of a loans secured by vessels, tugs and barges.
(c) S$Nil (31 December 2011: S$16,438,000) in respect of project financing secured by the projects' work-in-progress
(d) Finance lease obligations are secured by the underlying equipment.

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	
	FY 2012	FY 2011
	S$'000	S$'000
Cash flows from operating activities		
Net (loss) / profit	(5,612)	3,679
Adjustments for:		
Income tax expense	250	1,056
Allowance for impairment of trade receivables	1,055	691
Inventories written off	21	31
Amortisation of intangible assets	44	58
Impairment loss on goodwill	2,269	16
Write-back of allowance for impairment of trade receivables	(318)	(435)
Gain on disposal of property, plant and equipment	(212)	(401)
Property, plant and equipment written off	2	30
Depreciation of property, plant and equipment	8,382	6,674
Write-down of inventories	95	120
Impairment loss on intangible assets	234	-
Impairment loss on investment in associated companies	1,966	-
Share of losses of associated companies	107	634
Gain on disposal of a business unit	(10)	-
Interest income	(20)	(33)
Interest expenses	2,559	2,139
	10,812	14,259
Changes in working capital		
Inventories and construction work-in-progress	48,334	(60,530)
Trade and other receivables	1,727	2,271
Trade and other payables	(34,163)	46,851
Bills payable	(3,664)	5,414
Cash flows generated from operations	23,046	8,265
Interest received	20	33
Interest paid	(2,560)	(2,269)
Income taxes paid	(1,409)	(575)
Net cash flows generated from operating activities	19,097	5,454

	GROUP	
	FY 2012	FY 2011
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	-	(64)
Acquisition of non-controlling interests' share of subsidiary, net of cash acquired	-	(37)
Proceed from disposal of a business unit	10	-
Addition to property, plant and equipment	(18,605)	(43,486)
Proceeds from disposal of property, plant and equipment	1,446	758
Net cash flows used in investing activities	(17,149)	(42,829)
Cash flows from financing activities		
Repayment of finance lease liabilities	(2,365)	(2,293)
Proceeds from borrowings, net	3,465	29,949
Dividends paid to equity holders of the Company	(1,080)	(810)
Dividends paid to a non-controlling interest	-	(320)
Net cash flows generated from financing activities	20	26,526
Net increase / (decrease) in cash and cash equivalents	1,968	(10,849)
Cash and cash equivalents		
Beginning of financial year	13,160	24,067
Effects of currency translation on cash and cash equivalents	(51)	(58)
End of financial year	15,077	13,160

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	Retained profits	Translation reserves	Total	Non-controlling interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GROUP						
Balance as at 1 January 2011	49,651	28,171	(13)	28,158	4,629	82,438
Dividend paid to non-controlling interest	-	-	-	-	(320)	(320)
Acquisition of non-controlling interest	-	-	-	-	(37)	(37)
Dividend relating to 2010 paid	-	(810)	-	(810)	-	(810)
Total comprehensive income / (loss) for the year	-	4,511	(58)	4,453	(862)	3,591
Balance as at 31 December 2011	**49,651**	**31,872**	**(71)**	**31,801**	**3,410**	**84,862**
Balance as at 1 January 2012	49,651	31,872	(71)	31,801	3,410	84,862
Dividend relating to 2011 paid	-	(1,080)	-	(1,080)	-	(1,080)
Total comprehensive loss for the year	-	(4,438)	(84)	(4,522)	(1,186)	(5,708)
Balance as at 31 December 2012	**49,651**	**26,354**	**(155)**	**26,199**	**2,224**	**78,074**

	Share capital	Retained profits	Translation reserves	Total	Non-controlling interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
COMPANY						
Balance as at 1 January 2011	49,651	699	-	699	-	50,350
Dividend relating to 2010 paid	-	(810)	-	(810)	-	(810)
Total comprehensive income for the year	-	1,375	-	1,375	-	1,375
Balance as at 31 December 2011	**49,651**	**1,264**	**-**	**1,264**	**-**	**50,915**
Balance as at 1 January 2012	49,651	1,264	-	1,264	-	50,915
Dividend relating to 2011 paid		(1,080)	-	(1,080)	-	(1,080)
Total comprehensive income for the year	-	3,291	-	3,291	-	3,291
Balance as at 31 December 2012	**49,651**	**3,475**	**-**	**3,475**	**-**	**53,126**

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.

Ordinary shares

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

Issued and fully paid	**No. of ordinary shares**	**S$'000**
Balance as at 1 January 2012 and 31 December 2012	540,041,625	49,651

Convertibles

Pursuant to the Call Option Agreement dated 7 September 2009, the new subscribers were granted an Option to subscribe 38,000,000 new shares in the Company at an exercise price of $0.25 per share within the period of 3 years. This Option to subscribe for new shares expired on 6 September 2012 ("Option Expiry Date").

As at Option Expiry Date, the option for 16,000,000 were not exercised and as such has expired.

Treasury shares

The Company did not have any treasury shares as at 31 December 2012 and 31 December 2011.

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-Dec-12	**As at 31-Dec-11**
	No. of shares	**No. of shares**
Issued and fully paid	540,041,625	540,041,625

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.

Same as disclosed 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 2011.

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.

In the current financial period, the Group adopted the new / revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on / or after 1 January 2012. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The followings are the new or amended FRS that are relevant to the Group:-

(i) Amendments to FRS 12 - Deferred tax : recovery of underlying assets
(ii) Amendments to FRS 107 (Disclosures) - Transfers of financial assets

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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 / (loss) per ordinary share for the period base on net profit attributable to shareholders (in cents):	Group	
	FY 2012	**FY 2011**
a) Based on weighted average number of ordinary shares on issue; and	(0.82)	0.84
Weighted no. of shares in issue	540,041,625	540,041,625
b) On a fully diluted basis	(0.82)	0.84

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-12	31-Dec-11	31-Dec-12	31-Dec-11
Net asset value per ordinary share based on issued share capital at end of the period / year (in cents)	14.46	15.71	9.84	9.43

31-Dec-12

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the year of S$78.07 million and the Company's net asset value as at the end of the year of S$53.13 million divided by the share capital of 540,041,625 ordinary shares.

31-Dec-11

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the year of S$84.86 million and the Company's net asset value as at the end of the period of S$50.92 million divided by the share capital of 540,041,625 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 results			
Group Turnover	**FY 2012**	**FY 2011**	**+ / (-)**	**+ / (-)**
	S$'million	S$'million	S$'million	%
Infrastructure & Engineering ("IE")	6.82	26.62	(19.80)	(74.4)
Corrosion Prevention ("CP")	7.72	7.30	0.42	5.8
Supply & Distribution ("SD")	3.57	3.72	(0.15)	(4.0)
Shipping & Others ("SH")	2.07	0.88	1.19	135.2
	20.18	**38.52**	**(18.34)**	**(47.6)**

The Group's revenue decreased by 47.6% or by S$18.34 million from S$38.52 million in 4Q2011 to S$20.18 million in 4Q2012. This was mainly due to the revenue decrease registered by our IE division.

Revenue recognised for 4Q2012 by our IE division fell by 74.4% to S$6.82 million. This was mainly due to the substantial completion of existing order book on hand in prior quarters. In addition, the division has not been able to replenish its depleted order book fast enough by securing new job of significant contract value due to difficult market conditions.

Revenue for our CP division registered a small increase of S$0.42 million from S$7.30 million in 4Q2011 to S$7.72 million in 4Q2012. This was mainly due to the fairly stable volume of our recurring hull-side corrosion prevention business from shipyards in Singapore.

Similarly, demand for our hardware products and consumables had also been fairly stable. As a result, revenue decreased marginally by S$0.15 million to S$3.57 million compared to S$3.72 million registered in the same quarter last year.

Our SH division registered a significantly higher revenue of S$2.07 million for 4Q2012 compared to the S$0.88 million recorded in the corresponding quarter last year. The higher charter income was derived from all six pairs of tug boats and cargo barges, and our first livestock carrier which commenced its maiden voyage in December 2011.

As a result of the significant decline in revenue recognition by our IE division, the Group incurred a loss attributable to shareholders of S$1.32 million for 4Q2012 as compared to a profit of S$0.48 million in 4Q2011.

	Full Year results			
Group Turnover	**FY 2012**	**FY 2011**	**+ / (-)**	**+ / (-)**
	S$'million	S$'million	S$'million	%
Infrastructure & Engineering ("IE")	41.31	99.19	(57.88)	(58.4)
Corrosion Prevention ("CP")	30.47	29.25	1.22	4.2
Supply & Distribution ("SD")	15.05	15.68	(0.63)	(4.0)
Shipping & Others ("SH")	7.74	1.31	6.43	490.8
	94.57	**145.43**	**(50.86)**	**(35.0)**

The Group's revenue decreased by 35.0% or S$50.86 million from S$145.43 million in FY2011 to S$94.57 million in FY2012. The decrease was largely due to the significant drop in revenue recorded by our IE division for the year FY2012.

Revenue for our IE division decreased significantly by S$57.88 million from S$99.19 million in FY2011 to S$41.31 million in FY2012. As explained above, lesser construction activity and the inability to secure significant shipbuilding contract were the main causes for the lower revenue registered by our IE division for the current financial year.

Revenue for our CP division increased marginally by S$1.22 million from S$29.25 million in FY2011 to S$30.47 million in FY2012. This was mainly due to the stable nature of revenue generated from the hull-side vessel corrosion prevention services awarded by major shipyards in Singapore.

Revenue for our SD division remained fairly constant at S$15.05 million for FY2012 as compared to S$15.68 million in FY2011. This was due to stable demand for our hardware products and consumables.

Revenue for our SH division increased significantly by S$6.43 million to S$7.74 million for FY2012 as compared to S$1.31 million in FY2011. This was largely due to charter income derived from the additional five sets of new tug boats and cargo barges in FY2012 as compared to only one set of tug and barge operating in FY2011. In addition, our first livestock carrier, MV Barkly Pearl, reported her first year of charter income in FY2012. She commenced her maiden voyage in December 2011.

Income statement review (cont'd)

The Group reported net loss attributable to shareholders of S$4.44 million for FY2012 as compared to earnings of S$4.51 million in FY2011. The loss attributable to shareholders was mainly due to the substantial drop in Group's revenue, in particular our IE division, and the impairment charges provided on the Group's investment in its associated companies and the related goodwill in 3Q2012.

The tax expense of approximately S$0.25 million arises mainly due to disallowable tax deduction on impairment losses related to the Group's investment in associate companies, as well as Group relief not transferable to certain subsidiaries.

CASHFLOW STATEMENT

Notwithstanding the losses incurred during the year, the Group generated substantially higher net operating cash of S$19.10 million for FY2012 as compared to S$5.45 million for FY2011. The strong net operating cash inflow for FY2012 was mainly due to collections from several shipbuilding projects completed during the year.

Net cash outflow from investing activities for FY2012 was S$17.15 million. The net outflow was mainly due to fixed asset investment of S$18.61 million being made during the year. Of which, a significant portion amounting to approximately S$9.34 million relates to the purchase cost of a secondhand vessel, MV Diamentina, and the cost incurred to date for her conversion into our second livestock carrier. The balance amounting to approximately S$9.27 million was incurred mainly to upgrade our Batam shipyard's fabrication workshop facilities and various machineries to improve operational efficiency. The proceeds from disposal of fixed assets of approximately S$1.45 million relate mainly to sale of old equipments and motor vehicles.

The net cash inflow from financing activities of S$0.02 million arised mainly due to net proceeds from bank borrowings of approximately S$3.47 million which more than offset the repayment of finance lease liabilities of S$2.37 million and FY2011 dividends of S$1.08 million paid to the Company's equity holders during the year. The net proceeds from bank borrowings relate mainly to vessels financing of approximately S$17.10 million obtained during the year which more than offset loan repayments.

As a result of the above, the Group registered a net increase in cash and cash equivalents of approximately S$1.96 million for the year ended FY2012.

ASSETS AND LIABILITIES

The Group registered total assets of S$188.42 million as at 31 December 2012.

The Group's current assets declined from S$131.12 million as at 31 December 2011 to S$87.93 million as at 31 December 2012. The decline was mainly due to lower trade receivables arising from payments received from customers for the completion and delivery of various vessels constructed by our IE division during FY2012. This decline is partially offset by an increase in "assets held-for-sale" of S$7.85 million which relates mainly to the net book value of the Group's property at 38 Tuas View Square which is a subject of the potential sale and leaseback transaction announced by the Group on 18 January 2013.

Non-current assets decreased by S$3.34 million from S$103.83 million as at 31 December 2011 to S$100.48 million as at 31 December 2012 . The decrease was mainly due to the allowance for impairment of approximately S$4.24 million for the Group’s investment in associated companies and the related goodwill during 3Q2012.

Total liabilities for the Group were S$110.34 million as at the end of FY2012 as compared to S$150.08 million as at 31 December 2011. The decline was mainly due to the Group reducing its trade payables and the repayment of its project financing loans upon the successful delivery of customers' vessels during FY2012.

The net current liabilities of S$3.05 million registered by the Group as at 31 December 2012 was a substantial improvement from the S$12.67 million recorded as at 30 September 2012. The improvement is in line with the Group's success in securing long-term borrowings for its SH division’s vessels. In the meantime, the Group is working on its recently announced Sale and Leaseback Transaction as one of the ways to improve its short-term working capital position. The Group will make further announcement on this transaction once there is material development.

The Board is of the opinion that, after taking into consideration the Group’s strong operating cash flow, its existing cash and cash equivalents, and the available bank facilities, the Group is able to meet its short-term obligations as and when they fall due.

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

This full year results announcement is in line with the guidance provided by the Company under Para 10 of its 3Q2012 results announcement released on the 9th of November 2012.

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.

Management is of the view that arising from the current excess capacity faced by most shipyards worldwide, competition for new vessel building jobs will continue to be very intense. This is the key reason why the Group's IE division has faced difficulties to secure significant new job for its Batam shipyard in FY2012. Even though it has been successful in securing several projects in recent months, they are not sizeable enough for our Batam shipyard to achieve optimal operating capacity. In response to the challenging market conditions, the Group's IE division has already started to rationalise and streamline its yard's resources and operating processes in a bid to enhance competitiveness. It will continue to do so in the current FY while at the same time focus on seeking new opportunities and secure more marine construction projects to improve its earnings.

In view of the above, management prudently expects outlook for its IE division to be challenging in FY2013. Nevertheless, barring any unforeseen circumstances, management is optimistic that its CP, SD and SH divisions will continue to contribute positively to the Group's earnings in the new year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared 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.

Name of Dividend:	First & Final	
Dividend Type:	Cash	
Dividend Rate (Gross):	0.20	cents
Tax Rate:	Tax Exempt One-tier	

(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 due to the Group's losses during FY2012.

13 Summary of Interested Person Transactions for the financial period ended 31 December 2012

	4th Quarter of FY2012		Full Year 2012	
	Aggregate value of all interested person transactions during the financial year 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 year 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$
PT Nanindah Mutiara Shipyard				
Procurement of Materials and Consumables		(8,948)		(207,018)
Provision of Corrosion Prevention Services		216,634		653,515
PT Graha Trisaka Industri				
Provision of Corrosion Prevention Services				(1,551,026)
Provision of Infrastructure Engineering Services				(7,029)
DDW - Paxocean Shipyard Pte Ltd (Formerly known as Drydocks World - Singapore Pte Ltd)				
Provision of Corrosion Prevention Services		241,858		1,877,693
Transportation Charges				(3,273)
PT Drydocks World Pertama				
Provision of Corrosion Prevention Services		24,903		836,932
Engineering Services				(93,229)

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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.

BUSINESS SEGMENTS

	INFRASTRUCT-URE & ENGINEERING	CORROSION PREVENTION	SUPPLY & DISTRIBUTION	SHIPPING & OTHERS	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Year ended 31 December 2012					
Total segment sales	46,127	35,675	18,744	7,744	108,290
Inter-segment sales	(4,822)	(5,207)	(3,690)	-	(13,719)
Sales to external customers	41,305	30,468	15,054	7,744	94,571
Results					
Segment result	(2,892)	6,830	628	(3,046)	1,520
Interest expense	(1,305)	(325)	(368)	(561)	(2,559)
Interest Income	11	3	1	5	20
Share of results of associated companies	-	-	-	(107)	(107)
(Loss) / profit from operating segments	(4,186)	6,508	261	(3,709)[1]	(1,126)
Unallocated administrative expenses					(4,236)
Loss before income tax					(5,362)
Taxation					(250)
Loss after taxation					(5,612)
Loss attributable to non-controlling interest					1,174
					(4,438)
Loss after taxation includes:-					
- Depreciation	4,131	2,096	289	1,866	8,382
- Amortisation	-	-	-	44	44
Other information					
Segments assets	79,682	34,588	20,179	53,738	188,187
Segments assets includes:-					
Additions to: Property, plant and equipment	7,234	753	71	10,733	18,791
Segment liabilities	44,466	8,372	12,178	27,107	92,123

[1] Include the impairment charge on Group's investment in its associated companies and the related goodwill amounting to $4.24 million (Solid waste recycling treatment business).

Year ended 31 December 2011					
Sales to external customers	121,576	32,811	23,114	1,944	179,445
Inter-segment sales	(22,386)	(3,556)	(7,437)	(633)	(34,012)
Total sales	99,190	29,255	15,677	1,311	145,433
Results					
Segment result	6,917	2,542	2,690	1	12,150
Interest expense	(1,070)	(486)	(424)	(159)	(2,139)
Interest Income	26	4	1	1	32
Share of results of associated companies	-	-	-	(633)	(633)
Profit/(Loss) from operating segments	5,873	2,060	2,267	(790)	9,410
Unallocated administrative expenses					(4,675)
Profit before income tax					4,735
Income tax expense					(1,056)
Profit after taxation					3,679
Profit attributable to non-controlling interest					832
					4,511
Profit after taxation includes:-					
- Depreciation	2,762	3,124	279	509	6,674
- Amortisation	-	-	-	58	58
Other information					
Segments assets	126,649	43,751	20,674	41,538	232,612
Segments assets includes:-					
Investment in associated companies	-	-	-	3,061	3,061
Additions to: Property, plant and equipment	20,663	770	-	28,889	50,322
Segment liabilities	85,930	13,497	15,051	13,005	127,483

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.**

Not applicable.

17 **A breakdown of sales as follows:-**

	GROUP			
	FY 2012	**FY 2011**	**+ / (-)**	**+ / (-)**
	S$'000	**S$'000**	**S$'000**	**%**
First Half				
(a) Revenue	**52,122**	**72,470**	**(20,348)**	**(28.1%)**
(b) Profit / (Loss) after tax	**936**	**2,434**	**(1,498)**	**(61.5%)**
Second Half				
(a) Revenue	**42,449**	**72,963**	**(30,514)**	**(41.8%)**
(b) (Loss) / Profit after tax	**(6,548)**	**1,246**	**(7,794)**	**NM**

18 **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 2012	Previous Full Year 2011
	S$'000	S$'000
Ordinary	-	1,080
Preference	-	-
Total:	-	1,080

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 pursuant to Rule 704 (13) in the format below.**

Name	**Age**	**Family Relationship with any director and/or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
Chua Beng Yong	51	Brother of Chua Beng Kuang (Executive Chairman and substantial shareholder) and Chua Meng Hua (Managing Director and substantial shareholder)	Current Position: Chief Operating Officer Duties: Responsible for overseeing the Group's businesses, particularly in infrastructure engineering division, including its marketing and business development. Position first held in: 2011 Year of employment: Since 1999.	Changes in duties: No change. Changes in position: No change.
Chua Beng Hock	48	Brother of Chua Beng Kuang (Executive Chairman and substantial shareholder) and Chua Meng Hua (Managing Director and substantial shareholder)	Current Position: Deputy Chief Operating Officer Duties: Responsible for overseeing the Group's businesses, particularly in corrosion prevention division, including its marketing and business development. Position first held in: 2011 Year of employment: Since 2001.	Changes in duties: No change. Changes in position: No change.
Chua Min Kong	53	Brother of Chua Beng Kuang (Executive Chairman and substantial shareholder) and Chua Meng Hua (Managing Director and substantial shareholder)	Current Position: Manager Duties: Responsible for overseeing the process plant operations in Batam yard. Position first held in: 2011 Year of employment: Since 1998.	Changes in duties: No change. Changes in position: No change.

BY ORDER OF THE BOARD

Chua Beng Kuang
Executive Chairman
22 Feb 2013

Chua Meng Hua
Managing Director