

Unaudited Financial Statement For The Year Ended 31 December 1999

The Directors of SembCorp Marine Ltd (formerly known as Jurong Shipyard Limited) announce the following unaudited results of the Company and of the Group for the year ended 31 December 1999.

These figures have not been audited.

		Group			Company		
		S\$'000		%	S\$'000		%
		1999	1998	Change	1999	1998	Change
1.(a)	Turnover	921,036	933,726	(1.4)	437,135	472,387	(7.5)
1.(b)	Investment income	107	302	(64.6)	17,234	3,737	361.2
1.(c)	Other income including interest income	14,385	13,795	4.3	14,368	9,214	55.9
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	143,611	121,197	18.5	89,339	66,002	35.4
2.(b)(i)	Interest on borrowings	(817)	(1,684)	(51.5)	(873)	(1,024)	(14.7)
2.(b)(ii)	Depreciation and amortisation	(34,885)	(31,813)	9.7	(6,819)	(7,332)	(7.0)
2.(b)(iii)	Foreign exchange gain	5,555	6,139	(9.5)	3,460	4,131	(16.2)
2.(c)	Exceptional items						
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	113,464	93,839	20.9	85,107	61,777	37.8

		Group			Company		
		S\$'000		%	S\$'000		%
		1999	1998	Change	1999	1998	Change
2.(e)	Income derived from associated companies	(3,869)	7,821	(149.5)			
2.(f)	Less income tax	(32,477)	(28,781)	12.8	(23,313)	(16,019)	45.5

2.(g)(i)	Operating profit after tax before deducting minority interests	77,118	72,879	5.8	61,794	45,758	35.0
2.(g)(ii)	Less minority interests	1,569	(1,071)	246.5			
2.(h)	Operating profit after tax attributable to members of the company	78,687	71,808	9.6	61,794	45,758	35.0
2.(i)(i)	Extraordinary items						
2.(i)(ii)	Less minority interests						
2.(i)(iii)	Extraordinary items attributable to members of the company						
2.(i)(iv)	Transfer to/from Exchange Reserve						
2.(i)(v)	Transfer to Capital Reserve						
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	78,687	71,808	9.6	61,794	45,758	35.0

		Group Figures	
		Latest year	Previous year
3.(a)	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	8.40%	7.80%
3.(b)	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of year	9.40%	8.80%
3.(c)	Earnings per ordinary share for the year based on 2(h) above after deducting any provision for preference dividends:-		
3.(c)(i)	Based on existing issued share capital	11.3	10.3
3.(c)(ii)	On a fully diluted basis	11.2	10.3
3.(d)	Net tangible asset backing per ordinary share	1.20	1.17

The financial information for 3(c) and 3(d) is based on the share capital of ordinary shares of \$0.10 each after the subdivision of the ordinary shares of \$0.50 each on 14 January 2000. The comparative data for the year 1998 has been adjusted accordingly.

	Group		Company	
	S\$'000	%	S\$'000	%

		1999	1998	Change	1999	1998	Change
4.(a)	Sales reported for first half year	486,578	469,479	3.6	244,732	238,613	2.6
4.(b)	Operating profit [2(g)(i) above] reported for first half year	41,237	35,702	15.5	21,709	21,131	2.7
4.(c)	Sales reported for second half year	434,458	464,247	(6.4)	192,403	233,774	(17.7)
4.(d)	Operating profit [2(g)(i) above] reported for second half year	35,881	37,177	(3.5)	40,085	24,627	62.8

5.(a) Amount of any adjustment for under or overprovision of tax in respect of prior years

There is an under-provision of tax in respect of prior years of S\$1.066 million for the Company and S\$2.938 million for the Group

5.(b) Amount of any pre-acquisition profits

NIL

5.(c) Amount of profits on any sale of investments and/or properties

Sale of investments/properties	\$Profit/(Loss)
Sale of long term investments	\$2,610,000.00

5.(d) Any other comments relating to Paragraph 5

Share of Results of Associated Companies and Joint Ventures

The 1999 share of the second-half year's results of associated companies and joint ventures excludes that of Jurong Engineering Limited ("JEL"). This is because the second-half year's result of JEL is not yet available for inclusion herein.

This is not in compliance with Statement of Accounting Standard No. 27 in that the results of JEL are not equity accounted as part of the Group.

	1999	1999	1999	1998	1998	1998
	1st half year	2nd half year	Total	1st half year	2nd half year	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit before tax						
JEL	2,568	0	2,568	2,835	822	3,657
Others	(1,041)	(5,396)	(6,437)	410	3,754	4,164
Total	1,527	(5,396)	(3,869)	3,245	4,576	7,821
Income tax						

JEL	153	0	153	356	293	649
Others	159	(92)	67	239	562	801
Total	312	(92)	220	595	855	1,450

When JEL announces its results for the half year ended 31 December 1999 at a later date, the Group will make another announcement to include the results of JEL if the impact on the Group's results is more than 5.0%.

6. Segmental Results

By Industry Segment

	Group		Group	
	Turnover		Profit/(Loss) before tax	
	1999	1998	1999	1998
	S\$'000	S\$'000	S\$'000	S\$'000
Ship repair & conversion	785,159	808,614	99,848	84,769
Ship chartering	12,760	4,754	4,075	1,974
Others	123,117	120,358	9,541	7,096
Total	921,036	933,726	113,464	93,839

By Geographical Location

The Group operates predominantly in the Republic of Singapore.

7. Review of the performance of the company and its principal subsidiaries

The Group's turnover declined by 1.4% from S\$933.7 million in 1998 to S\$921.0 million in 1999. The decline in turnover was attributed mainly to the slow down in shiprepair works in the last quarter of 1999 and the completion of only one shipbuilding project in the first half of 1999 as compared to seven in 1998. However, the shortfall in shiprepair and shipbuilding was offset by the increased contributions from the ship conversion and offshore upgrading jobs.

Despite the decline in the turnover, the Group's profit after tax increased by 9.6% from S\$71.8 million in 1998 to S\$78.7 million in 1999. The Group achieved higher profitability mainly due to cost control measures and good contributions from the offshore upgrading jobs.

8. Commentary on current year prospects

The shiprepair market remains weak and competition is expected to be intense. However, with the recently announced restructuring exercise, the Group expects to maintain its competitive edge and would continue to expand its businesses in ship conversion and offshore upgrading works and shipbuilding niche market. The Group expects to maintain its performance in 2000.

9. Dividend*(a) Present Period*

Name of Dividend	Interim & Special	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	4.5 cents per ordinary share less tax	2.0 cents per ordinary share less tax	5.5 cents per ordinary share less tax
Par value of shares	0.10	0.10	0.10
Tax Rate	26%	26%	26%

(b) Previous Corresponding Period

Name of Dividend	Interim & Special	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	3.5 cents per ordinary share less tax	2.0 cents per ordinary share less tax	4.5 cents per ordinary share less tax
Par value of shares	0.10	0.10	0.10
Tax Rate	26%	26%	26%

(c) Total Annual Dividend

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	61,945	51,643
Preference	0	0
Total:	61,945	51,643

(d) Date payable

The final and special dividend will be paid on 26 June 2000.

(e) Books closing date

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed from 12 June 2000 to 13 June 2000, both dates inclusive, for the preparation of dividend warrants. Duly completed transfers received by the Registrar, Kon Choon Kooi Pte Ltd, 47 Hill Street, #06-02, Chinese Chamber of Commerce & Industry Building, Singapore 179365, up to 5 pm on 9 June 2000 will be registered before entitlements to dividend are determined.

(f) Any other comments relating to Paragraph 9

The Board is pleased to propose a final dividend of 20% (2.0 cents) per share of \$0.10 less income tax of 26% [1998: 20% (2.0 cents) per share of \$0.10 less income tax of 26%] and a special dividend of 55% (5.5 cents) per share of \$0.10 less income tax of 26% [1998: special dividend 45% (4.5 cents) per share of \$0.10 less income tax of 26%].

The financial information for 9(a), 9(b) and 9(f) is based on the share capital of ordinary share of \$0.10 each after the subdivision of the ordinary share of \$0.50 each on 14

January 2000. The comparative data for the year 1998 has been adjusted accordingly.

The final and special dividend will be paid on 26 June 2000.

10. Balance sheet

Balance Sheet as at 31 December 1999

	Group		Company	
	1999	1998	1999	1998
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed assets	463,135	498,756	208,702	214,577
Subsidiaries	0	0	252,013	232,830
Associated companies & joint ventures	106,423	110,158	44,112	44,667
Other investments	65,694	10,253	65,590	10,149
Long term trade debtors	117,054	38,480	104,834	26,052
Deferred expenditure	350	563	0	0
Net current assets	167,906	256,957	54,191	200,498
Creditors: amounts falling due after one year				
Provision for liabilities, charges and				
Deferred taxation	(53,200)	(53,424)	(40,806)	(39,999)
Long term loan (secured)	(574)	(902)	0	0
Long term loan (unsecured)	0	(917)	0	0
Redeemable convertible loan stock	0	(10,000)	0	0
Other deferred liabilities	(1,556)	(685)	0	0
	865,232	849,239	688,636	688,774
Capital and reserves				
Share capital	69,759	69,758	69,759	69,758
Reserves	765,375	748,044	618,877	619,016
	835,134	817,802	688,636	688,774
Minority interests	30,098	31,437	0	0
	865,232	849,239	688,636	688,774

11. Details of any changes in the company's issued share capital

During the year, there were 2,000 ordinary shares of \$0.50 each issued at par for cash at subscription price of \$6.47 per share under the Jurong Shipyard Executives' Share Options Scheme ("Jurong Shipyard ESOS").

As at 31 December 1999, total share options granted pursuant to the Jurong Shipyard ESOS were 8,700,000 ordinary shares of \$0.10 each (please refer to paragraph 11(c)).

There have been no rights or bonus issues since the previous dividend was paid.

Subsequent to year-end, on 14 January 2000, the Company:

- a) Subdivided its ordinary shares of \$0.50 each into ordinary shares of \$0.10 each.
- b) Increased its authorised share capital from \$120,000,000 comprising 240,000,000 ordinary shares of \$0.50 each to \$500,000,000 comprising 5,000,000,000 ordinary shares of \$0.10 each, by creation of 3,800,000,000 ordinary shares of \$0.10 each.
- c) Adjusted the existing share options granted under the Jurong Shipyard ESOS following the subdivision, as follows:

Options granted on	Number of existing options outstanding	Adjusted number of existing options outstanding	Existing subscription price	Adjusted subscription price
27 April 1998	867,000	4,335,000	S\$7.85	S\$1.57
10 March 1999	873,000	4,365,000	S\$6.47	S\$1.29

12. Comparative figures of the group's borrowings and debt securities**(a) Amount repayable in one year or less, or on demand**

As at 31/12/1999		As at 30/6/1999	
Secured	Unsecured	Secured	Unsecured
550,000	18,851,000	428,000	15,870,000

(b) Amount repayable after one year

As at 31/12/1999		As at 30/6/1999	
Secured	Unsecured	Secured	Unsecured
574,000	0	738,000	10,417,000

(c) Any other comments relating to Paragraph 12

NIL

13. Subsequent Event

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen during the period from 31 December 1999 to the date of this announcement which would affect substantially the results of the Group and the Company for the year ended 31 December 1999.

14. Year 2000 Issues (Y2K)

Progress of Y2K Efforts

The Group successfully completed the rollover on 9 September 1999 and 1 January 2000.

All subsidiaries of the Group were declared Y2K ready. The Group has plans to conduct a third rollover exercise to 29 February 2000.

Cost of Y2K Efforts

The Group has incurred a sum of S\$3.6 million for the replacement and upgrading of the Group's computer systems. The costs will eventually be amortised in accordance with the Group's depreciation policy on computer hardware and software.

15. Proposed Bonus Issue

The Directors are proposing a Bonus Issue on the basis of one (1) ordinary share of \$0.10 each fully paid for every one (1) ordinary share held as at the book closure date to be determined by the Directors ("BI Book Closure Date") subject to the approval of the Stock Exchange Securities Trading Limited and the shareholders of the Company.

The Bonus Issue, if approved will comprise at least 697,589,115 Bonus shares based on the Company's issued capital of \$69,758,911 as at 31 December 1999. Unless permitted to be exercised earlier pursuant to the Jurong Shipyard ESOS, all existing options are exercisable on or after 27 April 2000. It is therefore unlikely that there will be any new shares issued pursuant to the exercise of options before the BI Book Closure Date and as such, it is unlikely that any Bonus shares will be required to be issued as a result of any exercise of options.

The Bonus Shares when issued will rank pari passu in all respects with the existing ordinary shares except that they will not rank for the final dividend to be paid by the Company for the financial year ended 31 December 1999.

As a consequence of the proposed Bonus Issue, both the exercise prices and the number of shares comprised in the existing share options granted under the Jurong Shipyard ESOS, will be adjusted accordingly.

Barring unforeseen circumstances, the Directors expect that the quantum of the dividend payment will be maintained.

BY ORDER OF THE BOARD

Chia Yue Joo, Lena

Company Secretary

14/02/2000