

Keppel Marine Industries

Proforma Full Year Financial Statement and Dividend Announcement

The Directors of Keppel Marine Industries Limited advise the following results of the Company and of the Group for the year ended 31 December 1999. These figures have not been audited.

		Group			Company		
		1999 S\$'000	1998 S\$'000	% + or -	1999 S\$'000	1998 S\$'000	% + or -
1a	Turnover	116,541	227,203	-48.7	-	-	-
1b	Investment income	12	20	-40.0	11,507	6,450	+78.4
1c	Other income including interest income	2,635	5,819	-54.7	1,316	706	+86.4
2a	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, and exceptional items	1,184	18,138	-93.5	12,831	7,164	+79.1
2b(i)	Interest on borrowings	(66)	(609)	-89.2	(7)	(107)	-93.5
2b(ii)	Depreciation and amortisation	(3,320)	(5,344)	-37.9	(8)	(8)	-
2c	Exceptional	-	-	-	-	-	-

	items						
2d	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation, amortisation, and exceptional items	(2,202)	12,185	-118.1	12,816	7,049	+81.8
2e	Income derived from associated companies	7,121	1,104	+545.0	-	-	-
2f	Less income tax	(761)	(1,353)	-43.8	(2,003)	(930)	+115.4
2g(i)	Operating profit after tax before deducting minority interests	4,158	11,936	-65.2	10,813	6,119	76.7
2g(ii)	Less minority interests	72	(1,643)	+104.4	-	-	-
2h	Operating profit after tax attributable to members of the company	4,230	10,293	-58.9	10,813	6,119	+76.7
2i(i)	Extraordinary items	44,817	(23,334)	+292.1	140,495	(15,987)	+978.8
2i(ii)	Less minority interests	185	79	+134.2	-	-	-
2i(iii)	Extraordinary items attributable to members	45,002	(23,255)	+293.5	140,495	(15,987)	+978.8

	of the company						
2j	Operating profit after tax and extraordinary items attributable to members of the company	49,232	(12,962)	+479.8	151,308	(9,868)	+1,633.3

		Group Figures	
		1999	1998
3a	Operating profit [2g(i) above] as a percentage of turnover [1a above]	3.6%	5.3%
3b	Operating profit [2h above] as a percentage of issued capital and reserves at end of year	1.5%	2.6%
3c	Earnings per ordinary share for the year based on 2h above :-		
3c(i)	Based on existing issued share capital	2.2 cts	5.6 cts
3c(ii)	On a fully diluted basis	2.2 cts	5.6 cts
3d	Net tangible asset backing per ordinary share	\$1.48	\$2.09

		Group			Company		
		1999 S\$'000	1998 S\$'000	% + or -	1999 S\$'000	1998 S\$'000	% + or -
4a	Sales reported for first half year	110,289	101,429	+8.7	-	-	-
4b	Operating profit [2g(i) above] reported for first half year	871	8,145	-89.3	9,041	1,031	+776.9
4c	Sales reported for second half year	6,252	125,774	-95.0	-	-	-
4d	Operating profit [2g(i) above] reported for second half year	3,287	3,791	-13.3	1,772	5,088	-65.2

5a Amount for any adjustments for under or over provision of tax in respect of prior years

Group under provision for taxation in respect of prior years is S\$2,000 (1998: under provision is S\$682,000).

5b Amount of any pre-acquisition profits

NIL

5c Amount of profits on any sale of investment and/or properties

Sale of investments/Properties	S\$ Profit
Sale of Investments	\$72,000

5d Any other comments relating to Paragraph 5

NIL

6 Segmental Results

By Industry Segment

	Group Figures			
	Turnover		Profit before taxation	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Marine activities	114,077	199,034	(1,969)	9,779
Other activities	2,464	28,169	6,888	3,510
	116,541	227,203	4,919	13,289

By Geographical Location

	Group Figures			
	Turnover		Profit before taxation	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Singapore	115,063	200,539	3,310	7,927
Far East & other ASEAN countries	869	978	1,775	3,340
Australia & other countries	609	25,686	(166)	2,022
	116,541	227,203	4,919	13,289

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

The Group achieved a revenue of \$116.5 million for 1999, a decline of 48.7% over that of the previous year. This was due to the sale of its marine related businesses to Keppel Hitachi Zosen in the second half of the year. Following the sale, it made a dividend and capital repayment to shareholders on 28 December 1999 amounting to \$12.6 million and \$151.9 million respectively.

Pre-tax profit declined to \$4.9 million from \$13.2 million in 1998 due mainly to losses incurred from the shipbuilding activities. Share of results of associates were higher due to contributions from Keppel Land and Keppel TatLee Bank.

Extraordinary items of \$45.0 million were largely gains on sale of investments in associates. At the attributable level, Group profit amounted to \$49.2 million compared to a loss of \$13.0 million in 1998.

7b Year 2000 Issue

The crossover of the Group's systems and operations to year 2000 was not affected by any Y2K issue.

8 Commentary on current year prospects

In line with the Group's restructuring exercise, the Company divested all its interests in

related listed companies namely Keppel Telecommunications & Transportation, Keppel Integrated Engineering, Keppel TatLee Bank and Keppel Land in 1999.

A number of non-listed companies were also sold or liquidated.

The Group will continue with its programme of divestments, while placing priority on seeking new businesses. This restructuring process is expected to be completed by the middle of the year.

Barring unforeseen circumstances, the Group is expected to be profitable in 2000 and its divestment programme is not expected to have any adverse impact on the financial position of the Group.

9 Dividend

9a Present Year: No final dividend has been declared for the year ended 31 December 1999.

9b Previous Year : The following dividend was paid for the previous year.

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	5%
Par Value of shares	Net
Tax Rate	26%

9c Total Annual Dividend

	1999 S\$'000	1998 S\$'000
Ordinary	12,655	3,498
Preference	-	-
Total	12,655	3,498

9d Any other comments relating to Paragraph 9

Since an interim dividend of 18% or 9 cents per share less tax was paid on 28 December 1999 (1998 : Nil), no final dividend has been declared for the year ended 31 December 1999 (1998: 5% or 2.5 cents per share less tax).

10. Balance Sheets

Summarised balance sheets of the Company and the Group as at 31 December 1999 are as follows :

	Company		Group
Share capital	94,951		94,951
Capital reserves	17,610		19,731
Revenue reserves	146,778		166,004
Share capital & reserves	259,339		280,686
Minority interests	-		1,350
Capital employed	259,339		282,036
Represented by :			
Fixed assets	80		7,797
Investments	50,964		31,612
	51,044		39,409
Net current assets			
Current assets	211,101		266,768
Short term loans and	-		(2,467)
Other current liabilities	(2,732)		(21,597)

Other current liabilities	(2,732)		(21,597)
	208,369		242,704
Non-current liabilities			
Deferred taxation & other liabilities	(74)		(77)
Net assets	259,339		282,036

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

Since 30 June 1999, no shares were issued pursuant to Keppel Marine Share Option Scheme 1990 to employees. As at 31 December 1999, there are 2,415,000 shares (30 June 1999: 2,716,000 shares) that could be issued on exercise of the share option.

12 Comparative figures of the group's borrowings and debt securities

12a Amount repayable in one year or less, or on demand

As at 31 December 1999		As at 30 June 1999	
Secured	Unsecured	Secured	Unsecured
-	\$2,467,000	-	\$11,418,000

12b Amount repayable after one year

As at 31 December 1999		As at 30 June 1999	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

12c Any other comments relating to Paragraph 12

NIL

BY ORDER OF THE BOARD

LIM JIT POK
Company Secretary
Singapore, 10 February 2000