

QUARTERLY FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2013

PART 1 – 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 for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Income Statement

	Group			Group		
	\$'000	\$'000		\$'000	\$'000	
	4th quarter ended 31.12.13	4th quarter ended 31.12.12	%	Financial year ended 31.12.13	Financial year ended 31.12.12	%
			Change			Change
<u>Continuing operations</u>						
Revenue	24,901	20,449	22%	88,866	97,719	(9%)
Cost of sales	(19,894)	(18,514)	7%	(62,827)	(78,172)	(20%)
Gross profit	5,007	1,935	159%	26,039	19,547	33%
Other operating income/(expense)	289	(1,435)	N.M	922	(1,287)	N.M
Selling & Distribution expenses	(2,654)	(266)	898%	(10,707)	(7,963)	34%
Administrative expenses	(2,821)	(4,027)	(30%)	(10,698)	(10,758)	(1%)
Finance costs	(387)	(206)	88%	(811)	(675)	20%
(Loss)/Profit from operations	(566)	(3,999)	86%	4,745	(1,136)	N.M

Share of results of associated companies	106	(24)	N.M	154	(39)	N.M
Share of results of a joint venture	107	124	(14%)	467	479	(3%)
(Loss)/Profit before taxation	(353)	(3,899)	(91%)	5,366	(696)	N.M
Tax expense	(688)	(519)	33%	(2,204)	(1,986)	11%
(Loss)/Profit from continuing operations, net of tax	(1,041)	(4,418)	(76%)	3,162	(2,682)	N.M
<u>Discontinued operations</u>						
Income/(Loss) from discontinued operations, net of tax	538	(29,680)	N.M	(3,786)	(32,702)	(88%)
Net loss for the period/year	(503)	(34,098)	(99%)	(624)	(35,384)	(98%)
Attributable to:						
Equity holders of the Company	907	(28,275)	N.M	2,397	(26,736)	N.M
Non-controlling interests	(1,410)	(5,823)	(76%)	(3,021)	(8,648)	(65%)
	(503)	(34,098)	(99%)	(624)	(35,384)	(98%)

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

	4th quarter ended 31.12.13	4th quarter ended 31.12.12	% Change	Financial year ended 31.12.13	Financial year ended 31.12.12	% Change
Net loss for the period/year	(503)	(34,098)	(99%)	(624)	(35,384)	(98%)
Other comprehensive income/ (expense):						
Exchange differences on translation of the financial statements of foreign entities (net)	308	3,796	(92%)	1,145	(280)	N.M.
Total comprehensive (loss)/income for the period	(195)	(30,302)	(99%)	521	(35,664)	N.M.

Total comprehensive income/(loss)
attributable to:

Equity holders of the Company	1,221	(24,884)	N.M.	3,340	(26,751)	N.M.
Non-controlling interests	(1,416)	(5,418)	(74%)	(2,819)	(8,913)	(68%)
Total comprehensive (loss)/income for the period	(195)	(30,302)	(99%)	521	(35,664)	N.M.

1(a)(ii) Notes to income statement

	Group					
	(\$'000)		%	(\$'000)		
	4th quarter ended 31.12.13	4th quarter ended 31.12.12		Financial year ended 31.12.13	Financial year ended 31.12.12	%
			Change			Change
<u>Continuing operations</u>						
Other income including interest income	168	77	118%	421	293	44%
Interest on borrowings	(387)	(206)	88%	(811)	(675)	20%
Depreciation of property, plant and equipment	(861)	(400)	115%	(2,196)	(1,575)	39%
Gain on disposal of property, plant and equipment	27	-	N.M	118	12	973%
Foreign exchange gain/(loss)	94	(1,288)	N.M	383	(1,366)	N.M
Provision for stock obsolescence	(342)	(379)	(10%)	(907)	(590)	53%
(Provision)/Write-back of doubtful debts	(81)	878	N.M	106	726	(85%)
(Provision)/Reversal of fair value adjustment of contingent consideration in a business combination	-	-	N.M	465	-	N.M
Impairment of goodwill arising from consolidation	-	(651)	N.M	-	(651)	N.M
Reversal of impairment on investment in associate	-	30	N.M	-	30	N.M
(Provision)/Reversal for warranty	(42)	208	N.M	(42)	208	N.M
Loss on winding up of an associated company	-	-	N.M	(17)	-	N.M
<u>Discontinued operations</u>						
Other income including interest income	55	-	N.M	94	15	527%
Interest on borrowings	(14)	(575)	(98%)	(115)	(675)	(83%)
Depreciation of property, plant and equipment	-	(329)	N.M	(2)	(1,478)	(100%)
Gain on disposal of property, plant and equipment	170	-	N.M	170	-	N.M
Foreign exchange loss	(1,012)	(4,579)	(78%)	(3,791)	(5,078)	(25%)
Provision for stock obsolescence	(154)	(2,851)	(95%)	(191)	(2,851)	(93%)
Provision of doubtful debts	(24)	(3,075)	(99%)	(24)	(2,494)	(99%)

Reversal/(Impairment) loss on property, plant and equipment	626	(4,710)	N.M	626	(4,710)	N.M
Impairment of goodwill arising from consolidation	-	(617)	N.M	-	(617)	N.M
Reversal/(Provision) for warranty	97	(334)	N.M	314	(334)	N.M
Property, plant and equipment written off	(53)	(546)	(90%)	(53)	(546)	(90%)
Total						
Other income including interest income	223	77	190%	515	308	67%
Interest on borrowings	(401)	(781)	(49%)	(926)	(1,350)	(31%)
Depreciation of property, plant and equipment	(861)	(729)	18%	(2,198)	(3,053)	(28%)
Gain on disposal of property, plant and equipment	197	-	N.M	288	11	2,518%
Foreign exchange loss	(918)	(5,867)	(84%)	(3,408)	(6,444)	(47%)
Provision for stock obsolescence	(496)	(3,231)	(85%)	(1,098)	(3,442)	(68%)
Provision of doubtful debts	(105)	(2,197)	(95%)	82	(1,768)	N.M
Reversal/(Impairment) loss on property, plant and equipment	626	(4,710)	N.M	626	(4,710)	N.M
(Provision)/Reversal of fair value adjustment of contingent consideration in a business combination	-	-	N.M	465	-	N.M
Impairment of goodwill arising from consolidation	-	(1,268)	N.M	-	(1,268)	N.M
Reversal of impairment on investment in associate	-	30	N.M	-	30	N.M
Reversal/(Provision) for warranty	55	(126)	N.M	272	(126)	N.M
Property, plant and equipment written off	(53)	(546)	(90%)	(53)	(546)	(90%)
Loss on winding up of an associated company	-	-	N.M	(17)	-	N.M

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

	Group		Company	
	(\$'000)		(\$'000)	
	31.12.13	31.12.12	31.12.13	31.12.12
Non-current assets				
Property, plant and equipment	49,301	35,521	-	-
Investment in subsidiaries	-	-	13,880	13,865
Investment in associated companies	6,612	6,455	6,235	6,296
Investment in a joint venture	2,353	2,214	809	783
Deferred tax assets	81	198	-	-
Intangible assets	227	227	49	49
	58,574	44,615	20,973	20,993

Current assets

Inventories	40,954	44,421		
Due from customers on construction contracts	4,584	14,627		
Amount due from joint venture (trade)	258	149		
Trade receivables	29,911	39,411		
Other receivables	2,966	4,080	24,419	27,558
Cash and cash equivalents	12,468	14,429	2,222	78
	90,578	117,117	26,641	27,636
Disposal group assets classified as held for sale	6,915	8,551		
Total current assets	91,141	125,668	26,641	27,636

Total assets

156,630	170,283	47,614	48,629
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Non-current liabilities

Deferred tax liability	662	115	-	-
Finance lease liabilities	750	-	-	-
	1,412	115	-	-

Current liabilities

Due to customers on construction contracts	1,360	41		
Trade payables	16,591	23,926		
Other payables	9,103	14,345	479	1,225
Bank borrowings	44,337	45,050		
Finance lease liabilities	179	4		
Tax payable	1,939	2,569	196	
	73,509	85,935	675	1,225
Liabilities directly associated with disposal group classified as held for sale	645	888		
Total current liabilities	74,154	86,823	675	1,225

Total liabilities

75,566	86,938	675	1,225
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Net assets

81,064	83,345	46,939	47,404
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Shareholders' equity

Share capital	43,461	43,461	43,461	43,461
Translation reserves	837	(106)	-	-
Accumulated profits	39,154	39,160	3,478	3,943
Attributable to equity holders of the Company	83,452	82,515	46,939	47,404
Non-controlling interests	(2,388)	830	-	-
Total shareholders' equity	81,064	83,345	46,939	47,404

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

Amount repayable in one year or less, or on demand

As at 31.12.13 (\$'000)		As at 31.12.12 (\$'000)	
Secured	Unsecured	Secured	Unsecured
32,900	11,437	18,888	26,162

Amount repayable after one year

As at 31.12.13 (\$'000)		As at 31.12.12 (\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group's banking facilities were secured by the following:

- (a) Legal charge on the Group's leasehold property with net book value of \$ 15.44million (31.12.2012: \$13.09million)
- (b) Corporate guarantee by the Company and a minority shareholder of a subsidiary
- (c) Fixed deposits of certain subsidiaries.
- (d) Joint and several guarantees by certain directors of certain subsidiaries.
- (e) Fixed charge for all monies over a subsidiary's present and future contracts financed or to be financed directly or indirectly, wholly or partly.
- (f) Existing first fixed charge over a subsidiary fixed property and assets.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Group			
	\$'000	\$'000	\$'000	\$'000
	4th quarter ended 31.12.13	4th quarter ended 31.12.12	Financial year ended 31.12.13	Financial year ended 31.12.12
Cash flows from operating activities				
(Loss)/Profit before tax from continuing operations	(323)	(3,899)	5,396	(696)
Profit/(Loss) before tax from discontinued operations	508	(29,641)	(3,850)	(32,642)
Adjustments for :				
Depreciation	861	729	2,196	3,054
Interest income	(4)	(7)	(22)	(22)
Interest expense	401	300	926	869
Share of results of associated companies	(106)	24	(154)	39
Share of results of a joint venture	(107)	(124)	(467)	(479)
Impairment of goodwill arising from consolidation	-	1,268	-	1,268
(Reversal)/Impairment on property, plant & equipment	(626)	4,710	(626)	4,710
Property, plant and equipment written off	53	546	53	546
Gain on disposal of property, plant and equipment	(197)	(257)	(288)	(267)
Loss on winding up the associated company	-	-	17	-
Reversal of impairment on investment in an associated Company	-	(30)	-	(30)
Reversal of fair value adjustment of contingent consideration in a business combination	-	-	(465)	-
Operating cash before movements in working capital	460	(26,381)	2,716	(23,650)
Inventories	3,987	17,441	3,467	12,131
Due from customer on construction contract, net	1,212	1,772	11,362	5,792
Receivables	(1,050)	(3,036)	10,394	(678)
Payables	2,495	10,599	(12,110)	8,556
Currency translation adjustments	552	4,575	1,455	1,651
Cash generated from operations	7,686	4,970	17,284	3,802
Tax refund/(paid)	200	129	(2,144)	(2,669)
Interest paid	(401)	(300)	(926)	(869)
Net cash from operating activities	7,485	4,799	14,214	264

Cash flows from investing activities

Fixed deposits	(6)	30	75	89
Purchase of property, plant and equipment	(1,080)	(10,686)	(14,339)	(19,492)
Proceeds from disposal of property, plant and equipment	1,067	440	1,166	453
Interest received	4	7	22	22
Capital injection from the minority shareholders	-	-	13	3,782
Investment in an associated company	-	(30)	(62)	(187)
Dividend received from joint venture	-	-	355	236
Proceed from winding up of associated company	-	-	42	-
Additional investment in subsidiary	-	-	(15)	(450)

Net cash used in investing activities

(15)	(10,239)	(12,743)	(15,547)
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Cash flows from financing activities

Proceeds from bank borrowings	403	12,807	15,416	14,365
Repayment to bank borrowings	(3,036)	(2,932)	(12,826)	(18,947)
Proceed from/(Repayment of) short term loan	1,527	(2,094)	(3,303)	21,367
Repayment of hire purchase creditors	(37)	(4)	(84)	(45)
Dividend paid	-	-	(2,400)	(3,360)
Divided paid to minority shareholders of a subsidiary	(400)	-	(400)	-

Net cash (used)/from financing activities

(1,543)	7,777	(3,597)	13,380
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Net increase/(decrease) in cash and cash equivalents	5,927	2,337	(2,126)	(1,903)
Cash and cash equivalents at beginning of period	4,444	10,301	12,275	14,709
Effect of exchange rate changes on cash and cash equivalents	15	(15)	(5)	(183)

Cash and cash equivalents at end of period

10,386	12,623	10,144	12,623
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Cash and cash equivalents comprises the following

Cash and cash equivalents	12,468	14,429	12,468	14,429
(Decrease)/Increase in cash and cash equivalents in discontinued operations	(3)	258	(245)	258
Less: Fixed Deposits	(2,079)	(2,064)	(2,079)	(2,064)
Cash and cash equivalents as per statement of cash flows	10,386	12,623	10,144	12,623

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	(\$'000)					
	Share capital	Translation reserves	Accumulated profits	Total	Non-Controlling interests	Total shareholders' equity
At 1 January 2013	43,461	(106)	39,160	82,515	830	83,345
Currency translation differences arising on consolidation, net of tax	-	(303)	-	(303)	29	(274)
Changes in ownership interest in a subsidiary	-	-	8	8	5	13
Profit for the period	-	-	1,875	1,875	(700)	1,175
Balance At 31 March 2013	43,461	(409)	41,043	84,095	164	84,259
Currency translation differences arising on consolidation, net of tax	-	228	-	228	111	339
Profit for the period	-	-	253	253	(535)	(282)
Dividend	-	-	(2,400)	(2,400)	-	(2,400)
Balance At 30 June 2013	43,461	(181)	38,896	82,176	(260)	81,916
Currency translation differences arising on consolidation, net of tax	-	704	-	704	68	772
Loss for the period	-	-	(638)	(638)	(376)	(1,014)
Additional investment in a subsidiary	-	-	(11)	(11)	(4)	(15)
Balance At 30 September 2013	43,461	523	38,247	82,231	(572)	81,659
Currency translation differences arising on consolidation, net of tax	-	314	-	314	(6)	308
Profit for the period	-	-	907	907	(1,410)	(503)
Dividend paid to minority shareholders	-	-	-	-	(400)	(400)
Balance At 31 December 2013	43,461	837	39,154	83,452	(2,388)	81,064

Group

(\$'000)

	Share capital	Translation reserves	Accumulated profits	Total	Non-Controlling interests	Total shareholders' equity
At 1 January 2012	43,461	(91)	69,544	112,914	6,124	119,038
Currency translation differences arising on consolidation, net of tax	-	(1,559)	-	(1,559)	(101)	(1,660)
Incorporation of new subsidiary	-	-	-	-	47	47
Profit for the period	-	-	2,983	2,983	(569)	2,414
Balance At 31 March 2012	43,461	(1,650)	72,527	114,338	5,501	119,839
Currency translation differences arising on consolidation, net of tax	-	(473)	-	(473)	(2)	(475)
Additional investment in subsidiaries	-	-	(287)	(287)	3,572	3,285
Dividend	-	-	(3,360)	(3,360)	-	(3,360)
Profit for the period	-	-	2,017	2,017	(539)	1,478
Balance At 30 June 2012	43,461	(2,123)	70,897	112,235	8,532	120,767
Currency translation differences arising on consolidation, net of tax	-	(1,374)	-	(1,374)	(567)	(1,941)
Loss for the period	-	-	(3,461)	(3,461)	(1,717)	(5,178)
Balance At 30 September 2012	43,461	(3,497)	67,436	107,400	6,248	113,648
Currency translation differences arising on consolidation, net of tax	-	3,391	-	3,391	405	3,796
Loss for the period	-	-	(28,276)	(28,276)	(5,823)	(34,099)
Balance At 31 December 2012	43,461	(106)	39,160	82,515	830	83,345

Company

	(\$'000)		
	Share capital	Accumulated profits	Total shareholders' equity
At 1 January 2013	43,461	3,943	47,404
Profit for the period	-	633	633
Balance at 31 March 2013	43,461	4,576	48,037
Profit for the period	-	450	450
Dividends	-	(2,400)	(2,400)
Balance at 30 June 2013	43,461	2,626	46,087
Loss for the period	-	(4,683)	(4,683)
Balance at 30 September 2013	43,461	(2,057)	41,404
Profit for the period	-	5,535	5,535
Balance at 31 December 2013	43,461	3,478	46,939

	(\$'000)		
	Share capital	Accumulated profits	Total shareholders' equity
At 1 January 2012	43,461	19,471	62,932
Loss for the period	-	(131)	(131)
Balance at 31 March 2012	43,461	19,340	62,801
Loss for the period	-	(87)	(87)
Dividends	-	(3,360)	(3,360)
Balance at 30 June 2012	43,461	15,893	59,354
Profit for the period	-	78	78
Balance at 30 September 2012	43,461	15,971	59,432
Loss for the period	-	(12,028)	(12,028)
Balance at 31 December 2012	43,461	3,943	47,404

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 shares, 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.

Not applicable.

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.

	31.12.13	31.12.12
Total number of issued shares (excluding treasury shares)	480,000,000	480,000,000

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

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice. (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements for the financial year ended 31 December 2012.

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 adoption of the new and revised FRSs is assessed to have no material impact to the results of the Group and of the Company for the period ended 31 December 2013.

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 based on net profit attributable to shareholders:-

	Group			
	4th quarter ended 31.12.13	4th quarter ended 31.12.12	Financial year ended 31.12.13	Financial year ended 31.12.12
(i) Based on number of ordinary shares in issue:				
- Continuing operations	0.09 cents	(0.38) cents	1.19 cents	(0.49) cents
- Discontinued operations	0.10 cents	(5.51) cents	(0.69) cents	(6.06) cents
Number of ordinary shares in issue	480,000,000	480,000,000	480,000,000	480,000,000
(ii) On a fully diluted basis:				
- Continuing operations	0.09 cents	(0.38) cents	1.19 cents	(0.49) cents
- Discontinued operations	0.10 cents	(5.51) cents	(0.69) cents	(6.06) cents
Diluted number of ordinary shares in issue	480,000,000	480,000,000	480,000,000	480,000,000

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	
	31.12.13	31.12.12	31.12.13	31.12.12
Net asset value per ordinary share based on existing share capital	17 cents	17 cents	10 cents	10 cents

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 followings:-

(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
(4Q2013 Vs 4Q2012)**

	Group		% Change
	4Q2013 \$'000	4Q2012 \$'000	
Supply Chain Management			
Marine cables and accessories	9,107	8,920	2%
Marine lighting equipment and accessories	2,575	2,385	8%
Others	1,680	1,523	10%
	13,362	12,828	4%
Manufacturing			
Marine switchboards	5,954	4,250	40%
Galvanized steel wire	3,398	712	377%
	9,352	4,962	88%
Engineering Services			
Engineering and installation	2,187	2,659	(18%)
Total sales revenue	24,901	20,449	22%

Supply Chain Management

Supply Chain Management Division accounts for 54% of the Group's turnover in 4Q2013, of which marine cables and accessories contributed 68%, marine lighting equipment and accessories 19% and others 13%. Revenue from Supply Chain Management Division increased marginally by 4%.

Manufacturing

Manufacturing Division accounts for 37% of the Group's turnover in 4Q2013, of which marine switchboards contributed 64% and galvanized steel wire 36%. The increase in revenue from marine switchboards is due to the delivery of several major orders in 4Q 2013. The increase in revenue from galvanized steel wire is due mainly to the commencement of production of galvanized steel wire in Oman in 4Q2013.

Engineering Services

Engineering Services Division accounts for 9% of the Group's turnover in 4Q2013. The decrease in revenue from engineering and installation is due mainly to the lower revenue recognised as a result of slow progress of a project due to changes of specifications by customer.

(FY2013 VS FY2012)

	Group		
	2013 \$'000	2012 \$'000	% Change
Supply Chain Management			
Marine cables and accessories	38,119	46,924	(19%)
Marine lighting equipment and accessories	10,294	10,104	2%
Others	6,338	6,406	(1%)
	54,751	63,434	(14%)
Manufacturing			
Marine switchboards and services	21,292	16,232	31%
Galvanized steel wire	5,568	3,046	83%
	26,860	19,278	39%
Engineering Services			
Engineering and installation	7,255	15,007	(52%)
Total sales revenue	88,866	97,719	(9%)

Supply Chain Management

Supply Chain Management Division accounts for 62% of the Group's turnover in FY2013, of which marine cables and accessories contributed 70%, marine lighting equipment and accessories 19% and others 11%. Revenue from Supply Chain Management Division decreased by 14% due mainly to the slowdown in the marine sector.

Manufacturing

Manufacturing Division accounts for 30% of the Group's turnover in FY2013, of which marine switchboards contributed 79% and galvanized steel wire 21%. The increase in revenue from marine switchboards is due to the delivery of several major orders in second half of FY2013. The increase in revenue from galvanized steel wire is due mainly to the commencement of production of galvanized steel wire in Oman in 4Q2013.

Engineering Services

Engineering Services Division accounts for 8% of the Group's turnover in FY2013. The decrease in revenue is due to the absence of significant orders in 1Q2013 and lower revenue recognized from two major projects which commenced in 2Q2013 and 3Q2013 respectively.

Geographical segment

Revenue derived from Singapore increased by \$1.2million or 11% from \$11.5million in 4Q2012 to \$12.7million in 4Q2013. This is due mainly to higher revenue of Manufacturing Division's marine switchboards segment where its clients are mainly in Singapore.

Revenue derived from overseas increased by \$3.2million from \$8.9million in 4Q2012 to \$12.1million in 4Q2013. This is due mainly to the commencement of production of our galvanized steel wire factory in Oman in 4Q2013.

Gross profit

The Group's overall gross profit increased by \$3.1million or 159% from \$1.9million in 4Q2012 to \$5.0million in 4Q2013 and gross margin improved from 9% in 4Q2012 to 20% in 4Q2013. This is due mainly to the depreciation of US Dollar against Singapore Dollar and cost overrun of a major project by the Engineering Services Division in 4Q2012.

Other operating income/(expense)

The Group recorded an income in 4Q2013 as compared to an expense in 4Q2012 due to the receipt of grant under the Productivity and Innovation Credit and Enhanced Special Employment Schemes in 4Q2013. The Group also registered a gain in foreign exchange in 4Q2013 as compared to a loss in 4Q2012.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The higher selling & distribution expense in 4Q2013 as compared to 4Q2012 is due mainly to higher manpower and marketing expenses in Supply Chain Management and Manufacturing Divisions and a write back of provision of doubtful debts in 4Q2012. The lower administration expense in 4Q2013 is due mainly to provision for fair value adjustment of contingent consideration in a business combination and impairment of goodwill arising from consolidation in 4Q2012.

Share of results in associated companies

The Group's associated companies contributed a profit in 4Q2013 as compared to a loss in 4Q2012 due mainly to completion of a project and more orders secured by General Luminaire (Shanghai) Co. Ltd, a subsidiary of an associated company, GL Lighting Holding Pte Ltd.

Share of results of a joint venture

The decrease in share of results in joint venture is due mainly to the increase in provision for inventories obsolescence according to the Group's inventories provision policy in Dream Marine Ship Spare Parts Trading LLC in 4Q2013.

Interest on borrowings

The increase in interest on borrowings in 4Q2013 as compared to 4Q2012 is due mainly to Gulf Specialty Steel Industries LLC ceasing to capitalize its borrowing cost after the commencement of production of galvanized steel wire in Oman in 4Q2013.

Tax expense

Tax expense increased by \$169,000 from \$519,000 in 4Q2012 to \$688,000 in 4Q2013 is due mainly to the recognition of deferred income taxes on galvanized steel wire factory in Oman as a result of the temporary differences arising from net book value and tax written down value of property, plant and equipment.

Depreciation

The increase in depreciation in 4Q2013 as compared to 4Q2012 is due mainly to the acquisition of property, plant and equipment by Supply Chain Management, and Gulf Specialty Steel Industries LLC has started to depreciate its plant and equipment after the commencement of production of galvanized steel wire in Oman in 4Q2013.

Foreign Exchange Gain/(Loss)

The foreign exchange gain in 4Q2013 as compared to a loss in 4Q2012 is due mainly to the appreciation in value of US dollar receivables as a result of a stronger US dollar in 4Q2013.

Discontinued Operations

Disposal group assets classified as held for sale

Liabilities directly associated with disposal group classified as held for sale

With reference to the Group's announcement on 2 March 2013 to the SGX, the Board had decided to discontinue the operations of its subsidiary in Batam. Accordingly, the entire results from the subsidiary are presented separately on income statement as "Loss from discontinued operations, net of tax".

The Group recorded a profit of \$538,000 in 4Q2013 from discontinued operations, net of tax, as stated in detail below:

	Group					
	\$'000		%	\$'000		%
4th	4th	12 month		12 month		
quarter	quarter	ended	ended	ended	ended	
ended	ended	ended	ended	ended	ended	
31.12.13	31.12.12	31.12.13	31.12.12	31.12.12	31.12.12	
		Change		Change		
<u>Discontinued operations</u>						
Revenue	3,059	13,893	(78%)	8,982	28,657	(69%)
Cost of sales	(2,363)	(23,672)	(90%)	(7,331)	(38,738)	(81%)
Gross profit / (loss)	696	(9,779)	N.M	1,651	(10,081)	N.M
Other operating expenses	(819)	(4,866)	(83%)	(3,548)	(5,351)	(34%)
Selling & Distribution expenses	1,156	(9,721)	N.M	(440)	(11,134)	(96%)
Administrative expenses	(1,108)	(471)	135%	(1,994)	(1,172)	70%
Finance costs	(13)	(94)	(86%)	(115)	(194)	(41%)
Loss before taxation	(88)	(24,931)	(100%)	(4,446)	(27,932)	(84%)

Tax (expenses) /credit	-	(39)	N.M	34	(60)	N.M
Net loss for the period	(88)	(24,970)	(100%)	(4,412)	(27,992)	(84%)
Reversal/(Loss)on the measurement to fair value less cost to sell on disposal group (net of tax of \$Nil)	626	(4,710)	N.M	626	(4,710)	N.M
Total profit/(loss) from discontinued operations	538	(29,680)	N.M	(3,786)	(32,702)	(88%)

Discontinued Operations secured a gross profit of \$696,000 in 4Q2013 as compared to a gross loss of \$9,779,000 in 4Q2012 due mainly to cost overrun for certain projects in 4Q2012.

Decrease in other operating expenses is due mainly to the substantial foreign currency exchange losses of \$4.5million in 4Q2012 as a result of depreciation of the Indonesian Rupiah against the Singapore Dollar.

Discontinued Operations recorded a positive selling & distribution expense in 4Q2013 due mainly to the write backs of (a) agency commission fee which is no longer necessary and (b) impairment of plant and equipment according to a new independent valuation report as well as reduced business activities.

Civil proceedings in Indonesia

The Group would like to inform its shareholders that there are court proceedings in Indonesia which involve its Subsidiary, PT BH Marine & Offshore Engineering (**the "Subsidiary"**).

The proceedings involve a claim by PT. Andalan Mitra Bahari ("**PT Andalan**") for the alleged non-delivery of three vessels (**the "Vessels"**) that are currently in the possession of the Subsidiary.

PT Andalan is seeking to recover losses amounting to the sum of RUP117,148,000,000 (S\$12.7million) based on the assertion that payment for the Vessels has already been made and registration certificates have been issued in its name in Indonesia.

The Subsidiary has, however, vigorously defended the claim on the basis that it has not received payment for the Vessels. As it is also the Subsidiary's stand that there was fraud involved in the registration of the Vessels, it has made a counter-claim against PT Andalan and another party, PT. Venture Technology Indonesia, for the sum of RUP8,757,600,000 (S\$952K) for material losses and RUP250,000,000,000 (S\$27.2million) for immaterial losses. In the circumstances, the Group has not made any provisional reserve in respect of the PT Andalan's claim in these proceedings.

The Group will provide a further update shortly.

Balance Sheet and Cash Flow Analysis

Property, plant and equipment

The increase in property, plant and equipment in FY2013 is due mainly to the acquisition of motor vehicles, warehouse equipment and computer by Supply Chain Management Division and construction of steel wire factory by Manufacturing Division.

Investment in associated companies

The increase in investment in associated companies is due mainly to share of profit from associated companies.

Investment in a joint venture

The increase in investment in joint venture is due mainly to the share of results from joint venture in FY2013, and partially offset by the declaration of dividend by the joint venture to the Group in 1Q2013.

Inventories

Inventories decreased by \$3.4million from \$44.4million in FY2012 to \$41.0million in FY2013. The decrease in inventories is due mainly to the increase in provision for inventories obsolescence according to the Group's inventories provision policy in Supply Chain Management and 2 major projects in Discontinued Operations being completed and delivered in FY2013.

Due from customers on construction contracts

The decrease in amount due from customers on construction contracts is due to certain unbilled work-in-progress from the Engineering Services Division and Discontinued Operations being delivered and billed in FY2013.

Trade receivables

Trade receivables decreased by \$9.5million from \$39.4million in FY2012 to \$29.9million in FY2013. This is due mainly to collections from customers of major completed projects and lower revenue from Engineering Services Division and Discontinued Operations in FY2013.

Other receivables

The decrease in other receivables of \$1.1million is due mainly to the reclassification of advance payment to property, plant and equipment by GSSI upon receipt of the equipment concerned.

Disposal group assets classified as held for sale**Liabilities directly associated with disposal group classified as held for sale****Details of disposal group classified as held for sale are as follows:**

	31.12.13	31.12.12
	\$'000	\$'000
Property, plant and equipment	6,608	8,110
Other receivables	294	183
Cash and cash equivalent	13	258
	<u>6,915</u>	<u>8,551</u>

Liabilities directly associated with disposal group classified as held for sale:

Deferred tax liabilities	643	888
Other payables	2	-
	<u>645</u>	<u>888</u>

The decrease in property, plant and equipment and deferred tax liabilities is due mainly to the depreciation of Indonesian Rupiah as these items are denominated in Indonesian Rupiah as well as disposal of certain equipment. The increase in other receivables is due mainly to an advance to a related company.

Due to customers on construction contracts

The increase in due to customers on construction contracts is due to certain major projects billed in advance in 4Q2013 by Engineering Services Division.

Trade payables

Trade payables decreased by \$7.3million from \$23.9million in FY2012 to \$16.6million in FY2013. This is due mainly to repayment of trade payables from the proceeds of completed projects from Engineering Services Division and Discontinued Operations during FY2013.

Other payables

The decrease in other payables is due mainly to write back of certain expenses which are no longer necessary and reclassification of advance payment from customers to revenue upon delivery of products in FY2013 as well as repayment to suppliers for the acquisition of property, plant and equipment for the galvanized steel wire plant of Manufacturing Division.

Finance lease liabilities

The increase in finance lease liabilities is due mainly to the acquisition of motor vehicles by Supply Chain Management and Manufacturing Divisions.

Cash flow

Net cash and cash equivalent increased by \$3.8million from \$2.1million in 4Q2012 to \$5.9million in 4Q2013. This is due mainly to the decrease in inventories and due from customer's construction contracts to finance the acquisition of property, plant and equipment and repayment of bank borrowings.

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.

The marine industry is showing early signs of a possible upturn in the current tough conditions. The offshore oil & gas industry however, continues to be resilient given the robust drilling and exploration activities taking place around the world. Our Supply Chain Management Division will continue to remain focused on expanding our network in the region as we believe that this will put us in a first mover position when the industry recovers in due time.

Our Manufacturing Division, marine switchboards segment, has recently completed the delivery of several major orders. We are confident that our operational capabilities remain excellent as we continue to receive major orders even in tough times and we will strive to maintain our standards.

In Oman, our galvanized steel wire factory has officially been inaugurated and production has commenced. We are still in our early stages and working to ramp up production output at the factory.

The Group is in final discussion with our existing joint venture partner to expand our LED business.

The Group will continue to be on the lookout for business expansion opportunities which may include acquisitions, joint ventures and/or strategic alliances to expand our business operations and further enhance our value to our loyal shareholders.

11. Dividend**(a) Current Financial Period Reported On?****Any dividend declared for the current financial period reported on?**

The directors recommend a first and final dividend for the year ended 31 December 2013 as stated below:

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	0.5 cent per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

(b)Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	0.5 cent per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

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

(c) Date payable

To be announced in due course.

(d) Books closure date

To be announced in due course.

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

Not applicable.

13. Segmental 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.

By business segments

	Group 2013 \$'000	Group 2012 \$'000
Revenue by business segment		
Supply Chain Management		
Marine cables and accessories	38,119	46,924
Marine lighting equipment and accessories	10,294	10,104
Others	6,338	6,406
	54,751	63,434
Intersegment sales	1,817	5,189
	56,568	68,623
Manufacturing		
Marine switchboards and services	21,292	16,232
Galvanized steel wire	5,568	3,046
	26,860	19,278
Intersegment sales	111	229
	26,971	19,507
Engineering Services		
Engineering and installation	7,255	15,007
Intersegment sales	433	-
	7,688	15,007
Less: Eliminations	(2,361)	(5,418)
Total revenue	88,866	97,719
Segment results		
Supply Chain Management		
Marine cables and accessories	4,747	6,384
Marine lighting equipment and accessories	2,467	2,838
Others	1,461	1,316
	8,675	10,538
Manufacturing		
Marine switchboards and services	2,076	527
Galvanized steel wire	(3,998)	(2,125)
	(1,922)	(1,598)

Engineering Services		
Engineering and installation	(2,008)	(10,076)
Total segment result	4,745	(1,136)
Share of joint venture results	467	479
Share of results of an associated company	154	(39)
Net profit/(loss) before tax	5,366	(696)
Tax expense	(2,204)	(1,986)
Loss from discontinued operations	(3,786)	(32,702)
Net loss after Tax	(624)	(35,384)
Non – controlling interests	3,021	8,648
Net profit/(loss) attributable to equity holders of the company	2,397	(26,736)
Group assets and liabilities		
Segment assets		
Supply Chain Management		
Marine cables and accessories	55,780	55,398
Marine lighting equipment and accessories	12,699	11,009
Others	7,354	6,235
Manufacturing		
Marine switchboards and services	13,640	12,586
Galvanized steel wire	39,638	31,711
Engineering Services		
Engineering and installation	19,960	44,595
Unallocated corporate assets	81	198
Disposal group assets classified as held for sale	6,915	8,551
Total assets	156,067	170,283

Segment liabilities**Supply Chain Management**

Marine cables and accessories	18,505	24,189
Marine lighting equipment and accessories	4,997	5,208
Others	3,076	3,302

Manufacturing

Marine switchboards and services	6,612	6,298
Galvanized steel wire	30,138	18,504

Engineering Services

Engineering and installation	10,368	25,865
Unallocated corporate assets	662	2,684
Liabilities directly associated with disposal group classified as held for sale	645	888

Total liabilities	75,003	86,938
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Other segment information**Depreciation****Supply Chain Management**

Marine cables and accessories	752	706
Marine lighting equipment and accessories	203	151
Others	125	96

Manufacturing

Marine switchboards and services	161	113
Galvanized steel wire	553	89

Engineering Services

Engineering and installation	402	420
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2,196	1,575
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Capital Expenditure**Supply Chain Management**

Marine cables and accessories	1,358	152
Marine lighting equipment and accessories	367	33
Others	226	21

Manufacturing

Marine switchboards and services	405	210
Galvanized steel wire	12,893	18,511

Engineering Services

Engineering and installation	83	565
	15,332	19,492

Other significant non-cash expenses**Supply Chain Management**

Marine cables and accessories	647	340
Marine lighting equipment and accessories	101	74
Others	46	16

Manufacturing

Marine switchboards and services	65	(220)
Galvanized steel wire	(17)	17

Engineering Services

Engineering and installation	(465)	51
	377	278

By Geographical

	Revenue		Non-current assets	
Singapore	53,150	61,679	18,055	17,236
Indonesia	2,642	2,203	-	42
Norway	3,713	13,852	-	-
South-East Asia	8,031	11,191	-	-
East Asia	10,726	4,537	-	-
Sultanate of Oman	2,984	-	31,445	18,431
Middle East	1,601	1,554	-	-
Other Countries	6,019	2,703	28	39
	88,866	97,719	49,528	35,748

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.

Revenue from the Supply Chain Management Division decreased by \$8.7million or 14% from \$63.4million in FY2012 to \$54.7million in FY2013. The decrease in revenue was due to lower orders from the marine sector as a result of lower level of activities.

Revenue from the Manufacturing Division increased by \$7.6million or 39% from \$19.2million in FY2012 to \$26.8million in FY2013. The increase is due mainly to marine switchboards segment securing several major projects which have been delivered in 2H2013. The increase in revenue from galvanized steel wire is due mainly to the commencement of production of galvanized steel wire in Oman in 4Q2013.

Revenue from the Engineering Services Division decreased by \$7.8million or 52% from \$15.0million in FY2012 to \$7.2million in FY2013. The decrease in revenue is due to the absence of significant orders in 1Q2013 and lower revenue recognized from two major projects which commenced in 2Q2013 and 3Q2013 respectively as well as the slow progress of one of the project as a result of changes in specifications by customer.

The Group recorded a profit attributable to equity holders of \$2.4million in FY 2013 as compared to a loss of \$26.7million in FY2012. Continuing operations registered a net profit after tax of \$3.2million as compared to a loss of \$2.6million in FY2012 due mainly to cost overrun of a major project by the Engineering Services Division in 4Q2012.

The Group has also recorded a loss from discontinued operations, net of tax, of \$3.8million in FY2013 as compared to \$32.7million in FY2012 due mainly to cost overrun for projects in FY2012. FY2013's loss is significantly lower is also due to the Group's efforts in streamlining the cost structure and implementing tighter controls in discontinued operations.

15. A breakdown of sales

	Group \$'000		%
	31.12.2013	31.12.2012	Change
Sales reported for first half year	38,377	52,248	(27%)
Operating profit after tax reported for the first half year	893	3,893	(77%)
Sales reported for second half year	50,489	45,471	11%
Operating loss after tax reported for the second half year	(1,487)	(39,277)	(96%)

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

	\$'000	
	FY2013	FY2012
Ordinary share	2,400	3,360

17. Interested Person Transactions

[Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.]

The Group has not obtained a shareholder's mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

18. 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(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

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
Johnny Lim Huay Hua	45	Brother of executive directors and substantial shareholder, Alvin Lim Hwee Hong, Lim Hui Eng and Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd - Sanshin Marine (SEA) Pte Ltd	NA
Eileen Lim Chye Hoon	50	Sister of executive directors and substantial shareholder, Alvin Lim Hwee Hong, Lim Hui Eng and Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA
Hing Kah Wah	48	Husband of substantial shareholder, Eileen Lim Chye Hoon	Senior Operational Manager of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA

On behalf of the Board of Directors

Alvin Lim Hwee Hong
Executive Chairman
28 February 2014

Vincent Lim Hui Eng
Chief Executive Officer
28 February 2014