



TSH Corporation Limited

Company Registration Number: 200003865N

Full-Year Unaudited Financial Statement Announcement for the Financial Year Ended 31 December 2013

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

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Comprehensive Income

	The Group		Increase / (Decrease)
	2013 S\$'000	2012 S\$'000	
Revenue	52,405	51,245	2.3%
Cost of sales	(37,811)	(41,196)	-8.2%
Gross profit	14,594	10,049	45.2%
Other income	680	859	-20.8%
General and administrative expenses	(5,006)	(5,154)	-2.9%
Selling and marketing expenses	(3,913)	(2,352)	66.4%
Finance costs	(355)	(393)	-9.7%
Other operating expenses	(1,200)	(2,418)	-50.4%
Profit before exceptional items and taxation	4,800	591	712.2%
Exceptional items	(1,567)	-	n.m.
Profit before taxation	3,233	591	447.0%
Taxation	(617)	(55)	1021.8%
PROFIT FOR THE YEAR	2,616	536	388.1%
Other comprehensive income:			
Foreign currency translation	101	(89)	n.m.
Other comprehensive income for the year, net of tax	101	(89)	n.m.
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,717	447	507.8%
Profit attributable to:			
Owners of the Company	2,616	536	388.1%
Total comprehensive income attributable to:			
Owners of the Company	2,717	447	507.8%

n.m. - not meaningful

1(a)(ii) Notes to the statement of comprehensive income

	The Group	
	2013 S\$'000	2012 S\$'000
<i>Profit before taxation is arrived at after charging / (crediting) the following:-</i>		
Amortisation of intangible assets	256	442
Depreciation of property, plant and equipment	906	1,159
Dividend income	(10)	(8)
Fair value gain on held for trading financial assets	(9)	(58)
Foreign exchange (gain)/ loss, net	(218)	499
Gain on disposal of held for trading financial assets	(13)	(444)
Gain on disposal of property, plant and equipment	(3)	(26)
Impairment of property, plant and equipment	254	-
Impairment of intangible assets	-	140
Impairment of inventories	2	200
Impairment/ (Reversal of impairment) of other receivables	11	(2)
Impairment of trade receivables	94	47
Intangible assets written off	-	135
Interest expense	108	227
Interest income	(38)	(29)
Inventories written off	36	109
Property, plant and equipment written off	72	25
Rental income	(328)	(142)
<i>Exceptional items:-</i>		
- Impairment of assets held for sale	1,900	-
- Gain on disposal of a subsidiary	(333)	-
	1,567	-
<i>Taxation:-</i>		
Provision in respect of profit for the current year		
- current tax	663	194
- deferred tax	2	138
Over provision in respect of prior years		
- current tax	(43)	(166)
- deferred tax	(5)	(111)
	617	55

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

Statement of Financial Position

	The Group		The Company	
	31/12/2013 S\$'000	31/12/2012 S\$'000	31/12/2013 S\$'000	31/12/2012 S\$'000
Non-current assets				
Property, plant and equipment	11,431	12,426	9,124	9,309
Investments in subsidiaries	-	-	9,815	9,815
Goodwill	1,760	1,778	-	-
Available-for-sale financial assets	3,605	-	3,605	-
Intangible assets	-	246	-	-
	16,796	14,450	22,544	19,124
Current assets				
Inventories	116	435	-	-
Gross amount due from customers for contract work-in-progress	880	11,542	-	-
Trade and other receivables	6,343	6,403	2,217	12,984
Held for trading financial assets	240	509	240	509
Fixed deposits	9,489	1,105	7,933	-
Cash and bank balances	23,825	15,848	11,831	9,765
	40,893	35,842	22,221	23,258
Assets held for sale	-	5,505	-	5,505
	40,893	41,347	22,221	28,763
Current liabilities				
Gross amount due to customers for contract work-in-progress	524	-	-	-
Trade and other payables	6,025	6,547	2,256	1,877
Borrowings	413	1,337	413	466
Provision for taxation	713	181	69	70
	7,675	8,065	2,738	2,413
Net current assets	33,218	33,282	19,483	26,350
Non-current liabilities				
Borrowings	5,124	5,510	5,124	5,510
Deferred tax liabilities	287	336	-	-
	5,411	5,846	5,124	5,510
Net assets	44,603	41,886	36,903	39,964
Equity attributable to the owners of the Company				
Share capital	26,034	26,034	26,034	26,034
Translation reserve	162	61	-	-
Revenue reserve	18,407	15,791	10,869	13,930
Total equity	44,603	41,886	36,903	39,964

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

Amount repayable in one year or less, or on demand

As at 31/12/2013 S\$'000		As at 31/12/2012 S\$'000	
Secured	Unsecured	Secured	Unsecured
413	-	1,337	-

Amount repayable after one year

As at 31/12/2013 S\$'000		As at 31/12/2012 S\$'000	
Secured	Unsecured	Secured	Unsecured
5,124	-	5,510	-

Details of any collateral

The Group's secured borrowings are secured by its freehold industrial building and the assignment of rental income generated from the said building. Secured borrowings as at 31 December 2012 were secured by the same building and the assignment of its rental income or bank balances.

The Company also provides corporate guarantees for the borrowings of the subsidiaries within the Group.

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

Statement of Cash Flows

	The Group	
	2013 S\$'000	2012 S\$'000
Cash Flows From Operating Activities		
Profit before exceptional items and taxation	4,800	591
Adjustments for:		
Amortisation of intangible assets	256	442
Depreciation of property, plant and equipment	906	1,159
Dividend income	(10)	(8)
Fair value gain on held for trading financial assets	(9)	(58)
Gain on disposal of held for trading financial assets	(13)	(444)
Gain on disposal of property, plant and equipment	(3)	(26)
Impairment of property, plant and equipment	254	-
Impairment of intangible assets	-	140
Impairment of inventories	2	200
Impairment/ (Reversal of impairment) of other receivables	11	(2)
Impairment of trade receivables	94	47
Intangible assets written off	-	135
Interest expense	108	227
Interest income	(38)	(29)
Inventories written off	36	109
Net effect of currency translation differences	(351)	327
Property, plant and equipment written off	72	25
Operating cash flows before changes in working capital	6,115	2,835
Decrease in inventories	281	2,915
Decrease/ (Increase) in gross amount due from customers for contract work-in-progress, net	11,186	(6,740)
Increase in trade and other receivables	(87)	(1,072)
(Decrease)/ Increase in trade and other payables	(261)	284
Cash flows generated from/ (used in) operations	17,234	(1,778)
Taxes (paid)/ refunded	(155)	97
Interest paid	(115)	(225)
Interest received	38	33
Net cash flows generated from/ (used in) operating activities	17,002	(1,873)
Cash Flows From Investing Activities		
Additions to intangible assets	-	(196)
Cash inflow from disposal of a subsidiary, net (Note A)	472	-
Dividend received, net	2	10
Proceeds from disposal of property, plant and equipment	4	72
Proceeds from disposal of held for trading financial assets, net	-	349
Purchase of property, plant and equipment	(216)	(170)
Net cash flows generated from investing activities	262	65
Cash Flows From Financing Activities		
Proceeds from borrowings	-	870
(Placement)/ Redemption of pledged bank balances and deposits, net	(451)	2,609
Repayment of borrowings	(1,310)	(869)
Repayment of finance lease liabilities	-	(1)
Net cash flows (used in)/ generated from financing activities	(1,761)	2,609
Net increase in cash and cash equivalents	15,503	801
Effect of exchange rate changes on cash and cash equivalents	407	(304)
Cash and cash equivalents at beginning of year	14,648	14,151
Cash and cash equivalents at end of year (Note B)	30,558	14,648

1(c) Statement of cash flows (for the Group)

Note A:-

FY2013

In FY2013, the Group's subsidiary, Starmo International Pte Ltd, disposed of its the entire equity interest in Explomo Security Services Pte Ltd. The cash flow effects of the disposal was as follows:-

	S\$'000
Property, plant and equipment	19
Trade and other receivables	581
Cash and bank balances	200
	800
Trade and other payables	(254)
Net assets disposed	546
Goodwill	18
	564
Gain on disposal	333
Sales consideration	897
Less: Proceed receivables	(225)
Less: Cash and cash equivalents disposed of	(200)
Net cash inflow from disposal	472

Note B:-

For the purpose of the statement of cash flows (for the group), the cash and cash equivalents at the end of the financial year comprised the following:

	The Group	
	31/12/2013	31/12/2012
	S\$000	S\$000
Fixed Deposits	9,489	1,105
Cash and bank balances	23,825	15,848
	33,314	16,953
Less: Bank balances and fixed deposits pledged	(2,756)	(2,305)
	30,558	14,648

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.

Statement of Changes in Equity

The Group	Share capital S\$'000	Revenue reserve S\$'000	Translation reserve S\$'000	Total equity S\$'000
As at 1 January 2013	26,034	15,791	61	41,886
Profit for the year	-	2,616	-	2,616
Foreign currency translation	-	-	101	101
Other comprehensive income for the year	-	-	101	101
Total comprehensive income for the year	-	2,616	101	2,717
As at 31 December 2013	26,034	18,407	162	44,603
As at 1 January 2012	26,034	15,255	150	41,439
Profit for the year	-	536	-	536
Foreign currency translation	-	-	(89)	(89)
Other comprehensive income for the year	-	-	(89)	(89)
Total comprehensive income for the year	-	536	(89)	447
As at 31 December 2012	26,034	15,791	61	41,886

The Company	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
As at 1 January 2013	26,034	13,930	39,964
Loss for the year	-	(3,061)	(3,061)
Total comprehensive income for the year	-	(3,061)	(3,061)
As at 31 December 2013	26,034	10,869	36,903
As at 1 January 2012	26,034	13,135	39,169
Profit for the year	-	795	795
Total comprehensive income for the year	-	795	795
As at 31 December 2012	26,034	13,930	39,964

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 immediate preceding financial year.

There were no changes in the Company's share capital during FY2013. There were no outstanding convertibles or treasury shares as at 31 December 2013 and 2012.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

Total number of issued shares excluding treasury shares was 240,443,565 as at 31 December 2013 (31 December 2012: 240,443,565 shares).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during FY2013.

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

The figures have neither been audited nor reviewed by the Company's 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 adopted the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the audited financial statements as at 31 December 2012, except for the adoption of certain revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that became mandatory from 1 January 2013. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the financial statements.

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.

Refer to paragraph 4 above.

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.

	2013 Cents	2012 Cents
The Group		
Basic ⁽¹⁾	1.09	0.22
Diluted ⁽²⁾	1.09	0.22

Notes:-

- (1) Basic earnings per ordinary share were calculated based on the net profit after tax attributable to owners of the Company divided by the weighted average number of shares in issue of 240,443,565 for FY2013 (FY2012: 240,443,565 shares).
- (2) There were no potential dilutive ordinary shares during FY2013 and FY2012.

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.

	The Group		The Company	
	31/12/2013 Cents	31/12/2012 Cents	31/12/2013 Cents	31/12/2012 Cents
Net asset value per ordinary share	18.55	17.42	15.35	16.62

Note:-

The net asset value per ordinary share were calculated based on the net assets divided by 240,443,565 ordinary shares as at 31 December 2013 (31 December 2012: 240,443,565).

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 (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.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The revenue of the Group increased by S\$1.16m or 2.3% from S\$51.25m in FY2012 to S\$52.41m in FY2013 due to:

- increase in revenue of the Consumer Electronic Products business of S\$4.83m or 17.9% as a result of higher sales of new products of S\$13.44m or 104.5%, moderated by lower sales of the digital imaging products of S\$8.61m or 60.8%. These explained the higher revenue from the United States of America and the decrease in revenue from Germany and other countries respectively;
- increase in revenue of the Corporate and Others business of S\$0.59m or 30.9% as a result of higher revenue generated from other businesses in the events management and library related services; and
- partially offset by the decrease in revenue of the Homeland Security Services business of S\$4.27m or 19.1% mainly as a result of lower level of activities in FY2013. These explained the lower revenue from Singapore, which was moderated by higher revenue from Taiwan where a major project was completed.

Gross profit

The gross profit of the Group increased by S\$4.55m or 45.2% from S\$10.05m in FY2012 to S\$14.59m in FY2013 due mainly to the increase in revenue and overall improvement in gross margin.

The gross margin of the Group has increased by 8.2 percentage points from 19.6% in FY2012 to 27.8% in FY2013 due mainly to higher contribution from the Consumer Electronic Products business that yields better margin.

Profit before exceptional items and taxation

The profit before exceptional items and taxation of the Group increased by S\$4.21m or more than seven times from S\$0.59m in FY2012 to S\$4.80m in FY2013. The higher profit was primarily attributable to higher gross profit generated and lower other operating expenses incurred in FY2013, partly offset by higher selling and marketing expenses and lower gain on disposal of held for trading financial assets as a result of lower trading activities in FY2013.

The other operating expenses decreased by S\$1.22m or 50.4% from S\$2.42m in FY2012 to S\$1.20m in FY2013 due mainly to the exchange gain of S\$0.22m recognised in FY2013 as a result of the appreciation of US Dollar against Singapore Dollar as compared to exchange loss of S\$0.50m suffered in FY2012, absence of impairment and write-off of deferred development costs of S\$0.28m, lower amortisation of deferred development cost of S\$0.19m, and lower impairment of inventories of S\$0.15m. The decrease was partially offset by the impairment of property, plant and equipment of S\$0.26m in FY2013.

The selling and marketing expenses increased by S\$1.56m or 66.4% from S\$2.35m in FY2012 to S\$3.91m in FY2013, which was in line with higher revenue of the Consumer Electronic Products business.

The Consumer Electronic Products business turned around from loss before exceptional items and taxation of S\$0.94m in FY2012 to profit before exceptional items and taxation of S\$2.29m in FY2013 due mainly to higher revenue and gross profit, lower general and administrative expenses, lower foreign exchange losses suffered and the absence of impairment and write-off of deferred development costs. However, the improved operating profit was partially offset by the impairment of property, plant and equipment and higher selling and marketing expenses.

The operating profit before exceptional items and taxation of Corporate and Others business rose by S\$0.61m or 85.9% from S\$0.71m in FY2012 to S\$1.32m in FY2013 mainly due to higher revenue generated by events management and library related services, higher rental income and no exchange loss in FY2013. However, it was moderated by lower gain on disposal of held for trading financial assets.

The operating profit before exceptional items and taxation of Homeland Security Services business rose by S\$0.35m or 41.2% from S\$0.85m in FY2012 to S\$1.20m in FY2013 despite the decrease in revenue due mainly to lower general and administrative expenses and finance cost, and no exchange loss in FY2013.

Profit for the year

The profit for the year of the Group increased by S\$2.08m or 388.1% from S\$0.54m in FY2012 to S\$2.62m in FY2013, primarily attributable to the overall improved performance of businesses, partially offset by the exceptional items and increase in taxation.

The exceptional items comprised:

- the impairment of assets held for sale of S\$1.90m as explained under "Non-current assets" below; and
- the gain on disposal of a subsidiary in Homeland Security Services business of S\$0.33m as announced on 4 October 2013.

The taxation increased by S\$0.56m or more than 10 times from S\$0.06m in FY2012 to S\$0.62m in FY2013 due mainly to the taxation provided for the higher profit before exceptional items and taxation recognised in FY2013.

Total comprehensive income

As a result of the above, the total comprehensive income of the Group increased by S\$2.27m or more than five times from S\$0.45m in FY2012 to S\$2.72m in FY2013.

STATEMENT OF FINANCIAL POSITION

Non-current assets

The Group non-current assets increased by S\$2.35m or 16.2% from S\$14.45m as at 31 December 2012 to S\$16.80m as at 31 December 2013. The increase was due to the classification of assets held for sale, i.e. former associates (Unilink Development Limited and its subsidiaries, namely Newtronics Hangzhou Co., Ltd and HengAi Electronics Co., Ltd), of S\$3.61m (the "Investment") under current assets in FY2012 as available-for-sale financial assets under non-current assets in FY2013, but this was moderated mainly by the decrease in property, plant and equipment of S\$1.00m and intangible assets of S\$0.25m mainly as a result of depreciation and amortisation, respectively, during the year.

The Group has classified the Investment as available-for-sale financial assets in FY2013 from assets held for sale in FY2012 as the sale of the Investment did not appear to be probable in the near future in view of the current uncertain market sentiment.

The net worth of the Investment has declined as a result of the reducing sales and rising costs that have translated into operating loss in FY2013. The Group made an impairment of S\$1.90m to write down the carrying amount of the Investment from S\$5.51m to its recoverable amount of S\$3.61m in FY2013.

Current assets

The Group current assets decreased by S\$0.45m or 1.1% from S\$41.35m as at 31 December 2012 to S\$40.89m as at 31 December 2013. The decrease was due mainly to:

- lower gross amount due from customers for contract work-in-progress of S\$10.66m as a result of the completion of a major project of Homeland Security Services business in FY2013;
- the classification of assets held for sale of S\$5.51m as at 31 December 2012 as available-for-sale financial assets under non-current assets in FY2013 as mentioned above; and
- lower inventories of S\$0.32m mainly due to decrease in materials held for the Consumer Electronics Product business.

However, the decrease was moderated mainly by higher total cash balances of S\$16.36m consisting of fixed deposits and cash and bank balances.

Current liabilities

The Group current liabilities decreased by S\$0.39m or 4.8% from S\$8.07m as at 31 December 2012 to S\$7.68m as at 31 December 2013. The decrease was due to lower borrowings of S\$0.92m and lower trade and other payables of S\$0.52m. Lower borrowings was due to repayments during the year and lower trade and other payables was mainly due to the non-recurrence of significant purchases made in end FY2012 for on-going major projects of Homeland Security Services business in FY2013.

However, the decrease was moderated mainly by:

- increase in provision for taxation of S\$0.53m as a result of tax provided in respect of profit recorded for FY2013; and
- gross amount due to customers for contract work-in-progress of S\$0.52m related to advance billing to customers for on-going projects.

Non-current liabilities

The Group non-current liabilities decreased by S\$0.44m or 7.4% from S\$5.85m as at 31 December 2012 to S\$5.41m as at 31 December 2013 due mainly to the repayments of borrowings.

STATEMENT OF CASH FLOWS

The cash flow generated from operating activities of S\$17.00m in FY2013 was attributed mainly to the decrease in gross amount due from customers for contract work-in-progress and profit generated.

The cash flow used in financing activities of S\$1.76m in FY2013 was attributed to the repayments of borrowings and placement of pledged bank balances for trade facilities.

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 Homeland Security Services business is a project-based business and its performance is depending on the ability of the Group to secure new projects and manage them.

The Consumer Electronic Products business, which is involved in the trading, design and manufacturing of consumer electronic products, is in an industry that has relatively low barriers to entry and is highly competitive. The increasing operating costs in China and the ability to source and launch new products on time may affect the performance of the business. The US and European consumer markets, which are the major markets of the Consumer Electronic Products business, are directly affected by the economic uncertainties. These uncertainties may hamper the demand for our products.

The Group endeavours to expand the customer base and to improve the operational efficiency of the businesses.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

(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 or recommended for FY2013.

13. If the Group has obtained a general mandate from Shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

During FY2013, the aggregate value of transactions entered into by the Company with Colin Ng & Partners LLP and Tricor CNP Corporate Services Pte Ltd for the provision of legal and professional services were less than S\$100,000. Mr Ng Teck Sim Colin, a director of the Company, is a director of both companies. There were no interested person transactions entered into with value of more than S\$100,000 during the FY2013.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of Section B: Rules of Catalist of the Listing Manual of SGX-ST (the "Catalist Rules").

14 Negative confirmation pursuant to Rule 705(5).

Not required for announcement on full year results.

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 operating 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	Homeland Security Services S\$'000	Consumer Electronic Products S\$'000	Corporate and Others S\$'000	Adjustments and Eliminations S\$'000	Total S\$'000
2013					
Sales to external customers	18,050	31,845	2,510	-	52,405
Inter-segment sales	58	-	1,565	(1,623)	-
Total revenue	18,108	31,845	4,075	(1,623)	52,405
Amortisation of intangible assets	-	256	-	-	256
Depreciation of property, plant and equipment	390	258	258	-	906
Dividend income	-	-	10	-	10
Fair value gain on held for trading financial assets	-	-	9	-	9
Gain on disposal of held for trading financial assets	-	-	13	-	13
Gain on disposal of property, plant and equipment	1	-	2	-	3
(Reversal of impairment)/ Impairment of other receivables	(2)	13	-	-	11
Impairment of inventories	-	2	-	-	2
Impairment of property, plant and equipment	-	254	-	-	254
Impairment of trade receivables	94	-	-	-	94
Interest expenses	514	145	105	(656)	108
Interest income	9	5	680	(656)	38
Inventories written off	30	6	-	-	36
Property, plant and equipment written off	-	72	-	-	72
Segment operating profit before exceptional items and taxation	1,200	2,286	1,316	(2)	4,800
Exceptional items:					
Gain on disposal of a subsidiary	-	-	333	-	333
Impairment of assets held for sale	-	-	1,900	-	1,900
Segment operating profit/ (loss) before taxation	1,200	2,286	(251)	(2)	3,233
Segment assets and liabilities:					
Additions to non-current assets	179	32	5	-	216
Segment assets	12,968	9,522	35,833	(634)	57,689
Segment liabilities	1,183	6,328	8,857	(3,282)	13,086

By Business Segments	Homeland Security Services S\$'000	Consumer Electronic Products S\$'000	Corporate and Others S\$'000	Adjustments and Eliminations S\$'000	Total S\$'000
2012					
Sales to external customers	22,316	27,012	1,917	-	51,245
Inter-segment sales	60	-	1,635	(1,695)	-
Total revenue	22,376	27,012	3,552	(1,695)	51,245
Amortisation of intangible assets	-	442	-	-	442
Depreciation of property, plant and equipment	394	487	278	-	1,159
Dividend income	-	-	8	-	8
Fair value gain on held for trading financial assets	-	-	58	-	58
Gain on disposal of held for trading financial assets	-	-	444	-	444
(Loss)/ Gain on disposal of property, plant and equipment	(2)	17	11	-	26
Reversal of impairment of other receivables	2	-	-	-	2
Impairment of inventories	61	139	-	-	200
Impairment of intangible assets	-	140	-	-	140
Impairment of trade receivables	47	-	-	-	47
Intangible assets written off	-	135	-	-	135
Interest expenses	278	10	295	(356)	227
Interest income	2	2	381	(356)	29
Inventories written off	-	109	-	-	109
Property, plant and equipment written off	3	22	-	-	25
Segment operating profit/ (loss) before taxation	849	(935)	711	(34)	591
Segment assets and liabilities:					
Additions to non-current assets	47	310	9	-	366
Segment assets	22,233	6,931	37,856	(11,223)	55,797
Segment liabilities	11,919	6,108	8,346	(12,462)	13,911

15. Segmented revenue and results for operating 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.

Segment revenue by geographical information

The following table presents revenue information for the years ended 31 December based on the geographical location of customers.

	2013 S\$'000	2012 S\$'000
Germany	1,749	7,721
Singapore	11,626	16,501
Taiwan	10,446	9,050
United States of America	27,148	14,787
Others	1,436	3,186
Total	52,405	51,245

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to paragraph 8 above.

17. A breakdown of sales as follows:

The Group	2013 S\$'000	2012 S\$'000	Increase/ (decrease) %
(a) Sales reported for first half year	17,052	11,589	47.1%
(b) Operating profit/ (loss) after tax before deducting non-controlling interests reported for first half year	1,083	(1,876)	n.m.
(c) Sales reported for second half year	35,353	39,656	-10.9%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	1,533	2,412	-36.4%

n.m. - not meaningful

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

Not applicable.

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 (10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lye Chee Fei Anthony
DIRECTOR
28-Feb-2014