

QUARTERLY FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2014

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

	\$'000		Group		\$'000		
	4th quarter ended 31.12.14	4th quarter ended 31.12.13 (Restated)*	%	Financial year ended 31.12.14	Financial year ended 31.12.13 (Restated)*	%	
			Change			Change	
<u>Continuing operations</u>							
Revenue	13,801	18,946	(27%)	84,987	67,574	26%	
Cost of sales	(11,027)	(14,239)	(23%)	(68,006)	(45,523)	49%	
Gross profit	2,774	4,707	(41%)	16,981	22,051	(23%)	
Other operating (expense)/income	(922)	281	N.M.	(617)	879	N.M.	
Selling & Distribution expenses	(2,279)	(2,398)	(5%)	(10,437)	(9,321)	12%	
Administrative expenses	(2,996)	(2,687)	11%	(10,573)	(10,177)	4%	
Finance costs	(112)	(386)	(71%)	(1,103)	(808)	37%	
(Loss)/Profit from operations	(3,535)	(483)	632%	(5,749)	2,624	N.M	

Share of results of associated companies	(163)	143	N.M.	130	223	(42%)
Share of results of joint ventures	(968)	107	N.M.	(570)	467	N.M.
(Loss)/Profit before taxation	(4,666)	(233)	N.M.	(6,189)	3,314	N.M.
Tax credit/(expenses)	2,010	(811)	N.M.	1,070	(1,981)	N.M.
(Loss)/Profit from continuing operations, net of tax	(2,656)	(1,044)	154%	(5,119)	1,333	N.M.
<u>Discontinued operations</u>						
(Loss)/Income from discontinued operations, net of tax	(1,366)	541	N.M.	(1,405)	(1,957)	(28%)
Net loss for the period/year	(4,022)	(503)	700%	(6,524)	(624)	946%
Attributable to:						
Equity holders of the Company	(2,764)	907	N.M.	(2,163)	2,397	N.M.
Non-controlling interests	(1,258)	(1,410)	(11%)	(4,361)	(3,021)	44%
	(4,022)	(503)	700%	(6,524)	(624)	946%

*Restated the results of a subsidiary to be disposed to discontinued operations.

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 31.12.14	4th quarter ended 31.12.13	% Change	Financial year ended 31.12.14	Financial year ended 31.12.13	% Change
Net loss for the period/year	(4,022)	(503)	700%	(6,524)	(624)	946%
Other comprehensive income/ (expense):						
Exchange differences on translation of the financial statements of foreign entities (net)	63	308	(80%)	(54)	1,145	N.M.
Total comprehensive (loss)/income for the period	(3,959)	(195)	N.M.	(6,578)	521	N.M.

Total comprehensive (loss)/income attributable to:

Equity holders of the Company	(2,857)	1,221	N.M.	(2,359)	3,340	N.M.
Non-controlling interests	(1,102)	(1,416)	(22%)	(4,219)	(2,819)	50%
Total comprehensive (loss)/income for the period	(3,959)	(195)	N.M.	(6,578)	521	N.M.

1(a)(ii) Notes to income statement

	Group			Group		
	(\$'000)			(\$'000)		
	4th quarter ended 31.12.14	4th quarter ended 31.12.13 (Restated)	% Change	Financial year ended 31.12.14	Financial year ended 31.12.13 (Restated)	% Change
<u>Continuing operations</u>						
Other income including interest income	44	153	(71%)	328	394	(17%)
Interest on borrowings	(112)	(386)	(71%)	(1,103)	(808)	37%
Depreciation of property, plant and equipment	(1,738)	(813)	114%	(4,231)	(2,033)	108%
(Loss)/Gain on disposal of property, plant and equipment	(174)	197	N.M.	(138)	274	N.M.
Foreign exchange (loss)/gain	(231)	103	N.M.	(247)	383	N.M.
Provision for stock obsolescence	(206)	(342)	(40%)	(124)	(907)	(86%)
Write-back/(Provision) of doubtful debts	85	(79)	N.M.	98	131	(25%)
Reversal of fair value adjustment of contingent consideration in a business combination	-	-	N.M.	-	465	N.M.
Loss on reclassification of a subsidiary to a joint venture	(528)	-	N.M.	(528)	-	N.M.
Property, plant and equipment written off	(213)	(53)	302%	(213)	(53)	302%
Loss on winding up of an associated company	-	-	N.M.	-	(17)	N.M.
<u>Discontinued operations</u>						
Other income including interest income	12	59	(80%)	75	121	(38%)
Interest on borrowings	(12)	(15)	(20%)	(60)	(118)	(49%)
Depreciation of property, plant and equipment	(174)	(48)	263%	(315)	(163)	93%
Gain on disposal of property, plant and equipment	-	-	N.M.	-	14	N.M.
Foreign exchange gain/(loss)	286	(374)	N.M.	427	(3,144)	N.M.
Write-back/(Provision) for stock obsolescence	75	(154)	N.M.	(286)	(191)	50%
(Provision)/Reversal for doubtful debts	(1,932)	294	N.M.	(1,938)	(54)	N.M.
Reversal of impairment loss on property, plant and equipment	-	626	N.M.	-	626	N.M.

(Provision)/Reversal of warranty	(37)	272	N.M.	(94)	272	N.M.
Property, plant and equipment written off	(7)	-	N.M.	(7)	-	N.M.
Total						
Other income including interest income	56	212	(74%)	403	515	(22%)
Interest on borrowings	(124)	(401)	(69%)	(1,163)	(926)	26%
Depreciation of property, plant and equipment	(1,912)	(861)	112%	(4,546)	(2,196)	107%
(Loss)/Gain on disposal of property, plant and equipment	(167)	197	N.M.	(138)	288	N.M.
Foreign exchange gain/(loss)	55	(271)	N.M.	180	(2,761)	N.M.
Provision for stock obsolescence	(131)	(496)	(74%)	(410)	(1,098)	(63%)
(Provision)/Reversal for doubtful debts	(1,847)	215	N.M.	(1,840)	77	N.M.
Reversal of impairment loss on property, plant and equipment	-	626	N.M.	-	626	N.M.
Reversal of fair value adjustment of contingent consideration in a business combination	-	-	N.M.	-	465	N.M.
(Provision)/Reversal for warranty	(37)	272	N.M.	(94)	272	N.M.
Loss on reclassification of a subsidiary to a joint venture	(528)	-	N.M.	(528)	-	N.M.
Property, plant and equipment written off	(220)	(53)	315%	(220)	(53)	315%
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 (\$'000)		Company (\$'000)	
	31.12.14	31.12.13	31.12.14	31.12.13
Non-current assets				
Property, plant and equipment	19,109	49,301	3	-
Investment in subsidiaries	-	-	12,229	13,880
Investment in associated companies	11,085	6,612	10,815	6,235
Investment in joint ventures	2,005	2,353	839	809
Deferred tax assets	79	81	-	-
Intangible assets	49	227	49	49
	32,327	58,574	23,935	20,973

Current assets

Inventories	32,761	40,954	-	-
Due from customers on construction contracts	37	4,584	-	-
Amount due from joint venture (trade)	40	258	-	-
Trade receivables	20,596	29,911	-	-
Other receivables	1,978	2,966	10,553	24,419
Cash and cash equivalents	5,037	12,468	211	2,222
	60,449	91,141	18,764	26,641
Disposal group assets classified as held for sale	20,241	6,915	-	-
Total current assets	80,690	98,056	10,764	26,641

Total assets

113,017	156,630	34,699	47,614
----------------	----------------	---------------	---------------

Non-current liabilities

Deferred tax liability	836	662	-	-
Finance lease liabilities	521	750	-	-
	1,357	1,412	-	-

Current liabilities

Due to customers on construction contracts	3,081	1,360	-	-
Trade payables	8,406	16,591	-	-
Other payables	3,623	9,347	1,188	479
Bank borrowings	13,255	44,093	-	-
Finance lease liabilities	166	179	-	-
Tax payable	1,493	1,939	101	196
	30,024	73,509	1,289	675
Liabilities directly associated with disposal group classified as held for sale	10,429	645	-	-
Total current liabilities	40,453	74,154	1,289	675

Total liabilities

41,810	75,566	1,289	675
---------------	---------------	--------------	------------

Net assets

71,207	81,064	33,410	46,939
---------------	---------------	---------------	---------------

Shareholders' equity

Share capital	43,461	43,461	43,461	43,461
Translation reserves	641	837	-	-
Accumulated profits/(loss)	34,604	39,154	(10,051)	3,478
Attributable to equity holders of the Company	78,706	83,452	33,410	46,939
Non-controlling interests	(7,499)	(2,388)	-	-
Total shareholders' equity	71,207	81,064	33,410	46,939

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 31.12.14 (\$'000)		As at 31.12.13 (\$'000)	
Secured	Unsecured	Secured	Unsecured
6,064	7,191	32,900	11,437

Amount repayable after one year

As at 31.12.14 (\$'000)		As at 31.12.13 (\$'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 \$7.97million (31.12.2013: \$15.44million)
- (b) Fixed deposits of certain subsidiaries.
- (c) Joint and several guarantees by the Company and certain directors of a subsidiary.
- (d) Fixed charge for all monies over a subsidiary's present and future contracts financed or to be financed directly or indirectly, wholly or partly.

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 31.12.14	4th quarter ended 31.12.13 (Restated)	Financial year ended 31.12.14	Financial year ended 31.12.13 (Restated)
Cash flows from operating activities				
(Loss)/Profit before tax from continuing operations	(4,666)	(233)	(6,189)	3,314
(Loss)/Profit before tax from discontinued operations	(1,216)	418	(1,094)	(1,769)
Adjustments for :				
Depreciation	1,912	861	4,546	2,196
Interest income	(4)	(4)	(17)	(22)
Interest expense	124	401	1,163	926
Share of results of associated companies	154	(106)	(108)	(154)
Share of results of joint ventures	968	(107)	570	(467)
Reversal of impairment on property, plant & equipment	-	(626)	-	(626)
Property, plant and equipment written off	220	53	220	53
Loss/(Gain) on disposal of property, plant and equipment	167	(197)	138	(288)
Loss on reclassification of a subsidiary to a joint venture	528	-	528	-
Loss on winding up the associated company	-	-	-	17
Reversal of fair value adjustment of contingent consideration in a business combination	-	-	-	(465)
Operating cash before movements in working capital	(1,813)	460	(243)	2,715
Inventories	(806)	3,987	(3,361)	3,468
Due from customer on construction contract, net	4,458	1,212	6,268	11,362
Receivables	(1,611)	(1,050)	(488)	10,394
Payables	(777)	2,525	4,121	(12,110)
Currency translation adjustments	660	552	328	1,455
Cash generated from operations	111	7,686	6,625	17,284
Tax refund/(paid)	2,034	200	682	(2,144)
Interest paid	(124)	(401)	(1,163)	(926)
Net cash from operating activities	2,021	7,485	6,144	14,214

Cash flows from investing activities

Fixed deposits	-	(6)	34	75
Purchase of property, plant and equipment	(275)	(1,080)	(1,670)	(14,339)
Proceeds from disposal of property, plant and equipment	6	1,067	55	1,166
Interest received	4	4	17	22
Capital injection from the minority shareholders	-	-	-	13
Investment in an associated company	(1,297)	-	(4,512)	(62)
Dividend received from a joint venture	500	-	863	355
Proceed from winding up of an associated company	-	-	-	42
Net cash outflow from reclassification of a subsidiary to a joint venture	(433)	-	(433)	-
Additional investment in subsidiary	-	-	-	(15)
Additional investment in a joint venture	(828)	-	(828)	-
Net cash used in investing activities	(2,323)	(15)	(6,474)	(12,743)

Cash flows from financing activities

Proceeds from bank borrowings	1,800	403	1,800	15,416
Repayment of bank borrowings	(1,224)	(3,036)	(3,100)	(12,826)
(Repayment of)/ Proceed from short term loan	(5,005)	1,527	(200)	(3,303)
Repayment of hire purchase creditors	(47)	(37)	(191)	(84)
Dividend paid	-	-	(2,400)	(2,400)
Dividend paid to minority shareholders of a subsidiary	(200)	(400)	(200)	(400)
Net cash used in financing activities	(4,676)	(1,543)	(4,291)	(3,597)

Net (decrease)/ increase in cash and cash equivalents	(4,978)	5,927	(4,621)	(2,126)
Cash and cash equivalents at beginning of period	10,752	4,444	10,389	12,275
Effect of exchange rate changes on cash and cash equivalents	(6)	15	-	(5)
Cash and cash equivalents at end of period/year	5,768	10,386	5,768	10,144

Cash and cash equivalents comprises the following

Cash and cash equivalents	5,037	12,468	5,037	12,468
Increase/(Decrease) in cash and cash equivalents in discontinued operations	2,776	(3)	2,776	(245)
Less: Fixed Deposits	(2,045)	(2,079)	(2,045)	(2,079)
Cash and cash equivalents as per statement of cash flows	5,768	10,386	5,768	10,144

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 2014	43,461	837	39,154	83,452	(2,388)	81,064
Currency translation differences arising on consolidation, net of tax	-	(50)	-	(50)	(21)	(71)
Profit for the period	-	-	1,416	1,416	(878)	538
Balance At 31 March 2014	43,461	787	40,570	84,818	(3,287)	81,531
Currency translation differences arising on consolidation, net of tax	-	(36)	-	(36)	(19)	(55)
Loss for the period	-	-	(596)	(596)	(1,256)	(1,852)
Dividend	-	-	(2,400)	(2,400)	-	(2,400)
Balance At 30 June 2014	43,461	751	37,574	81,786	(4,562)	77,224
Currency translation differences arising on consolidation, net of tax	-	(17)	-	(17)	26	9
Loss for the period	-	-	(219)	(219)	(969)	(1,188)
Change of ownership interest in subsidiary	-	-	13	13	(13)	-
Dividend paid to minority shareholders	-	-	-	-	(200)	(200)
Balance At 30 September 2014	43,461	734	37,368	81,563	(5,718)	75,845
Currency translation differences arising on consolidation, net of tax	-	(93)	-	(93)	156	63
Loss for the period	-	-	(2,764)	(2,764)	(1,258)	(4,022)
Loss from de-recognized subsidiary	-	-	-	-	(679)	(679)
Balance At 31 December 2014	43,461	641	34,604	78,706	(7,499)	71,207

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

Company

	(\$'000)		
	Share capital	Accumulated Profits/(Loss)	Total shareholders' equity
At 1 January 2014	43,461	3,478	46,939
Profit for the period	-	253	253
Balance at 31 March 2014	43,461	3,731	47,192
Loss for the period	-	(488)	(488)
Dividends	-	(2,400)	(2,400)
Balance at 30 June 2014	43,461	843	44,304
Loss for the period	-	(4,189)	(4,189)
Balance at 30 September 2014	43,461	(3,346)	40,115
Loss for the period	-	(6,705)	(6,705)
Balance at 31 December 2014	43,461	(10,051)	33,410

	(\$'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

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.

	31.12.14	31.12.13
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 2013.

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 2014.

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 31.12.14	4th quarter ended 31.12.13 (Restated)	Financial year ended 31.12.14	Financial year ended 31.12.13 (Restated)
(i) Based on number of ordinary shares in issue:				
- Continuing operations	(0.13) cents	0.23 cents	(0.06) cents	0.95 cents
- Discontinued operations	(0.44) cents	(0.04) cents	(0.39) cents	(0.46) cents
Net (loss)/earnings per ordinary share for the period/year	(0.57) cents	0.19 cents	(0.45) cents	0.49 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	(0.13) cents	0.23 cents	(0.06) cents	0.95 cents
- Discontinued operations	(0.44) cents	(0.04) cents	(0.39) cents	(0.46) cents
Net (loss)/earnings per ordinary share for the period/year	(0.57) cents	0.19 cents	(0.45) cents	0.49 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	
	31.12.14	31.12.13	31.12.14	31.12.13
Net asset value per ordinary share based on existing share capital	16 cents	17 cents	7 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.

Key changes in the Group's financials:

Gulf Specialty Steel Industries LLC ("GSSI") – The CEO of GSSI, previously appointed by the Group, had resigned towards the end of 3Q2014. Subsequently, the Group (which owns 51%) and its fellow shareholder (which owns 49%) have jointly appointed a new CEO. Consequently, arising from this recent development as well as other factors taken into account, the Group is deemed to have joint control instead of major control over GSSI in accordance with FRS110 which is effective from 1 January 2014. Therefore GSSI's first three quarters' results are consolidated while the 4Q2014 results are accounted for using the equity method and included in the balance sheet under "Investment in joint ventures".

Z-Power Automation Pte Ltd ("ZPA") – Referring to the announcements on the entry into a sale and purchase agreement relating to the proposed disposal of ZPA dated 17 November 2014 and 13 February 2015, the Group is expecting to complete the disposal by 16 March 2015. Therefore ZPA was de-consolidated and is reclassified to Discontinued Operations in the income statements for FY2013 and FY2014 and also reclassified to assets and related liabilities held for sale in the balance sheet for FY2014.

PT. BH Marine & Offshore Engineering ("PTE") – The Board had decided to discontinue the operations of its engineering subsidiary in Batam as stated in the full year results announcement released on 2 March 2013. Despite ongoing negotiations with potential buyers, the Group has not been able to conclude the sale of the assets of its engineering subsidiary in Batam. In compliance with FRS105, the Group has therefore undertaken the following:

- (i) reclassified all PTE's property, plant and equipment related expenses (primarily depreciation relating to FY2013 and FY2014) to Continuing Operations from 4Q2014 in the income statement; all other income and expenses are accounted for as discontinued operations given the fact that PTE has completely ceased operations; and
- (ii) reclassified all PTE's assets and related liabilities held for sale previously reported under "Disposal group" to their respective balance sheet items for FY2014.

Details of these expenses, assets and related liabilities are further explained in the review below. Notwithstanding the accounting and reporting changes, it remains the Group's intention to dispose of the assets and related liabilities of PTE.

Revenue
(4Q2014 Vs 4Q2013)

	Group		% Change
	4Q2014 \$'000	4Q2013 \$'000 (Restated)*	
Supply Chain Management			
Marine cables and accessories	7,535	9,107	(17%)
Marine lighting equipment and accessories	2,881	2,575	12%
Others	1,773	1,679	6%
	12,189	13,361	(9%)
Manufacturing			
Galvanized steel wire	466	3,398	(86%)
Engineering Services			
Engineering and installation	1,146	2,187	(53%)
Total sales revenue	13,801	18,946	(28%)

Supply Chain Management

Supply Chain Management Division accounts for 89% of the Group's turnover in 4Q2014, of which marine cables and accessories contributed 62%, marine lighting equipment, accessories 24% and others 14%. Revenue from Supply Chain Management Division decreased by 9% due to slow down in activities in the marine sectors.

Manufacturing

Manufacturing Division accounts for 3% of the Group's turnover in 4Q2014. The decrease in revenue is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014.

Engineering Services

Engineering Services Division accounts for 8% of the Group's turnover in 4Q2014. The decrease in revenue from engineering and installation is due mainly to the substantial completion of a major project in 3Q2014 which commenced in 3Q2013 and a delay of a new major project arising from more time required for technical clarifications with the client.

(FY2014 VS FY2013)

	Group		% Change
	2014 \$'000	2013 \$'000 (Restated)	
Supply Chain Management			
Marine cables and accessories	36,370	38,119	(5%)
Marine lighting equipment and accessories	12,077	10,294	17%
Others	7,287	6,338	15%
	55,734	54,751	2%
Manufacturing			
Galvanized steel wire	18,569	5,568	233%
Engineering Services			
Engineering and installation	10,684	7,255	46%
Total sales revenue	84,987	67,574	28%

Supply Chain Management

Supply Chain Management Division accounts for 65% of the Group's turnover in FY2014, of which marine cables and accessories contributed 65%, marine lighting equipment and accessories 22% and others 13%. Revenue from Supply Chain Management Division remains comparably unchanged in FY2014.

Manufacturing

Manufacturing Division accounts for 22% of the Group's turnover in FY2014. The increase in revenue from galvanized steel wire is due mainly to the commencement of production of galvanized steel wire by GSSI in Oman in 4Q2013. The revenue from GSSI is only consolidated for the first three quarters of 2014, while the revenue for 4Q2014 is not consolidated as GSSI was reclassified from a subsidiary to a joint venture from 4Q2014.

Engineering Services

Engineering Services Division accounts for 13% of the Group's turnover in FY2014. The increase in revenue is due to the significant contribution from two major projects as compared to FY2013 where there was lower revenue recognized from these projects which only commenced in 2Q2013 and 3Q2013.

Geographical segment

Revenue derived from Singapore decreased by \$1.4million or 14% from \$10.1million in 4Q2013 to \$8.7million in 4Q2014. This is due mainly to slow down in activities in the marine sector in Supply Chain Management Division where its clients are mainly based in Singapore.

Revenue derived from overseas decreased by \$3.7million or 42% from \$8.8million in 4Q2013 to \$5.1million in 4Q2014. The decrease in revenue is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014.

Gross profit

The Group's overall gross profit decreased by \$1.9million or 41% from \$4.7million in 4Q2013 to \$2.8million in 4Q2014 and the Group's overall gross margin decreased from 25% in 4Q2013 to 20% in 4Q2014. The lower gross margin is due mainly to a gross loss from Engineering Division as a result of cost overrun for a major project.

Other operating (expense)/income

The Group incurred other operating expenses of \$922k in 4Q2014 as compared to other operating income of \$281k in 4Q2013. This is due mainly to a foreign exchange loss and property, plant and equipment written off relating to Batam operations in 4Q2014 as against a foreign exchange gain, higher government grants in 4Q2013 and loss that arises from reclassification of a subsidiary to a joint venture in 4Q2014.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The selling & distribution expenses remained comparably unchanged in 4Q2014. The administrative expenses increased by 11% due mainly to the increase in depreciation and the reversal of personnel-related costs no longer required, partly offset by the reclassification of operating expenses relating to GSSI (de-recognized from a subsidiary to a joint venture from 4Q2014).

Share of results in associated companies

The Group's associated companies registered a loss in 4Q2014 as compared to a profit in 4Q2013 due to the delay in delivery of customer orders by General Luminaire (Shanghai) Co. Ltd (SGL), a subsidiary of an associated company, GL Lighting Holding Pte Ltd, in 4Q2014. The delay in delivery is due to the relocation of SGL factory from Shanghai to Kunshan, PRC.

Share of results of joint ventures

The share of results in joint ventures was a loss in 4Q2014 as compared to a profit in 4Q2013 due mainly to the share of loss of GSSI as it was reclassified from a subsidiary to a joint venture from 4Q2014.

Interest on borrowings

The decrease in interest on borrowings in 4Q2014 as compared to 4Q2013 is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014.

Tax credit/(expense)

The Group recognized a tax credit as the tax authorities approved a significant group tax relief for the losses incurred by a subsidiary.

Depreciation

The increase of \$1.26million in depreciation in 4Q2014 as compared to 4Q2013 is due mainly to the chargeback of FY2013 and FY2014 depreciation of property, plant and equipment of the Batam operations, in accordance to FRS105.

Foreign Exchange (Loss)/Gain

The Group reported a foreign exchange loss in 4Q2014 as compared to a gain in 4Q2013 due mainly to the recognition of translation differences as a result of the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014.

Discontinued Operations

The Group recorded a loss of \$1.37million in 4Q2014 from discontinued operations (relating to ZPA and PTE), net of tax, as stated in detail below:

	Group					
	\$'000			\$'000		
	4th quarter ended 31.12.14	4th quarter ended 31.12.13 (Restated)	% Change	Financial year ended 31.12.14	Financial year ended 31.12.13 (Restated)	% Change
<u>Discontinued operations</u>						
Revenue	8,453	9,014	(6%)	25,023	30,275	(17%)
Cost of sales	(7,135)	(8,019)	(11%)	(20,287)	(24,636)	(18%)
Gross profit	1,318	995	32%	4,736	5,639	(16%)
Other operating income/ (expenses)	299	(809)	N.M.	494	(3,504)	N.M.
Selling & Distribution expenses	(2,440)	898	N.M.	(4,779)	(1,828)	161%
Administrative expenses	(390)	(614)	(36%)	(1,463)	(1,889)	(23%)
Finance costs	(12)	(16)	(25%)	(60)	(118)	(49%)
(Loss)/Profit from operations	(1,225)	454	N.M.	(1,072)	(1,700)	(37%)
Share of results of associated companies	9	(36)	N.M.	(22)	(69)	(68%)
(Loss)/Profit before taxation	(1,216)	418	N.M.	(1,094)	(1,769)	(38%)
Tax (expenses) /credit	(150)	123	N.M.	(311)	(188)	65%
Total (loss)/profit from discontinued operations	(1,366)	541	N.M.	(1,405)	(1,957)	(28%)

Discontinued Operations registered a 6% decrease in revenue in 4Q2014 due to cessation of business activity in Batam operations.

Discontinued Operations secured a higher gross profit of \$1.32million in 4Q2014 as compared to a gross profit of \$995,000 in 4Q2013 due mainly to marine switchboard division securing

more orders with higher gross profit margins, partly offset by the sale of inventories below cost in Batam operations.

Discontinued operations registered higher other operating income of \$299,000 in 4Q2014 as compared to other operating expense of \$809,000 in 4Q2014. This is due mainly to a foreign exchange gain in Batam operations as a result of appreciation of Indonesian Rupiah against Singapore Dollar in 4Q2014 as compared to depreciation of the same currency in 4Q2013.

The significantly higher selling & distribution expenses in 4Q2014 are due mainly to the provision of doubtful debts for a major customer of Batam operations as compared to a write back of agency commission in Batam operations in 4Q2013.

Balance Sheet and Cash Flow Analysis

Property, plant and equipment (PPE)

The decrease in PPE in FY2014 is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014.

Investment in associated companies

The increase in investment in associated companies is due mainly to the additional investment in GL Lighting Holding Pte Ltd.

Investment in joint ventures

The decrease in investment in joint ventures is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014 and share of profit from Dream Marine, partly offset by losses in GSSI.

Inventories

Inventories decreased by \$8.2million from \$40.9million in FY2013 to \$32.7million in FY2014. The decrease in inventories is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014, the reclassification of inventories under marine switchboard division to assets held for sale, and the sale of a vessel and inventories in Batam operations.

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 being billed in FY2014.

Trade receivables

Trade receivables decreased by \$9.3million from \$29.9million in FY2013 to \$20.6million in FY2014. This is due mainly to the reclassification of trade receivables under marine switchboard division to assets held for sale, the collection of receivables from major customers in Supply Chain Management Division, partly offset by increase in receivables of a major customer in Engineering Division.

Other receivables

The decrease in other receivables of \$1.0million is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014, and the reclassification of other receivables under marine switchboard division to assets held for sale.

Disposal group assets (relating to ZPA) 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:	FY2014 \$'000	FY2013 \$'000
Property, plant and equipment	2,565	6,608
Intangible assets	178	-
Inventories	6,667	-
Investment in associate	147	-
Trade receivables	7,342	-
Other receivables	554	294
Cash and cash equivalent	2,788	13
	20,241	6,915

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

Deferred tax liabilities	20	643
Finance lease liabilities	149	-
Tax payable	369	-
Trade payables	3,015	-
Other payables	6,876	2
	10,429	645

The decrease in property, plant and equipment is due mainly to the reclassification of assets held for sale in Batam operations to property, plant and equipment in the Group's balance sheet in FY2014. The property, plant and equipment of \$2.6million in FY2014 comprise of \$1.0million of property, plant and equipment from marine switchboard division and a property that the Group is intending to sell.

The increase in all other assets and liabilities is due mainly to the intended disposal of the marine switchboard division.

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 4Q2014 by Engineering Services Division.

Trade payables

Trade payables decreased by \$8.3million from \$16.6million in FY2013 to \$8.3million in FY2014. This is due mainly to the reclassification of trade payables under marine switchboard division to liabilities held for sale, and payments to suppliers in Supply Chain Management Division as a result of higher collection of receivables.

Other payables

The decrease in other payables is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014, and the reclassification of other payables under marine switchboard division to liabilities held for sale.

Bank borrowings

The decrease in bank borrowings is due mainly to the reclassification of GSSI from a subsidiary to a joint venture from 4Q2014, and repayment of bank loans in Supply Chain Management Division.

Cash flow

Net cash and cash equivalent decreased by \$5.0million in 4Q2014 compared to an increase of \$5.9million in 4Q2013. The decrease is due mainly to the increased investment in associates, dividends paid and repayment of bank borrowings, offset partly by increase in term loans and decrease in customer's construction contracts.

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 Group remains focused on improving the overall health of our core businesses given the continuing weak shipping industry, volatile oil prices which have impacted the oil and gas industry, and increasing market competition. Related to this renewed focus on our core businesses, the Group has on 14 November 2014 entered into a sale and purchase agreement for the sale of our subsidiary, Z-Power Automation Pte Ltd, which manufactures marine switchboards. Some proceeds from the sale could potentially be used in the future to strengthen our core businesses.

The Group remains positive on its business prospects in the emerging LED lighting market. An associate company of the Group is in the final stages of acquiring a piece of land in Kunshan City on the outskirts of Shanghai to build its new factory which will significantly increase its manufacturing capacity for LED lighting products. In recent months, the associate company has already migrated its production team to new rented premises in Kunshan City whilst preparing for the construction of the new factory.

The performance of the Group's galvanized steel wire factory in Oman has been below expectations in 2014. The Group is currently working closely with its joint venture partner from Oman on a recovery plan with the aim of achieving the desired production capacity and sales volumes by 2015.

The Group will continue to adopt a cautious stance with all segments of our businesses and strive to better manage and consolidate our group companies to improve efficiency and performance.

11. Dividend

(a) Current Financial Period Reported On?

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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 the year ended 31 December 2014.

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 2014 \$'000	Group 2013 \$'000 (Restated)
Revenue by business segment		
Supply Chain Management		
Marine cables and accessories	36,370	38,119
Marine lighting equipment and accessories	12,077	10,294
Others	7,287	6,338
	55,734	54,751
Intersegment sales	1,793	1,817
	57,527	56,568
Manufacturing		
Galvanized steel wire	18,569	5,568
	18,569	5,568
Intersegment sales	10	111
	18,579	5,679
Engineering Services		
Engineering and installation	10,684	7,255
Intersegment sales	126	433
	10,810	7,688
Less: Eliminations	(1,929)	(2,361)
Total revenue	84,987	67,574
Segment results		
Supply Chain Management		
Marine cables and accessories	2,751	4,702
Marine lighting equipment and accessories	2,514	2,467
Others	1,622	1,461
	6,887	8,630

Manufacturing		
Galvanized steel wire	(5,809)	(3,998)
	(5,809)	(3,998)
Engineering Services		
Engineering and installation	(6,827)	(2,008)
Total segment result	(5,749)	2,624
Share of results of joint ventures	(570)	467
Share of results of associated companies	130	223
Net (loss)/profit before tax	(6,189)	3,314
Tax credit/(expense)	1,070	(1,981)
Loss from discontinued operations	(1,405)	(1,957)
Net loss after Tax	(6,524)	(624)
Non – controlling interests	4,361	3,021
Net (loss)/profit attributable to equity holders of the company	(2,163)	2,397

Group assets and liabilities

Segment assets

Supply Chain Management

Marine cables and accessories	52,547	55,780
Marine lighting equipment and accessories	13,418	12,699
Others	7,656	7,354

Manufacturing

Marine switchboards and services	-	13,640
Galvanized steel wire	2,449	39,638

Engineering Services

Engineering and installation	16,627	20,523
Unallocated corporate assets	79	81
Disposal group assets classified as held for sale	20,241	6,915

Total assets	113,017	156,630
---------------------	----------------	----------------

Segment liabilities**Supply Chain Management**

Marine cables and accessories	11,393	17,435
Marine lighting equipment and accessories	3,783	4,708
Others	2,282	2,898

Manufacturing

Marine switchboards and services	-	6,405
Galvanized steel wire	137	29,943

Engineering Services

Engineering and installation	11,457	10,931
Unallocated corporate assets	2,329	2,601
Liabilities directly associated with disposal group classified as held for sale	10,429	645

Total liabilities

41,810	75,566
---------------	---------------

Other segment information**Depreciation****Supply Chain Management**

Marine cables and accessories	882	752
Marine lighting equipment and accessories	293	203
Others	177	125

Manufacturing

Galvanized steel wire	1,310	553
-----------------------	-------	-----

Engineering Services

Engineering and installation	1,569	400
------------------------------	-------	-----

4,231	2,033
--------------	--------------

Capital Expenditure

Supply Chain Management

Marine cables and accessories	416	1,358
Marine lighting equipment and accessories	138	367
Others	83	227

Manufacturing

Marine switchboards and services	-	405
Galvanized steel wire	161	12,893

Engineering Services

Engineering and installation	175	83
	973	15,333

Other significant non-cash expenses

Supply Chain Management

Marine cables and accessories	18	659
Marine lighting equipment and accessories	6	105
Others	4	47

Manufacturing

Galvanized steel wire	-	(17)
-----------------------	---	------

Engineering Services

Engineering and installation	-	(465)
------------------------------	---	-------

	28	329
--	-----------	------------

By Geographical

	Revenue		Non-current assets	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Singapore	40,063	43,018	14,849	18,055
Switzerland	6,006	3,022	-	-
Norway	3,314	3,069	-	-
South-East Asia	5,338	9,704	4,254	-
East Asia	9,784	2,492	-	-
Sultanate of Oman	12,627	2,984	-	31,445
Middle East	5,244	1,552	-	-
Other Countries	2,611	1,733	25	28
	84,987	67,574	19,128	49,528

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 increased by \$1million or 2% from \$54.7million in FY2013 to \$55.7million in FY2014. The revenue remained comparably unchanged during FY2014.

Revenue from the Manufacturing Division increased by \$13million or 233% from \$5.6million in FY2013 to \$18.6million in FY2014. The increase in revenue from galvanized steel wire is due mainly to the commencement of production of galvanized steel wire by GSSI in Oman in 4Q2013. The revenue from GSSI is only consolidated for the first three quarters of 2014, while the revenue for 4Q2014 is not consolidated as GSSI was reclassified from a subsidiary to a joint venture from 4Q2014.

Revenue from the Engineering Services Division increased by \$3.3million or 46% from \$7.3million in FY2013 to \$10.6million in FY2014. The increase in revenue is due to the significant contribution from two major projects as compared to FY2013 where there was lower revenue recognized from these projects which only commenced in 2Q2013 and 3Q2013.

The Group recorded a loss attributable to equity holders of \$1.6million in FY2014 as compared to a profit of \$2.4million in FY2013. Continuing operations registered a net loss after tax of \$4.9million as compared to a profit of \$1.3million in FY2013 due mainly to mainly to a gross loss from the galvanized steel wire in Manufacturing Division as a result of producing under its targeted capacity, and cost overrun of a major project by the Engineering Services Division in FY2014.

The Group has also recorded a loss from discontinued operations, net of tax, of \$1.3million in FY2014 as compared to a loss of \$2.0million in FY2013 due mainly to the sale of a vessel and inventories below cost in Batam operations, and provision for doubtful debts for a major Batam customer.

15. A breakdown of sales

	Group \$'000		% Change
	31.12.2014	31.12.2013 (Restated)	
Sales reported for first half year	48,007	31,956	50%
Operating profit after tax reported for the first half year	(1,314)	893	N.M.
Sales reported for second half year	36,980	35,618	4%
Operating loss after tax reported for the second half year	(5,210)	(1,517)	243%

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

	\$'000	
	FY2014	FY2013
Ordinary share	2,400	2,400

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	46	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	51	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	49	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 2015

Vincent Lim Hui Eng
Chief Executive Officer
28 February 2015