



UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

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

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

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	4th Qtr Ended 31/3/2014	31/3/2013	Incr/ (decr)	Financial year end 31/3/2014	31/3/2013	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>25,277</b>	<b>24,090</b>	4.9	<b>96,338</b>	<b>77,117</b>	24.9
Cost of sales	(18,275)	(16,167)	13.0	(67,605)	(52,233)	29.4
<b>Gross profit</b>	<b>7,002</b>	<b>7,923</b>	(11.6)	<b>28,733</b>	<b>24,884</b>	15.5
Other income	283	118	139.8	379	207	83.1
Distribution costs	(990)	(796)	24.4	(3,890)	(2,900)	34.1
Administrative expenses	(2,485)	(2,671)	(7.0)	(9,602)	(7,566)	26.9
Other operating expenses	(19)	(183)	(89.6)	(677)	(319)	112.2
Interest expense	(496)	(389)	27.5	(1,761)	(1,834)	(4.0)
<b>Profit before income tax</b>	<b>3,295</b>	<b>4,002</b>	(17.7)	<b>13,182</b>	<b>12,472</b>	5.7
Income tax expense	(251)	(577)	(56.5)	(1,621)	(1,981)	(18.2)
<b>Profit for the period/year</b>	<b>3,044</b>	<b>3,425</b>	(11.1)	<b>11,561</b>	<b>10,491</b>	10.2
Attributable to:						
Shareholders of the Company	3,053	3,425	(10.9)	11,637	10,491	10.9
Non-controlling interests	(9)	-	NM	(76)	-	NM
	<b>3,044</b>	<b>3,425</b>	(11.1)	<b>11,561</b>	<b>10,491</b>	10.2
Gross profit margin	27.7%	32.9%		29.8%	32.3%	
Net profit margin	12.0%	14.2%		12.0%	13.6%	
EBITDA <sup>(1)</sup> (S\$'000)	4,292	4,896	(12.3)	16,712	16,170	3.4
EBITDA margin	17.0%	20.3%		17.3%	21.0%	

<sup>(1)</sup> : Denotes earnings before interest, taxes, depreciation and amortisation

NM: Not meaningful

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	4th Qtr Ended		Incr/ (decr) %	Financial year end		Incr/ (decr) %
	31/3/2014	31/3/2013		31/3/2014	31/3/2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit for the period/year	3,044	3,425	(11.1)	11,561	10,491	10.2
<b>Other comprehensive income</b>						
Item that may be reclassified to profit or loss:						
Translation gain (loss) arising on consolidation	47	(7)	NM	85	15	466.7
<b>Other comprehensive income (expense) for the period/year</b>	<b>47</b>	<b>(7)</b>	NM	<b>85</b>	<b>15</b>	466.7
<b>Total comprehensive income for the period/year</b>	<b>3,091</b>	<b>3,418</b>	(9.6)	<b>11,646</b>	<b>10,506</b>	10.9
Total comprehensive income attributable to:						
Shareholders of the Company	3,100	3,418	(9.3)	11,722	10,506	11.6
Non-controlling interests	(9)	-	NM	(76)	-	NM
	<b>3,091</b>	<b>3,418</b>	(9.6)	<b>11,646</b>	<b>10,506</b>	10.9

**1(a)(ii) Profit before income tax is arrived at after charging/(crediting) the following:**

	Group			Group		
	4th Qtr Ended		Incr/ (decr) %	Financial year end		Incr/ (decr) %
	31/3/2014	31/3/2013		31/3/2014	31/3/2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
Allowance for doubtful trade receivables	-	11	(100)	25	43	(42)
Trade receivables written off	-	-	NM	-	16	(100)
Doubtful trade receivables recovered	-	-	NM	(7)	(52)	(87)
Depreciation	486	490	(1)	1,709	1,849	(8)
Amortisation of intangible asset	15	15	-	60	15	300
Foreign exchange loss	18	173	(90)	648	261	148
Gain on disposal of property, plant and equipment	(157)	-	NM	(176)	(8)	NM
Excess of fair value of net identifiable assets over consideration paid for a subsidiary	-	(66)	(100)	-	(66)	(100)
Goodwill written off from acquisition of a subsidiary	-	-	NM	2	-	NM
Interest income	(12)	(23)	(48)	(43)	(24)	79
Interest expense	496	389	28	1,761	1,834	(4)
Inventory written back	(687)	(170)	304	(590)	(170)	247

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/3/2014 S\$'000	31/3/2013 S\$'000	31/3/2014 S\$'000	31/3/2013 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	18,824	21,408	14,796	20,056
Trade receivables	26,595	27,421	1,480	852
Other receivables and prepayments	3,167	860	29,784	26,774
Inventories	124,862	104,058	-	-
Total current assets	173,448	153,747	46,060	47,682
<b>Non-current assets</b>				
Property, plant and equipment	14,028	10,980	-	-
Club memberships	76	76	-	-
Intangible asset	165	225	-	-
Goodwill	444	-	-	-
Deferred tax assets	28	-	-	-
Subsidiaries	-	-	6,101	5,500
Total non-current assets	14,741	11,281	6,101	5,500
<b>Total assets</b>	<b>188,189</b>	<b>165,028</b>	<b>52,161</b>	<b>53,182</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	16,628	16,417	-	-
Other payables	2,093	1,311	542	707
Current portion of bank borrowings	51,217	37,690	-	-
Current portion of finance leases	737	1,011	-	-
Income tax payable	1,773	1,956	266	105
Total current liabilities	72,448	58,385	808	812
<b>Non-current liabilities</b>				
Bank borrowings	15,613	15,758	-	-
Finance leases	1,741	927	-	-
Deferred tax liabilities	491	266	-	-
Total non-current liabilities	17,845	16,951	-	-
<b>Capital, reserves and non-controlling interests</b>				
Share capital	47,224	47,224	47,224	47,224
Retained earnings	50,723	42,542	4,129	5,146
Translation reserve	11	(74)	-	-
Equity attributable to shareholders of the Company	97,958	89,692	51,353	52,370
Non-controlling interests	(62)	0	-	-
Total equity	97,896	89,692	51,353	52,370
<b>Total liabilities and equity</b>	<b>188,189</b>	<b>165,028</b>	<b>52,161</b>	<b>53,182</b>

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

**Amount repayable in one year or less, or on demand**

	31/3/2014		31/3/2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	4,358	-	6,045	-
Money market loan	3,000	-	3,000	-
Bank bills payables	9,554	24,898	6,285	17,360
Finance leases	737	-	1,011	-
Time loans	-	5,000	-	5,000
Revolving credit loans	-	4,407	-	-
	<u>17,649</u>	<u>34,305</u>	<u>16,341</u>	<u>22,360</u>

**Amount repayable after one year**

	31/3/2014		31/3/2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	15,613	-	15,758	-
Finance leases	1,741	-	927	-
	<u>17,354</u>	<u>-</u>	<u>16,685</u>	<u>-</u>

**Details of any collaterals**

Certain bank borrowings are secured by a legal mortgage over the Group's leasehold land and buildings, a floating charge over certain inventories of the Group and corporate guarantees of the Company and a certain subsidiary.

Finance leases are secured by charges over the leased assets.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group		Group	
	4th Qtr Ended	31/3/2013	Financial year end	31/3/2013
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before income tax	3,295	4,002	13,182	12,472
Adjustments for :				
Interest expense	496	389	1,761	1,834
Interest income	(12)	(23)	(43)	(24)
Depreciation	486	490	1,709	1,849
Amortisation of intangible asset	15	15	60	15
Allowance for doubtful trade receivables	-	11	25	43
Doubtful trade receivables recovered	-	-	(7)	(52)
Trade receivables written off	-	-	-	16
Other receivables written off	2	-	2	-
Gain on disposal of property, plant and equipment	(157)	-	(176)	(8)
Excess of fair value of net identifiable assets over consideration paid for a subsidiary	-	(66)	-	(66)
Goodwill written off from acquisition of a subsidiary (Note A)	-	-	2	-
Net foreign exchange loss (gain) - unrealised	139	(32)	37	(2)
Inventories written back to net realisable value	(687)	(170)	(590)	(170)
Operating cash flows before movements in working capital	3,577	4,616	15,962	15,907
Trade receivables	(1,540)	(8,020)	2,420	(7,369)
Other receivables and prepayments	(207)	(134)	(588)	(293)
Inventories	(3,670)	(4,326)	(19,203)	(16,869)
Trade payables	8,025	5,181	(1,402)	5,588
Other payables	(976)	350	(2,337)	782
Bank bill payables	(8,529)	(2,907)	10,807	(5,348)
Cash (used in) generated from operations	(3,320)	(5,240)	5,659	(7,602)
Interest paid for bank bills	(263)	(162)	(891)	(784)
Interest received	12	23	43	24
Income tax refund (paid)	16	3	(1,607)	(3,408)
Net cash (used in) generated from operating activities	(3,555)	(5,376)	3,204	(11,770)
<b>Investing activities</b>				
Proceeds from disposal of property, plant and equipment	187	-	573	23
Purchases of property, plant and equipment*	979	(333)	(1,972)	(1,807)
Purchase of club memberships	-	-	-	(76)
Acquisition of subsidiaries (Note A)	-	(1,236)	(1,200)	(1,236)
Net cash generated from (used in) investing activities	1,166	(1,569)	(2,599)	(3,096)

	Group		Group	
	4th Qtr Ended		Financial year end	
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financing activities</b>				
Interest paid for other borrowings	(233)	(227)	(870)	(1,050)
Dividend paid	-	-	(3,456)	-
Repayment of obligations under finance leases	(411)	(246)	(1,417)	(953)
New bank loans obtained	1,262	-	4,407	1,000
Repayment of bank loans	(1,085)	(257)	(1,833)	(11,150)
Proceeds from issue of shares of the Company	-	-	-	46,200
Payment of share issue expenses	-	-	-	(1,976)
Contributions from non-controlling interests	-	-	14	-
Net cash (used in) generated from financing activities	<u>(467)</u>	<u>(730)</u>	<u>(3,155)</u>	<u>32,071</u>
Net (decrease) increase in cash and cash equivalents	(2,856)	(7,675)	(2,550)	17,205
Exchange difference on cash and cash equivalents	5	3	(34)	3
Cash and cash equivalents at beginning of the period/year	21,675	29,080	21,408	4,200
Cash and cash equivalents at end of the period/year	<u>18,824</u>	<u>21,408</u>	<u>18,824</u>	<u>21,408</u>

\* The net amount for Q4 FY2014 includes monies received of S\$1.3 million from entering into a finance lease for an equipment. This amount was included as a purchase in previous quarters.

**Note A**

On 1 July 2013, the Group acquired 100% of the issued capital of Lv Yang (Tianjin) Offshore Equipment Co., Ltd <sup>(1)</sup>

Identifiable assets and liabilities at the date of acquisition

	<b>Fair value</b>
	<b>S\$'000</b>
Cash and bank balances	2,410
Trade receivables	755
Other receivables	327
Inventories	1,011
Property, plant and equipment	1,171
Trade payables	(1,062)
Other payables	(2,743)
Net assets	<u>1,869</u>
Goodwill arising on acquisition	
Consideration transferred	3,513
Less: fair value of identifiable net assets acquired	(1,869)
Less: estimated receivable from vendor arising from profit guarantee per purchase agreement	(1,200)
Goodwill arising on acquisition	<u>444</u>
Net cash flow on acquisition	
Total consideration, satisfied by cash	3,513
Less: Cash and cash equivalents acquired	(2,410)
Net cash outflow on acquisition of a subsidiary	<u>1,103</u>

On 26 August 2013, the Group acquired 90% of the issued capital of Phoenix Offshore Co., Ltd.

Identifiable assets and liabilities at the date of acquisition

	<b>Fair value</b>
	<b>S\$'000</b>
Cash and bank balances	31
Trade receivables	888
Other receivables	209
Property, plant and equipment	40
Trade payables	(700)
Other payables	(331)
Net assets	<u>137</u>
Goodwill written off from acquisition of a subsidiary	
Consideration transferred	125
Less: 90% of fair value of identifiable net assets acquired	(123)
Goodwill written off from acquisition of a subsidiary	<u>2</u>
Net cash flow on acquisition	
Total consideration, satisfied by cash	125
Less: Cash and cash equivalents acquired	(28)
Net cash outflow on acquisition of a subsidiary	<u>97</u>
Total net cash outflow on acquisition of subsidiaries	<u>1,200</u>

<sup>(1)</sup> The Group's effective interest in Lv Yang (Tianjin) Offshore Equipment Co., Ltd is 90% which is directly held by Lv Yang (Tianjin) Offshore Equipment Pte Ltd. Please refer to the announcement made on 19 March 2013 for further details.

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**

	Share capital	Retained earnings	Translation reserves	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>						
At 1 April 2013	47,224	42,542	(74)	89,692	0	89,692
Total comprehensive income for the year						
Profit for the year	-	11,637	-	11,637	(76)	11,561
Other comprehensive income for the year	-	-	85	85	-	85
Total	-	11,637	85	11,722	(76)	11,646
Transactions with owners, recognised directly in equity						
Contribution from non-controlling interests	-	-	-	-	14	14
Dividend paid	-	(3,456)	-	(3,456)	-	(3,456)
Total	-	(3,456)	-	(3,456)	14	(3,442)
At 31 March 2014	47,224	50,723	11	97,958	(62)	97,896
At 1 April 2012	3,000	32,051	(89)	34,962	-	34,962
Total comprehensive income for the year						
Profit for the year	-	10,491	-	10,491	-	10,491
Other comprehensive income for the year	-	-	15	15	-	15
Total	-	10,491	15	10,506	-	10,506
Transactions with owners, recognised directly in equity						
Contribution from non-controlling interests	-	-	-	-	0	0
Issuance of shares	44,224	-	-	44,224	-	44,224
Total	44,224	-	-	44,224	0	44,224
At 31 March 2013	47,224	42,542	(74)	89,692	0	89,692

	Share capital	Retained earnings	Translation reserves	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Company</u></b>						
At 1 April 2013	47,224	5,146	-	52,370	-	52,370
Profit for the year, representing total comprehensive income for the year	-	2,439	-	2,439	-	2,439
Dividend paid, representing transactions with owners, recognised directly in equity	-	(3,456)	-	(3,456)	-	(3,456)
At 31 March 2014	<u>47,224</u>	<u>4,129</u>	-	<u>51,353</u>	-	<u>51,353</u>
At 1 April 2012	3,000	2,164	-	5,164	-	5,164
Profit for the year, representing total comprehensive income for the year	-	2,982	-	2,982	-	2,982
Issuance of shares, representing transactions with owners, recognised directly in equity	44,224	-	-	44,224	-	44,224
Balance at 31 March 2013	<u>47,224</u>	<u>5,146</u>	-	<u>52,370</u>	-	<u>52,370</u>

**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**

Nil.

There were no outstanding convertibles which may be converted to shares. There were no treasury shares held.

**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**

The total number of issued shares excluding treasury shares

31/3/2014	31/3/2013
432,000,000	432,000,000

**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**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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

The figures have not been audited and/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**

Except as disclosed below, the Company has adopted the same accounting policies and methods of computation in the announcement for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 March 2013. The Company has adopted the following applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 2013:

- Amendments to FRS 1 Presentation of Financial Statements-Amendments relating to Presentation of Items of Other Comprehensive Income
- FRS 113 Fair Value Measurement
- FRS 107 Financial Instruments: Disclosure-Offsetting Financial Assets and Financial Liabilities
- Annual Improvements to FRS 2012

The adoption of these new and revised FRSs has no material effect on the fourth quarter and full year announcement for the current period.

**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 effect, of the change**

Please refer to section 4.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends**

	Group		Group	
	4th Qtr Ended		Financial year end	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Net profit after tax attributable to shareholders of the Company (S\$'000)	3,053	3,425	11,637	10,491
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	432,000	355,633	432,000	355,633
- Diluted earnings per share	432,000	355,633	432,000	355,633
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	0.71	0.96	2.69	2.95
(b) On a fully diluted basis	0.71	0.96	2.69	2.95

The Company has no dilutive equity instruments as at 31 March 2014.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year**

	Group		Company	
	31/03/2014	31/3/2013	31/03/2014	31/3/2013
Net asset value attributable to shareholders of the Company (S\$'000)	97,958	89,692	51,353	52,370
Number of ordinary shares ('000)	432,000	432,000	432,000	432,000
Net asset value per ordinary share (cents)	22.68	20.76	11.89	12.12

## 8. Review of the Group's performance

### Revenue

The Group's revenue for the full year ended 31 March 2014 ("FY2014") was S\$96.3 million with an increase of S\$19.2 million or 24.9% compared to S\$77.1 million for the financial year ended 31 March 2013 ("FY2013"). For the fourth quarter ended 31 March 2014 ("4Q FY2014"), the Group's revenue was S\$25.3 million, 4.9% higher than the S\$24.1 million in the fourth quarter ended 31 March 2013 ("4Q FY2013"). The full year increase was mainly due to (i) an increase of S\$10.9 million in FY2014 from ship chandling segment resulting from the acquisition of Allseas Marine Services Pte Ltd in 4Q FY2013 and Phoenix Offshore Co., Ltd; and (ii) an increase of S\$8.3 million in FY2014 from the rigging and lifting segment.

### Gross profit

Gross profit increased by S\$3.8 million or 15.5% from S\$24.9 million in FY2013 to S\$28.7 million in FY2014. The corresponding gross profit margin decreased from 32.3% to 29.8%.

For 4Q FY2014, the gross profit was S\$7.0 million, 11.6% lower than the S\$7.9 million achieved in 4Q FY2013. The corresponding gross profit margin decreased from 32.9% to 27.7%.

The decrease in gross profit margin for both periods was mainly due to an increase in sales of lower margin products which formed a higher proportion of the Group's revenue.

### Other income

Other income increased by S\$0.2 million in FY2014 as compared to FY2013 mainly due to an increase of S\$0.2 million in gain on disposal of motor vehicles.

### Distribution costs

Distribution costs increased by S\$1.0 million or 34.1% in FY2014 as compared to FY2013 mainly due to increase in staff-related cost as we increase our headcount to support business expansion.

### Administrative expenses

Administrative expenses increased by S\$2.0 million or 26.9% in FY2014 as compared to FY2013 mainly due to: (i) an increase in staff-related cost of S\$1.8 million as we increase our headcount to support business expansion; (ii) an increase in professional fees of S\$0.4 million such as audit fees, director fees and other professional related fees; (iii) an increase in depreciation of S\$0.2 million, (iv) an increase in entertainment expenses of S\$0.3 million; (v) an increase in travelling expenses of S\$0.2 million and (vi) an increase in rental related expenses of S\$0.1 million, which was partially offset by a decrease in IPO expense of S\$0.9 million and a decrease in donation of S\$0.4 million.

### Other operating expenses

Other operating expenses increased by S\$0.4 million in FY2014 as compared to FY2013 mainly due to higher foreign exchange loss incurred from the appreciation of United States Dollar and Euro against Singapore Dollar.

### Interest expense

Interest expense decreased by S\$0.1 million or 4.0% from S\$1.8 million in FY2013 to S\$1.7 million in FY2014 mainly due to repayment of term loan in 3Q FY2013.

### Profit before income tax

As a result of the above reasons, profit for FY2014 increased by S\$0.7 million or 5.7% from S\$12.5 million in FY2013 to S\$13.2 million in FY2014.

## **Review of statement of financial position and cash flows**

### **Current Assets**

The current assets increased by S\$19.7 million from S\$153.7 million as at 31 March 2013 to S\$173.4 million as at 31 March 2014. The increase was mainly due to (i) an increase in inventories of S\$20.8 million due to anticipated market demand; and (ii) higher other receivables of S\$2.3 million mainly due to an estimated receivable of S\$1.2 million from the vendor relating to the acquisition of Lv Yang (Tianjin) Offshore Equipment Co., Ltd. arising from the profit guarantee per the purchase agreement and payments to suppliers in advance, which was partially offset by a decline in trade receivables of S\$0.8 million and lower cash and bank balances of S\$2.6 million.

### **Non-Current Assets**

The non-current assets increased by S\$3.4 million from S\$11.3 million as at 31 March 2013 to S\$14.7 million as at 31 March 2014. The increase was mainly due to (i) higher fixed assets of S\$3.0 million, and (ii) goodwill of S\$0.4 million resulting from the acquisition of Lv Yang (Tianjin) Offshore Equipment Co., Ltd.

### **Current liabilities**

The current liabilities increased by S\$14.0 million from S\$58.4 million as at 31 March 2013 to S\$72.4 million as at 31 March 2014. The increase was mainly due to (i) an increase in bank borrowings of S\$13.5 million from bank bill payables of S\$10.8 million and bank loans of S\$2.7 million, (ii) an increase in trade payables of S\$0.2 million, (iii) an increase in other payables of S\$0.8 million, which was partially offset by (i) a decline in finance leases of S\$0.3 million and (ii) lower income tax payable of S\$0.2 million.

### **Non-current liabilities**

Non-current liabilities increased by S\$0.8 million from S\$17.0 million as at 31 March 2013 to S\$17.8 million as at 31 March 2014 mainly due to an increase in finance leases.

### **Capital, reserves and non-controlling interests**

The increase in capital and reserves of S\$8.2 million was mainly attributable to profit earned during the year of S\$11.6 million which was partially offset by dividend paid of S\$3.5 million.

## **Cash Flows**

### **FY2014 ended 31 March 2014**

#### **Net cash from operating activities**

In FY2014, we generated net cash of S\$16.0 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$12.8 million. This was mainly due to: (i) an increase in inventories of S\$19.2 million due to anticipated market demand; (ii) an increase in other receivables of S\$0.6 million payment to suppliers in advance, (iii) a decrease in trade payables of S\$1.4 million, and (iv) a decrease in other payables of S\$2.3 million due to the acquisition of subsidiaries.

The above increase was partially offset by (i) a decrease in trade receivables of S\$2.4 million and (ii) an increase in bank bill payables of S\$10.8 million.

We paid income tax of S\$1.6 million and interest for bank bills of S\$0.9 million.

Overall our net cash from operating activities amounted to S\$3.2 million.

#### **Net cash used in investing activities**

Net cash used in investing activities amounted to S\$2.6 million in FY2014. This was mainly due to the purchase of plant and equipment of S\$2.0 million and acquisition of subsidiaries of S\$1.2 million, which was partially offset by proceeds from disposal of plant and equipment of S\$0.6 million.

#### **Net cash used in financing activities**

Net cash used in financing activities amounted to S\$3.2 million in FY2014. This was mainly due to: (i) dividend paid of S\$3.5 million, (ii) the repayment of bank borrowings and related interest of S\$2.7 million; and (iii) the repayment of obligations under finance leases of S\$1.4 million, which was partially offset by increase in bank borrowings of S\$4.4 million.

- 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**

Notwithstanding that the world economy remains uncertain, the Group is cautiously optimistic that the outlook on the oil and gas industries will be positive in the next 12 months. The demand for our products and services is generally driven by the level of activities in the exploration, development and production of oil and gas in the global offshore O&G industry.

- 11. Dividend**

- 11(a) Any dividend declared for the current financial period reported on?**

Yes. Please see Note 18.

- 11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?**

Yes

- 11(c) Date payable**

To be announced at a later date

- 11(d) Books closure date**

To be announced at a later date

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

Not applicable

- 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.**

Not applicable as no IPT mandate has been obtained.

- 14 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

In accordance with the "Use of Proceeds and Listing Expenses" section of our IPO prospectus dated 17 October 2012, the net proceeds ("Net Proceeds") have been utilised as follows:

<b>Use of Net Proceeds</b>	<b>Allocation of Net Proceeds</b>	<b>Net Proceeds utilised as at 31 March 2014</b>	<b>Balance of Net Proceeds as at 31 March 2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Expansion of our operations into Asian and/or other markets	20,000	5,399	14,601
Expansion of our operations into Malaysia	2,000	1,833	167
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>28,274</u>	<u>14,768</u>

**Breakdown of general working capital**

	<b>S\$'000</b>
Inventories	7,778
Trade and other payables	11,497
Income tax	1,767
	<u>21,042</u>

- 15 **Segmented 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.**

**Segmental information**

**Year ended 31 March 2014**

	Rigging and lifting S\$'000	Ship handling S\$'000	Group S\$'000
<b>Revenue</b>			
Sales	80,223	17,045	97,268
Inter-segment sales	(512)	(418)	(930)
Sales to external customers	79,711	16,627	96,338
<b>Profit from operations</b>			
Interest expense			(1,761)
Income tax expense			(1,621)
Unallocated profit from operations			1,797
Profit for the year	12,297	849	11,561
<b>Assets</b>			
Segment assets	164,126	8,752	172,878
Unallocated assets			15,311
Total assets			188,189
<b>Liabilities</b>			
Segment liabilities	84,773	4,723	89,496
Unallocated liabilities			796
Total liabilities			90,292
<b>Other information</b>			
Depreciation and amortisation	1,554	215	1,769
Addition to non-current assets	5,097	54	5,151
Unallocated non-current assets			444
			5,595

**Year ended 31 March 2013**

	Rigging and lifting S\$'000	Ship handling S\$'000	Group S\$'000
<b>Revenue</b>			
Sales	71,446	5,743	77,189
Inter-segment sales	(70)	(2)	(72)
Sales to external customers	71,376	5,741	77,117
<b>Profit from operations</b>			
Interest expense			(1,834)
Income tax expense			(1,981)
Unallocated loss from operations			(413)
Profit for the year	14,531	188	10,491
<b>Assets</b>			
Segment assets	140,883	4,064	144,947
Unallocated assets			20,081
Total assets			165,028
<b>Liabilities</b>			
Segment liabilities	72,218	2,306	74,524
Unallocated liabilities			812
Total liabilities			75,336
<b>Other information</b>			
Depreciation and amortisation	1,814	50	1,864
Addition to non-current assets	2,115	2,161	4,276
Unallocated non-current assets			-
			4,276

## Geographical information

Revenue from external customers  
(based on location of customer)

	Group		
	FY2014 S\$'000	FY2013 S\$'000	Incr/ (decr) %
Singapore	34,897	32,433	7.6
Malaysia	7,497	8,737	(14.2)
Australia	17,995	5,907	204.6
Other Asia <sup>(1) (2)</sup>	18,281	14,639	24.9
Europe <sup>(1)</sup>	13,781	13,849	(0.5)
Others <sup>(1)</sup>	3,887	1,552	150.5
	<u>96,338</u>	<u>77,117</u>	<u>24.9</u>

<sup>(1)</sup> Revenue from countries in "Other Asia", "Europe" and "Others" includes revenue from customers in countries that individually account for less than 10% of the Group's revenue.

<sup>(2)</sup> Revenue from Other Asia excludes revenue from Singapore and Malaysia.

Non-current assets  
(based on location of assets)

	Group		
	FY2014 S\$'000	FY2013 S\$'000	Incr/ (decr) %
Singapore	9,645	9,576	0.7
Malaysia	3,701	1,485	149.2
Other Asia	1,367	220	521.4
	<u>14,713</u>	<u>11,281</u>	<u>30.4</u>

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

The Group typically experiences a fluctuation in revenue contribution from each customer in each financial year due to the project based nature of our business and industry, whereby our customers' projects typically differ in their scope and size, and their occurrence is irregular, resulting in the supply of different products to them on an irregular basis.

Sales to our Australia based customers increased by S\$12.1 million mainly due to projects for our existing and new customers based in Australia. Similarly, sales to our customers in Singapore, Other Asia and Others increased by S\$2.5 million, S\$3.6 million and S\$2.3 million respectively mainly due to more orders awarded to our existing and new customers in these regions. On the other hand, revenue contribution from Malaysia decreased by S\$1.2 million mainly due to the project based nature of some of our key customers.

## 17 A breakdown of sales

	Group		
	FY2014 S\$'000	FY2013 S\$'000	Incr/ (decr) %
(a) Sales reported for the first half year	48,729	39,311	24.0
(b) Operating profit after tax reported for the first half year	6,079	6,480	(6.2)
(c) Sales reported for the second half year	47,609	37,806	25.9
(d) Operating profit after tax reported for the second half year	5,482	4,011	36.7

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

The directors recommend a first and final one-tier exempt ordinary dividend of 0.9 cents for the year ended 31 March 2014, subject to shareholders' approval. Details are as follows:

	<b>FY2014</b>	<b>FY2013</b>
Type of Dividend	Cash	Cash
Dividend per share	0.9 cents	0.8 cents
Annual Dividend (S\$'000)	3,888	3,456

**19 Disclosure of person occupying a managerial position in the issuer of 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 (13).**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Teo Sze Ting, Jessica	35	Daughter of Teo Bee Yen (deemed Substantial Shareholder)	Marketing & Sales Director. Head of marketing and sales department, assists the CEO to formulate marketing and sales strategies, conducts marketing activities to promote our products and services to local and overseas markets, sources for sales opportunities. Position held since 2008.	NA
Teo Sze Yao, Jayden	30	Son of Teo Bee Kheng (Executive Director and deemed Substantial Shareholder)	Senior Sales Manager. Manages the sales support team and provides sales support. Position held since 2013.	NA
Teo Sze Purn, Terry	29	Son of Teo Bee Kheng (Executive Director and deemed Substantial Shareholder)	Operations Manager. In charge of operations flow between sales, production, logistics & warehouse and provide technical support. Position held since 2011.	NA

**BY ORDER OF THE BOARD**

**DESMOND TEO BEE CHIONG**

Executive Director and Chief Executive Officer

23 May 2014