



# TSH Corporation Limited

Company Registration Number: 200003865N

## Full-Year Unaudited Financial Statement Announcement for the Financial Year Ended 31 December 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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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 /<br>(Decrease) |
|--|-----------------|-----------------|--------------------------|
|  | 2014<br>S\$'000 | 2013<br>S\$'000 |                          |
| <b>Revenue</b>   | <b>24,996</b>   | <b>52,405</b>   | <b>-52.3%</b>            |
| Cost of sales  | (18,268)        | (37,811)        | -51.7%                   |
| <b>Gross profit</b>  | <b>6,728</b>    | <b>14,594</b>   | <b>-53.9%</b>            |
| Other income   | 639             | 680             | -6.0%                    |
| General and administrative expenses                        | (3,691)         | (5,006)         | -26.3%                   |
| Selling and marketing expenses                             | (2,320)         | (3,913)         | -40.7%                   |
| Finance costs  | (274)           | (355)           | -22.8%                   |
| Other operating expenses                                   | (118)           | (1,200)         | -90.2%                   |
| <b>Profit before exceptional items and taxation</b>        | <b>964</b>      | <b>4,800</b>    | <b>-79.9%</b>            |
| Exceptional items  | -               | (1,567)         | n.m.                     |
| <b>Profit before taxation</b>                              | <b>964</b>      | <b>3,233</b>    | <b>-70.2%</b>            |
| Taxation   | 78              | (617)           | n.m.                     |
| <b>PROFIT FOR THE YEAR</b>                                 | <b>1,042</b>    | <b>2,616</b>    | <b>-60.2%</b>            |
| <b>Other comprehensive income:</b>                         |                 |                 |                          |
| Foreign currency translation                               | 255             | 101             | 152.5%                   |
| <b>Other comprehensive income for the year, net of tax</b> | <b>255</b>      | <b>101</b>      | <b>152.5%</b>            |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>             | <b>1,297</b>    | <b>2,717</b>    | <b>-52.3%</b>            |
| <b>Profit attributable to:</b>                             |                 |                 |                          |
| Owners of the Company                                      | <b>1,042</b>    | <b>2,616</b>    | <b>-60.2%</b>            |
| <b>Total comprehensive income attributable to:</b>         |                 |                 |                          |
| Owners of the Company                                      | <b>1,297</b>    | <b>2,717</b>    | <b>-52.3%</b>            |

n.m. - not meaningful

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

|  | The Group       |                 |
|--|-----------------|-----------------|
|  | 2014<br>S\$'000 | 2013<br>S\$'000 |
| <b>Profit before taxation is arrived at after charging /<br/>(crediting) the following:-</b> |                 |                 |
| Amortisation of intangible assets  | -               | 256             |
| Depreciation of property, plant and equipment  | 742             | 906             |
| Foreign exchange gain, net   | (547)           | (218)           |
| Impairment of property, plant and equipment  | -               | 254             |
| Impairment of trade receivables  | -               | 94              |
| Interest expense   | 189             | 108             |
| Interest income  | (96)            | (38)            |
| Property, plant and equipment written off  | 53              | 72              |
| Rental income  | (394)           | (328)           |
|  |                 |                 |
| <b>Exceptional items:-</b>   |                 |                 |
| - Impairment of assets held for sale   | -               | 1,900           |
| - Gain on disposal of a subsidiary   | -               | (333)           |
|  | -               | 1,567           |
|  |                 |                 |
| <b>Taxation:-</b>  |                 |                 |
| Provision in respect of profit for the current year  |                 |                 |
| - current tax  | 142             | 663             |
| - deferred tax   | (133)           | 2               |
| Over provision in respect of prior years   |                 |                 |
| - current tax  | (3)             | (43)            |
| - deferred tax   | (84)            | (5)             |
|  | (78)            | 617             |

**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           |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 31/12/2014<br>S\$'000 | 31/12/2013<br>S\$'000 | 31/12/2014<br>S\$'000 | 31/12/2013<br>S\$'000 |
| <b>Non-current assets</b>                                     |                       |                       |                       |                       |
| Property, plant and equipment                                 | 10,790                | 11,431                | 8,943                 | 9,124                 |
| Investments in subsidiaries                                   | -                     | -                     | 9,815                 | 9,815                 |
| Goodwill  | 1,760                 | 1,760                 | -                     | -                     |
| Available-for-sale financial assets                           | 3,605                 | 3,605                 | 3,605                 | 3,605                 |
| Intangible assets   | 159                   | -                     | -                     | -                     |
| Deferred tax assets   | 146                   | -                     | 82                    | -                     |
|   | <b>16,460</b>         | <b>16,796</b>         | <b>22,445</b>         | <b>22,544</b>         |
| <b>Current assets</b>   |                       |                       |                       |                       |
| Development properties  | 16,075                | -                     | -                     | -                     |
| Inventories   | 177                   | 116                   | -                     | -                     |
| Gross amount due from customers for contract work-in-progress | 1,518                 | 880                   | -                     | -                     |
| Trade and other receivables                                   | 5,120                 | 6,343                 | 18,347                | 2,217                 |
| Held for trading financial assets                             | 213                   | 240                   | 213                   | 240                   |
| Fixed deposits  | 1,057                 | 9,489                 | -                     | 7,933                 |
| Cash and bank balances  | 19,198                | 23,825                | 3,059                 | 11,831                |
|   | <b>43,358</b>         | <b>40,893</b>         | <b>21,619</b>         | <b>22,221</b>         |
| <b>Current liabilities</b>                                    |                       |                       |                       |                       |
| Gross amount due to customers for contract work-in-progress   | 169                   | 524                   | -                     | -                     |
| Trade and other payables                                      | 8,297                 | 6,025                 | 2,083                 | 2,256                 |
| Borrowing   | 388                   | 413                   | 388                   | 413                   |
| Provision for taxation  | 108                   | 713                   | 28                    | 69                    |
|   | <b>8,962</b>          | <b>7,675</b>          | <b>2,499</b>          | <b>2,738</b>          |
| <b>Net current assets</b>                                     | <b>34,396</b>         | <b>33,218</b>         | <b>19,120</b>         | <b>19,483</b>         |
| <b>Non-current liabilities</b>                                |                       |                       |                       |                       |
| Borrowing   | 4,740                 | 5,124                 | 4,740                 | 5,124                 |
| Deferred tax liabilities                                      | 216                   | 287                   | -                     | -                     |
|   | <b>4,956</b>          | <b>5,411</b>          | <b>4,740</b>          | <b>5,124</b>          |
| <b>Net assets</b>   | <b>45,900</b>         | <b>44,603</b>         | <b>36,825</b>         | <b>36,903</b>         |
| <b>Equity attributable to the owners of the Company</b>       |                       |                       |                       |                       |
| Share capital   | 26,034                | 26,034                | 26,034                | 26,034                |
| Translation reserve   | 417                   | 162                   | -                     | -                     |
| Revenue reserve   | 19,449                | 18,407                | 10,791                | 10,869                |
| <b>Total equity</b>   | <b>45,900</b>         | <b>44,603</b>         | <b>36,825</b>         | <b>36,903</b>         |

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

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

| As at 31/12/2014<br>S\$'000 |           | As at 31/12/2013<br>S\$'000 |           |
|-----------------------------|-----------|-----------------------------|-----------|
| Secured                     | Unsecured | Secured                     | Unsecured |
| 388                         | -         | 413                         | -         |

**Amount repayable after one year**

| As at 31/12/2014<br>S\$'000 |           | As at 31/12/2013<br>S\$'000 |           |
|-----------------------------|-----------|-----------------------------|-----------|
| Secured                     | Unsecured | Secured                     | Unsecured |
| 4,740                       | -         | 5,124                       | -         |

**Details of any collateral**

The Group's secured borrowing is secured by its freehold industrial building and the assignment of rental income generated from the said building.

**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**

|  | <b>The Group</b>        |                         |
|--|-------------------------|-------------------------|
|  | <b>2014<br/>S\$'000</b> | <b>2013<br/>S\$'000</b> |
| <b>Cash Flows From Operating Activities</b>  |                         |                         |
| <b>Profit before exceptional items and taxation</b>  | <b>964</b>              | <b>4,800</b>            |
| Adjustments for:   |                         |                         |
| Amortisation of intangible assets  | -                       | 256                     |
| Depreciation of property, plant and equipment  | 742                     | 906                     |
| Dividend income  | (4)                     | (10)                    |
| Fair value loss/ (gain) on held for trading financial assets                               | 27                      | (9)                     |
| Gain on disposal of held for trading financial assets                                      | -                       | (13)                    |
| Gain on disposal of property, plant and equipment  | -                       | (3)                     |
| Impairment of property, plant and equipment  | -                       | 254                     |
| Impairment of inventories  | -                       | 2                       |
| Impairment of other receivables  | 4                       | 11                      |
| Impairment of trade receivables  | -                       | 94                      |
| Interest expense   | 189                     | 108                     |
| Interest income  | (96)                    | (38)                    |
| Inventories written off  | -                       | 36                      |
| Net effect of currency translation differences   | (184)                   | (351)                   |
| Property, plant and equipment written off  | 53                      | 72                      |
| <b>Operating cash flows before changes in working capital</b>                              | <b>1,695</b>            | <b>6,115</b>            |
| Purchase of development properties   | (8,331)                 | -                       |
| (Increase)/ Decrease in inventories  | (61)                    | 281                     |
| (Increase)/ Decrease in gross amount due from customers for contract work-in-progress, net | (993)                   | 11,186                  |
| Decrease/ (Increase) in trade and other receivables  | 895                     | (87)                    |
| Increase/ (Decrease) in trade and other payables   | 2,260                   | (261)                   |
| <b>Cash flows (used in)/ generated from operations</b>                                     | <b>(4,535)</b>          | <b>17,234</b>           |
| Income taxes paid  | (743)                   | (155)                   |
| Interest paid  | (177)                   | (115)                   |
| Interest received  | 96                      | 38                      |
| <b>Net cash flows (used in)/ generated from operating activities</b>                       | <b>(5,359)</b>          | <b>17,002</b>           |
| <b>Cash Flows From Investing Activities</b>  |                         |                         |
| Net cash inflow on acquisition of subsidiary, net (Note A)                                 | 10                      | -                       |
| Cash inflow from disposal of a subsidiary, net   | -                       | 472                     |
| Dividend income received   | 11                      | 2                       |
| Proceeds from disposal of property, plant and equipment                                    | 1                       | 4                       |
| Proceeds from disposal of held for trading financial assets, net                           | 291                     | -                       |
| Additions to intangible asset  | (158)                   | -                       |
| Purchase of property, plant and equipment  | (155)                   | (216)                   |
| <b>Net cash flows generated from investing activities</b>                                  | <b>-</b>                | <b>262</b>              |
| <b>Cash Flows From Financing Activities</b>  |                         |                         |
| Redemption/ (Placement) of pledged bank balances and deposits                              | 506                     | (451)                   |
| Repayments of borrowing  | (409)                   | (1,310)                 |
| Repayments of loan due to third parties  | (7,754)                 | -                       |
| <b>Net cash flows used in financing activities</b>   | <b>(7,657)</b>          | <b>(1,761)</b>          |
|  |                         |                         |
| Net (decrease)/ increase in cash and cash equivalents                                      | (13,016)                | 15,503                  |
| Effect of exchange rate changes on cash and cash equivalents                               | 463                     | 407                     |
| Cash and cash equivalents at beginning of year   | 30,558                  | 14,648                  |
| <b>Cash and cash equivalents at end of year (Note B)</b>                                   | <b>18,005</b>           | <b>30,558</b>           |

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

### Note A:-

FY2014

On 28 May 2014, the Company acquired the entire equity interest of TSH Land Pte Ltd ("TSH Land") which was formerly known as Gaw Pte Ltd. Upon the acquisition, TSH Land became a subsidiary of the Group. The fair value of the identifiable assets and liabilities acquired as at date of acquisition and the cash flow effects of the acquisition were as follows:-

|  | S\$'000 |
|--|---------|
| Development property                     | 7,744   |
| Cash and bank balances                   | 10      |
|  | 7,754   |
| Loan due to third parties                | (7,754) |
| Net liabilities acquired                 | -       |
| Cash consideration paid **               | -       |
| Less: Cash and cash equivalents acquired | 10      |
| Net cash inflow on acquisition           | 10      |

\*\* - S\$2

### 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            |                      |
|--|----------------------|----------------------|
|  | 31/12/2014<br>S\$000 | 31/12/2013<br>S\$000 |
| Fixed deposits                                 | 1,057                | 9,489                |
| Cash and bank balances                         | 19,198               | 23,825               |
|  | 20,255               | 33,314               |
| Less: Bank balances and fixed deposits pledged | (2,250)              | (2,756)              |
|  | 18,005               | 30,558               |

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<br>S\$'000 | Revenue reserve<br>S\$'000 | Translation reserve<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|----------------------------|--------------------------------|-------------------------|
| As at 1 January 2014                    | 26,034                   | 18,407                     | 162                            | 44,603                  |
| Profit for the year                     | -                        | 1,042                      | -                              | 1,042                   |
| Foreign currency translation            | -                        | -                          | 255                            | 255                     |
| Other comprehensive income for the year | -                        | -                          | 255                            | 255                     |
| Total comprehensive income for the year | -                        | 1,042                      | 255                            | 1,297                   |
| As at 31 December 2014                  | 26,034                   | 19,449                     | 417                            | 45,900                  |
| 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                  |

| The Company                             | Share capital<br>S\$'000 | Revenue reserve<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|----------------------------|-------------------------|
| As at 1 January 2014                    | 26,034                   | 10,869                     | 36,903                  |
| Loss for the year                       | -                        | (78)                       | (78)                    |
| Total comprehensive income for the year | -                        | (78)                       | (78)                    |
| As at 31 December 2014                  | 26,034                   | 10,791                     | 36,825                  |
| 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                  |

**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 in FY2014. There were no outstanding convertibles or treasury shares as at 31 December 2014 and 2013.

**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 2014 (31 December 2013: 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 in FY2014.

**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 2013, except for the adoption of certain revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that became mandatory from 1 January 2014. 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.**

|                        | <b>2014<br/>Cents</b> | <b>2013<br/>Cents</b> |
|------------------------|-----------------------|-----------------------|
| <b>The Group</b>       |                       |                       |
| Basic <sup>(1)</sup>   | 0.43                  | 1.09                  |
| Diluted <sup>(2)</sup> | 0.43                  | 1.09                  |

**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 FY2014 (FY2013: 240,443,565 shares).

(2) There were no potential dilutive ordinary shares in FY2014 and FY2013.

**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.**

|                                    | <b>The Group</b>            |                             | <b>The Company</b>          |                             |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                    | <b>31/12/2014<br/>Cents</b> | <b>31/12/2013<br/>Cents</b> | <b>31/12/2014<br/>Cents</b> | <b>31/12/2013<br/>Cents</b> |
| Net asset value per ordinary share | 19.09                       | 18.55                       | 15.32                       | 15.35                       |

**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 2014 (31 December 2013: 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 decreased by S\$27.41m or 52.3% from S\$52.41m in FY2013 to S\$25.00m in FY2014 due mainly to:

- decrease in revenue of the Consumer Electronic Products business of S\$16.96m or 53.2% as a result of the decrease in order from a major customer and orders from new customers did not pick up as expected. The Group has terminated the exclusive distribution agreement with Reliance Communications, LLC after it has failed to meet the minimum purchase required in the agreement. These explained the lower revenue from the United States of America of S\$15.47m; and
- decrease in revenue of the Homeland Security Services business of S\$10.34m or 57.3% attributed mainly to the disposal of Explomo Security Services Pte Ltd ("Explomo Security") and absence of a major project to replace the completed project in Taiwan.

### Gross profit

The gross profit of the Group decreased by S\$7.87m or 53.9% from S\$14.59m in FY2013 to S\$6.73m in FY2014 due to the lower revenue generated. The gross profit margin has remained about the same as FY2013 as the cost of sales has decreased in line with the revenue.

### Profit for the year

The profit for the year of the Group decreased by S\$1.57m or 60.2% from S\$2.62m in FY2013 to S\$1.04m in FY2014, attributed to the lower revenue but moderated mainly by the decrease in general and administrative expenses, selling and marketing expenses and other operating expenses, absence of exceptional items and recognition of deferred tax assets.

The general and administrative expenses decreased by S\$1.32m or 26.3% from S\$5.01m in FY2013 to S\$3.69m in FY2014 mainly due to lower staff costs and disposal of Explomo Security.

The selling and marketing expenses decreased by S\$1.59m or 40.7% from S\$3.91m in FY2013 to S\$2.32m in FY2014, which was in line with the lower revenue of the Consumer Electronic Products business.

The other operating expenses decreased by S\$1.08m or 90.2% from S\$1.20m in FY2013 to S\$0.12m in FY2014 due mainly to higher exchange gain recognised of S\$0.33m, absence of impairment of property, plant and equipment of S\$0.25m and amortisation of deferred development cost of S\$0.26m, and decrease in depreciation of property, plant and equipment of S\$0.16m.

### Total comprehensive income

The total comprehensive income of the Group decreased by S\$1.42m or 52.3% from S\$2.72m in FY2013 to S\$1.30m in FY2014 mainly as a result of the above.

## STATEMENT OF FINANCIAL POSITION

### Non-current assets

The Group non-current assets decreased by S\$0.34m or 2.0% from S\$16.80m as at 31 December 2013 to S\$16.46m as at 31 December 2014 due to the depreciation of property, plant and equipment.

### Current assets

The Group current assets increased by S\$2.47m or 6.0% from S\$40.89m as at 31 December 2013 to S\$43.36m as at 31 December 2014 due mainly to:

- investment in development properties of S\$16.08m with the commencement of property development business in FY2014; and
- higher gross amount due from customers for contract work-in-progress of S\$0.64m mainly as a result of costs incurred for ongoing projects.

However, the increase was moderated by decrease in total cash balances of S\$13.06m consisting of fixed deposits and cash and bank balances and decrease in trade and other receivables of S\$1.22m mainly as a result of refund of bonds of S\$0.92m.

### Current liabilities

The Group current liabilities increased by S\$1.29m or 16.8% from S\$7.68m as at 31 December 2013 to S\$8.96m as at 31 December 2014. The increase was due to higher trade and other payables of S\$2.27m attributed mainly to higher purchases near the year end and moderated mainly by decrease in provision for taxation of S\$0.61m as a result of lower profit.

### Non-current liabilities

The Group non-current liabilities decreased by S\$0.46m or 8.4% from S\$5.41m as at 31 December 2013 to S\$4.96m as at 31 December 2014 due mainly to the repayments of borrowing.

## STATEMENT OF CASH FLOWS

The cash flows used in operating activities of S\$5.36m in FY2014 was attributed mainly to the purchase of development properties and increase in gross amount due from customers for contract work-in-progress, but moderated by cash generated from operations, decrease in trade and other receivables and increase in trade and other payables.

The cash flows used in financing activities of S\$7.66m in FY2014 was due mainly to the repayments of loan due to third parties for the Property Development business.

**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 and original 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 Europe are the major markets of the Consumer Electronic Products business, and the consumers' consumption power and economy of these countries will directly affect the demand for our products.

The Property Development business in New South Wales and Victoria of Australia has commenced with the acquisition of residential properties in a prime area within the inner eastern suburbs of Melbourne, Australia. The sales launch of these properties is expected to take place in the first half of 2015.

**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 FY2014.

**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.**

In FY2014, the aggregate value of transactions entered 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 who has resigned with effect from 31 March 2014, is deemed to be interested in both companies. There was no interested person transaction entered into with value of more than S\$100,000 in FY2014.

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.

**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.**

| <b>By Business Segments</b>                          | <b>Homeland Security Services S\$'000</b> | <b>Consumer Electronic Products S\$'000</b> | <b>Property Development S\$'000</b> | <b>Corporate and Others S\$'000</b> | <b>Adjustments and Eliminations S\$'000</b> | <b>Total S\$'000</b> |
|--|---|---|-------------------------------------|-------------------------------------|---|----------------------|
| <b>2014</b>  |   |   |                                     |                                     |   |                      |
| Sales to external customers                          | 7,714                                     | 14,888                                      | -                                   | 2,394                               | -   | 24,996               |
| Inter-segment sales                                  | 8   | -   | -                                   | 1,264                               | (1,272)                                     | -                    |
| <b>Total revenue</b>                                 | <b>7,722</b>                              | <b>14,888</b>                               | <b>-</b>                            | <b>3,658</b>                        | <b>(1,272)</b>                              | <b>24,996</b>        |
| Depreciation of property, plant and equipment        | 367                                       | 128   | -                                   | 247                                 | -   | 742                  |
| Dividend income                                      | -   | -   | -                                   | 4                                   | -   | 4                    |
| Fair value loss on held for trading financial assets | -   | -   | -                                   | 27                                  | -   | 27                   |
| Interest expenses                                    | -   | 58  | -                                   | 188                                 | (57)  | 189                  |
| Interest income                                      | 13  | 10  | -                                   | 130                                 | (57)  | 96                   |
| Property, plant and equipment written off            | -   | 53  | -                                   | -                                   | -   | 53                   |
| Segment operating profit/ (loss) before taxation     | 557                                       | 191   | (108)                               | 320                                 | 4   | 964                  |
| <b>Segment assets and liabilities:</b>               |   |   |                                     |                                     |   |                      |
| Additions to non-current assets                      | 113                                       | 196   | -                                   | 4                                   | -   | 313                  |
| Segment assets                                       | 12,233                                    | 12,596                                      | 17,838                              | 34,635                              | (17,484)                                    | 59,818               |
| Segment liabilities                                  | 694                                       | 6,587                                       | 17,941                              | 7,701                               | (19,005)                                    | 13,918               |

| <b>By Business Segments</b>   | <b>Homeland Security Services S\$'000</b> | <b>Consumer Electronic Products S\$'000</b> | <b>Corporate and Others S\$'000</b> | <b>Adjustments and Eliminations S\$'000</b> | <b>Total S\$'000</b> |
|---|---|---|-------------------------------------|---|----------------------|
| <b>2013</b>   |   |   |                                     |   |                      |
| Sales to external customers   | 18,050                                    | 31,845                                      | 2,510                               | -   | 52,405               |
| Inter-segment sales   | 58  | -   | 1,565                               | (1,623)                                     | -                    |
| <b>Total revenue</b>  | <b>18,108</b>                             | <b>31,845</b>                               | <b>4,075</b>                        | <b>(1,623)</b>                              | <b>52,405</b>        |
| 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 (Reversal of impairment)/ Impairment of other receivables | 1   | -   | 2                                   | -   | 3                    |
|   | (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                |
| <b>Exceptional items:</b>   |   |   |                                     |   |                      |
| 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                |
| <b>Segment assets and liabilities:</b>  |   |   |                                     |   |                      |
| 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               |

**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.

|                          | <b>2014<br/>S\$'000</b> | <b>2013<br/>S\$'000</b> |
|--------------------------|-------------------------|-------------------------|
| Germany                  | 1,366                   | 1,749                   |
| Singapore                | 7,776                   | 11,626                  |
| Taiwan                   | 1,222                   | 10,446                  |
| United States of America | 11,683                  | 27,148                  |
| Others                   | 2,949                   | 1,436                   |
| <b>Total</b>             | <b>24,996</b>           | <b>52,405</b>           |

**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:-**

| <b>The Group</b>  | <b>2014<br/>S\$'000</b> | <b>2013<br/>S\$'000</b> | <b>Increase/<br/>(decrease)<br/>%</b> |
|---|-------------------------|-------------------------|---------------------------------------|
| (a) Sales reported for first half year  | 8,171                   | 17,052                  | -52.1%                                |
| (b) Operating profit after tax before deducting non-controlling interests reported for first half year  | 320                     | 1,083                   | -70.5%                                |
| (c) Sales reported for second half year   | 16,825                  | 35,353                  | -52.4%                                |
| (d) Operating profit after tax before deducting non-controlling interests reported for second half year | 722                     | 1,533                   | -52.9%                                |

**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  
27/2/2015