

TEHO INTERNATIONAL INC LTD.

(Company Registration No: 200811433K)
(Incorporated in the Republic of Singapore)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE YEAR ENDED 30 JUNE 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 SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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 QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

Consolidated Income Statement	Group \$'000		%
	Year ended 30 June 2014 ("FY2014") (unaudited)	Year ended 30 June 2013 ("FY2013") (audited)	Change
Revenue	60,383	42,971	40.5%
Cost of sales	(42,338)	(29,025)	45.9%
Gross profit	18,045	13,946	29.4%
<u>Other items of income</u>			
Interest income	2	2	—
Other credits	137	122	12.3%
<u>Other items of expense</u>			
Distribution costs	(1,393)	(1,105)	26.1%
Administrative expenses	(8,169)	(6,048)	35.1%
Other operating expenses	(3,762)	(2,930)	28.4%
Finance costs	(381)	(375)	1.6%
Other charges	(1,119)	(903)	23.9%
Share of profit from equity-accounted associate	28	34	(17.6%)
Profit before tax	3,388	2,743	23.5%
Income tax income / (expenses)	4	(362)	n.m.
Profit for the year	3,392	2,381	42.5%
Profit attributable to owners of the parent, net of tax	3,392	2,381	42.5%
	3,392	2,381	42.5%
Earnings Per Share			
	Cents	Cents	
Profit after tax attributable to owners of the Group	2.46	2.05	20.0%

Consolidated Statement of Comprehensive Income

	Group \$'000		% Change
	FY2014 (unaudited)	FY2013 (audited)	
Profit for the year	3,392	2,381	42.5%
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on property revaluation, net of tax	20,824	–	n.m.
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	(4)	(6)	(33.3%)
Total comprehensive income	24,212	2,375	919.5%
<u>Total comprehensive income attributable to:</u>			
Owners of the parent	24,212	2,375	919.5%
Total comprehensive income	24,212	2,375	919.5%

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

	Group \$'000		% Change
	FY2014 (unaudited)	FY2013 (audited)	
Allowance for impairment on trade receivables	(17)	–	n.m.
Amortisation of intangible assets	(588)	(852)	(31.0%)
Bad debts recovered – Trade	4	4	–
Bad debts written off – Trade	–	(29)	(100.0%)
Depreciation	(990)	(912)	8.6%
Fair value loss on derivatives	(377)	–	n.m.
Foreign exchange translation loss	(137)	(15)	813.3%
Gain on disposal of plant and equipment	–	5	(100.0%)
Interest income	2	2	–
Interest expense	(381)	(375)	1.6%
Over / (under) provision of tax in respect of prior years	395	(54)	n.m.
Net	(2,089)	(2,226)	(6.2%)

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

	Group As at		Company As at	
	30 June 2014 (unaudited) \$'000	30 June 2013 (audited)	30 June 2014 (unaudited) \$'000	30 June 2013 (audited)
Assets				
<u>Non-current assets</u>				
Property, plant and equipment	31,627	6,464	18	–
Investments in subsidiaries	–	–	34,122	22,919
Investment in associates	186	172	43	43
Intangible assets	10,611	5,602	–	–
Total non-current assets	42,424	12,238	34,183	22,962
<u>Current assets</u>				
Inventories	21,098	20,258	–	–
Development properties	26,394	–	–	–
Trade and other receivables	16,364	11,271	6,417	2,273
Other assets	1,130	59	118	7
Cash and cash equivalents	15,814	5,082	168	4
Total current assets	80,800	36,670	6,703	2,284
Total assets	123,224	48,908	40,886	25,246
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	24,352	16,477	24,352	16,477
Retained earnings	14,959	12,276	2,012	1,583
Revaluation reserve	20,824	–	–	–
Foreign currency translation reserve	(28)	(24)	–	–
Equity, attributable to owners of the parent	60,107	28,729	26,364	18,060
Total equity	60,107	28,729	26,364	18,060
<u>Non-current liabilities</u>				
Deferred tax liabilities	5,118	523	–	–
Other payables, non-current	–	723	–	723
Other financial liabilities, non-current	20,838	2,804	–	–
Finance leases, non-current	124	286	–	–
Total non-current liabilities	26,080	4,336	–	723
<u>Current liabilities</u>				
Income tax payable	693	586	–	–
Trade and other payables, current	8,183	2,927	14,522	6,463
Other financial liabilities, current	28,000	12,173	–	–
Finance leases, current	161	157	–	–
Total current liabilities	37,037	15,843	14,522	6,463
Total liabilities	63,117	20,179	14,522	7,186
Total equity and liabilities	123,224	48,908	40,886	25,246

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

Amount repayable in one year or less, or on demand

As at 30 June 2014 (\$'000)		As at 30 June 2013 (\$'000)	
Secured	Unsecured	Secured	Unsecured
28,161	–	12,330	–

Amount repayable after one year

As at 30 June 2014 (\$'000)		As at 30 June 2013 (\$'000)	
Secured	Unsecured	Secured	Unsecured
20,962	–	3,090	–

Details of collateral

The bank borrowings are secured by corporate guarantee by the Company, first charge on the Group's leasehold land and buildings, and legal mortgages on the Group's development properties. Finance leases are secured by charge over the leased assets.

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

Consolidated Statement of Cash Flows

	Group \$'000	
	FY2014 (unaudited)	FY2013 (audited)
<u>Cash flows from operating activities</u>		
Profit before tax	3,388	2,743
Adjustments for:		
Share of profit of associated companies	(28)	(34)
Depreciation of property, plant and equipment	990	912
Gain on disposal of plant and equipment	–	(5)
Interest expense	381	375
Interest income	(2)	(2)
Amortisation of intangible assets	588	852
Net effect of exchange rate changes in consolidating foreign entities	(6)	(6)
Operating cash flows before changes in working capital	5,311	4,835
Inventories	(840)	337
Development properties	5,061	–
Trade and other receivables	(4,457)	(2,274)
Other assets	(820)	209
Trade and other payables	3,098	(1,351)
Net cash flows from operations before interest and tax	7,353	1,756
Income taxes paid	(355)	(789)
Net cash flows from operating activities	6,998	967
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(1,063)	(459)
Proceeds from disposal of plant and equipment	–	5
Acquisition of subsidiaries (Net of cash acquired) – Note 1	(3,482)	(1,605)
Dividends received from associated companies	14	–
Interest received	2	2
Net cash flows used in investing activities	(4,529)	(2,057)
<u>Cash flows from financing activities</u>		
Dividends paid to equity shareholders	(709)	(1,388)
Decrease in finance lease	(158)	(152)
Cash restriction in use	12	–
Proceeds from borrowings	13,000	3,500
Proceeds from issuance of ordinary shares	4,254	–
Share issue expense	(154)	–
Decrease in other financial liabilities	(7,589)	(2,467)
Interest paid	(381)	(375)
Net cash flows from / (used in) financing activities	8,275	(882)
Net increase / (decrease) in cash and cash equivalents	10,744	(1,972)
Cash and cash equivalents, beginning balance	5,057	7,029
Cash and cash equivalents, ending balance – Note 2	15,801	5,057
<u>Note 1</u>		
Cash consideration	7,279	1,750
Cash and cash equivalents acquired	(3,797)	(145)
Net outflow of cash and cash equivalent included in cash flows from investing activities	3,482	1,605
<u>Note 2</u>		
Cash and cash equivalents	15,814	5,082
Cash pledged for bank facilities	(13)	(25)
Cash and cash equivalents for statement of cash flows	15,801	5,057

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.

Statements of Changes in Equity

	Group (\$'000)				
	Share Capital	Retained Earnings	Revaluation Reserve	Foreign Currency Translation Reserve	Total Equity
Opening balance at 1 July 2013	16,477	12,276	–	(24)	28,729
<u>Movement in equity:</u>					
Issue of share capital	8,029	–	–	–	8,029
Share issue expenses	(154)	–	–	–	(154)
Total comprehensive income for the year	–	3,392	20,824	(4)	24,212
Dividend	–	(709)	–	–	(709)
Closing balance at 30 June 2014	24,352	14,959	20,824	(28)	60,107
Opening balance at 1 July 2012	16,081	11,283	–	(18)	27,346
<u>Movement in equity:</u>					
Issue of share capital	396	–	–	–	396
Total comprehensive income for the year	–	2,381	–	(6)	2,375
Dividend	–	(1,388)	–	–	(1,388)
Closing balance at 30 June 2013	16,477	12,276	–	(24)	28,729

	Company (\$'000)		
	Share Capital	Retained Earnings	Total Equity
Opening balance at 1 July 2013	16,477	1,583	18,060
<u>Movement in equity:</u>			
Issue of share capital	8,029	–	8,029
Share issue expenses	(154)	–	(154)
Total comprehensive income for the year	–	1,138	1,138
Dividend	–	(709)	(709)
Closing balance at 30 June 2014	24,352	2,012	26,364
Opening balance at 1 July 2012	16,081	2,230	18,311
<u>Movement in equity:</u>			
Issue of share capital	396	–	396
Total comprehensive income for the year	–	741	741
Dividend	–	(1,388)	(1,388)
Closing balance at 30 June 2013	16,477	1,583	18,060

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.

Issued and fully paid	Number of Ordinary shares	Share Capital (\$'000)
Balance as at 30 June 2013	118,191,051	16,477
Rights Issue in March 2014	47,276,420	4,100
Issue of shares in May 2014 (being partial payment for the acquisition of subsidiary)	25,000,000	3,775
Balance as at 30 June 2014	190,467,471	24,352

As at 30 June 2014, the share capital of the company comprised 190,467,471 ordinary shares. As at 30 June 2014 and 30 June 2013, the Company had no outstanding convertibles or treasury shares.

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.

	As at 30 June 2014	As at 30 June 2013
Total number of issued shares (excluding treasury shares)	190,467,471	118,191,051

1(d)(iv) A statement showing all sales, transfers, disposals, 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.

The figures have not been audited nor reviewed by 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 accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 30 June 2013 except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2013. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group.

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.**

Not applicable.

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 per ordinary share for the year based on profit attributable to owners of the parent, net of tax:

	Group	
	Year ended 30 June 2014 (unaudited)	Year ended 30 June 2013 (audited)
(i) Based on weighted average number of ordinary shares in issue (Cents)	2.46	2.05
Number of ordinary shares in issue	138,116,524	116,107,718
(ii) On a fully diluted basis (Cents)	2.46	2.05
Diluted number of ordinary shares in issue	138,116,524	116,107,718

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 As at		Company As at	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Net asset value per ordinary share (cents)	31.56	24.31	13.84	15.28
Number of shares in issue	190,467,471	118,191,051	190,467,471	118,191,051

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 following:**
(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.

Financial Performance Review

Revenue

The Group's revenue for FY2014 of \$60.4 million was an increase of \$17.4 million or 40.5%, from \$43.0 million in FY2013. Revenue contribution from the Marine, Offshore Oil & Gas segment increased by \$12.3 million from \$43.0 million in FY2013 to \$55.3 million in FY2014.

The increased revenue from the Marine, Offshore Oil & Gas segment was largely due to the contribution by TEHO EuROPE B.V. ("TEHO EuROPE") following its incorporation in November 2012 and TEHO Water & Envirotec Pte Ltd ("TEHO Water") since the completion of its acquisition by the Group in April 2013. TEHO EuROPE and TEHO Water contributed \$4.7 million and \$4.0 million to the Group's increase in revenue respectively. TEHO Engineering Pte Ltd ("TEHO Engineering") continued its growth, contributing to a \$1.9 million increase in revenue to the Group.

The newly acquired subsidiary, TIEC Holdings Pte Ltd ("TIEC") contributed \$5.1 million in revenue to the Group in FY2014.

Revenue from Singapore remained the largest geographic segment, contributing 77.1% of the Group's revenue in FY2014, compared to 78.1% of the Group's revenue in FY2013. The increase in revenue from Singapore of \$13.1 million was mainly due to contributions from TEHO Water, TEHO Engineering and TIEC. The increase in revenue from the rest of the world of \$4.4 million was largely due to contributions from TEHO EuROPE.

Gross profit

The overall gross profit in FY2014 increased by \$4.1 million or 29.4% to \$18.0 million. The Group's gross profit margin decreased by 2.6 percentage points from 32.5% to 29.9% in FY2014. The gross profit margin for the Marine, Offshore Oil & Gas segment declined slightly, mainly due to a decrease in gross profit margin of TEHO Engineering as a result of higher sub-contract costs arising from additional sub-contract works performed to meet customers' requirements. This was offset by an improved gross profit margin of TEHO Water. The Property Development segment's gross profit margin was below that of the Group's overall gross profit margin.

Other credits

Other credits increased slightly by \$0.02 million or 12.3% from \$0.12 million in FY2013 to \$0.14 million in FY2014 due to increased sundry income.

Other items of expense

Distribution costs increased by \$0.3 million or 26.1% from \$1.1 million in FY2013 to \$1.4 million in FY2014 due mainly to (i) the increase in outward freight and handling charges of \$0.1 million and (ii) the increase in travelling expenses of \$0.2 million incurred as a result of consolidation of TEHO Water after its acquisition by the Group and following the incorporation of TEHO EuROPE, and an increase in the participation in trade exhibitions.

Administrative expenses increased by \$2.2 million or 35.1% from \$6.0 million in FY2013 to \$8.2 million in FY2014 due mainly to the increased headcounts, salaries and related expenses of \$1.1 million as a result of the consolidation of TEHO Water after its acquisition by the Group and following the incorporation of TEHO EuROPE.

Other operating expenses increased by \$0.9 million or 28.4% from \$2.9 million in FY2013 to \$3.8 million in FY2014 as a result of (i) an increase in entertainment and refreshment, general expenses which amounted to \$0.5 million; (ii) an increase in staff welfare, benefits and training expense which amounted to \$0.2 million, and (iii) an increase in depreciation expense, upkeep of properties and equipment, and rental of office which amounted to \$0.2 million.

Finance costs remained stable compared to the previous financial year.

Other charges increased by \$0.2 million mainly due to fair value loss on derivatives amounting to \$0.4 million, offset by a \$0.3 million decline in amortisation charges. The decline in amortisation charges is mainly due to TEHO Engineering's order books being fully amortised in FY2013. This is partially offset by additional amortisation of TEHO Water's intangible assets (customer relationships and order book) in FY2014.

Income tax income / (expenses)

In FY2014, the Group recorded an income tax income amounted to \$4,000 compared to income tax expense of \$0.4 million in FY2013. This is mainly caused by an adjustment for overprovision for deferred tax expense of \$0.4 million in FY2013.

Profit for the year

The Group's profit for the year of \$3.4 million represented an increase of 42.5% from \$2.4 million in FY2013. Net profit margin for the year was 5.6%, a slight improvement compared to 5.5% for FY2013.

Balance Sheet Review

Non-current assets

The increase in non-current assets of \$30.2 million was mainly due to a \$25.1 million upward revaluation of leasehold properties and an increase in intangible assets in respect of goodwill amounting to \$5.6 million arising from the acquisition of TIEC in FY2014. The revaluation of the leasehold properties was conducted by an independent professional valuer in May 2014 and relates to the Group's warehouses at 1 Tuas Lane (revalued at \$17.0 million) and 47 Tuas Avenue 9 (revalued at \$12.0 million). The valuation reports for the aforementioned properties are available for inspection at 1 Commonwealth Lane, #09-23 One Commonwealth, Singapore 149544, during normal business hours for a period of three (3) months from the date of this announcement.

The increase in non-current assets was also partially due to capital expenditure of \$1.1 million incurred on plant and equipment, offset by depreciation charge of \$1.0 million and amortisation of intangible assets in respect of customer relationships arising from the acquisition of TEHO Engineering and TEHO Water of \$0.6 million.

Current assets

Current assets increased by \$44.1 million as compared to the previous financial year. This is mainly attributable to development properties amounting to \$26.4 million acquired through the acquisition of TIEC.

The Group's cash and cash equivalents increased by \$10.7 million, \$5.2 million of which was from the acquisition of TIEC. The Marine, Offshore Oil & Gas segment's cash and cash equivalents increased by \$5.4 million, partly reflecting the improved business performance of the segment compared to the previous financial year.

The Group's trade and other receivables increased by \$5.1 million, \$4.1 million of which was from the acquisition of TIEC. In relation to the Marine, Offshore Oil & Gas segment, the trade receivables turnover days improved from 92 days in FY2013 to 80 days in FY2014.

Although inventories increased by \$0.8 million, the overall inventory turnover days for the Marine, Offshore Oil & Gas segment improved from 255 days in FY2013 to 205 days in FY2014 due to better inventory management.

Other assets increased by about \$1.1 million, mainly due to an increase in the amount of advances made to contractors for the assembly of reverse osmosis machines (\$0.7 million) and construction work (\$0.3 million).

Non-current liabilities

The increase in non-current liabilities of \$21.7 million was due to an increase of \$9.8 million in non-current portion of borrowings arising from the acquisition of TIEC, and an increase of \$8.2 million in non-current portion of new borrowings during the financial year for working capital and business expansion purposes. In addition, deferred tax liabilities increased by \$4.6 million mainly due to the deferred tax impact arising from the revaluation of properties. These increases were offset by repayments of non-current portion of finance leases of \$0.2 million and reclassification of other payables amounting to \$0.7 million which were non-current in FY2013 to current in FY2014.

Current liabilities

The increase in current liabilities of \$21.2 million was mainly due to increases in other financial liabilities, as well as trade and other payables. The increase in other financial liabilities of \$15.8 million is mainly due to TIEC's current portion of borrowings amounting to \$14.8 million and an increase of \$0.9 million in the current portion of the Marine, Offshore Oil & Gas segment's borrowings. The increase in trade and other payables of \$5.3 million is mainly due to TIEC's trade and other payables of \$3.3 million. The remaining increase of \$2.0 million is due largely to higher purchases of inventory in FY2014 to meet the increasing demand of the same for the Company's wholly-owned subsidiaries, TEHO Engineering, TEHO Water and TEHO EuROPE.

Shareholders' equity

The increase of \$31.4 million in shareholders' equity attributable to owners of the parent is mainly due to an increase in the revaluation reserve of \$20.8 million arising from the revaluation of leasehold properties. In addition, share capital increased by \$7.9 million due to a rights issue and issuance of new shares being part of the purchase consideration for the acquisition of TIEC in May 2014. Profit after tax of \$3.4 million for FY2014 also contributed to the increase in equity, partly offset by total dividend payment of \$0.7 million.

Cash Flows Review

Cash flows from operating activities

Operating cash flows before changes in working capital was \$5.3 million in FY2014, representing an increase of \$0.5 million compared to FY2013. This is mainly due to the improved profit before tax in FY2014. Net cash flows from working capital was \$2.0 million. Net cash generated from operating activities was \$7.0 million after deducting income tax paid of \$0.4 million.

Cash flows from investing activities

Net cash used in investing activities was \$4.5 million, \$3.5 million of which was used in the acquisition of TIEC. As part of the continuous growth of the Marine, Offshore Oil & Gas segment, capital expenditure on plant and equipment increased by \$0.6 million to \$1.1 million in FY2014.

Cash flows from financing activities

Net cash flows from financing activities was \$8.3 million, mainly attributable to proceeds from new borrowings of \$13.0 million and net proceeds from issuance of ordinary shares through a rights issue amounting to \$4.1 million. These cash inflows were offset by repayment of

financial liabilities and finance lease of \$7.7 million. The Group also paid dividends to equity shareholders amounting to \$0.7 million and interest of \$0.4 million during the financial year.

As a result of the above, cash and cash equivalents increased by \$10.7 million during FY2014. Cash and cash equivalents as at 30 June 2014 was \$15.8 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been previously disclosed.

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's Marine, Offshore Oil & Gas segment expects the industries in which it operates in to remain competitive. As such the Group will continue to consolidate its operations and financial strengths in this segment to meet the challenging and competitive business outlook.

In relation to the Property Development segment, the Group expects challenging headwinds in Singapore's property landscape. As such, the Group will be looking actively for opportunities abroad to supplement its existing projects in Singapore. To this end, the Group recently announced its intention to expand into real estate development and investment in Cambodia via a joint venture.

11. If a decision regarding dividend has been made:

(a)	Name of Dividend	Proposed First and Final
(b)(i)	Dividend Rate	0.8 cents per share Tax Exempt (one-tier)
(b)(ii)	Previous corresponding period	1.0 cent per share Tax Exempt (one-tier)
(c)	Tax Rate	Tax exempt (one-tier)
(d)	Date of Payment	Subject to shareholders' approval at the forthcoming annual general meeting and to be announced at a later date.
(e)	Books closure date	To be announced at a later date.

The total dividend (comprising the interim dividend and proposed final dividend) in respect of FY2014 is 0.8 cents, compared to 1.0 cent in FY2013. The dividend payout ratio decreased to 32.5% from 48.8% in FY2013. The dividend payout was decreased to conserve internal resources as the Group positions itself to take advantage of opportunities that may arise in the near future.

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.

The Group did not obtain a general mandate from shareholders for Interested Person Transactions.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. **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.**

Business Segments Reporting	<u>Marine, Offshore Oil & Gas</u> \$'000	<u>Property Development</u> \$'000	<u>Unallocated</u> \$'000	<u>Group</u> \$'000
<u>Continuing Operations FY2014</u>				
Revenue by Segment				
Total revenue	55,293	5,090	–	60,383
Recurring EBITDA	6,138	234	(662)	5,710
Finance costs	(379)	–	–	(379)
Depreciation	(990)	–	–	(990)
Amortisation	(588)	–	–	(588)
ORBIT*				3,753
Unallocated items (a)				(393)
Share of profit from equity-accounted associate				28
Profit before tax				3,388
Income tax income				4
Profit for the year				3,392
<u>Continuing Operations FY2013</u>				
Revenue by Segment				
Total revenue	42,971	–	–	42,971
Recurring EBITDA	13,946	–	–	13,946
Finance costs	(375)	–	–	(375)
Depreciation	(912)	–	–	(912)
Amortisation	(852)	–	–	(852)
ORBIT*				11,807
Unallocated items (a)				(9,098)
Share of profit from equity-accounted associate				34
Profit before tax				2,743
Income tax expense				(362)
Profit for the year				2,381

* Operating result before interests and income taxes and other unallocated items.

- (a) The other unallocated items comprise distribution costs, administrative expenses, other operating expenses and other charges which are centralised and not segmented as these items are not directly attributable to the reportable segments.

Business Segments Reporting	<u>Marine</u>	<u>Property</u>	<u>Unallocated</u>	<u>Group</u>
	<u>Offshore</u>	<u>Development</u>		
	<u>Oil & Gas</u>		<u>\$'000</u>	<u>\$'000</u>
<u>Assets as at 30 June 2014</u>				
Total assets for reportable segments	81,924	29,883	11,417	123,224
Segment assets include:				
Investment in associated companies	143	–	43	186
Additions to:				
- Property, plant and equipment	1,041	–	22	1,063
- Intangible assets	–	5,598	–	5,598
<u>Assets as at 30 June 2013</u>				
Total assets for reportable segments	48,367	–	541	48,908
Segment assets include:				
Investment in associated companies	172	–	–	172
Additions to:				
- Property, plant and equipment	459	–	–	459
- Intangible assets	1,801	–	–	1,801
<u>Liabilities as at 30 June 2014</u>				
Total liabilities for reportable segments	19,917	30,178	13,022	63,117
<u>Liabilities as at 30 June 2013</u>				
Total liabilities for reportable segments	381	–	19,798	20,179

(a) The unallocated assets and liabilities cannot be selectively segmented when they are being deployed and/or incurred, as these items are not directly attributable to the reportable segments.

Geographic Segment Reporting	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>FY2014</u>	<u>FY2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Singapore	46,541	33,434	42,350	12,161
Rest of Asia	5,057	5,164	1	1
Rest of the World	8,785	4,373	73	75
Total	60,383	42,971	42,424	12,237

(a) The non-current assets comprise mainly investment in an associated company and the Group's property, plant and equipment which are located in Singapore.

(b) The Rest of Asia geographic segment refers to customers from South East Asia (namely Brunei, Indonesia, Malaysia, Thailand and Vietnam), India and East Asia (namely Japan, the People's Republic of China, Hong Kong and South Korea).

(c) The Rest of the World geographic segment refers to customers from Australia, New Zealand, Africa, Middle-East, Europe and North America.

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

Please refer to paragraph 8 above for further details.

16. A breakdown of sales as follows:

		Group		
		FY2014 \$'000	FY2013 \$'000	% Increase/ (Decrease)
First Half				
(a)	Revenue	28,007	21,838	28.2
(b)	Operating profit after tax before deducting minority interest	1,935	1,812	6.8
Second half				
(a)	Revenue	32,376	21,133	53.2
(b)	Operating profit after tax before deducting minority interest	1,457	569	156.1

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

	Latest Full Year	Previous Full Year
Ordinary	\$709,146	\$1,388,293
Preference	Nil	Nil
Total	\$709,146	\$1,388,293

Please refer to paragraph 11 above for further details.

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(10) 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 first held	Details of changes in duties and position held, if any, during the year
Lim Siew Choo	60	Sister of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	General Administrative Director since 2004 and is responsible for the day-to-day operations, statutory matters, recruitment and staff welfare of the Group	Not applicable

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lim See Heng	58	Brother of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	Projects Director since 2000 and is responsible for project works, which normally involve open tendering of projects and complex tenders such as restricted, competitive or negotiated tendering	Not applicable
Soare Siew Lian	55	Sister of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	CEO of USA Operations since 2008 and is responsible for marketing and securing new customers in USA for the Group	Not applicable
Tan Wee Lee	35	Brother-in-law of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder)	Manager, Quality Assurance since 1 July 2011 and is responsible for products quality assurance at TEHO Ropes & Supplies Pte. Ltd.	Not applicable

Lim Siew Choo is presently a substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim See Hoe
Executive Chairman and Chief Executive Officer
19 August 2014