



UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2013

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		
	3rd Qtr Ended 31/12/2013	31/12/2012	Incr/ (decr)	9 months ended 31/12/2013	31/12/2012	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	22,332	13,717	62.8	71,061	53,027	34.0
Cost of sales	(15,255)	(9,749)	56.5	(49,330)	(36,066)	36.8
Gross profit	7,077	3,968	78.4	21,731	16,961	28.1
Other income	(3)	35	NM	96	89	7.9
Distribution costs	(1,119)	(743)	50.6	(2,900)	(2,105)	37.8
Administrative expenses	(2,611)	(1,981)	31.8	(7,117)	(4,895)	45.4
Other operating expenses	(128)	(132)	(3.0)	(658)	(135)	387.4
Interest expense	(462)	(474)	(2.5)	(1,265)	(1,445)	(12.5)
Profit before income tax	2,754	673	309.2	9,887	8,470	16.7
Income tax expense	(316)	(87)	263.2	(1,370)	(1,404)	(2.4)
Profit for the period	2,438	586	316.0	8,517	7,066	20.5
Attributable to:						
Shareholders of the Company	2,477	586	322.7	8,584	7,066	21.5
Non-controlling interests	(39)	-	NM	(67)	-	NM
	2,438	586	316.0	8,517	7,066	20.5
Gross profit margin	31.7%	28.9%		30.6%	32.0%	
Net profit margin	10.9%	4.3%		12.0%	13.3%	
EBITDA ⁽¹⁾ (S\$'000)	3,652	1,610	126.8	12,420	11,274	10.2
EBITDA margin	16.4%	11.7%		17.5%	21.3%	
EPS ⁽²⁾	0.57	0.18	216.7	1.99	2.14	(7.0)

⁽¹⁾ : Denotes earnings before interest, taxes, depreciation and amortisation

⁽²⁾ : Earnings per share ("EPS") (cents/share)

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3rd Qtr Ended		Incr/ (decr) %	9 months ended		Incr/ (decr) %
	31/12/2013	31/12/2012		31/12/2013	31/12/2012	
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit for the period	2,438	586	316.0	8,517	7,066	20.5
Other comprehensive income						
Item that may be reclassified to profit or loss:						
Translation gain arising on consolidation	25	(8)	NM	38	22	72.7
Other comprehensive income for the period	25	(8)	NM	38	22	72.7
Total comprehensive income for the period	2,463	578	326.1	8,555	7,088	20.7
Total comprehensive income attributable to:						
Shareholders of the Company	2,502	578	332.9	8,622	7,088	21.6
Non-controlling interests	(39)	-	NM	(67)	-	NM
	2,463	578	326.1	8,555	7,088	20.7

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

	Group			Group		
	3rd Qtr Ended		Incr/ (decr) %	9 months Ended		Incr/ (decr) %
	31/12/2013	31/12/2012		31/12/2013	31/12/2012	
	S\$'000	S\$'000		S\$'000	S\$'000	
Allowance for doubtful trade receivables	1	-	NM	25	31	(19)
Trade receivables written off	-	-	NM	-	16	(100)
Doubtful trade receivables recovered	-	(25)	NM	(7)	(52)	(87)
Depreciation	421	463	(9)	1,223	1,359	(10)
Amortisation of intangible asset	15	-	NM	45	-	NM
Foreign exchange loss	128	132	(3.0)	630	88	616
Loss (gain) on disposal of property, plant and equipment	-	2	NM	(19)	(8)	138
Goodwill written off from acquisition of a subsidiary	-	-	NM	2	-	NM
Interest income	(11)	-	NM	(30)	(1)	NM
Interest expense	462	474	(3)	1,265	1,445	(12)
Inventory written down (back)	97	1	NM	97	(63)	NM
Trade payables written back	36	-	NM	-	-	NM

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	
	31/12/2013 S\$'000	31/3/2013 S\$'000	31/12/2013 S\$'000	31/3/2013 S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	21,675	21,408	15,055	20,056
Trade receivables	25,137	27,421	898	852
Other receivables and prepayments	1,756	860	28,619	26,774
Inventories	120,505	104,058	-	-
Total current assets	169,073	153,747	44,572	47,682
Non-current assets				
Property, plant and equipment	14,034	10,980	-	-
Club memberships	76	76	-	-
Intangible asset	180	225	-	-
Goodwill	1,644	-	-	-
Subsidiaries	-	-	6,101	5,500
Total non-current assets	15,934	11,281	6,101	5,500
Total assets	185,007	165,028	50,673	53,182
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	8,706	16,417	-	-
Other payables	2,954	1,311	259	707
Current portion of bank borrowings	58,470	37,690	-	-
Current portion of finance leases	645	1,011	-	-
Income tax payable	1,708	1,956	213	105
Total current liabilities	72,483	58,385	472	812
Non-current liabilities				
Bank borrowings	16,711	15,758	-	-
Finance leases	748	927	-	-
Deferred tax liabilities	260	266	-	-
Total non-current liabilities	17,719	16,951	-	-
Capital and reserves				
Share capital	47,224	47,224	47,224	47,224
Retained earnings	47,670	42,542	2,977	5,146
Translation reserve	(36)	(74)	-	-
Equity attributable to shareholders of the Company	94,858	89,692	50,201	52,370
Non-controlling interests	(53)	0	-	-
Total equity	94,805	89,692	50,201	52,370
Total liabilities and equity	185,007	165,028	50,673	53,182

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

	31/12/2013		31/3/2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	4,344	-	6,045	-
Money market loan	3,000	-	3,000	-
Bank bills payables	9,879	33,102	6,285	17,360
Finance leases	645	-	1,011	-
Time loans	-	5,000	-	5,000
Revolving credit loans	-	3,145	-	-
	<u>17,868</u>	<u>41,247</u>	<u>16,341</u>	<u>22,360</u>

Amount repayable after one year

	31/12/2013		31/3/2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	16,711	-	15,758	-
Finance leases	748	-	927	-
	<u>17,459</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, joint and several personal guarantees of the executive directors and Chief Administrative Officer, 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	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax	2,754	673	9,887	8,470
Adjustment for :				
Interest expense	462	474	1,265	1,445
Interest income	(11)	-	(30)	(1)
Depreciation	421	463	1,223	1,359
Amortisation of intangible asset	15	-	45	-
Allowance for doubtful trade receivables	1	-	25	31
Doubtful trade receivables recovered	-	(25)	(7)	(52)
Trade receivables written off	-	-	-	16
Loss (gain) on disposal of property, plant and equipment	-	2	(19)	(8)
Goodwill written off from acquisition of a subsidiary (Note A)	-	-	2	-
Net foreign exchange (gain) loss - unrealised	(50)	(11)	(101)	31
Inventory written down (back)	97	1	97	(63)
Trade payables written back	36	-	-	-
Operating cash flows before movements in working capital	3,725	1,577	12,387	11,228
Trade receivables	7,354	5,449	3,960	651
Other receivables and prepayments	(471)	149	(381)	(159)
Inventories	(10,276)	(2,844)	(15,534)	(12,481)
Trade payables	(3,089)	(61)	(9,427)	406
Other payables	(256)	(161)	(1,360)	433
Bank bill payables	5,773	(7,969)	19,336	(2,441)
Cash from (used in) operations	2,760	(3,860)	8,981	(2,363)
Interest paid for bank bills	(243)	(213)	(627)	(622)
Interest received	11	-	30	1
Income tax paid	(337)	(1,773)	(1,623)	(3,411)
Net cash from (used in) operating activities	2,191	(5,846)	6,761	(6,395)
Investing activities				
Proceeds from disposal of property, plant and equipment	1	4	385	23
Purchases of property, plant and equipment	(269)	(566)	(2,951)	(1,474)
Purchase of club memberships	-	-	-	(76)
Acquisition of subsidiaries (Note A)	-	-	(1,200)	-
Net cash used in investing activities	(268)	(562)	(3,766)	(1,527)

	Group		Group	
	3rd Qtr Ended		9 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities				
Interest paid for other borrowings	(219)	(261)	(638)	(823)
Dividend paid	-	-	(3,456)	-
Repayment of obligations under finance leases	(259)	(248)	(1,006)	(707)
New bank loans obtained	384	-	3,145	1,000
Repayment of bank loans	(250)	(10,236)	(748)	(10,892)
Proceeds from issue of shares of the Company	-	44,224	-	44,224
Contributions from non-controlling interests	-	-	14	-
Net cash (used in) from financing activities	<u>(344)</u>	<u>33,479</u>	<u>(2,689)</u>	<u>32,802</u>
Net increase in cash and cash equivalents	1,579	27,071	306	24,880
Exchange difference on cash and cash equivalents	(41)	-	(39)	-
Cash and cash equivalents at beginning of the period	<u>20,137</u>	<u>2,009</u>	<u>21,408</u>	<u>4,200</u>
Cash and cash equivalents at end of the period	<u>21,675</u>	<u>29,080</u>	<u>21,675</u>	<u>29,080</u>

Note A

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

Identifiable assets and liabilities at the date of acquisition	Fair value S\$'000
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	<u>(1,869)</u>
Goodwill arising on acquisition	<u>1,644</u>
Net cash flow on acquisition	
Total consideration, satisfied by cash	3,513
Less: Cash and cash equivalents acquired	<u>(2,410)</u>
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	Fair value S\$'000
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	<u>(123)</u>
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	<u>(28)</u>
Net cash outflow on acquisition of a subsidiary	<u>97</u>
Total net cash outflow on acquisition of subsidiaries	<u>1,200</u>

⁽¹⁾ 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	Total	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>						
Balance at 1 April 2013	47,224	42,542	(74)	89,692	0	89,692
Contribution from non-controlling interests	-	-	-	-	14	14
Dividend paid	-	(3,456)	-	(3,456)	-	(3,456)
Total comprehensive income for the period	-	8,584	38	8,622	(67)	8,555
Balance at 31 December 2013	47,224	47,670	(36)	94,858	(53)	94,805
Balance at 1 April 2012	3,000	32,051	(89)	34,962	-	34,962
Issuance of shares	44,224	-	-	44,224	-	44,224
Total comprehensive income for the period	-	7,066	22	7,088	-	7,088
Balance at 31 December 2012	47,224	39,117	(67)	86,274	-	86,274

Company

Balance at 1 April 2013	47,224	5,146	-	52,370	-	52,370
Dividend paid	-	(3,456)	-	(3,456)	-	(3,456)
Total comprehensive income for the period	-	1,287	-	1,287	-	1,287
Balance at 31 December 2013	47,224	2,977	-	50,201	-	50,201
Balance at 1 April 2012	3,000	2,164	-	5,164	-	5,164
Issuance of shares	44,224	-	-	44,224	-	44,224
Total comprehensive loss for the period	-	(1,039)	-	(1,039)	-	(1,039)
Balance at 31 December 2012	47,224	1,125	-	48,349	-	48,349

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

31/12/2013	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

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 third quarter 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	
	3rd Qtr Ended		9 months Ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net profit after tax attributable to shareholders of the Company (S\$'000)	2,477	586	8,584	7,066
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	432,000	330,640	432,000	330,640
- Diluted earnings per share	432,000	330,640	432,000	330,640
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	0.57	0.18	1.99	2.14
(b) On a fully diluted basis	0.57	0.18	1.99	2.14

The Company has no dilutive equity instruments as at 31 December 2013.

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	
	31/12/2013	31/3/2013	31/12/2013	31/3/2013
Net asset value attributable to shareholders of the Company (S\$'000)	94,858	89,692	50,201	52,370
Number of ordinary shares ('000)	432,000	432,000	432,000	432,000
Net asset value per ordinary share (cents)	21.96	20.76	11.62	12.12

8. Review of the Group's performance

Revenue

The Group's revenue for the nine months ended 31 December 2013 ("9M FY2014") was S\$71.1 million with an increase of S\$18.0 million or 34.0% compared to S\$53.0 million for the corresponding period ended 31 December 2012 ("9M FY2013"). For the third quarter ended 31 December 2013 ("3Q FY2014"), the Group's revenue was S\$22.3 million, 62.8% higher than the S\$13.7 million in the third quarter ended 31 December 2012 ("3Q FY2013"). The increase was mainly due to (i) an increase of S\$8.8 million in 9M FY2014 from ship supply segment resulting from the acquisition of Allseas Marine Services Pte Ltd and Phoenix Offshore Co., Ltd; and (ii) higher revenue from some of our key customers due to the project based nature of our business.

Gross profit

Gross profit increased by S\$4.8 million or 28.1% from S\$17.0 million in 9M FY2013 to S\$21.7 million in 9M FY2014. The corresponding gross profit margin decreased from 32.0% to 30.6%. The decrease was mainly due to an increase in sales of lower margin products which formed a higher proportion of the Group's revenue in 9M FY2014.

For 3Q FY2014, the gross profit was S\$7.1 million, 78.4% higher than the S\$4.0 million achieved in 3Q FY2013. The corresponding gross profit margin increased from 28.9% to 31.7%. The increase was mainly due to the project nature of some of our key customers with different profit margin in the relevant periods.

Other income

Other income in 9M FY2014 did not vary significantly from that of 9M FY2013.

Distribution costs

Distribution costs increased by S\$0.8 million or 37.8% in 9M FY2014 as compared to 9M 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\$2.2 million or 45.4% in 9M FY2014 as compared to 9M FY2013 mainly due to: (i) an increase in staff-related cost of S\$1.7 million as we increase our headcount to support business expansion; (ii) an increase in professional fees of S\$0.6 million such as audit fees, secretarial fees, director fees and other professional related fees; (iii) an increase in depreciation of S\$0.2 million, (iv) an increase in entertainment of S\$0.3 million; (v) an increase in travelling expenses of S\$0.1 million and (vi) an increase in bank charges of S\$0.1 million, which was partially offset by a decrease in IPO expense of S\$0.9 million.

Other operating expenses

Other operating expenses increased by S\$0.5 million in 9M FY2014 as compared to 9M FY2013 mainly due to higher foreign exchange loss incurred mainly due to the appreciation of United States Dollar and Euro against Singapore Dollar.

Interest expense

Interest expense decreased by S\$0.2 million or 12.5% from S\$1.4 million in 9M FY2013 to S\$1.2 million in 9M FY2014 mainly due to lower average bank borrowings.

Profit before income tax

As a result of the above reasons, profit for 9M FY2014 increased by S\$1.4 million or 16.7% from S\$8.5 million in 9M FY2013 to S\$9.9 million in 9M FY2014.

Review of statement of financial position and cash flows

Current Assets

The current assets increased by S\$15.3 million from S\$153.7 million as at 31 March 2013 to S\$169.1 million as at 31 December 2013. The increase was mainly due to (i) an increase in inventories of S\$16.4 million due to anticipated market demand; and (ii) higher other receivables of S\$0.9 million mainly due to advance payments to suppliers, (iii) higher cash and bank balances of S\$0.3 million, which was partially offset by a decline in trade receivables of S\$2.3 million mainly due to lower sales in 3Q FY2014 compared to that in 4Q FY2013.

Non-Current Assets

The non-current assets increased by S\$4.7 million from S\$11.3 million as at 31 March 2013 to S\$15.9 million as at 31 December 2013. The increase was mainly due to (i) higher fixed assets cost of S\$3.1 million, and (ii) goodwill of S\$1.6 million resulting from the acquisition of Lv Yang (Tianjin) Offshore Equipment Co., Ltd.

Current liabilities

The current liabilities increased by S\$14.1 million from S\$58.4 million as at 31 March 2013 to S\$72.5 million as at 31 December 2013. The increase was mainly due to (i) an increase in bank borrowings of S\$20.8 million from bank bill payables of S\$19.3 million and short bank loans of S\$1.5 million, (ii) an increase in other payables of S\$1.6 million mainly from higher other payables resulting from the acquisition of subsidiaries and accrual of staff-related expenses, which was partially offset by (i) a decline in trade payables of S\$7.7 million as we made payments in respect of a larger proportion of our trade payables; (ii) a decline in finance leases of S\$0.4 million, and (iii) lower income tax payable of S\$0.2 million.

Non-current liabilities

Non-current liabilities increased by S\$0.8 million from S\$16.9 million as at 31 March 2013 to S\$17.7 million as at 31 December 2013 mainly due to refinancing of bank loan of a subsidiary.

Capital and reserves

The increase in capital and reserves of S\$5.1 million was mainly attributable to profit earned during the period.

Cash Flows

9M FY2014 ended 31 December 2013

Net cash from operating activities

In 9M FY2014, we generated net cash of S\$12.4 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$5.6 million. This was mainly due to: (i) an increase in inventories of S\$15.5 million due to anticipated market demand; (ii) an increase in other receivables of S\$0.4 million, (iii) a decrease in trade payables of S\$9.4 million as we made payments in respect of a larger proportion of our trade payables, and (iv) a decrease in other payables of S\$1.4 million due to intergroup transactions resulting from the acquisition of subsidiaries.

The above increase was partially offset by (i) a decrease in trade receivables of S\$4.0 million mainly due to lower sales in 3Q FY2014, and (ii) an increase in bank bill payables of S\$19.3 million.

We paid income tax of S\$1.6 million and interest for bank bills of S\$0.6 million.

Overall our net cash from operating activities amounted to S\$6.8 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$3.8 million in 9M FY2014. This was mainly due to the purchase of plant and equipment of S\$3.0 million and acquisition of subsidiaries of S\$1.2 million, which was partially offset by proceeds from disposal of plant and equipment of S\$0.4 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$2.7 million in 9M 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\$1.4 million; and (iii) the repayment of obligations under finance leases of S\$1.0 million, which was partially offset by increase in bank borrowings of S\$3.1 million.

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

In our announcement on 25 May 2013, we have disclosed that full operations of our Malaysian facilities will commence within the second half of year 2013 to comply with on-site stringent foundation works requirements in connection with the test-bed installation. We are pleased to inform that the test-bed installation has been completed in December 2013 and that operations have commenced since then.

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.

The Group remains committed to expand our operations through acquisitions and strategic collaborations. These future plans, however, are subject to economic and market conditions.

11. Dividend

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

Nil

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

No

11(c) Date payable

Not applicable.

11(d) Books closure date

Not applicable.

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

No dividend for the 9 months ended 31 December 2013 is declared or recommended.

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:

Use of Net Proceeds	Allocation of Net Proceeds	Net Proceeds utilised as at 31 December 2013	Balance of Net Proceeds as at 31 December 2013
	S\$'000	S\$'000	S\$'000
Expansion of our operations into Asian and/or other markets	20,000	5,327	14,673
Expansion of our operations into Malaysia	2,000	1,798	202
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>28,167</u>	<u>14,875</u>

Breakdown of general working capital

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

15. Negative confirmation pursuant to Rule 705(5).

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 9 months ended 31 December 2013 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

DESMOND TEO BEE CHIONG
Executive Director and Chief Executive Officer

TEO BEE KHENG
Executive Director

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG
Executive Director and Chief Executive Officer
11 February 2014

CIMB Bank Berhad, Singapore Branch was the Issue Manager for the initial public offering and the listing of the Company's shares on the Main Board of the SGX-ST. The Issue Manager assumes no responsibility for the contents of this announcement.