



BH GLOBAL MARINE LIMITED
明輝環球海事有限公司

BH GLOBAL MARINE LIMITED

(Company Registration No: 200404900H)

FINANCIAL STATEMENTS FOR THE 4th QUARTER AND FULL YEAR ENDED 31 DECEMBER 2010

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) – An income statement (for the group) together with a comparative statement for the corresponding period of the immediate preceding financial year.

1(a)(i) Income Statement

	Group			Group		
	\$'000	\$'000	%	\$'000	\$'000	%
	4th quarter ended 31.12.10	4th quarter ended 31.12.09	Change	Financial Year ended 31.12.10	Financial Year ended 31.12.09	Change
Sales of goods	29,856	26,637	12%	103,001	101,636	1%
Cost of sales	(21,084)	(18,215)	16%	(69,638)	(66,231)	5%
Gross profit	8,772	8,422	4%	33,363	35,405	(6%)
Other operating Income	187	210	(11%)	99	477	(79%)
Selling & distribution expenses	(4,770)	(3,328)	43%	(13,306)	(12,303)	8%
Administrative expenses	(1,585)	(1,939)	(18%)	(5,556)	(6,011)	(8%)
Finance costs	(74)	(79)	(6%)	(258)	(327)	(21%)
Profit from operations	2,530	3,286	(23%)	14,342	17,241	(17%)
Share of results of an associated company	(4)	-	N.M	(15)	-	N.M
Share of results of joint ventures	(13)	325	(104%)	215	415	(48%)

Profit before taxation	2,513	3,611	(30%)	14,542	17,656	(18%)
Tax expense	(455)	(796)	(43%)	(2,594)	(3,669)	(29%)
Net profit for the period/year	2,058	2,815	(27%)	11,948	13,987	(15%)
Attributable to:						
Equity holders of the Company	1,857	3,131	(41%)	11,353	14,681	(23%)
Non - controlling interests	201	(316)	N.M	595	(694)	N.M
	2,058	2,815	(27%)	11,948	13,987	(15%)

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	4th quarter ended 31.12.10	4th quarter ended 31.12.09	% Change	Financial year ended 31.12.10	Financial year ended 31.12.09	% Change
Net profit for the period/year	2,058	2,815	(27%)	11,948	13,987	(15%)
Other comprehensive income:						
Currency translation differences arising on consolidation (net)	(70)	13	N.M	(101)	3	N.M
Total comprehensive income for the period/year	1,988	2,828	(30%)	11,847	13,990	(15%)
Total comprehensive income attributable to:						
Equity holders of the Company	1,786	3,149	(43%)	11,263	14,685	(23%)
Non – controlling interests	202	(321)	N.M	584	(695)	N.M
Total comprehensive income for the period/year	1,988	2,828	(30%)	11,847	13,990	(15%)

1(a)(ii) Notes to income statement

	Group			Group		
	(\$'000)		%	(\$'000)		%
	4th quarter ended 31.12.10	4th quarter ended 31.12.09		Financial Year ended 31.12.10	Financial Year ended 31.12.09	
Other income including interest income	14	239	(94%)	82	477	(83%)
Interest on borrowings	(74)	(79)	(6%)	(258)	(327)	(21%)
Depreciation of property, plant and equipment	(459)	(277)	66%	(1,423)	(1,059)	34%
Loss on disposal of property, plant and equipment	-	(14)	(100%)	-	(31)	(100%)
Foreign exchange gain	173	82	111%	14	128	(89%)
Bad debts written off	(23)	(53)	(57%)	(23)	(53)	(57%)
Stocks written off	(968)	(1,185)	(183%)	(2,120)	(2,172)	(2%)
Provision for doubtful debts	(934)	(289)	N.M	(601)	(220)	N.M
Negative Goodwill arising from consolidation	-	-	N.M	-	5	(100%)
Goodwill arising from consolidation written off	-	(703)	N.M	-	(1,505)	N.M

N.M. – Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediate preceding financial year.

	Group		Company	
	(\$'000)		(\$'000)	
	31.12.10	31.12.09	31.12.10	31.12.09
Non-current assets				
Property, plant and equipment	22,171	16,531	-	-
Investment in subsidiaries	-	-	15,510	11,352
Investment in a joint venture	1,481	1,312	823	892
Investment in an associated company	75	-	90	-
Deferred tax assets	160	35	-	-
Intangible assets	1,058	-	49	-
	24,945	17,878	16,472	12,244
Current assets				
Inventories	40,973	41,277	-	-
Work-in-progress in excess of progress billings	2,547	-	-	-
Work-in-progress	6,356	-	-	-
Amount due from a joint venture (trade)	881	1,063	-	-
Trade receivables	34,861	37,145	-	-
Other receivables	1,511	677	33,783	26,627

Cash and cash equivalents	24,484	11,038	11,847	135
Total current assets	111,613	91,200	45,630	26,762
Total assets	136,558	109,078	62,102	39,006
Non-current liabilities				
Hire-purchase creditors	6	20	-	-
	6	20	-	-
Current liabilities				
Progress billings in excess of work-in-progress	2,095	-	-	-
Trade payables	12,975	11,282	-	-
Bank borrowings	5,329	5,841	-	-
Other payables	7,800	12,129	2,363	3,868
Hire-purchase creditors	14	16	-	-
Tax payable	2,596	4,620	70	4
	30,809	33,888	2,433	3,872
Total liabilities	30,815	33,908	2,433	3,872
Net assets	105,743	75,170	59,669	35,134
Shareholders' equity				
Share capital	43,461	23,069	43,461	23,069
Translation reserve	(88)	2	-	-
Accumulated profits	59,965	52,081	16,208	12,065
	103,338	75,152	59,669	35,134
Non – controlling interests	2,405	18	-	-
Total shareholders' equity	105,743	75,170	59,669	35,134

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

Amount repayable in one year or less, or on demand

As at 31.12.10 (\$'000)		As at 31.12.09 (\$'000)	
Secured	Unsecured	Secured	Unsecured
2,364	2,979	3,702	2,175

Amount repayable after one year

As at 31.12.10 (\$'000)		As at 31.12.09 (\$'000)	
Secured	Unsecured	Secured	Unsecured
6	-	20	-

Details of any collateral

The Group's banking facilities were secured by the following:

- (a) Legal charge on the Group's leasehold property with net book value of \$9.10million (31.12.2009: \$9.41million)
- (b) Corporate guarantee by the Company.
- (c) Fixed and floating charge over all fixed property and assets of a subsidiary.
- (d) Fixed deposits of a subsidiary.
- (e) Personal guarantees from directors of subsidiaries.

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

	Group			
	\$'000	\$'000	\$'000	\$'000
	4th quarter ended 31.12.10	4th quarter ended 31.12.09	Financial Year ended 31.12.10	Financial Year ended 31.12.09
Cash flows from operating activities				
Profit before tax	2,513	3,611	14,542	17,656
Adjustments for :				
Depreciation	459	277	1,423	1,059
Goodwill arising on consolidation written off	-	363	-	1,165
Goodwill from additional investment written off	-	340	-	340
Unrealised translation gain	(63)	(13)	(32)	(3)
Interest income	(9)	(3)	(17)	(11)
Interest expense	74	79	258	327
Share of results in joint ventures	13	(325)	(215)	(415)
Share of results in an associated company	4	-	15	-
Negative goodwill arising from acquisition	-	-	-	(5)
Loss on disposal of property, plant and equipment	-	14	-	31
Operating cash before movements in working capital	2,991	4,343	15,974	20,144
Inventories	309	1,423	(5,106)	4,045
Work-in-progress in excess of progress billings	1,837	-	(452)	-
Receivables	1,019	(1,063)	2,779	(13,056)
Payables	(4,285)	2,308	(8,250)	290
Cash generated from operations	1,871	7,011	4,945	11,423
Interest paid	(74)	(79)	(258)	(327)
Income tax paid	(465)	(706)	(4,743)	(3,428)

Net cash from / (used in) operating activities	1,332	6,226	(56)	7,668
Cash flows from investing activities				
Fixed deposit under pledge	(1,818)	(581)	(1,237)	(581)
Purchase of property, plant and equipment	3,664	(81)	(1,877)	(1,784)
Proceeds from disposal of property, plant and equipment	-	-	-	26
Interest received	9	3	17	11
Investment in joint venture	-	1,183	(900)	(892)
Investment in an associated company	-	-	(90)	-
Other investment	-	-	(49)	-
Cash flow on acquisition of subsidiary, net of cash (See note A)	(103)	6	(103)	(554)
Net cash from / (used in) investing activities	1,752	530	(4,239)	(3,774)
Cash flows from financing activities				
(Repayment to) / proceeds from bankers	(11,382)	(4,723)	(512)	265
Repayment of hire purchase creditors	(9)	(2)	(16)	(14)
Net proceeds from issuance of TDRs	20,392	-	20,392	-
Dividend paid	-	-	(3,360)	(5,040)
Net cash from / (used in) financing activities	9,001	(4,725)	16,504	(4,789)
Net increase / (decrease) in cash and cash equivalents	12,085	2,031	12,209	(895)
Cash and cash equivalents at beginning of period/year	10,581	8,426	10,457	11,352
Cash and cash equivalents at end of period/year	22,666	10,457	22,666	10,457
Cash and cash equivalents comprises the following				
Cash and cash equivalents	24,484	11,038	24,484	11,038
Less: Fixed deposits under pledge	(1,818)	(581)	(1,818)	(581)
Cash and cash equivalents per cash flow statement	22,666	10,457	22,666	10,457

Note A

Acquisition of subsidiary

During the period, the Group acquired 60% equity of Oil & Gas Solutions Pte Ltd and Long Life Holding Pte Ltd. The fair value of assets acquired and liabilities assumed were as follows:

	(\$'000)
Plant, property and equipment	5,186
Inventories	946
Trade and other receivables	1,018
Cash and cash equivalents	1,592
Trade and other payables	(5,800)
Net identifiable assets	<u>2,942</u>

Less: Non – controlling interests	(1,177)
Net identifiable assets acquired	1,765
Goodwill	831
	<hr/>
	2,596
Contingent consideration arrangement	(153)
Less: Previously held interest	(748)
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Total consideration paid in cash	1,695
Less: Cash and cash equivalents in subsidiaries acquired	(1,592)
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Cash outflow on acquisition of subsidiaries	103
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1(d)(i) A Statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	(\$'000)				
	Share Capital	Translation reserves	Accumulated profits	Non - controlling interests	Total shareholders' equity
At 1 January 2010	23,069	2	52,081	18	75,170
Loss not recognised in income statement	–	(1)	–	–	(1)
Profit for the period	–	–	3,013	121	3,134
Balance at 31 March 2010	23,069	1	55,094	139	78,303
Loss not recognised in income statement	–	(2)	–	–	(2)
Profit for the period	–	–	2,707	174	2,881
Dividends	–	–	(3,360)	–	(3,360)
Additional investment in a subsidiary	–	–	–	339	339
Balance At 30 June 2010	23,069	(1)	54,441	652	78,161
Acquisition of a subsidiary	–	–	–	498	498
Loss not recognised in income statement	–	(30)	–	–	(30)
Profit for the period	–	–	3,776	99	3,875
Balance At 30 September 2010	23,069	(31)	58,217	1,249	82,504
Issuance of 60,000,000 new shares	20,392	–	–	–	20,392
Loss not recognised in income statement	–	(57)	–	(11)	(68)
Profit for the period	–	–	1,857	201	2,058
Partial disposal of a subsidiary	–	–	(109)	109	–

Additional investment in a subsidiary	–	–	–	178	178
Acquisition of subsidiaries	–	–	–	679	679
Balance At 31 December 2010	43,461	(88)	59,965	2,405	105,743
	Share capital	Translation reserves	Accumulated profits	Non - controlling interests	Total shareholders' equity
At 1 January 2009	23,069	-	42,440	-	65,509
Acquisition of subsidiaries	-	-	-	711	711
Profit for the period	-	-	3,436	59	3,495
Balance at 31 March 2009	23,069	-	45,876	770	69,715
Loss not recognised in income statement	-	(4)	-	(2)	(6)
Dividends	-	-	(5,040)		(5,040)
Profit for the period	-	-	3,968	17	3,985
Balance at 30 June 2009	23,069	(4)	44,804	785	68,654
Loss not recognised in income statement	-	(2)	-	(2)	(4)
Profit for the period	-	-	4,146	(454)	3,692
Balance at 30 September 2009	23,069	(6)	48,950	329	72,342
Gain not recognised in income statement	–	8	–	5	13
Profit for the period	–	–	3,131	(316)	2,815
Balance at 31 December 2009	23,069	2	52,081	18	75,170

Company	(\$'000)		
	Share capital	Accumulated profits	Total shareholders' equity
At 1 January 2010	23,069	12,065	35,134
Loss for the period	–	(53)	(53)
Balance at 31 March 2010	23,069	12,012	35,081

Loss for the period	–	(55)	(55)
Dividends	–	(3,360)	(3,360)
Balance at 30 June 2010	23,069	8,597	31,666
Loss for the period	–	(138)	(138)
Balance at 30 September 2010	23,069	8,459	31,528
Issuance of 60,000,000 new shares	20,392	–	20,392
Profit for the period	–	7,749	7,749
Balance at 31 December 2010	43,461	16,208	59,669

	Share capital	Accumulated profits	Total shareholders' equity
At 1 January 2009	23,069	9,583	32,652
Loss for the period	–	(279)	(279)
Balance at 31 March 2009	23,069	9,304	32,373
Loss for the period	–	(400)	(400)
Dividends	–	(5,040)	(5,040)
Balance at 30 June 2009	23,069	3,864	26,933
Loss for the period	–	(391)	(391)
Balance at 30 September 2009	23,069	3,473	26,542
Profit for the period	-	8,592	8,592
Balance at 31 December 2009	23,069	12,065	35,134

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.

On 20 October 2010, the Company's Taiwan Depository Receipts (TDRs) have been listed on the Taiwan Stock Exchange. 60,000,000 new shares were issued and allotted in the capital of the Company on the Taiwan Stock Exchange. The TDR Issue will broaden and diversify the Company's shareholder base and create an additional fund-raising platform for the Company, and provide an alternative perspective to the valuation of the Group and better liquidity for the Company's 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.

	31.12.10	31.12.09
Total number of issued shares (excluding treasury shares)	480,000,000	420,000,000

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice. (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the current financial year, there were no changes in accounting policies and methods of computation adoption in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new and revised FRSs is assessed to have no material impact to the results of the Group and of the Company for the year ending 31 December 2010.

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 period based on net profit attributable to shareholders :-

	Group			
	4th quarter ended 31.12.10	4th quarter ended 31.12.09	Financial Year ended 31.12.10	Financial Year ended 31.12.09
(i) Based on weighted average number of ordinary shares in issue	0.40 cents	0.75 cents	2.63 cents	3.50 cents
Weighted average number of ordinary shares in issue	*467,608,696	420,000,000	*432,000,000	420,000,000
(ii) On a fully diluted basis	0.40 cents	0.75 cents	2.63 cents	3.50 cents
Weighted average number of shares on a fully diluted basis	*467,608,696	420,000,000	*432,000,000	420,000,000

*The issued number of ordinary shares as at 31.12.09 was 420,000,000. The weighted average number of ordinary shares has been adjusted in the computation of earnings per share for 60,000,000 new shares in the capital of the Company on the Taiwan Stock Exchange on 20 October 2010.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year

	Group		Company	
	31.12.10	31.12.09	31.12.10	31.12.09
Net asset value per ordinary share based on existing share capital	22 cents	18 cents	12 cents	8 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue
(4Q2010 Vs 4Q2009)

	Group		
	4Q2010 \$'000	4Q2009 \$'000	% Change
Supply Chain Management			
Marine cables and accessories	11,186	14,744	(24%)
Marine lighting equipment and accessories	3,211	2,792	15%
Others	1,613	1,736	(7%)
	16,010	19,272	(17%)
Manufacturing			
Marine switchboards	2,922	6,143	(52%)
Galvanized steel wire	2,605	1,222	113%
	5,527	7,365	(25%)
Engineering Services			
Engineering and installation	8,319	-	N.M.
Total sales revenue	29,856	26,637	12%

Supply Chain Management

Supply Chain Management accounts for 54% of the Group's turnover in 4Q2010, of which marine cables and accessories contributed 70%, marine lighting equipment and accessories 20% and others 10%. Revenue from marine cables and accessories decreased by 24% and others decreased by 7%. This is due to the Group adopting a more cautious approach to sales as a result of slow-payment from some clients affected by the credit crunch.

Manufacturing

The Manufacturing Division accounts for 19% of the Group's turnover in 4Q2010, of which marine switchboards contributed 53% and galvanized steel wire 47%. The decrease in revenue from marine switchboards is due to deferment of delivery of certain projects to FY2011. The increase in revenue from galvanized steel wire is due to higher orders from the Middle East.

Engineering Services

The Engineering Services accounts for 27% of the Group's turnover in 4Q2010. The increase in revenue from engineering and installation is due to the formation of this new business unit in 1Q2010, which has secured orders from the marine and oil & gas industries.

Revenue
(FY 2010 Vs FY 2009)

	Group		
	Financial Year ended 31 December		
	2010 \$'000	2009 \$'000	% Change
Supply Chain Management			
Marine cables and accessories	47,027	60,247	(22%)
Marine lighting equipment and accessories	12,989	17,600	(26%)
Others	6,780	7,580	(11%)
	66,796	85,427	(22%)
Manufacturing			
Marine switchboards and services	12,702	12,821	(1%)
Galvanized steel wire	6,337	3,388	87%
	19,039	16,209	17%
Engineering Services			
Engineering and installation	17,166	-	N.M
Total sales revenue	103,001	101,636	1%

Supply Chain Management

Supply chain management accounts for 65% of the Group's turnover in FY2010, of which marine cables and accessories contributed 71%, marine lighting equipment and accessories 19% and others 10%. Revenue from marine cables and accessories decreased by 22%, marine lighting equipment and accessories decreased by 26% and others decreased by 11%. Due to the lagged effect of the financial crisis, the demand for our Supply Chain Management Division's products have softened resulting in slower orders and delays in certain projects. The Group has also adopted a more cautious approach to sales as a result of slow-payment from some clients affected by the credit crunch.

Manufacturing

The Manufacturing Division accounts for 18% of the Group's turnover in FY2010, of which marine switchboards contributed 67% and galvanized steel wire 33%. The revenue from marine switchboards remains relatively unchanged. The increase in revenue from galvanized steel wire is due to higher orders from the Middle East. Both marine switchboards and galvanized steel wire were also consolidated on a full year basis in FY2010 as compared to partial consolidation of these 2 business units in FY2009 when they were acquired.

Engineering Services

The Engineering Services accounts for 17% of the Group's turnover in FY2010. The increase in revenue from engineering and installation is due to the formation of this new business unit in 1Q2010, which has secured orders from the marine and oil & gas industries.

Geographical Segment

Revenue derived from Singapore decreased marginally by \$5.10million or 6% from \$78.6million in FY2009 to \$73.5million in FY2010. This is mainly due to the decreased in revenue from Supply Chain Management Division.

Revenue derived from overseas increased by \$6.5million or 28% from \$23.0million in FY2009 to \$29.5million in FY2010 mainly due to orders secured from overseas from the Engineering Services Division from marine and offshore sectors. While the manufacturing Division's Galvanized steel wire also secured more orders from the Middle East.

Revenue contributed from overseas has increased from 23% in FY2009 to 29% in FY2010. This is in line with the Group's efforts in venturing into overseas markets.

Gross profit

The Group's overall gross profit increased by \$400,000 or 4% from \$8.4million in 4Q2009 to \$8.8million in 4Q2010. The increase was due to decrease in overall gross margin from 32% in 4Q2009 to 29% in 4Q2010. The lower overall gross margin was due to the proportionate increase in contributions from Manufacturing and Engineering Services Divisions which carry a lower gross margin.

Other operating income

The decrease in other income in 4Q2010 as compared to 4Q2009 was mainly due to the termination of subsidies received under the Job Credit Scheme from the Government of Singapore.

Operating expenses

The Group's operating expenses comprise mainly selling & distribution and administrative expenses. The increase in selling and distribution expenses in 4Q2010 as compared to 4Q2009 was due to a higher provision for doubtful debts and depreciation. The decrease in administrative expenses in 4Q2010 against 4Q2009 was mainly due to goodwill arising from consolidation written off in 4Q2009.

Finance costs

Finance costs decreased by \$5,000 from \$79,000 in 4Q2009 to \$74,000 in 4Q2010. The decrease was mainly due to repayment of bank loan during the year.

Share of results in joint ventures

The share of results in joint venture was due loss from Long Life Holding Pte Ltd ("LLH") as a result of initial start up cost offset by a gain from Dream Marine Ship Spare Parts Trading LLC ("DMS").

Share of results of an associated company

The share of results of an associated company was due to the incorporation of a new associated company in 1H2010, Han Jiang Pte Ltd (“HJL”).

Income tax

The lower income tax for 4Q2010 against 4Q2009 was consistent with lower profit before tax.

Depreciation

The increase in depreciation was due to additions of fixed assets under the newly set up Engineering Services Division.

Statement of Financial Position and Cash Flow Analysis**Property, plant and equipment**

The increase in property, plant and equipment is mainly due to additions for the newly set up Engineering Services Division.

Investment in a joint venture

The increase in joint venture was mainly due to the share of FY2010 profits in DMS.

Investment in an associated company

The increase in investment in associated company is due to the incorporation of HJL.

Intangible assets

The increase in intangible assets is mainly due to the goodwill arising from consolidation of Z-Power Automation Pte Ltd and the newly formed Oil & Gas Solutions Pte Ltd and Long Life Holding Pte Ltd.

Inventories

Inventories decreased marginally by \$300,000 from \$41.3million in FY2009 to \$41.0million in 4Q2010.

Inventory work-in-progress

The increase in inventory work-in-progress is due to new projects of the Group’s new Engineering Services Division.

Work-in-progress in excess of progress billings

The increase in work-in-progress in excess of progress billings is due to new projects of the Group’s new Engineering Services Division.

Amount due from joint venture (trade)

The decrease in amount due from joint venture (trade) is due to repayment from DMS.

Trade receivables

Trade receivables decreased by \$2.2million from \$37.1million in FY2009 to \$34.9million in 4Q2010. This is mainly due to the reversal of an outstanding amount from a customer for billing of an initial deposit for a project. The Group has terminated the contract with this customer. This has no impact on the Group's bottomline as the billing was not recognized as revenue previously.

Other receivables

The increase in other receivables of \$834,000 was mainly due to a deposit paid for purchase of a property and advanced rental for our Engineering Services Division's fabrication facility.

Trade payables

The increase in trade payables of \$1.7million was mainly due to the purchase of raw materials for the Group's new Services Division.

Other payables

The decrease in other payables of \$4.3million was mainly due to the reversal of deferred revenue as a result of the Group terminating a sales contract with a customer. The Group has also provided a lower provision for salary related cost and profit-sharing as a result of lower profits.

Banks borrowings

The decrease in bank borrowings of \$512,000 was due to repayment during FY2010.

Cash flow

Net cash and cash equivalents increased by \$10.1million from \$2.0million in 4Q2009 to \$12.1million in 4Q2010. This was mainly due to receipt of proceeds from Taiwan Depository Receipts (TDRs) offset by repayment to bankers.

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.

As we move into 2011, industry reports have indicated improvement in the marine and offshore sector, arising from the higher oil prices that have spurred increased oil and gas production spending globally. To cope with the demand, the sector requires newer and more sophisticated rigs and offshore support vessels that could potentially translate into demands for the Group's products and services.

In view of positive long term prospects, the Group will focus on building capabilities along the marine and offshore supply chain by actively exploring synergistic opportunities and potential businesses to add to the Group. At the same time, the Group seeks to grow its overseas market in emerging markets such as Middle East, Myanmar and India, which would enhance its market presence in the region.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The directors recommend a first and final dividend for the year ended 31 December 2010 as stated below:

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	0.7 cents per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	First & Final
Dividend Type	Cash
Dividend amount per share (S\$)	0.8 cent per ordinary share (one-tier tax exempt)
Par value of share (S\$)	NA
Tax rate	NA

(c) **Date payable** 27 April 2011

(d) Books closure date

Notice is hereby given that the Registrar of Members of the Company will be closed on 12 April 2011, for the purpose of determining dividend entitlements and the preparation of dividend warrants in respect of the first and final dividend to be paid on 27 April 2010. Duly completed transfers received by the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) of 8 Cross Street, #11-00, Singapore 048424 up to 5.00pm on 11 April 2011 will be registered before the entitlements to the dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the shares as at 11 April 2011 will be entitled to the dividend.

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

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

By business segments

	Group 2010 S\$'000	Group 2009 S\$'000
<u>Revenue by business segment</u>		
Supply Chain Management		
Marine cables and accessories	47,027	60,247
Marine lighting equipment and accessories	12,989	17,600
Others	6,780	7,580
	66,796	85,427
<u>Manufacturing</u>		
Marine switchboards	12,702	12,821
Galvanized steel wire	6,337	3,388
	19,039	16,209

<u>Engineering Services</u>		
Engineering and installation	17,166	-
Total revenue	103,001	101,636
<u>Segment results</u>		
<u>Supply Chain Management</u>		
Marine cables and accessories	7,819	11,807
Marine lighting equipment and accessories	2,994	4,379
Others	1,556	2,473
	12,369	18,659
<u>Manufacturing</u>		
Marine switchboards	1,556	1,726
Galvanized steel wire	(183)	(3,144)
	1,373	(1,418)
<u>Engineering Services</u>		
Engineering and installation	600	-
Total segment results	14,342	17,241
Unallocated interest income	-	-
Share of joint venture results	215	415
Share of results of an associated company	(15)	-
	14,542	17,656
Net profit before tax		
Tax expense	(2,594)	(3,669)
Net profit for the after Tax	11,948	13,987
Non – controlling interests	(595)	694
Net profit attributable to equity holders of the company	11,353	14,681
Group assets and liabilities		
<u>Segment assets</u>		
Supply Chain Management		
Marine cables and accessories	69,622	71,630
Marine lighting equipment and accessories	17,214	18,484
Others	7,792	7,142

Manufacturing		
Marine switchboards	9,147	8,518
Galvanized steel wire	6,705	2,755
Engineering Services		
Engineering and installation	25,918	-
Unallocated corporate assets	160	519
Total assets	136,558	109,048

Segment liabilities

Supply Chain Management

Marine cables and accessories	11,492	17,384
Marine lighting equipment and accessories	3,174	5,079
Others	1,657	2186

Manufacturing

Marine switchboards	3,551	3,753
Galvanized steel wire	1,311	887

Engineering Services

Engineering and installation	7,028	-
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Unallocated corporate liabilities	2,602	4,619
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Total liabilities	30,815	33,908
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Other segment information

Group	Group
2010	2009
S\$'000	S\$'000

Depreciation

Supply Chain Management

Marine cables and accessories	696	692
Marine lighting equipment and accessories	192	202
Others	100	87

Manufacturing

Marine switchboards	91	57
Galvanized steel wire	15	21

Engineering Services

Engineering and installation	329	-
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1,423	1,059
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Capital expenditure**Supply Chain Management**

Marine cables and accessories	48	1,180
Marine lighting equipment and accessories	13	345
Others	7	148

Manufacturing

Marine switchboards	84	111
Galvanized steel wire	15	-

Engineering Services

Engineering and installation	6,896	-
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7,063	1,784
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Goodwill arising from consolidation written off**Supply Chain Management**

Marine cables and accessories	-	1,061
Marine lighting equipment and accessories	-	310
Others	-	134
Unallocated item	-	(5)

-	1,500
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By Geographical

Singapore	73,504	78,611
South-East Asia	12,042	11,473
East Asia	3,539	3,434
Middle East	6,088	3,647
Other countries	7,828	4,471
	<hr/>	<hr/>
	103,001	101,636

The turnover by geographical segments is based on the billing location of customers.

All the assets and capital expenditure of the Group are located in Singapore.

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

Revenue from the Supply Change Management Division decreased by \$18.6million or 22% from \$85.4million in FY2009 to \$66.8million in FY2010. Contribution to total revenue decreased from 84% in FY2009 to 65% in FY2010. The decrease in revenue was due to the lagged effect of the financial crisis, the demand for our Supply Chain Management Division's products have softened resulting in slower orders and delays in certain projects. The Group has also adopted a more cautious approach to sales as a result of slow-payment from some clients affected by the credit crunch.

15. A breakdown of sales

	Group (S\$'000)		% Change
	31.12.10	31.12.09	
Sales reported for first half year	42,712	48,972	(13%)
Operating profit after tax reported for the first half year	6,105	7,480	(18%)
Sales reported for second half year	60,289	52,664	14%
Operating profit after tax reported for the second half year	5,843	6,507	(10%)

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

	(S\$'000)	
	FY 2010	FY 2009
Ordinary shares	3,360	5,040

17. Interested Person Transactions

[Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.]

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

UTILISATION OF PROCEEDS FROM THE TAIWAN DEPOSITORY RECEIPTS ISSUE

Intended use of proceeds	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance as at 31.12.2010 (S\$'000)	Descriptions (S\$'000)
Repayment of bank loans	10,300	7,973	2,327	Revolving Credit: S\$2,500 Bank trade facilities: S\$5,473
Investment in galvanized steel wire manufacturing plant	3,000	-	3,000	
Purchase of fixed assets	2,000	-	2,000	
Working capital	5,091	2,438	2,653	Trade Suppliers: S\$2,438
Total	20,391	10,411	9,980	

On behalf of the Board of Directors

Alvin Lim Hwee Hong
Executive Chariman
27 January 2011

Vincent Lim Hui Eng
Chief Executive Officer
27 January 2011