



HIAP SENG ENGINEERING LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 197100300Z)

NEWS RELEASE

HIAP SENG'S RESULTS ANNOUNCEMENT FOR 4QFY2018 AND FY2018

Singapore, May 30, 2018 – Hiap Seng Engineering Ltd (“Hiap Seng” or the “Group”), a specialist integrated engineering group for the oil-and-gas, petrochemical and pharmaceutical industries, today reported a revenue of S\$109.4 million and a net loss attributable to shareholders of S\$18.9 million for the financial year ended March 31, 2018 (“FY2018”).

The 30.7% decline in the Group’s overall revenue was mainly due to lower contribution from both its plant construction & maintenance segment as well as the compression & process equipment fabrication segment. This, coupled with the higher than expected operating costs, led to the Group’s gross profit of S\$3.0 million against S\$19.2 million in FY2017, and at the same time, contributed to the Group’s losses in FY2018, as compared to net profit attributable to shareholders of S\$2.5 million in the previous corresponding year.

For 4QFY2018, the Group’s revenue slid from S\$35.0 million to S\$22.3 million. Higher operating costs as well as an increase in other loss due largely to an impairment of goodwill of S\$4.4 million for the Group’s operations in Thailand, resulted in the Group’s net loss attributable to shareholders of S\$9.9 million.

The Group has an outstanding order book of S\$122.0 million as at May 30, 2018.

Mr. Frankie Tan, Executive Chairman of Hiap Seng said, “Our financial performance continued to be undermined by the difficult operating environment in the sector. However, the Group stayed proactive in expanding its revenue streams and at the same time reducing its costs. Besides securing contracts from reputable clients to strengthen our order book, we also took steps to build our presence in the Middle East during the year, which contributed a maiden revenue of S\$3.5 million to our overall revenue.”

Outlook

As the environment for the oil-and-gas industry is expected to remain challenging, the Directors of the Company are seeking suitable opportunities in new markets to mitigate any slowdown in the oil-and gas sector of the traditional markets.

Mr. Frankie Tan added, “Moving forward, while we continue to tap on our proven track record and capabilities to seek potential business opportunities and expand our presence in targeted markets, we will also further tighten our costs and improve productivity.”

Corporate Profile

Established in 1971 and a Mainboard-listed company, Hiap Seng is a specialist integrated engineering group for the oil-and-gas, petrochemical and pharmaceutical industries and is one of Singapore's leading engineering groups serving the oil-and-gas, petrochemical and pharmaceutical industries.

The Group provides engineering services covering engineering, procurement & construction (EPC) projects and plant maintenance services for the oil-and-gas, petrochemical, and pharmaceutical industries in Singapore and beyond.

The Group operates five well-equipped fabrication yards in Singapore and Thailand with a total land area of about 2.2 million sq ft and a workforce of about 1,200 well-trained and skilled employees.

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May 30, 2018

HIAP SENG ENGINEERING LTD
(Company Registration No. 197100300Z)

UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2018
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

1(a). A statement of comprehensive income (for the group) together with a comparative statement for the fourth quarter and full year ended 31 March 2018:

	Group			Group		
	4QFY18	4QFY17	Increase/ (Decrease)	FY18	FY17	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	22,318	35,037	(36.3%)	109,377	158,523	(31.0%)
Cost of sales	(22,143)	(32,188)	(31.2%)	(106,358)	(139,364)	(23.7%)
Gross profit	175	2,849	(93.9%)	3,019	19,159	(84.2%)
Gross profit margin	0.8%	8.1%		2.8%	12.1%	
Other income	1	9	(88.9%)	111	27	NM
Administrative costs	(4,232)	(4,778)	(11.4%)	(17,020)	(18,312)	(7.1%)
Other (loss)/gain- net	(6,027)	(109)	NM	(4,839)	748	NM
(Loss)/profit from operations	(10,083)	(2,029)	NM	(18,729)	1,622	NM
Finance costs	(152)	(19)	NM	(384)	(98)	NM
Share of profit/(loss) of associated companies	46	(4)	NM	42	8	NM
(Loss)/profit before tax	(10,189)	(2,052)	NM	(19,071)	1,532	NM
Income tax (expense)/credit	(182)	80	NM	(988)	42	NM
Net (loss)/profit after tax	(10,371)	(1,972)	NM	(20,059)	1,574	NM
Other comprehensive income/(loss)						
Gain/(loss) from foreign currency translation	1,588	(443)	NM	935	1,401	(33.3%)
Total comprehensive (loss)/income for the period/year	(8,783)	(2,415)	NM	(19,124)	2,975	NM
(Loss)/profit attributable to:						
Owner of the parent	(9,854)	(1,788)	NM	(18,852)	2,472	NM
Non-controlling interests	(517)	(184)	NM	(1,207)	(898)	34.4%
	(10,371)	(1,972)	NM	(20,059)	1,574	NM
Total comprehensive (loss)/income attributable to:						
Owner of the parent	(8,275)	(2,232)	NM	(17,933)	3,844	NM
Non-controlling interests	(508)	(183)	NM	(1,191)	(869)	37.1%
	(8,783)	(2,415)	NM	(19,124)	2,975	NM

NM: Denotes not meaningful

	Group		Group	
	4QFY18 S\$'000	4QFY17 S\$'000	FY18 S\$'000	FY17 S\$'000
(Loss)/profit from operations included the following:				
(a) Other income				
Interest income	1	9	111	27
(b) Other gain / (loss)- net				
Fixed Asset Written off	(10)	(23)	(12)	(23)
Net gain / (loss) disposal of property, plant and equipment	21	2	342	25
Net gain on disposal of an associated company	-	50	(1)	50
Currency exchange (loss)/gain -net	(1,567)	(74)	(769)	689
Impairment of goodwill	(4,440)	-	(4,440)	-
(c) Administrative costs				
Provision for doubtful trade debts	(225)	-	(225)	(575)
Amortisation of intangible assets	-	(1,705)	-	(1,942)
(d) Depreciation of property, plant and equipment				
	(1,286)	(938)	(4,076)	(3,639)

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

	Group		Company	
	31-Mar-2018 S\$'000	31-Mar-2017 S\$'000	31-Mar-2018 S\$'000	31-Mar-2017 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	8,355	9,666	4,953	4,679
Trade and other receivables	43,084	52,566	46,850	63,054
Contract work-in-progress	9,741	1,493	5,898	891
Other current assets	4,042	2,115	2,608	1,759
	65,222	65,840	60,309	70,383
Non-current assets				
Club memberships	319	341	319	341
Investments in associated companies	310	269	-	-
Investments in subsidiaries	-	-	10,538	10,538
Property, plant and equipment	22,997	21,155	4,555	6,132
Available-for-sale financial assets	2,482	2,482	2,482	2,482
Deferred income tax assets	105	99	-	-
Intangible assets	503	4,440	-	-
	26,716	28,786	17,894	19,493
Total assets	91,938	94,626	78,203	89,876
LIABILITIES				
Current liabilities				
Trade and other payables	31,069	24,504	26,378	26,667
Current income tax liabilities	14	38	-	22
Borrowings	16,684	6,118	7,518	85
	47,767	30,660	33,896	26,774
Non-current liabilities				
Borrowings	444	92	-	18
Deferred income tax liabilities	975	1,001	478	466
	1,419	1,093	478	484
Total liabilities	49,186	31,753	34,374	27,258
NET ASSETS	42,752	62,873	43,829	62,618
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	36,178	36,178	36,178	36,178
Other reserves	2,210	1,293	-	-
Retained earnings	4,391	24,762	7,651	26,440
Total	42,779	62,233	43,829	62,618
Non-controlling interests	(27)	640	-	-
Total equity	42,752	62,873	43,829	62,618

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

	31-Mar-2018		31-Mar-2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	16,684	-	6,118	-
Amount repayable after one year	444	-	92	-

Details of any collaterals:

The Group's borrowings are secured against certain properties, machineries and fixed deposits of the Group.

Security granted

(i) Bank overdrafts and trust receipts creditors of the Group amounting to \$3,974,000 (2017: \$981,000) are secured by a mortgage of the subsidiary's land and buildings, and corporate guarantees granted by the Company amounting to THB 361,000,000 (equivalent of \$15,168,000) (2017: THB 390,600,000 (equivalent of \$15,860,000)). Interest on bank borrowings is charged at rate based on Minimum Loan Rate (MLR).

(ii) Bank borrowings of the Group amounting to \$5,000,000 (2017: \$5,000,000) are secured by the corporate guarantee granted by the Company amounting up to \$60,000,000 (2017: \$40,050,000).

(iii) Finance lease liabilities of the Group are effectively secured over the leased plant and equipment, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

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

	Group		Group	
	4QFY 18 S\$'000	4QFY 17 S\$'000	FY 18 S\$'000	FY 17 S\$'000
Cash flows from operating activities:				
Total (loss)/profit after tax	(10,371)	(1,972)	(20,059)	1,574
Adjustments for :				
Depreciation of property, plant and equipment	1,286	938	4,076	3,639
Amortisation of intangible assets	-	1,705	-	1,942
Impairment of goodwill	4,440	-	4,440	-
Net gain on disposal of property, plant and equipment	(21)	(2)	(342)	(25)
Net loss on disposal of club membership	-	20	-	20
Net loss / (gain) on disposal of an associated company	1	(50)	1	(50)
Property, plant and equipment written off	10	23	12	23
Club membership written off	23	-	23	-
Share of (profit)/loss of associated companies	(46)	4	(42)	(8)
Provision for doubtful trade debts	225	-	225	575
Unrealised currency translation loss/(gain)	1,479	(281)	1,022	797
Income tax expense/(credit)	182	(80)	988	(42)
Interest expense	152	19	384	98
Interest income	(1)	(9)	(111)	(27)
Operating cash flow before working capital changes	(2,641)	322	(9,383)	8,524
Change in working capital				
Contract work-in-progress	(7,055)	7,521	(8,247)	5,206

Trade and other receivables	13,421	(1,582)	10,040	8,611
Other current assets	(2,246)	1,194	(1,845)	645
Trade and other payables	(2,800)	(8,607)	4,149	(20,273)
Cash (used in)/generated from operations	(1,321)	(1,152)	(5,286)	2,713
Income taxes paid	(198)	(156)	(1,044)	(548)
Net cash (used in) / provided by operating activities	(1,519)	(1,308)	(6,330)	2,165
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	22	2	403	63
Proceeds from disposal of club membership	-	45	-	45
Proceeds from disposal of an associated company	-	161	-	161
Purchases of property, plant and equipment	(387)	(1,119)	(2,858)	(2,499)
Purchase of club membership	-	(20)	-	(20)
Interest income received	1	9	111	27
Acquisition of a subsidiary, net of cash acquired	-	-	(634)	-
Net cash used in investing activities	(364)	(922)	(2,978)	(2,223)
Cash flows from financing activities				
Dividend paid	-	(1,518)	(1,519)	(4,556)
Hire purchase creditors	(57)	(172)	(205)	(828)
Proceeds from trust receipts creditors	1,600	2,162	2,382	117
Repayments from bank borrowing	5,650	7,784	34,813	20,849
Proceeds from bank borrowing	(9,900)	(4,623)	(27,313)	(19,316)
Interest paid	(152)	(19)	(384)	(98)
Net cash (used in) /provided by financing activities	(2,859)	3,614	7,774	(3,832)
Net (decrease)/increase in cash and cash equivalents	(4,742)	1,384	(1,534)	(3,890)
Effect of currency translation on cash and cash equivalents	20	(169)	(229)	49
Cash and cash equivalents at beginning of the financial period/year	11,405	7,231	8,446	12,287
Cash and cash equivalents at end of the financial period/year	6,683	8,446	6,683	8,446
Cash and cash equivalents represented by:				
Bank and cash balances	7,202	8,441	7,202	8,441
Fixed deposits with financial institutions	1,153	1,225	1,153	1,225
Less: Bank overdrafts	(545)	(19)	(545)	(19)
Less: Restricted bank deposits	(1,127)	(1,201)	(1,127)	(1,201)
	6,683	8,446	6,683	8,446

Reconciliation of liabilities arising from financing activities

	Non-cash changes					
	1-Apr-17	Principal	Repayment	Acquisition	Foreign exchange movement	31-Mar-18
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings	(5,000)	(34,813)	27,313	-	-	(12,500)
Bank Financing (Trust Receipts)	(962)	(8,101)	5,719	-	(85)	(3,429)
Finance lease liability (Hire Purchase)	(229)	(218)	205	(408)	(4)	(654)

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	Share Capital	Other Reserves	Retained Earnings	Total	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9MFY18						
As at 1 Apr 2017	36,178	1,293	24,762	62,233	640	62,873
Total comprehensive loss for the period	-	(662)	(8,996)	(9,658)	(683)	(10,341)
Acquisition of subsidiary	-	-	-	-	522	522
Dividend relating to FY2017 paid	-	-	(1,519)	(1,519)	-	(1,519)
As at 31 Dec 2017	36,178	631	14,247	51,056	479	51,535
4QFY18						
Total comprehensive income/(loss) for the period	-	1,579	(9,856)	(8,277)	(506)	(8,783)
As at 31 Mar 2018	36,178	2,210	4,391	42,779	(27)	42,752
9MFY17						
As at 1 Apr 2016	36,178	(79)	26,846	62,945	1,509	64,454
Total comprehensive income/(loss) for the period	-	1,815	4,261	6,076	(686)	5,390
Dividend relating to FY2016 paid	-	-	(3,038)	(3,038)	-	(3,038)
As at 31 Dec 2016	36,178	1,736	28,069	65,983	823	66,806
4QFY17						
Total comprehensive loss for the period	-	(443)	(1,789)	(2,232)	(183)	(2,415)
Dividend relating to FY2017 paid	-	-	(1,518)	(1,518)	-	(1,518)
As at 31 Mar 2017	36,178	1,293	24,762	62,233	640	62,873

Company	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
9MFY18			
As at 1 Apr 2017	36,178	26,440	62,618
Total comprehensive loss for the period	-	(6,198)	(6,198)
Dividend relating to FY2017 paid	-	(1,519)	(1,519)
As at 31 Dec 2017	36,178	18,723	54,901
4QFY18			
Total comprehensive loss for the period	-	(11,072)	(11,072)
As at 31 Mar 2018	36,178	7,651	43,829
9MFY17			
As at 1 Apr 2016	36,178	32,473	68,651
Total comprehensive income for the period	-	6,687	6,687
Dividend relating to FY2016 paid	-	(3,038)	(3,038)
As at 31 Dec 2016	36,178	36,122	72,300
4QFY17			
Total comprehensive loss for the period	-	(8,164)	(8,164)
Dividend relating to FY2017 paid	-	(1,518)	(1,518)
As at 31 Mar 2017	36,178	26,440	62,618

1(d)(ii). Details of any changes in the company's share capital arising rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversions of other issues of equity securities, issue of shares for the 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

Not applicable.

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	FY2018	FY2017
Issued & fully paid share capital		
Number of shares	303,750,000	303,750,000

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.

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

These figures have not been audited or reviewed.

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 have been consistently applied by the Group, and are consistent with those used in the preparation of the financial statements for the financial year ended 31 March 2017 except as disclosed in paragraph 5 below.

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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 March 2017, except for the adoption of new and revised Financial Reporting Standards (FRS) which are effective for financial periods beginning on or after 1 April 2017.

The adoption of the new or revised standards from the effective date did not result in material adjustments to the financial position, results of operations or cash flows for the period ended 31 March 2018 and did not have significant impact on the financial statements of the Group.

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:**

	Group		Group	
	4QFY18	4QFY17	FY18	FY17
(Loss)/earnings per share (cents) Based on number of ordinary shares on issue (cents)	(3.24)	(0.59)	(6.21)	0.81
On fully diluted basis (cents)	(3.24)	(0.59)	(6.21)	0.81
Net (loss)/earnings attributable to ordinary shareholders for basic earnings per share (S\$'000)	(9,854)	(1,788)	(18,852)	2,472
Net (loss)/earnings attributable to ordinary shareholders for diluted earnings per share (S\$'000)	(9,854)	(1,788)	(18,852)	2,472
Weighted average number of ordinary shares in issue applicable to basic/diluted earnings per share ('000)	303,750	303,750	303,750	303,750

Notes:

(a) The earnings per share ("EPS") is calculated by dividing the consolidated net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the financial period.

(b) There was no material impact on prior period EPS on adoption of the revised FRS as discussed in paragraph 5.

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

	Group		Company	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	14.1	20.7	14.4	20.6

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 31 March 2018 (31 March 2017: 303,750,000). There was no material impact on prior period net asset value per share on adoption of the revised FRS as discussed in paragraph 5.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

Fourth Quarter (4QFY2018) Review

The Group's revenue for 4QFY2018 decreased by 36.3% from S\$35.0 million to S\$22.3 million as compared to 4QFY2017 mainly due to lower recognition of revenue in 4QFY2018.

The Group's gross profit for 4QFY2018 decreased from S\$2.8 million to S\$0.2 million as compared to 4QFY2017 mainly due to the lower revenue and higher than expected operating costs in 4QFY2018.

The Group's other loss increased from S\$0.1 million for 4QFY2017 to S\$6.0 million for 4QFY2018 mainly due to an impairment of goodwill of S\$4.4 million for its Thailand operations.

The Group's currency exchange loss increased from S\$0.1 million for 4QFY2017 to S\$1.6 million for 4QFY2018 mainly due to the strengthened S\$ against the US\$.

The Group's net loss attributable to shareholders for 4QFY2018 increased from S\$1.8 million to S\$9.9 million as compared to 4QFY2017 mainly due to the lower revenue and higher than expected operating costs in 4QFY2018.

Full Year (FY2018) Review

The Group's revenue for FY2018 decreased by 31.0% from S\$158.5 million to S\$109.4 million as compared to FY2017 mainly due to lower recognition of revenue in FY2018.

The gross profit decreased from S\$19.2 million to S\$3.0 million mainly due to the lower revenue and higher than expected operating costs in FY2018.

The Group's other loss amounted to S\$4.8 million for FY2018 as compared to other gain amounted to S\$0.7 million for FY2017 mainly due to an impairment of goodwill of S\$4.4 million for its Thailand operations.

The Group's net loss attributable to shareholders amounted to S\$18.9 million for FY2018 as compared to a profit of S\$2.5 million for FY2017 mainly due to the factors mentioned above.

Statement of Financial Position Review

The decrease of S\$9.5 million in trade and other receivables as at 31 March 2018 as compared to 31 March 2017 is mainly due to the revenue decline in in FY2018.

The increase of S\$8.2 million in Contract work-in-progress as at 31 March 2018 as compared to 31 March 2017 is in line with the project schedules.

The increase of S\$1.8 million in property, plant and equipment as at 31 March 2018 as compared to 31 March 2017 is mainly due to consolidation of a newly-acquired 51% owned subsidiary in Singapore and setting-up of the Middle East operation.

The increase of S\$6.6 million in trade and other payables as at 31 March 2018 as compared to 31 March 2017 is mainly due to working capital management.

The total borrowings of S\$17.1 million as at 31 March 2018 had increased by S\$10.9 million compared to S\$6.2 million as at 31 March 2017 for working capital.

As at 31 March 2018, the Group's cash and cash equivalents stood at S\$8.4 million as compared to S\$9.7 million as at 31 March 2017.

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 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 the environment for the oil-and-gas industry continues to remain challenging, the Directors of the Company are seeking suitable opportunities in new markets to mitigate any slowdown in the oil-and gas sector of the traditional markets. The Group will continue to further control costs and take steps to improve productivity.

As at the date of this announcement, the Group's outstanding order book stands at S\$122 million.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding period of the immediately preceding financial year

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

Name of dividend	Final
Dividend type	Cash
Dividend rate	0.5 cent per ordinary share
Tax rate	One –tier tax exempt

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) Date payable

Not applicable

(e) Books closure date

Not applicable

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

No dividend has been recommended for the period ended 31 March 2018.

13. Segmented revenue and results for reportable or geographical segments (of the Group) in form presented in the user's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group Segmental results for the financial year ended 31 March 2018 is as follows:

(A) Reportable Segment

	Plant construction & maintenance		Compression & process equipment fabrication		Total	
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
- Revenue from external parties	101,750	150,340	7,627	8,183	109,377	158,523
Adjusted EBITDA for reportable segments	(9,954)	12,792	(4,767)	(5,607)	(14,721)	7,185
Depreciation	(4,026)	(3,580)	(50)	(59)	(4,076)	(3,639)
Impairment of goodwill	(4,440)	-	-	-	(4,440)	-
Amortisation	-	(1,942)	-	-	-	(1,942)
Finance expense	(270)	(65)	(114)	(33)	(384)	(98)
Interest income	107	19	4	8	111	27
(Loss) /profit before tax	(14,144)	7,224	(4,927)	(5,691)	(19,071)	1,533
Share of profit of associated companies	42	8	-	-	42	8
Total assets	83,583	81,092	8,355	13,534	91,938	94,626
Total assets include:						
Investment in associated companies	310	269	-	-	310	269
Additions to:						
Property, plant and equipment	3,072	2,549	5	9	3,077	2,558
Total liabilities	(32,822)	(15,177)	(16,364)	(16,576)	(49,186)	(31,753)

(B) Geographical information

	Revenue		Non-current assets	
	FY18	FY17	31Mar18	31Mar17
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	69,824	119,964	12,476	15,651
China	693	2,274	775	783
Malaysia	334	13,155	5	4
Vietnam	12,998	4,000	-	-
Thailand	20,333	14,353	10,601	11,268
Africa	88	346	-	-
Korea	1,556	4,342	-	-
UAE	3,483	-	2,859	1,080
Others	68	89	-	-
Total	109,377	158,523	26,716	28,786

Revenues of \$16,538,000 (2017: \$40,727,000) are derived from a single external customer. These revenues are attributable to the Singapore plant construction and maintenance segment.

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

The revenue for plant construction & maintenance segment decreased from S\$150.3 million to S\$101.8 million. This decrease was mainly due to the lower recognition of project revenue for FY2018. The loss before tax for this segment amounting to S\$14.1 million for FY 2018 as compared to a profit of S\$7.2 million for FY 2017 mainly due to the lower revenue and higher than expected operating costs for FY2018.

The revenue for compression & process equipment fabrication segment decreased from S\$8.2 million to S\$7.6 million mainly due to lower recognition of project revenue. The loss before tax for this segment decreased from S\$5.7 million for FY2017 to S\$4.9 million for FY2018 mainly due to lower operating costs.

Geographically, the Group's revenue in Vietnam, Thailand and UAE recorded an increase. On the other hand, the Group's revenue in Singapore and other segments declined mainly due to the lower recognition of project revenue for FY2018.

15. A breakdown of sales

(all figures in S\$'000)	FY 18	FY 17	% increase/ (decrease)
Sales reported for the first half year	66,742	90,509	(26.3%)
Net (loss)/ profit after tax reported for first half year	(2,447)	2,603	NM
Sales reported for second half year	42,635	68,014	(37.3%)
Net loss after tax reported for second half year	(17,612)	(1,029)	NM
NM: Denotes not meaningful			

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

(all figures in S\$'000)	Latest Full Year	Previous Full Year
Ordinary	1,519	4,556
Preference	-	-
Total	1,519	4,556

17. If the Group has obtained a general mandate from shareholders for interested person transactions ("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 does not have any interested person transaction and no IPT mandate has been obtained.

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(13) in the format below. If there are no such persons, the Issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, we confirm that the persons occupying managerial positions who are relatives of a director or chief executive officer or substantial shareholder of the Company are as follows:

Name	Age	Family Relationship with any Director CEO and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the
Tan Yew Kun	66	Brother of Tan Ah Lam and Tan Leau Kuee	Plant Maintenance Director In charge of Group's Plant maintenance department Since 1999	No change
Tan Phuay Hong	45	Son of Tan Ah Lam Nephew of Tan Leau Kuee	Assistant Vice President Manage projects undertaken by the Group Since 2007	No change
Tan Puay Chye	41	Nephew of Tan Ah Lam and Tan Leau Kuee	Vice President In charge of Group's Compression & Process equipment fabrication Since 2007	No change
Tan Yaw Song	58	Brother of Tan Ah Lam and Tan Leau Kuee	Director of Projects Oversees the Group's overall operations except plant maintenance Since 2002	No change
Tan Yeow Lan	62	Sister of Tan Ah Lam and Tan Leau Kuee	Senior Accounts Manager Assist the CFO in the Group's accounting functions Since 1997	No change
Goh Chwee Guan	66	Brother-in-law of Tan Ah Lam	Senior Project Manager Manage projects undertaken by the Group Since 1992	No change
Tay Hee Thiam	63	Cousin of Tan Ah Lam and Tan Leau Kuee	Construction Manager Manage projects undertaken by the Group Since 1993	No change
Tan Phuay Hung Max	29	Nephew of Tan Ah Lam Son of Tan Leau Kuee	Manager – Special Projects Manage special projects undertaken by the Group Since January 2018	New appointment
Tan Biby Valarie	40	Niece of Tan Ah Lam Daughter of Tan Leau Kuee	Business Manager Establish, develop and maintain business relationships with current customers and prospective customers for the Group Since 2011	No change

19. Confirmation of Undertakings from Directors and Executive Officers

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

By order of the board

TAN HAK JIN
Joint Company Secretary
30 May 2018