



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Fourth Quarter & Full Year Results – Financial Statement And Related Announcement

PART I - 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 immediately preceding financial year

**KING WAN CORPORATION LIMITED
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	GROUP QUARTER ENDED 31 MARCH			GROUP FULL YEAR ENDED 31 MARCH		
		2018 S\$	2017 S\$	Increase/ (Decrease)	2018 S\$	2017 S\$	Increase/ (Decrease)
Revenue	1	17,329,581	30,063,257	-42%	73,789,111	91,884,123	-20%
Cost of sales		(16,634,302)	(23,309,759)	-29%	(65,256,783)	(78,054,108)	-16%
Gross profit	2	695,279	6,753,498	-90%	8,532,328	13,830,015	-38%
Other operating income							
Dividend income		3,795	-	n.m	13,306	9,432	41%
Net foreign exchange (loss) gain	3	-	(129,270)	-100%	-	183,641	-100%
(Loss) Gain on disposal of property, plant and equipment	4	(38,752)	-	n.m	189,633	-	n.m
Interest income		(6,806)	51,389	-113%	694,428	1,015,631	-32%
Management fee income		19,724	27,816	-29%	108,935	109,730	-1%
Rental income		153,834	167,215	-8%	700,184	696,358	1%
Fee income from financial guarantee to associates	5	78,468	67,649	16%	313,873	741,323	-58%
Sundry income		39,165	(92,425)	-142%	135,151	129,858	4%
		249,428	92,374	170%	2,155,510	2,885,973	-25%
Administrative expenses	6	(2,159,101)	(1,932,686)	12%	(6,421,993)	(7,111,404)	-10%
Allowance for amount due from associates and joint venture	7	(4,045,000)	(5,376,042)	-25%	(7,130,000)	(7,441,715)	-4%
Share of profit of associates	8	32,595	3,114,719	-99%	193,487	3,653,047	-95%
Other operating expenses	9	94,451	(2,130,931)	-104%	(98,765)	(2,166,514)	-95%
Finance costs	10	(234,386)	(168,418)	39%	(873,307)	(1,282,740)	-32%
(Loss) Profit before income tax		(5,366,734)	352,514	-1622%	(3,642,740)	2,366,662	-254%
Income tax credit (expense)	11	11,202	(633,500)	-102%	(1,205,338)	(1,363,415)	-12%
(Loss) Profit for the year		(5,355,532)	(280,986)	1806%	(4,848,078)	1,003,247	-583%
Other comprehensive (loss) income:							
Item that will not be reclassified subsequently to profit or loss							
Net fair value changes in equity securities carried at FVTOCI		(1,776,019)	(385,506)	361%	(1,553,653)	587,739	-364%
Item that may be reclassified subsequently to profit or loss							
Exchange differences on translation of foreign operations		227,883	(1,164,029)	-120%	250,356	(1,176,666)	-121%
Other comprehensive loss for the year		(1,548,136)	(1,549,535)	0%	(1,303,297)	(588,927)	121%
Total comprehensive (loss) income for the year		(6,903,668)	(1,830,521)	277%	(6,151,375)	414,320	-1585%

Fourth Quarter (4Q2018) and Full Year Ended 31 March 2018 (FY2018)

Note 1 - Group revenue in 4Q2018 was \$17.33 million, a decrease of 42% as compared to 4Q2017. The decrease in turnover was due to lower volume of Mechanical and Electrical (M&E) contracts in progress. For FY2018, revenue was \$73.79 million as compared to \$91.88 million in FY2017.

Note 2 - Profits of certain projects with relatively lower margin were recognised in 4Q2018 and FY2018.

Note 3 - Net exchange gain in FY2017 mainly arose from USD denominated loans extended to an associate as a result of USD strengthening against SGD.

Note 4 - Net gain was derived from disposal of certain existing older fleet of motor vehicles in FY2018.

Note 5 - Lower fee income from financial guarantees was due to certain associates utilising lesser bank borrowings in FY2018.

Note 6 - Included in administration expenses are the following:

		QUARTER 3 MONTHS ENDED			GROUP FULL YEAR ENDED		
		31.03.2018 S\$	31.03.2017 S\$	Increase/ (Decrease) S\$	31.03.2018 S\$	31.03.2017 S\$	Increase/ (Decrease) S\$
Loss allowance (Reversal of loss allowance) for trade receivables	i	502,388	339,417	162,971	(104,295)	149,428	(253,723)
JTC rental		70,349	67,666	2,683	279,960	269,199	10,761
Property tax		32,500	32,500	-	130,000	130,000	-
Reversal of allowance for inventory obsolescence		(3,168)	(16,543)	13,375	(3,168)	(16,543)	13,375
Directors' remuneration	ii	311,359	284,469	26,890	1,065,766	1,192,221	(126,455)
Directors' fees		44,001	43,999	2	167,168	176,000	(8,832)
Staff related expenses		594,261	540,413	53,848	2,317,863	2,322,373	(4,510)
Depreciation	iii	230,370	278,858	(48,488)	838,502	1,140,357	(301,855)

i. Net reversal of loss allowances for trade receivables which were no longer required in FY2018.

ii. Lower directors' remuneration was mainly due to adjustments made to salaries in FY2018.

iii. Lower depreciation was mainly due to extension of JTC lease at 8 Sungei Kadut Loop till Year 2025.

Note 7 - Allowance for amount due from associates and joint venture was made in relation to the property development in the People's Republic of China, and the operation of a workers' dormitory in Singapore as a result of reduction in the market value of their respective owned properties.

Note 8 - Lower share of profits of associates was mainly due to lower share of profits from the Group's investment in the Skywoods (a residential development project in Singapore) which has been fully completed and sold in the prior financial year, as well as lesser contribution from the fair value gain on investment properties in the People's Republic of China. This was partially offset with the absence of share of loss from its investment in the Tuas South Dormitory in Singapore.

Note 9 - Other operating expenses comprise of the following:

		QUARTER 3 MONTHS ENDED			GROUP FULL YEAR ENDED		
		31.03.2018 S\$	31.03.2017 S\$	Increase/ (Decrease) S\$	31.03.2018 S\$	31.03.2017 S\$	Increase/ (Decrease) S\$
Net foreign exchange (gain) loss	iv	(143,124)	-	(143,124)	25,584	-	25,584
Impairment loss on investment in an associate	v	-	2,139,389	(2,139,389)	-	2,139,389	(2,139,389)
Loss on disposal of property, plant and equipment		-	15,719	(15,719)	-	19,355	(19,355)
Loss on disposal of equity securities		-	172	(172)	-	172	(172)
Change in fair value on held-for-trading investments		7,803	(24,349)	32,152	32,311	7,598	24,713
Change in fair value on insurance asset	vi	40,870	-	40,870	40,870	-	40,870

iv. Net foreign exchange loss in FY2018 mainly arose from USD denominated loans extended to an associate as a result of USD weakening against SGD.

v. Impairment loss on investment in an associate in FY2017 relates to the write-down of excess cost of investment in its associate in Singapore upon completion of its property development projects.

vi. Pertains to fair value change on life insurance policy purchased for a key management personnel.

Note 10 - There was lower average utilisation of bank facilities to finance the Group's business activities in FY2018.

Note 11 - Higher effective tax rate was due to increase in expenses that are not allowed for deduction and lower share of profits of associates that is not subject to tax.

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

**KING WAN CORPORATION LIMITED (GROUP)
STATEMENT OF FINANCIAL POSITION**

	As at 31.3.2018	As at 31.3.2017
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	8,524,522	13,130,401
Trade receivables	18,525,536	10,649,491
Other receivables and prepayments	12,089,625	12,051,199
Held-for-trading investments	294,368	326,679
Inventories	955,757	706,622
Construction work-in-progress	12,798,218	13,346,528
Total current assets	53,188,026	50,210,920
Non-current assets		
Other receivables	35,708,867	35,996,653
Property, plant and equipment	5,003,952	3,990,780
Investment in associates and joint ventures	3,483,195	2,861,671
Investments	30,401,680	32,225,051
Deferred tax asset	160,641	-
Total non-current assets	74,758,335	75,074,155
Total assets	127,946,361	125,285,075
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	18,033,048	19,402,370
Construction work-in-progress	3,801,554	3,294,993
Trade payables	11,704,093	11,270,833
Bills payables	16,918,290	9,772,282
Other payables	1,988,974	2,163,453
Current portion of finance leases	275,756	272,396
Provision for rectification costs	1,231,153	912,533
Income tax payable	1,122,870	1,603,483
Total current liabilities	55,075,738	48,692,343
Non-current liabilities		
Bank borrowings	2,666,096	1,299,144
Finance leases	802,999	179,359
Deferred tax liabilities	-	24,359
Total non-current liabilities	3,469,095	1,502,862
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	37,028,927	28,764,158
Foreign currency translation reserve	(825,405)	(1,075,761)
Investment revaluation reserve	(13,615,728)	587,739
Total equity	69,401,528	75,089,870
Total liabilities and equity	127,946,361	125,285,075

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at 31.3.2018	As at 31.3.2017
	S\$	S\$
ASSETS		
Current assets:		
Cash and cash equivalents	519,996	789,250
Amount due from subsidiaries	6,968,752	6,923,284
Other receivables and prepayments	10,368	12,324
Total current assets	7,499,116	7,724,858
Non-current assets:		
Property, plant and equipment	-	-
Investment in subsidiaries	30,199,413	26,399,413
Investment in associates and joint ventures	941,960	941,960
Investments	23,457,370	24,687,834
Total non-current assets	54,598,743	52,029,207
Total assets	62,097,859	59,754,065
LIABILITIES & EQUITY		
Current liabilities:		
Other payables	1,147,748	1,418,463
Amount due to a subsidiary	10,917,634	5,742,440
Income tax payable	826	51,916
Total current liabilities	12,066,208	7,212,819
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	13,794,677	5,247,543
Investment revaluation reserve	(10,576,760)	479,969
Total equity	50,031,651	52,541,246
Total liabilities and equity	62,097,859	59,754,065

Amount repayable in one year or less, or on demand

31.3.2018		31.3.2017	
Secured	Unsecured	Secured	Unsecured
\$275,756	\$34,951,338	\$272,396	\$29,174,652

Amount repayable after 1 year

31.3.2018		31.3.2017	
Secured	Unsecured	Secured	Unsecured
\$802,999	\$2,666,096	\$179,359	\$1,299,144

Details of any collateral

Secured liabilities refer to assets purchased under finance lease agreements. Unsecured liabilities refer to banking facilities guaranteed by the Company.

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

**KING WAN CORPORATION LIMITED
STATEMENT OF CASHFLOWS**

	Note	GROUP QUARTER ENDED		GROUP FULL YEAR ENDED	
		31.03.2018 S\$	31.03.2017 S\$	31.03.2018 S\$	31.03.2017 S\$
Operating Activities					
(Loss) Profit before income tax		(5,366,734)	352,514	(3,642,740)	2,366,662
Adjustments for					
Depreciation of property, plant and equipment		230,370	278,858	838,502	1,140,357
Loss (Gain) on disposal of property, plant and equipment		38,752	15,719	(189,633)	19,355
Allowance (Reversal of loss allowance) for trade receivables		502,388	339,417	(104,295)	149,428
Reversal of allowance for inventories obsolescence		(3,168)	(16,543)	(3,168)	(16,543)
Inventories written off		-	4,451	-	4,451
Change in fair value of held-for-trading investments		7,803	(24,349)	32,311	7,598
Change in fair value of insurance asset		40,870	-	40,870	-
Dividend income from held-for-trading investments		(3,795)	-	(13,306)	(9,432)
Dividend income from equity securities		-	(9,841)	(458,549)	(435,274)
Loss on disposal of equity securities		11,782	172	-	172
Interest income		6,806	(51,389)	(694,428)	(1,015,631)
Interest expense		217,159	168,418	873,307	1,282,740
Allowance for amounts due from associates		4,045,000	5,376,042	7,130,000	7,441,715
Impairment loss on investment in an associate		-	2,139,389	-	2,139,389
Share of profit of associates		(32,595)	(3,114,719)	(193,487)	(3,653,047)
(Reversal of) Provision for rectification costs		(44,060)	(130,230)	428,833	190,843
Fee income from financial guarantee to associates		(78,468)	(67,649)	(313,873)	(741,323)
Operating cash flows before movements in working capital		(427,890)	5,260,260	3,730,344	8,871,460
Trade receivables		(665,991)	262,411	(7,322,504)	(1,767,060)
Other receivables and prepayments		20,258	83,099	(38,426)	150,788
Construction work-in-progress		2,392,640	(1,261,844)	1,060,477	(817,716)
Inventories		(40,691)	115,212	(245,967)	424,633
Trade payables and bill payables		5,726,575	6,221,853	7,579,268	(14,467,628)
Other payables		(1,542,987)	(1,697,792)	139,394	(1,838,928)
Provision for rectification costs		(10,153)	(76,409)	(110,213)	(266,693)
Cash generated from (used in) operations		5,451,761	8,906,790	4,792,373	(9,711,144)
Income tax paid		(447,467)	(19,565)	(1,870,951)	(1,907,384)
Interest paid		(217,159)	(168,418)	(873,307)	(1,282,740)
Net cash from (used in) operating activities		4,787,135	8,718,807	2,048,115	(12,901,268)
INVESTING ACTIVITIES					
Interest received		3,772	2,435,974	15,766	2,481,993
(Advances to) Repayments from associates and joint venture		(1,185,000)	(3,403,872)	(6,340,000)	27,591,504
Dividends received from held-for-trading investments		3,795	-	13,306	9,432
Dividends received from equity securities		-	9,841	458,549	435,274
Purchase of property, plant and equipment	a	(126,136)	(268,769)	(877,230)	(605,425)
Purchase of equity securities		-	(13,914)	-	(245,289)
Proceeds from disposal of property, plant and equipment		47	9,755	235,640	9,755
Proceeds from sale of held-for-trading investments		-	-	-	250,000
Proceeds from sale of equity securities		-	608	240,630	608
Net cash (used in) from investing activities		(1,303,522)	(1,230,377)	(6,253,339)	29,927,852
FINANCING ACTIVITIES					
Dividends refunded (paid)		-	-	2,005	(1,745,884)
Repayment of obligations under finance leases		(71,661)	(83,126)	(399,057)	(319,894)
Proceeds from bank borrowings		(500,000)	-	5,000,000	-
Repayment of bank borrowings		746,902	(1,234,857)	(5,002,370)	(7,398,956)
Net cash from (used in) financing activities		175,241	(1,317,983)	(399,422)	(9,464,734)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,658,854	6,170,447	(4,604,646)	7,561,850
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		4,918,848	6,924,877	13,130,401	5,567,519
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON BALANCES HELD IN FOREIGN CURRENCIES		(53,180)	35,077	(1,233)	1,032
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>8,524,522</u>	<u>13,130,401</u>	<u>8,524,522</u>	<u>13,130,401</u>

Note a

	GROUP QUARTER ENDED		GROUP FULL YEAR ENDED	
	31.03.2018 S\$	31.03.2017 S\$	31.03.2018 S\$	31.03.2017 S\$
Purchase of property, plant and equipment	250,372	268,769	1,903,287	866,820
Less : Assets purchased under finance leases arrangement	(124,236)	-	(1,026,057)	(261,395)
Net	126,136	268,769	877,230	605,425

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

GROUP	Share capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	Total
	S\$	S\$	S\$	S\$	S\$
Balance as at 1 April 2016	46,813,734	29,506,795	100,905	-	76,421,434
Dividends paid	-	(1,745,884)	-	-	(1,745,884)
Total comprehensive income for the year	-	1,003,247	(1,176,666)	587,739	414,320
Balance as at 31 March 2017	46,813,734	28,764,158	(1,075,761)	587,739	75,089,870
Balance as at 1 April 2017, as previously reported	46,813,734	28,764,158	(1,075,761)	587,739	75,089,870
Effects of adopting FRS 109					
Transfer from retained earnings to reserve previously recognised impairment on investment in equity securities carried at FVTOCI	-	12,649,814	-	(12,649,814)	-
Reversal of loss allowance for trade receivables	-	449,246	-	-	449,246
Balance as at 1 April 2017, as restated	46,813,734	41,863,218	(1,075,761)	(12,062,075)	75,539,116
Gain on disposal of investment in equity securities carried at FVTOCI	-	11,782	-	-	11,782
Dividends refunded	-	2,005	-	-	2,005
Total comprehensive income for the year	-	(4,848,078)	250,356	(1,553,653)	(6,151,375)
Balance as at 31 March 2018	46,813,734	37,028,927	(825,405)	(13,615,728)	69,401,528

COMPANY	Share capital	Retained earnings	Investment revaluation reserve	Total
	S\$	S\$	S\$	S\$
Balance as at 1 April 2016	46,813,734	(1,154,296)	-	45,659,438
Dividends paid	-	(1,745,884)	-	(1,745,884)
Total comprehensive income for the year	-	8,147,723	479,969	8,627,692
Balance as at 31 March 2017	46,813,734	5,247,543	479,969	52,541,246
Balance as at 1 April 2017, as previously reported	46,813,734	5,247,543	479,969	52,541,246
Effects of adopting FRS 109				
Transfer from retained earnings to reserve previously recognised impairment on investment in equity securities carried at FVTOCI	-	9,826,264	(9,826,264)	-
Balance as at 1 April 2017, as restated	46,813,734	15,073,807	(9,346,295)	52,541,246
Dividends refunded	-	2,005	-	2,005
Total comprehensive income for the year	-	(1,281,135)	(1,230,465)	(2,511,600)
Balance as at 31 March 2018	46,813,734	13,794,677	(10,576,760)	50,031,651

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.

There are no changes in the Company's share capital since the end of the previous period reported on.

As at 31 March 2018, the Company does not have any outstanding convertibles or treasury shares (as at 31 March 2017 : Nil).

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 as at the end of 31 March 2018 is 349,176,870 (as at 31 March 2017 : 349,176,870).

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.

As at 31 March 2018, the Company does not have any treasury shares.

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.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2017, except as explained in section 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 early adopted FRS 109 *Financial Instruments* which is applied retrospectively from 1 April 2017 to better reflect the Group's strategy on its financial assets. We have elected not to adjust the comparative information as permitted under FRS 109 transitional provision. The early adoption of FRS 109 has no material financial impact on the financial performance or position of the Group and the Company, except for S\$0.97 million and S\$0.75 million impairment loss on investment in quoted equity shares would have been recognised in profit or loss by the Group and the Company respectively during the current financial year if such investment had not been reclassified.

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	
	Quarter ended		Full year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
(i) Basic (loss) earnings per share (in cents)	(1.54)	(0.08)	(1.39)	0.29
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted (loss) earnings per share (in cents)	(1.54)	(0.08)	(1.39)	0.29
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870

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 financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at		As at	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Net Asset Value Per Ordinary Share (in cents)	19.88	21.50	14.33	15.05
Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870

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 (4Q2018) and Full Year ended 31 March 2018 (FY2018)

The Group's revenue for 4Q2018 recorded S\$17.33 million, a 42% decrease compared to the corresponding quarter last year (4Q2017). The decrease was due to lesser Mechanical and Electrical (M&E) engineering activities being carried out in 4Q2018 as compared to 4Q2017.

The Group's net loss after income tax for 4Q2018 was S\$5.36 million as compared to net loss of S\$0.28 million in the corresponding quarter last year (4Q2017). The decrease was mainly due to lower gross profits and share of profit from its investment in Singapore residential development project. This was partially offset with lower allowance made for amounts due from associates and joint venture, and absence of impairment loss on investment in an associate.

Revenue for FY2018 recorded S\$73.79 million, a decrease of 20% compared to FY2017. There was comparatively lower volume of ongoing M&E contracts during FY2018 available for revenue recognition. Gross profit margin for FY2018 was 11.56%, which was lower than the 15.05% achieved in FY2017 as a results of profits of certain projects with relatively lower margin being recognised in the current financial year.

Net loss after income tax for FY2018 was S\$4.85 million, compared to a net profit of S\$1.00 million achieved in FY2017. The decrease was mainly due to lower gross profits and share of profit of associates. This was partially offset by absence of impairment loss on investment in an associate, lower finance costs with lower average utilisation of bank facilities, and administrative expenses as a result of a decrease in staff costs and net reversal of loss allowances for trade receivables.

Earnings Per Share (EPS) and Net Asset Value Per Share (NAV)

Loss per share for 4Q2018 was 1.54 cents, compared to 0.08 cents in 4Q2017. Loss per share for FY2018 was 1.39 cents, compared to earnings per share of 0.29 cents in FY2017.

NAV for the Group stood at 19.88 cents per share at 31 March 2018, a decrease from 21.50 cents per share at 31 March 2017. This decrease was due to net loss incurred and fair value loss on investment in equity securities during the current financial year.

Balance Sheet Review

The Group's equity base stood at S\$69.40 million as at 31 March 2018, a decrease from S\$75.09 million as at 31 March 2017.

Total current assets amounted to S\$53.19 million as at 31 March 2018, higher than the S\$50.21 million as at 31 March 2017. The increase was mainly due to increase in trade receivables as a result of completion of certain projects, which was partially offset by the decrease in cash and cash equivalents due to loans made to associate and joint venture during the current financial year.

Non-current assets decreased to S\$74.76 million as at 31 March 2018 from S\$75.07 million as at 31 March 2017. The decrease was mainly due to decrease in fair value of investment in equity securities, which was partially offset by the purchase of fixed assets and increase in investment in associates and joint venture as a result of share of profits and foreign currency translation reserve of the associates during the current financial year.

Current liabilities increased to S\$55.08 million as at 31 March 2018 from S\$48.69 million as at 31 March 2017 was mainly due to increase in bills payables to finance the Group's M&E engineering activities.

Non-current liabilities increased to S\$3.47 million as at 31 March 2018 from S\$1.50 million as at 31 March 2017 due to drawdown of term loans to finance the Group's M&E engineering activities, and an increase in finance leases subsequent to the purchase of motor vehicles during the current financial year.

The debt-equity ratio increased to 0.56 as at 31 March 2018 as compared to 0.41 as at 31 March 2017 was due to the increase in bills payables and finance leases.

Cashflows & Liquidity

Fourth Quarter and Full Year ended 31 March 2018 (4Q2018 and FY2018)

Net cash from operating activities amounted to S\$4.79 million in 4Q2018 (4Q2017: S\$8.72 million) and S\$2.05 million in FY2018 (FY2017: outflow of S\$12.90 million). The inflow in FY2018 as compared to outflow in FY2017 was mainly due to lesser repayment of trade and bill payables made in the current financial year.

Net cash used in investing activities amounted to S\$1.30 million in 4Q2018 (4Q2017: S\$1.23 million) and S\$6.25 million in FY2018 (FY2017: inflow of S\$29.93 million). The outflow in FY2018 was mainly due to loans extended to associates and joint venture of the Group during the current financial year, compared to the inflow in FY2017 as a result of repayment of loans by associates to the Group upon completion of sale of their development projects.

Net cash from financing activities amounted to S\$0.18 million in 4Q2018 (4Q2017: outflow of S\$1.32 million) and outflow of S\$0.40 million in FY2018 (FY2017: S\$9.46 million). The lower outflow in FY2018 was due to lesser repayment of bank borrowings and absence of dividends payout.

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

No forecast had been issued.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Mechanical and Electrical (M&E) business segment is expected to remain challenging in the next 12 months with continuous pressures on contract values and stiff competition for new projects. Based on order books secured, the M&E business will remain the core business for the Group and is expected to contribute positively to the Group's results for the next 12 months.

As at the date of this Announcement, the Group has approximately S\$175 million worth of M&E engineering contracts on hand.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

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

No dividend has been declared.

13. 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 Company does not have any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirms compliance with Rule 720(1).

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

15. Segmented revenue and results for 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

Primary reporting format - Business Segment - 2018

	Plumbing and sanitary	Electrical	Toilet Rental	Investment Holdings	Others	Elimination	Consolidated Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue							
External sales	46,395,730	24,647,426	2,293,644	458,549	-	(6,238)	73,789,111
Results							
Segment result	4,015,887	700,222	(1,097,551)	(6,477,965)	-	65,610	(2,793,797)
Unallocated expenses							(2,078,932)
Net other operating income							2,103,296
Finance costs							(873,307)
Profit before income tax							(3,642,740)
Income tax expense							(1,205,338)
Loss for the year							(4,848,078)
Other Information							
Capital expenditures additions	3,000	3,000	126,605	-	1,770,682	-	1,903,287
Fee income from financial guarantee to associates and joint ventures	-	-	-	-	343,247	(29,374)	313,873
Depreciation	20,959	20,959	267,736	-	534,454	-	844,108
Impairment loss on advances to associates and joint venture	-	-	-	7,130,000	-	-	7,130,000
Loss allowance for trade receivables	(161,049)	47,587	9,167	-	-	-	(104,295)
Assets							
Segment assets	22,235,321	9,584,458	2,475,914	80,858,034	-	(1,076)	115,152,651
Unallocated assets							12,793,710
Consolidated total assets							127,946,361
Liabilities							
Segment liabilities	19,149,315	13,941,447	2,901,965	-	-	(2,637,436)	33,355,291
Unallocated liabilities							25,189,542
Consolidated total liabilities							58,544,833

Primary reporting format - Business Segment - 2017

	Plumbing and sanitary	Electrical	Toilet Rental	Investment Holdings	Others	Elimination	Consolidated Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue							
External sales	66,091,146	22,865,914	2,495,857	435,274	-	(4,068)	91,884,123
Results							
Segment result	4,511,580	4,694,392	(717,638)	(5,492,784)	-	88,571	3,084,121
Unallocated expenses							(2,256,496)
Net other operating income							2,821,777
Finance costs							(1,282,740)
Profit before income tax							2,366,662
Income tax expense							(1,363,415)
Profit for the year							1,003,247
Other Information							
Capital expenditures additions	66,658	66,658	161,370	-	572,134	-	866,820
Fee income from financial guarantee to associates and joint ventures	-	-	-	-	1,054,548	(313,225)	741,323
Depreciation	19,536	19,536	285,726	-	816,776	-	1,141,574
Impairment loss on advances to associates and joint venture	-	-	-	7,441,715	-	-	7,441,715
Impairment loss on investment in an associate	-	-	-	2,139,389	-	-	2,139,389
Loss allowance for trade receivables	236,312	(141,988)	55,104	-	-	-	149,428
Assets							
Segment assets	18,743,742	5,623,988	2,225,813	82,980,125	-	(1,076)	109,572,592
Unallocated assets							15,712,483
Consolidated total assets							125,285,075
Liabilities							
Segment liabilities	18,251,555	6,457,047	4,033,684	-	-	(3,424,282)	25,318,004
Unallocated liabilities							24,877,201
Consolidated total liabilities							50,195,205

SEGMENTAL REPORTING

Secondary reporting format – Geographical Segments

	Revenue		Non-current assets	
	Full Year 2018	Full Year 2017	Full Year 2018	Full Year 2017
	S\$	S\$	S\$	S\$
Singapore	73,789,111	91,884,123	43,725,749	42,631,312

Non-current assets above excludes investments held in Thailand.

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

Please refer to Item 8.

17. A breakdown of sales

	Group		
	Full Year 2018	Full Year 2017	Increase/ (Decrease)
	S\$	S\$	
Sales reported for the first half year	33,532,465	39,422,803	-15%
Net profit after tax for the first half year	2,195,008	4,650,085	-53%
Sales reported for the second half year	40,256,646	52,461,320	-23%
Net profit after tax for the second half year	(7,043,086)	(3,646,838)	93%

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

	Full Year 2018	Full Year 2017
	S\$	S\$
Ordinary dividend		
- Interim	-	1,745,884
Total:	-	1,745,884

19. Disclosure of person occupying a managerial position in the Issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the Issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held if any, during the year
Chua Kim Hua	78	a) Brother of Chua Hai Kuey b) Father of Chua Eng Eng	Executive Chairman - February 2000	No change
Chua Hai Kuey	67	a) Brother of Chua Kim Hua b) Uncle of Chua Eng Eng	Executive Director - February 2000	No change
Chua Eng Eng	48	a) Daughter of Chua Kim Hua b) Niece of Chua Hai Kuey	Executive Director - November 2000 Managing Director - August 2002	No change
Chua Ling Kang	55	a) Nephew of Chua Kim Hua and Chua Hai Kuey b) Cousin of Chua Eng Eng	Senior Project Manager - 1995	No change
Chua Yean Cheng	47	a) Daughter of Chua Kim Hua b) Niece of Chua Hai Kuey c) Sister of Chua Eng Eng	Human Resource and Admin Manager - July 2011	No change

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

30 May 2018