



MUN SIONG ENGINEERING LIMITED

**SECOND HALF AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

Contents

1(a)(i) An income statement and statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.....	5
1(a)(ii) The statement of comprehensive income is arrived after charging/(crediting) the following:	6
1(b)(i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.	7
1(b)(ii) Aggregate amount of Group's borrowings and debt securities.....	8
1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.	9
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.....	10
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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.....	11
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.	11
1(d)(iv) A statement showing all sales, transfers, cancellations and/or use of treasury shares at the end of the current financial period reported on.	12
1(d)(v) A statement showing all sales, transfers, cancellations and/or use of subsidiary holdings as at the end of the current financial period reported on.	12
2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.	12



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).12
- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (a)Update on the efforts taken to resolve each outstanding audit issue (b)Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.....12
4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.12
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.....12
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.13
7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares.....13
 - (a) current financial period reported on; and13
 - (b) immediately preceding financial year.....13
8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- ..13
 - (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; and13
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.13
9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.21
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.21
11. If a decision regarding dividend has been made:—.....23
 - (a) Whether an interim (final) ordinary dividend has been declared (recommended); and23



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

(b) (i) Amount per share cents.....	23
(b) (ii) Previous corresponding period cents.....	23
(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).	24
(d) The date the dividend is payable.....	24
(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.	24
12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.	24
13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.	24
14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediate preceding year.	24
15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.	26
16. A breakdown of sales as follows:.....	26
17. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year.	26
18. Confirmation that the Company has procured undertakings from all its Directors and Executive Officers under Rule 720(1).....	27
19. Disclosure of persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, CEO or substantial shareholder of the Company pursuant to Rule 704(13).	27
20. Disclosure pursuant to Rule 706A of the Listing Manual	28


MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

SECOND HALF AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Group			Group		
	6 months ended 31 Dec		Incr / (Decr)	Year ended 31 Dec		Incr / (Decr)
	2H 2020	2H 2019		2020	2019	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	24,807	44,686	(44.5)	46,929	70,540	(33.5)
Cost of sales	(21,655)	(41,042)	(47.2)	(42,771)	(65,474)	(34.7)
Gross profit	3,152	3,644	(13.5)	4,158	5,066	(17.9)
Other income and recoveries	1,034	832	24.3	1,354	1,400	(3.3)
Administrative expenses	(2,676)	(3,002)	(10.9)	(5,746)	(5,836)	(1.5)
Other operating expenses	(520)	(7)	7,328.6	(80)	(95)	(15.8)
Share of results of an equity accounted investee	2	-	NM	4	-	NM
Results from operating activities	992	1,467	(32.4)	(310)	535	(157.9)
Finance income	51	159	(67.9)	170	377	(54.9)
Finance expenses	(71)	(22)	222.7	(87)	(43)	102.3
Profit / (Loss) before income tax	972	1,604	(39.4)	(227)	869	(126.1)
Income tax expense	(175)	(502)	(65.1)	(300)	(368)	(18.5)
Profit / (Loss) after income tax	797	1,102	(27.7)	(527)	501	(205.2)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation difference from foreign operations	(25)	2	(1,350.0)	35	1	3,400.0
Total comprehensive income	772	1,104	(30.1)	(492)	502	(198.0)
Profit / (Loss) attributable to:						
Owners of the Company	789	1,096	(28.0)	(526)	496	(206.0)
Non-controlling interest	8	6	33.3	(1)	5	(120.0)
	797	1,102	(27.7)	(527)	501	(205.2)
Total comprehensive income attributable to :						
Owners of the Company	764	1,098	(30.4)	(491)	497	(198.8)
Non-controlling interest	8	6	33.3	(1)	5	(120.0)
	772	1,104	(30.1)	(492)	502	(198.0)

NM: Not meaningful


MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

1(a)(ii) The statement of comprehensive income is arrived after charging/(crediting) the following:

	Group			Group		
	6 months ended 31 Dec			Year Ended 31 Dec		
	2H 2020	2H 2019	Incr / (Decr)	2020	2019	Incr / (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation	1,414	1,659	(14.8)	3,435	3,254	5.6
Fair value loss on investment properties	20	-	NM	20	-	NM
Allowance for foreseeable losses	42	-	NM	42	-	NM
(Write back)/Provision for doubtful debts	-	155	(100.0)	(155)	155	(200.0)
Net (gain)/loss on disposal of property, plant and equipment	(1)	(6)	(83.3)	(2)	(77)	(97.4)
Fixed assets written off	14	25	(44.0)	14	25	(44.0)
Share-based compensation expense	-	-	-	38	38	-
Net foreign exchange loss /(gain)	500	(18)	2,877.8	60	70	(14.3)
Finance (income)/expenses:						
Interest income	(51)	(159)	(67.9)	(170)	(377)	(54.9)
Interest on borrowings	38	1	3,700.0	40	3	1,233.3
Interest on lease liabilities	19	11	72.7	27	21	28.6
Unwinding of discount on site restoration provision	14	10	40.0	20	19	5.3
Under provision of tax in respect of prior years	298	15	1,886.7	298	15	1,886.7

NM: not meaningful



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

1(b)(i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company (Note 1)		
	31 Dec' 20	31 Dec' 19	Change	31 Dec' 20	31 Dec' 19	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets						
Property, plant and equipment	14,983	13,870	8.0	14,797	13,897	6.5
Rights-of use-assets	1,374	406	238.4	1,283	406	216.0
Investment properties	1,205	1,225	(1.6)	1,205	1,225	(1.6)
Investment in an equity accounted investee	244	-	NM	241	-	NM
Investment in subsidiaries	-	-	-	2,828	2,828	-
Total non-current assets	17,806	15,501	14.9	20,354	18,356	10.9
Current assets						
Inventories	193	242	(20.2)	193	242	(20.2)
Contract assets	10,002	16,228	(38.4)	9,699	16,052	(39.6)
Trade and other receivables	14,127	18,820	(24.9)	15,323	18,839	(18.7)
Cash and cash equivalents	37,737	27,363	37.9	33,350	24,999	33.4
Total current assets	62,059	62,653	(0.9)	58,565	60,132	(2.6)
Total assets	79,865	78,154	2.2	78,919	78,488	0.5
Equity attributable to equity holders of the Company						
Share capital	26,254	26,254	-	26,254	26,254	-
Treasury shares	(92)	(138)	(33.3)	(92)	(138)	(33.3)
Share based payment reserve	(34)	(17)	100.0	(34)	(17)	100.0
Translation reserve	34	(1)	3,500.0	40	4	900.0
Retained earnings	28,403	29,001	(2.1)	28,226	28,695	(1.6)
Total equity attributable to owners of the Company	54,565	55,099	(1.0)	54,394	54,798	(0.7)
Non-controlling interest	9	10	(10.0)	-	-	-
Total equity	54,574	55,109	(1.0)	54,394	54,798	(0.7)
Non-current liabilities						
Loans and borrowings	4,627	62	7,362.9	4,627	62	7,362.9
Provision for restoration costs	1,264	374	238.0	1,264	374	238.0
Lease liabilities	835	117	613.7	790	117	575.2
Deferred tax liabilities	1,568	1,581	(0.8)	1,561	1,581	(1.3)
Total non-current liabilities	8,294	2,134	288.7	8,242	2,134	286.2
Current liabilities						
Trade and other payables	13,786	19,718	(30.1)	13,179	20,368	(35.3)
Contract liabilities	1,243	144	763.2	1,243	144	763.2
Provisions	504	462	9.1	504	462	9.1
Loans and borrowings	435	19	2,189.5	435	19	2,189.5
Lease liabilities	541	299	80.9	492	299	64.5
Tax payable	488	269	81.4	430	264	62.9
Total current liabilities	16,997	20,911	(18.7)	16,283	21,556	(24.5)
Total liabilities	25,291	23,045	9.7	24,525	23,690	3.5
Total equity and liabilities	79,865	78,154	2.2	78,919	78,488	0.5

NM: Not meaningful

Note 1: The Company level includes Mun Siong Engineering Taiwan Branch's financial results

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

1(b)(ii) Aggregate amount of Group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

31 Dec 2020		31 Dec 2019	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
559	417	318	-

Amount repayable after one year

31 Dec 2020		31 Dec 2019	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
879	4,583	179	-

Details of any collateral

The total unsecured borrowing amounting to \$5.0 million arises from the Company drawing down on the 5 years temporary bridging loan, which was part of the Singapore government support to local enterprises in response to Covid-19. This loan carries an interest rate of 2.0% to 2.1% per annum and is repayable on a monthly basis, after the first year anniversary of the loan; commencing August 2021.

The Group's secured borrowings totaling \$1.4 million include hire purchase as well as lease liabilities. Those relating to hire purchase facilities are secured against the respective operating assets. As for the lease liabilities, they are secured against the rights-of-use assets.



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

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	
	2H 2020	2H 2019	FY2020	FY2019
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit / (Loss) before income tax	972	1,604	(227)	869
Adjustments for:				
Depreciation	1,414	1,659	3,435	3,254
Interest expense	57	12	67	24
Share based compensation	-	-	38	38
Fair value loss on investment properties	20	-	20	-
Allowance for foreseeable loss	42	-	42	-
Write back provision for doubtful debts	-	-	(155)	2
Property, plant and equipment written off	14	25	14	25
Unwinding of discount on site restoration provision	14	10	20	19
Share of results of an equity accounted investee	(2)	-	(4)	-
Interest income	(51)	(159)	(170)	(377)
Net (gain)/ loss on disposal of property, plant and equipment	(1)	(6)	(2)	(77)
Operating cash flow before working capital changes	2,478	3,145	3,076	3,775
Changes in inventories	49	124	49	109
Changes in contract assets	(2,531)	(5,569)	6,226	(6,167)
Changes in trade and other receivables	(3,465)	(8,136)	4,691	(5,378)
Changes in financial assets, at fair value through profit and loss	994	-	-	-
Changes in trade and other payables	(289)	11,794	(5,940)	9,931
Changes in contract liabilities	861	144	1,098	62
Cash generated/(used in) from operating activities	(1,903)	1,504	9,200	2,332
Income tax refund / (paid)	(31)	(46)	(95)	(178)
Net cash generated/(used in) from operating activities	(1,934)	1,458	9,105	2,154
Cash flows from investing activities				
Interest received	51	159	170	377
Investment in equity accounted investee	-	-	(82)	-
Proceeds from disposal of property, plant and equipment	3	7	4	175
Acquisition of property, plant and equipment	(2,233)	(881)	(3,147)	(1,242)
Net cash generated/(used in) from investing activities	(2,178)	(716)	(3,055)	(690)
Cash flows from financing activities				
Purchase of treasury shares	(9)	-	(9)	-
Dividends paid	(72)	-	(72)	(174)
Proceeds from borrowings	5,000	-	5,000	-
Repayment of borrowings	(10)	(9)	(19)	(19)
Repayment of finance lease liabilities	(256)	(217)	(531)	(435)
Interest paid	(47)	(12)	(57)	(24)
Net cash generated/(used in) from financing activities	4,607	(238)	4,312	(652)
Net increase/(decrease) in cash and cash equivalents	495	504	10,363	812
Cash and cash equivalents at beginning of period	37,292	26,857	27,363	26,549
Effect of exchange rate fluctuations on cash held	(50)	2	11	2
Cash and cash equivalents at end of period	37,737	27,363	37,737	27,363



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

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.

	Share Capital	Treasury Shares	Share based Compensation Reserve	Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020								
The Group								
Beginning of financial year	26,254	(138)	(17)	(1)	29,001	55,099	10	55,109
(Loss) / Profit for the year	-	-	-	-	(526)	(526)	(1)	(527)
Other comprehensive income for the year	-	-	-	35	-	35	-	35
Total comprehensive income for the year	-	-	-	35	(526)	(491)	(1)	(492)
Grant of performance shares to employees	-	55	(17)	-	-	38	-	38
Purchase of treasury shares	-	(9)	-	-	-	(9)	-	(9)
Dividends paid	-	-	-	-	(72)	(72)	-	(72)
Total transaction with owners, recognised directly in equity	-	46	(17)	-	(72)	(43)	-	(43)
As at 31 December 2020	26,254	(92)	(34)	34	28,403	54,565	9	54,574
2019								
The Group								
Beginning of financial year	26,254	(193)	-	(2)	28,704	54,763	5	54,768
Effects on adoption of SFRS(1) 16	-	-	-	-	(25)	(25)	-	(25)
Adjusted balances	26,254	(193)	-	(2)	28,679	54,738	5	54,743
(Loss) / Profit for the year	-	-	-	-	496	496	5	501
Other comprehensive income for the year	-	-	-	1	-	1	-	1
Total comprehensive income for the year	-	-	-	1	496	497	5	502
Grant of performance shares to employees	-	55	(17)	-	-	38	-	38
Purchase of treasury shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(174)	(174)	-	(174)
Total transaction with owners, recognised directly in equity	-	55	(17)	-	(174)	(136)	-	(136)
As at 31 December 2019	26,254	(138)	(17)	(1)	29,001	55,099	10	55,109
	Share Capital	Treasury Shares	Share based Compensation Reserve	Translation Reserve	Retained Earnings	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
2020								
The Company								
Beginning of financial year	26,254	(138)	(17)	4	28,695	54,798		
(Loss) / Profit for the year	-	-	-	-	(397)	(397)		
Other comprehensive income for the year	-	-	-	36	-	36		
Total comprehensive income for the year	-	-	-	36	(397)	(361)		
Grant of performance shares to employees	-	55	(17)	-	-	38		
Purchase of treasury shares	-	(9)	-	-	-	(9)		
Dividends paid	-	-	-	-	(72)	(72)		
Total transaction with owners, recognised directly in equity	-	46	(17)	-	(72)	(43)		
As at 31 December 2020	26,254	(92)	(34)	40	28,226	54,394		
2019								
The Company								
Beginning of financial year	26,254	(193)	-	-	24,344	50,405		
Effects on adoption of SFRS(1) 16	-	-	-	-	(25)	(25)		
Adjusted balances	26,254	(193)	-	-	24,319	50,380		
(Loss) / Profit for the year	-	-	-	-	4,550	4,550		
Other comprehensive income for the year	-	-	-	4	-	4		
Total comprehensive income for the year	-	-	-	4	4,550	4,554		
Grant of performance shares to employees	-	55	(17)	-	-	38		
Purchase of treasury shares	-	-	-	-	-	-		
Dividends paid	-	-	-	-	(174)	(174)		
Total transaction with owners, recognised directly in equity	-	55	(17)	-	(174)	(136)		
As at 31 December 2019	26,254	(138)	(17)	4	28,695	54,798		

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

The Company purchased 200,000 of treasury shares in the last quarter of 2020. During the year, a total of 800,000 of treasury shares were reissued pursuant to MSE Performance Share Plan. At the end of the current year, the total number of treasury shares held is 1,422,000 shares.

	As at 31 Dec 2020	As at 31 Dec 2019
Issued and paid-up shares		
As at beginning and end of the year	581,546,400	581,546,400
Treasury shares		
As at beginning of the year	2,022,000	2,822,000
Purchase of treasury shares	200,000	-
Reissuance of treasury shares pursuant to share plan	(800,000)	(800,000)
As at end of the year	1,422,000	2,022,000
Total number of issued shares excluding treasury shares as at the end of the year	580,124,400	579,524,400

The Company does not have any subsidiary that holds shares issued by the Company.

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

	As at 31 Dec 2020	As at 31 Dec 2019
Total number of shares	581,546,400	581,546,400
Less: Treasury shares	1,422,000	2,022,000
Total number of issued shares excluding treasury shares	580,124,400	579,524,400



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

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

Please refer to item 1(d) (ii).

1(d)(v) A statement showing all sales, transfers, cancellations and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

The financial statements have not been audited or reviewed by the Company's auditors.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (a)Update on the efforts taken to resolve each outstanding audit issue (b)Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared with the audited financial statements as at 31 December 2019.

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 adopted the following SFRS(I)s amendments to the current financial year:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Definition of a Business (Amendments to SFRS(I) 3)
- Interest Rate Benchmark Reform (Amendments to SFRS(I) 7 and SFRS(I) 9)
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

The adoption of the above amendments to the SFRS(I)s will not have any significant impact on the financial statements of the Group.

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

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	
	2H 2020	2H2019	2020	2019
EPS (based on consolidated net profit / (loss))				
- on weighted average number of ordinary shares in issue (cents)	0.14	0.19	(0.09)	0.09
- on fully diluted basis (cents)	0.14	0.19	(0.09)	0.09
Weighted average number of shares in issue during the period used in computing basic EPS	580,277,405	579,524,400	579,904,126	579,128,796
Weighted average number of shares in issue during the period used in computing diluted EPS	580,277,405	579,524,400	579,904,126	579,128,796

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 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per ordinary share based on existing issued share capital as at the respective dates (cents)	9.41	9.51	9.38	9.46
Number of shares (issued and issuable) used in computing net asset value per ordinary share	580,124,400	579,524,400	580,124,400	579,524,400

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

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

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

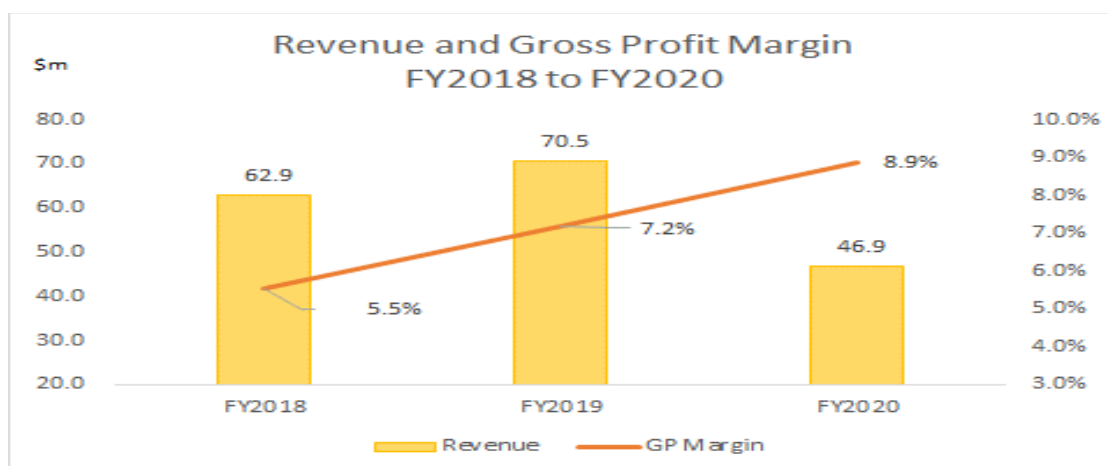
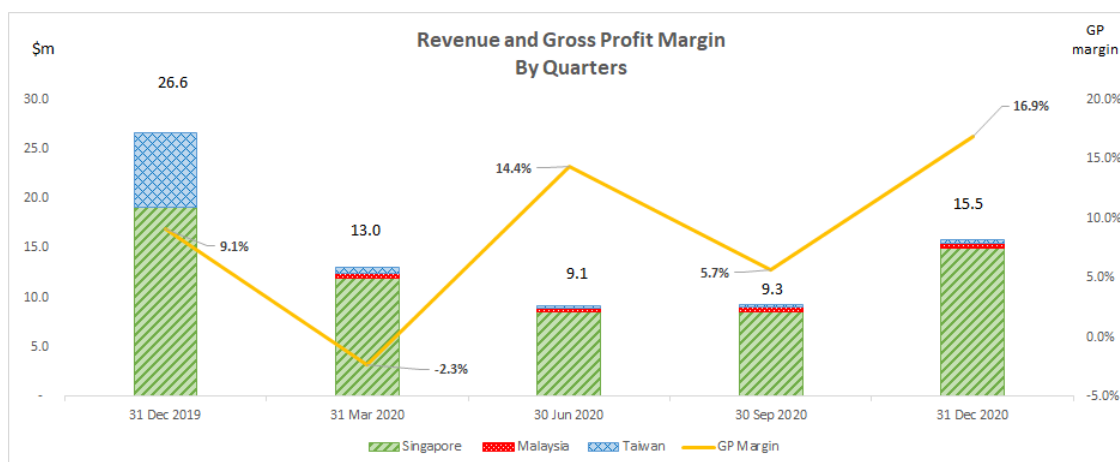
Notes to the statement of comprehensive income



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)



Revenue and profitability

2H 2020 versus 2H 2019

The Group recorded a revenue of \$24.8 million for 2H2020, a decline of \$19.9 million or 44.5% compared to the corresponding period.

The cost of sales declined by \$19.4 million or 47.2% compared to the corresponding period. This decline is substantially due to the financial support received from the Singapore Government (the "Government Financial Support") and to the lesser extent rebates/reliefs from dormitories' operators, that operates dormitories where our direct employed foreign workers are housed in. The Government Financial Support includes Job Support Scheme and Foreign Workers Levy rebates and waivers.

The Government Financial Support was critical to the Group achieving a gross profit of \$3.2 million, a decline of \$492,000 or 13.5% compared to 2H2019. Gross profit margin for 2H2020 and 2H2019 was 12.7% and 8.2% respectively. The higher gross profit margin in 2H2020 was substantially attributed to the Government Financial Support and very much lesser extent, contributions from operations.

It should be noted that without the Government Financial Support, the Group would have achieved a gross loss of \$462,000 as compared to a gross profit of \$3.6 million achieved in 2H2019.

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

(i) Singapore

Revenue suffered a steep decline of \$13.5 million or 36.8%. 2H2020 revenue was \$23.3 million as compared to \$36.8 million in 2H2019.

Singapore entered into Phase 2 of the Circuit Breaker in June 2020. In Phase 2, strict movement restrictions imposed in Phase 1 were gradually eased, resulting in gradual resumptions of work at worksites subject to observations of strict safe distancing protocols. As the resumptions were gradual, only between 60.0% and 70.0% of our direct employed workforce could be deployed while the remaining were confined to dormitories. The Group was only able to fully deploy its entire direct employed workforce towards the end of August 2020, with 4 months remaining in FY2020.

During FY2020, two of the Group's key business partners have renewed their maintenance contracts for a further period of 5 years. The renewal resulted in significant additional works for the Group through the significant increases in physical area coverage at their plants and facilities.

The partial deployment of our direct employed workforce prior to end August 2020 and additional work orders arising from the increase in physical area coverage have resulted in a build-up of significant backlog of work at these worksites.

Prior to the imposition of Phase 1 of the Circuit Breaker, in anticipation of the likely increase in work arising from the maintenance contract renewals, applications were made to the relevant authorities to increase our number of direct employed workforce. However, the closure of Singapore borders and strict travelling restrictions imposed by the government especially on arrivals into Singapore, have made it difficult to increase the numbers of our direct employed workforce.

As at the date of this announcement, the backlog work orders have been progressively executed. Our business partners continue to place work orders with the Group. It is estimated that we would need to increase our current direct employed workforce by at least 13% to meet these demands.

The management took a hard decision to engage subcontractors to supplement its direct employed workforce as a temporary measure. This means that profits have to be sacrificed in the near term. On the positive side, we would have gained the trust and confidence of our business partners which will benefit the Group in the longer term. A trade off that will certainly be beneficial to the Group.

During the period under review, the Group has made an allowance for foreseeable losses of \$42,000. This relates to a worksite belonging to a business partner that has recently established a working relationship with the Group. The value of the contract is approximately \$6.5 million. This allowance provision was deemed necessary as subcontractors had to be engaged to supplement our direct employed workforce (which are costly and consequently erode the profits), low work productivity due to imposition of strict safe distancing protocols and temporary stop work order issued by the Ministry of Manpower arising from an accident involving a contractor not related to the Group at that work site. Discussions are ongoing with the plant owner on the additional work done which has yet to be finalized as at the date of this announcement.

The Group last made an allowance for foreseeable losses in FY2017 amounting to \$2,000.

(ii) Malaysia

Malaysian operation has commenced its contribution to the Group's revenue in FY2020, since January 2020. Revenue for 2H2020 was \$877,000, an increase of 17.4% against 1H2020, with significant contribution from Petronas' related plants and facilities.



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

The continuous engagement with the Petronas's plants and facilities operations team have been fruitful and resulted in ancillary project works being awarded to the Group.

The Movement Control Order imposed by the Malaysian government has caused significant delays in the Group assuming the worksites from the incumbent contractors. Based on our understanding from Petronas, the incumbent contractors have substantially completed their work and are ready to hand over these worksites. This would open more work opportunities for the Group.

Beside working with Petronas, the Group has reached out to potential business partners and these have been fruitful.

The gross profit in 2H2020 was insufficient to cover the gross loss incurred in 1H2020. This resulted in Malaysia registering a gross loss for FY2020.

(iii) Taiwan

Contribution from Taiwan declined by \$7.2 million or 91.6% in the 2H2020.

In 2H2019, the Group undertook and successfully completed its first major contract, a turnaround project which contributed to the entire revenue for Taiwan – that contract was valued at \$7.9 million. In the absence of turnaround work, the Group undertook a number of smaller dollar value projects.

Together with higher overheads arising from establishing the workshop facilities have resulted in Taiwan incurring a gross loss for 2H2020 and consequently FY2020.

FY2020 versus FY2019

Group's revenue decreased by \$23.6 million or 33.5% to \$46.9 million for FY2020 as compared to \$70.5 million in FY2019.

This resulted from steep declines in contribution from both Singapore (declined by \$18.8 million or 30.0% compared to the corresponding period) and Taiwan (declined by \$6.5 million or 82.0% compared to the corresponding period) operations. Contribution from Malaysia operation in FY2020 was insignificant.

Singapore operation suffered significantly from lower work activities due to the imposition of Circuit Breaker (suspension of all work at worksites except essential services and confinement of foreign workers to the dormitories) and significant lower work productivity arising from the imposition of strict safe distancing protocols. Contributions from Taiwan operation, on the other hand, declined significantly due to undertaking a number of lower dollar value works in the absence of higher dollar value work like turnarounds.

Cost of sales declined by \$22.7 million or 34.7%. The decline in cost of sales has resulted in a gross profit of \$4.2 million, a decrease of \$0.9 million or 17.9% compared to the corresponding period. Gross profit margins improved from 7.2% (FY2019) to 8.9% (FY2020). This improvement is mainly from Singapore operation as both Taiwan and Malaysia operations registered negative gross losses.

The significant lower cost of sales was due to Government Financial Support. If we exclude the Government Financial Support, the Group would have suffered gross loss of \$3.7 million and a negative gross margin of 7.8% for FY2020.



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

(i) Other income and recoveries

For 2H2020, other income and recoveries increased by \$202,000 or 24.3%. The increase was due to grants received from certain government related organizations tasked to support local enterprises during the Covid-19 pandemic.

Comparing FY2020 against FY2019, there was a decrease of \$46,000 or 3.3%.

(ii) Administrative expenses

2H2020 against 2H2019 declined by \$326,000 or 10.9%.

FY2020 against FY2019 decreased by \$90,000 or 1.5%.

In the absence of non-recurring items, administrative expenses in both financial periods (FY2020 and FY2019) were comparable.

During FY2020, we re-located a portion of our direct employed workforce from the dormitories to hotels. The dormitories then continuously reported high levels of Covid-19 infection rates. The re-location to hotels, with the relevant authorities' approval, would allow these workers to be deployed at various worksites during Phase 1 of the Circuit Breaker – the Group's services were classified as essential services by the Ministry of Trade and Industry. The total net cost incurred was \$1.1 million, in which part of the costs were recovered from our business partners. We are currently in discussion with certain government related organisations to recover these decanting costs. Beside this, the Group also received Government Financial Support for eligible employees. This contributed to a reduction in administrative expenses.

In FY2019, administrative expenses included provision for doubtful debts (the said amount was recovered in full subsequently) and professional fees relating to the aborted acquisition of MJ&H Fabrication Inc.

(iii) Other operating expenses

As at balance sheet date, we recognized a fair value loss on the investment properties (\$20,000).

Besides this provision for fair value loss, due to the strengthening of the Singapore dollars against the USD dollars, the Group suffered mostly an unrealized foreign exchange loss of \$500,000 in 2H2020.

For FY2020 and FY2019, foreign exchange losses, amounted to \$60,000 and \$70,000 respectively.

(iv) Finance income

Lower finance income was attributed to lower interest rates in the current period and year.

(v) Finance expenses

Higher interest costs were incurred due to the drawdown of the temporary bridging loan (please to paragraph 1b(ii) above) and increase in lease liabilities.

(vi) Income tax expense

Like in previous financial periods, in FY2019 provision was made for payment of staff bonuses and such bonuses would have been paid in the following financial year. Due to Covid-19 pandemic

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

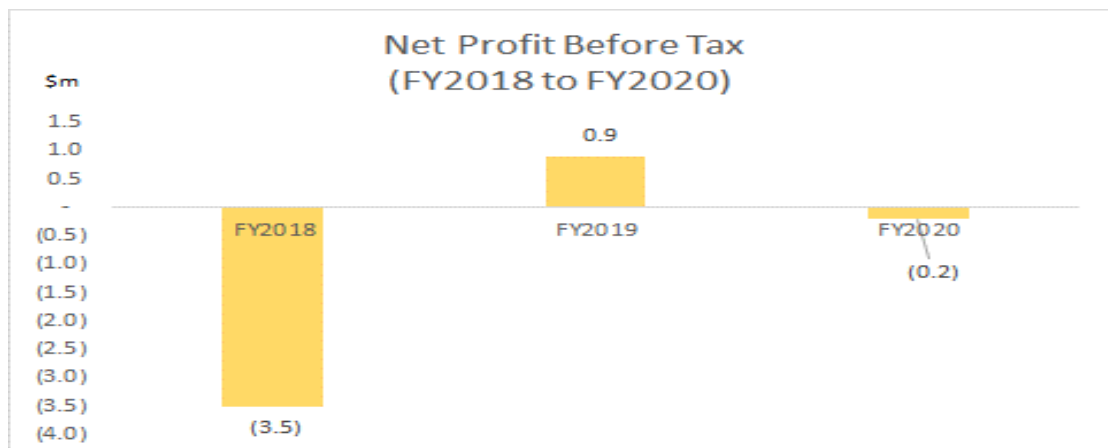
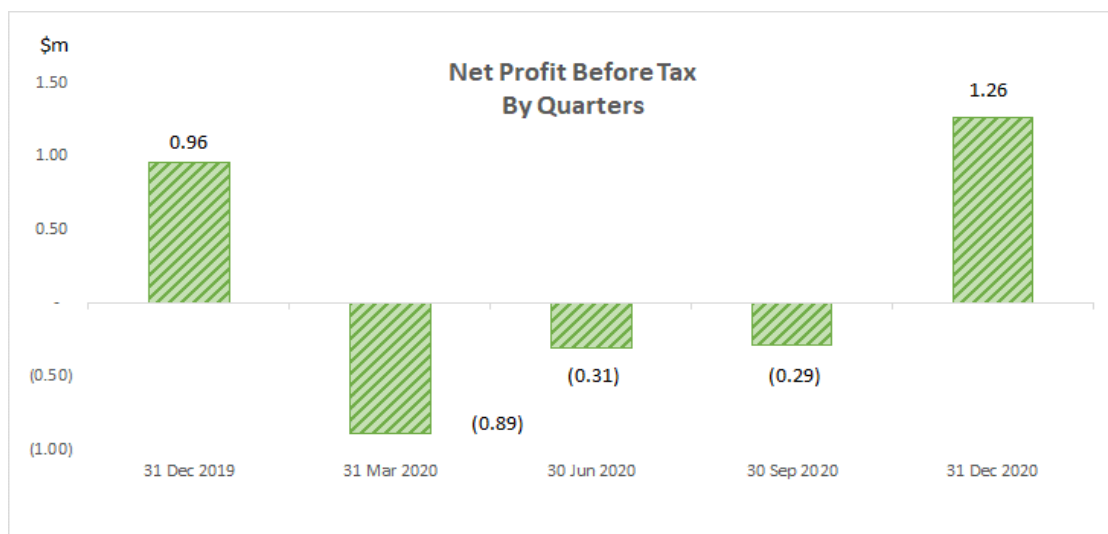
(Company registration number: 196900250M)

and the need to conserve cash, management withheld the payment of remaining bonuses in FY2020. This has resulted in an under provision of tax payable by \$298,000. The under provision of tax payable was due to higher taxable income arising from the unutilized provisions made for staff bonuses. This under provision has been accounted for as provision for tax payable in relation to FY2020.

The Group also wrote back \$13,000 of deferred tax liability.

For FY2020, provision for tax expense amounted to \$300,000.

(vii) Current Year Performance



Note: For details of the Group's operating performance relating to FY2018 and FY2019, please refer to the announcements dated 21 February 2019 and 20 February 2020 respectively.

2H2020 compared to 2H2019, the Group reported a profit before tax of \$1.0 million and \$1.6 million respectively. This is a decline of \$0.6 million or 39.4%. On an EBITDA* basis, both periods continue to register positive \$2.5 million (2H2020) and \$3.3 million (2H2019).

FY2020 compared to FY2019, the Group reported a loss before tax of \$227,000 and profit before tax of \$869,000 respectively. On an EBITDA* basis, both periods continue to register positive, \$3.3 million (FY2020) and \$4.2 million (FY2019).

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

The Government Financial Support has been critical in limiting the Group's operating losses in FY2020 – without the Government Financial Support the loss before tax would have swelled to \$8.4 million (compared to loss before tax of \$227,000) and negative EBITDA* of \$4.8 million (compared to positive EBITDA* of \$3.3 million).

**EBITDA: Earnings before Tax, Interests, Depreciation, Amortisation and Impairment. It also excludes share of results of an equity accounted investee.*

Notes to statements of financial position**Group and Company**

- (i) Property, plant, and equipment (increased by \$1.1 million)
Provision for restoration (increased by \$0.9 million)

The increased physical area of coverage at our business partners' plants and facilities, arising from the maintenance contract renewal in FY2020, has made it necessary to acquire additional operating assets. These additional investments in Singapore, totaling \$2.5 million, are necessary to meet the increase in work volume and further enhance operating capabilities and productivity. Investments were also made to establish workshop facilities in Taiwan (\$0.5 million) and Malaysia (\$0.2 million). Total investments were approximately \$3.2 million.

The lease at 35 Tuas Road will expire in August 2023, subsequently a further extension of 3 years from August 2020. We are unable to obtain clear guidance from Jurong Town Corporation (the lessor) on our obligations towards reinstatement upon expiry of the lease. Based on our estimates, a further provision of \$0.9 million is necessary – increasing the total provision to \$1.2 million. The additional provision, \$0.9 million, will be capitalized and depreciated equally over 3 years (the remaining life of the lease) or approximately \$0.3 million annually.

Depreciation expenses, including depreciation of reinstatement cost and rights-of-use assets, were \$3.4 million. The increase in the above additional investments were substantially offset by the depreciation expenses.

- (ii) Right-of-use assets (increased by \$1.0 million)

The increase is mainly due to the recognition of lease extension at 35 Tuas Road of \$1.1 million. We also recognized the workshop and ancillary leases for our overseas operations. The increase was offset by the depreciation expenses of \$0.5 million.

- (iii) Investment in an equity accounted investee (increased by \$0.2 million)

During FY 2020, the Company contributed, its proportional share, of the initial paid-up share capital of \$82,000. Besides this, we also capitalized the legal fees directly associated with this investment.

- (iv) Contract assets (decreased by \$6.2 million)
Contract liabilities (increased by \$1.0 million)

The substantial decrease in contract assets was due to lower work activities in both Singapore and Taiwan operations.

The increase in contract liabilities was due to advance billings from customers for certain project works.

**MUN SIONG ENGINEERING LIMITED**

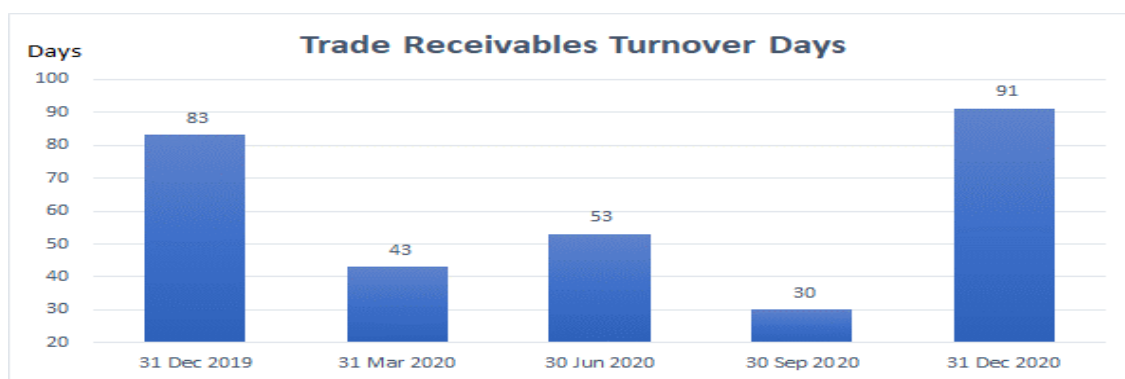
(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

(v) Trade and other receivables (decreased by \$4.7 million)

The decrease in trade and other receivables is in line with the substantial decrease in Group's revenue.

During the year, we have acceded to some of our major business partners request to increase their existing credit terms by an additional 30 days. As at 31 December 2020, the trade receivables turnover days was 91 days (FY2019: 83 days).



As at 11 February 2021, the Group realized \$8.1 million or approximately 69.4% of its outstanding trade receivables as at 31 December 2020.

No provision for doubtful debts were made in FY2020.

(vi) Loans and Borrowings (increased by \$5.0 million)

The increase was due to drawdown of the temporary bridging loan of \$5.0 million. Please refer to both our 1H2020 results announcement dated 6 August 2020 and paragraph 1(b)(ii) above for further details.

As at 31 December 2020, our gross debt ratio is 11.8% (FY2019:0.9%). The increase is due to higher loan borrowings and lease liabilities.

(vii) Lease Liabilities (increased by \$1.0 million)

The increase was due to extension of lease at 35 Tuas Road and workshop and ancillary leases for our overseas operations.

(viii) Trade and Other Payables (decreased by \$5.9 million)

The decrease was due to lower revenue (work activities), timing of payments to suppliers and reduction in provision of staff related bonuses made in the current year. Suppliers, to ease their cash flows, have asked for quicker payments of their outstanding balances.

(ix) Provisions (increased by \$42,000)

Provisions consist of provision for reworks (\$462,000), provided since FY2019 for a period of 5 years, and allowance for foreseeable losses (\$42,000), provided in FY2020. The increase was due to the latter. For FY2020, no reworks were required, hence as such, the provision remained unchanged from FY2019.

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

- (x) Tax payable (increased by \$219,000)
Deferred tax liabilities (decreased by \$13,000)

Increase in tax payable was mainly due to under provision of tax payable pertaining to FY2019, please refer to the above paragraph relating to tax expense for further explanation.

- (xi) Treasury shares (decreased by \$46,000) and Share based payment reserves (increased by \$17,000)

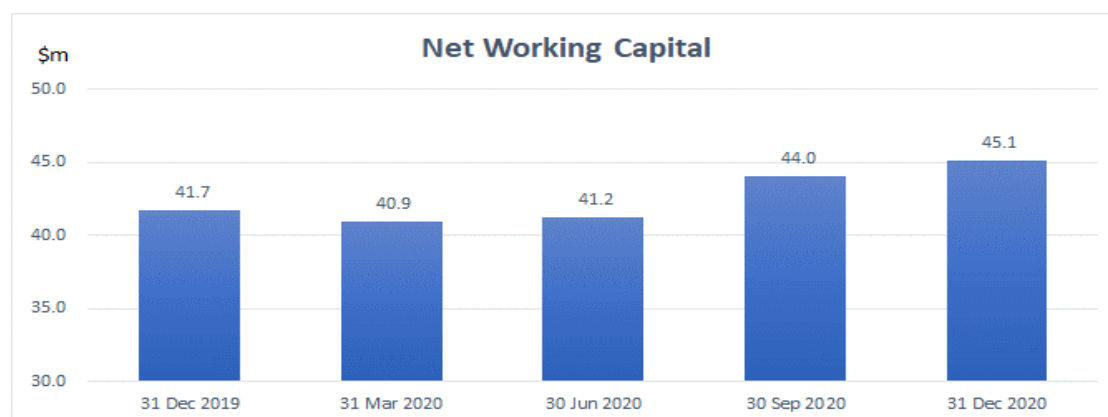
Reissuance of 800,000 of treasury shares during the year under the Group's Performance Share Plan. The Group recognized \$38,000 of share-based compensation expense in the profit and loss in the current period.

In addition, the Group purchased 200,000 of treasury shares amounting to \$9,000, during the year.

Notes to cash flow statement

The Group reported a cash balances of \$37.7 million as at 31 December 2020. An increase of \$10.3 million from \$27.4 million as at 31 December 2019.

The increase in cash was due to net cash of \$9.1 million generated from operating activities and increase funding in financing activities of \$4.3 million. The increase was offset by use of funds in investing of \$3.1 million.



Net Working capital (current assets less current liabilities): \$45.1 million as at 31 December 2020 and \$41.7 million as at 31 December 2019. An increase of \$3.4 million, mostly due to increase collections from our trade receivables and contract assets.

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

No forecast was previously provided.

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.**



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

The reality:

The Group financial performance for FY2020 would have been weakened significantly if not for the Government Financial Support received.

For FY2020, without the Government Financial Support, its financial performance would have been:

- gross loss of \$3.7 million and registering a negative gross margin of 7.8%; and
- loss before tax of \$8.4 million and negative EBITDA* of \$4.8 million.

This would have negatively impacted the Group's working capital position.

*EBITDA: Earnings before Tax, Interests, Depreciation, Amortisation and Impairment. It also excludes share of results of an equity accounted investee.

The grounds:

Singapore: The Group continues to receive good volume of work orders arising from its maintenance contracts. However, it continues to face difficulties in increasing the number of its direct employed workforce to execute these work orders. Covid-19 continues to rage in countries that the Group recruits its workers from, and this has resulted in limited entry approval by the Singapore Government to grant their arrivals into Singapore. In order to meet our business partners' demands, it is inevitable that subcontractors have to be engaged. Despite our intense effort in improving the work crew's productivity and utilisation of mechanised tools to reduce the reliance on manual work force, there are limitations on these initiatives. We have to sacrifice a significant portion of our profits in engaging manpower from subcontractors. Such sacrifices are necessary in order to preserve business relationships built over decades.

During FY2020 a number of works that the Group were awarded and subsequently cancelled or deferred by business partners. This amounted to \$3.7 million. Although their cancellation or deferment have impacted our revenue, but a substantial amount of the Group's profitability for these projects would have trade off by relying on subcontractors for their executions.

Malaysia: Our proactive engagements with Petronas have gained further tractions. These engagements are critical as it builds confidence and provide further access to work opportunities. As the incumbent contractors vacate and the worksites assume by us gradually, work opportunities would likely increase as compared to FY2020.

As of 1 February 2021, due to emergence of Covid-19 infections in Petronas's Pengerang Integrated Complex, entries by contractors, other than those performing critical and essential works, has been curtailed significantly. Our abilities to execute work orders when they arise would be affected.

The Group is in advance negotiation to acquire a piece of land near Pengerang (Johor). Fabrication and workshop facilities will be erected. It will initially support the work orders from Petronas's Pengerang Integrated Complex and in the longer term, when opportunities arise, other works that we may secure. We will make the appropriate announcement in due course.

Taiwan: Towards the second half of FY2020, the Group has made a number of bids for both major works like turnaround and long term maintenance works. The turnaround work undertaken in FY2019, which was successfully completed slightly ahead of schedule, has provided the Group the much needed track record in that market.

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

The Group's response:

The reality is that Government Financial Support will be reduced or modified over time. The Group needs to review its business strategies to meet the needs of its business partners in the post Covid-19 era.

For the last ten years, the process industry has been facing strong headwinds that are no lesser than the current Covid-19 pandemic. The Group has implemented measures which have proven to be successful in managing or keeping them in check. These have been evident by both our financial performance and management strategies during this difficult period. The strong headwinds have made the Group more resilient and agile.

It is also critical that the Group continues to maintain a strong net working capital position (current assets less current liabilities). This will allow the Group greater flexibilities in executing its business strategies or undertaking major projects when opportunities arise.

In the longer term, the Group will have to reach out to other segments of the economy where its working experiences are relevant. These may include renewal energy and pharmaceutical industries. Inroads into these industries will take time and will be pursued concurrently with the near term strategies.

11. If a decision regarding dividend has been made:—***(a) Whether an interim (final) ordinary dividend has been declared (recommended); and***

Yes

Proposed final dividend but not recognized as a liability in the current financial year is as follows:

FY2020	
Name of dividend	Final
Dividend type	Cash
Amount	0.04 cents per ordinary share
Tax rate	Tax exempt (one tier)

The proposed dividends for FY2020 will be paid out from our positive retained earnings as the Group suffered a net loss for the year.

(b) (i) Amount per share cents

Please refer to item 11(a)

(b) (ii) Previous corresponding period cents

Proposed final dividend but not recognized as a liability in the previous financial year is as follows:

FY2019	
Name of dividend	Final
Dividend type	Cash
Amount	0.04 cents per ordinary share
Tax rate	Tax exempt (one tier)



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

(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).

Tax rate of 17%; Tax exempt (one tier)

(d) The date the dividend is payable.

To be announced later. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

To be announced later. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited. There was no IPT of S\$100,000 and above for the period under review.

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediate preceding year.

The Group had integrated the businesses of OHM Engineering (which specialized in electrical and instrumentations) into Mun Siong Engineering Ltd in FY2019. The 2019 Annual Report was prepared based on a single reportable segment – mechanical, electrical, instrumentation and others (for details of the rationale please refer to our 2019 Annual Report – page 92).


MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

<u>Operating Segment</u>	FY2020	FY2019
	\$'000	\$'000
External revenues	46,929	70,540
Inter-segment revenue	2,243	739
Total Revenue	49,172	71,279
Interest income	170	377
Interest expenses	67	24
Depreciation of property, plant and equipment	3,435	3,254
Fair value loss on investment properties	20	-
Allowance for foreseeable losses	42	-
(Write back)/Provisions for doubtful debts	(155)	155
Share of results of an equity accounted investee	4	-
Reportable segment profit / (loss) before tax	(129)	1,058
Reportable segment assets	77,042	76,523
Capital expenditure	3,147	3,480
Reportable segment liabilities	23,235	21,195

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items

	FY2020	FY2019
	\$'000	\$'000
<u>Revenues</u>		
Total revenue for reportable segment	49,172	71,279
Eliminations	(2,243)	(739)
Consolidated Revenue	46,929	70,540

<u>(Loss) / Profit</u>		
Total profit/(loss) for reportable segment	(129)	1,058
Eliminations	(128)	(235)
Share of results of an equity accounted investee	4	-
Fair value loss on investment properties	(20)	-
Unallocated segment profits	46	46
Consolidated (loss) / profit before tax	(227)	869

<u>Assets</u>		
Total assets for reportable segment	77,042	76,523
Investment properties	1,205	1,225
Investment in an equity accounted investee	244	-
Others	1,374	406
Consolidated total assets	79,865	78,154

<u>Liabilities</u>		
Total liabilities for reportable segment	23,235	21,195
Current tax payable	488	269
Deferred tax liabilities	1,568	1,581
Consolidated total liabilities	25,291	23,045

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

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

Overall revenue fell from \$70.5 million in FY2019 to \$46.9 million in the current year. The steep decline in revenue were from both the Singapore and Taiwan operations.

The Group incurred a reported segment loss of \$129,000 in the current year as compared to a segment profit of \$1.1 million in FY2019. The decline was to lower work productivity arising from the imposition of strict safe distancing protocols in the Singapore operation. The Taiwan operation undertook lower dollar value works in the absence of higher dollar value works like turnarounds.

Refer to paragraph 8 above for more detailed explanations of the performance review.

16. A breakdown of sales as follows:

	FY2020	FY2019	Change
	\$'000	\$'000	(%)
Sales for first half year	22,122	25,854	(14.4)
Operating loss after tax due to owners of Company for first half year	(1,324)	(601)	120.3
Sales for second half year	24,807	44,686	(44.5)
Operating profit after tax due to owners of Company for second half year	797	1,102	(27.7)

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

	FY2020	FY2019
	\$'000	\$'000
Cash dividends paid during the financial year		
2019 final one-tier tax exempt dividend of 0.04 cents per share paid (FY2018: 0.03 cents per share) #	72	174
Total	72	174
Cash dividends proposed but not recognised as a liability as at the end of the financial year		
2020 proposed final one-tier tax exempt dividend of 0.04 cents per share (FY2019: 0.04 cents per share) #	232	72
	(Refer to Note)	

Note: Proposed cash dividend for FY2020 as computed for this announcement is based on the total number of issued ordinary shares less treasury shares at the date of this announcement. The proposed cash dividend is subject to shareholders' approval at the forthcoming AGM in April 2021. On approval, the actual amount will be determined after the Books Closure Date (BCD).

#- For 2019 dividends of \$0.04 cents per share approved at the AGM in June 2020, Madam Cheng Woei Fen, Mr Quek Kian Hui and their immediate families (Mr Quek Kian Teck and Mr Quek Keng Siong) had forgone their dividends entitlement of \$160,000. The funds were retained for working capital purpose.

**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

18. Confirmation that the Company has procured undertakings from all its Directors and Executive Officers under Rule 720(1)

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format as set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

19. Disclosure of persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, CEO or substantial shareholder of the Company pursuant to Rule 704(13).

Pursuant to Rule 704 (13) of the Listing Manual, the following is a list of persons occupying managerial positions in the Company or the Company's principal subsidiaries who are relatives of a director, chief executive officer and/or substantial shareholder of the Company:-

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Cheng Woei Fen	63	Mother of Quek Kian Teck (substantial shareholder) and Quek Kian Hui (Executive Director)	Executive Chairlady cum CEO Responsible for overall management, formulation of business plans, strategic positioning, and business expansion of Mun Siong Engineering Group (the "Group"). Year when position was first held: 2000	N.A.
Quek Kian Hui	36	Son of Cheng Woei Fen (Executive Chairlady cum CEO)	Executive Director Assist the Chairlady cum CEO in management of the operations of Mun Siong Engineering Limited. Year when position was first held: 2014	N.A.



MUN SIONG ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

20. Disclosure pursuant to Rule 706A of the Listing Manual

For the period from 1 July 2020 to 31 December 2020, there were no changes to the Company's and the Group's shareholding percentages in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities.

BY ORDER OF THE BOARD

CHENG WOEI FEN
EXECUTIVE CHAIRLADY

25 February 2021