

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

UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2019
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

1(a). A statement of comprehensive income (for the group) together with a comparative statement for the fourth quarter and full year ended 31 March 2019

	Group			Group		
	4QFY19	4QFY18 (Restated)	Increase/ (Decrease)	FY19	FY18 (Restated)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	24,146	31,886	(24.3%)	148,773	118,945	25.1%
Cost of sales	(25,700)	(32,704)	(21.4%)	(161,025)	(116,919)	37.7%
Gross (loss)/profit	(1,554)	(818)	90.0%	(12,252)	2,026	NM
Gross (loss)/profit margin	-6.4%	-2.6%		-8.2%	1.7%	
Other income	-	1	(100.0%)	2	111	(98.2%)
Administrative costs	(4,686)	(4,232)	10.7%	(17,348)	(17,020)	1.9%
Other (losses)/gains- net	(1,435)	(6,027)	(76.2%)	427	(4,839)	NM
Loss from operations	(7,675)	(11,076)	(30.7%)	(29,171)	(19,722)	47.9%
Finance costs	(285)	(152)	87.5%	(886)	(384)	NM
Share of (loss)/profit of associated companies	(14)	46	NM	(14)	42	NM
Loss before tax	(7,974)	(11,182)	(28.7%)	(30,071)	(20,064)	49.9%
Income tax expense	(64)	(182)	(64.8%)	(198)	(988)	(80.0%)
Net loss after tax	(8,038)	(11,364)	(29.3%)	(30,269)	(21,052)	43.8%
Other comprehensive income/(loss)						
Items that may be reclassified subsequently to profit or loss:						
- Gain/(loss) on foreign currency translation arising from consolidation	85	1,552	(94.5%)	(890)	899	NM
Items that will not be reclassified subsequently to profit or loss:						
- Fair value losses on equity investments classified as financial assets, at FVOCI	(1,174)	-	NM	(1,174)	-	NM
Total comprehensive loss for the period/year	(9,127)	(9,812)	(7.0%)	(32,333)	(20,153)	60.4%
Loss attributable to:						
Equity holders of the Company	(7,453)	(10,214)	(27.0%)	(28,668)	(19,212)	49.2%
Non-controlling interests	(585)	(1,150)	(49.1%)	(1,601)	(1,840)	(13.0%)
	(8,038)	(11,364)	(29.3%)	(30,269)	(21,052)	43.8%
Total comprehensive loss attributable to:						
Equity holders of the Company	(8,502)	(8,670)	(1.9%)	(30,713)	(18,328)	67.6%
Non-controlling interests	(625)	(1,142)	(45.3%)	(1,620)	(1,825)	(11.2%)
	(9,127)	(9,812)	(7.0%)	(32,333)	(20,153)	60.4%

NM: Denotes not meaningful

(Loss)/profit from operations included the following:	Group	
	4QFY19	4QFY18 (Restated)
	S\$'000	S\$'000
(a) Other income		
Interest income	-	1
(b) Other (losses)/gains- net		
Fixed asset written off	-	(10)
Net gain disposal of property, plant and equipment	8	21
Currency exchange (loss)/gain –net	(963)	(1,567)
Impairment of goodwill	(503)	(4,440)

Group	
FY19	FY18 (Restated)
S\$'000	S\$'000
2	111
(2)	(12)
357	342
407	(769)
(503)	(4,440)

(c) Administrative costs		
Allowance for impairment of trade receivables	(115)	(225)
(d) Depreciation of property, plant and equipment	(1,234)	(1,286)

(115)	(225)
(4,809)	(4,076)

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

	Group			Company		
	31-Mar-2019	31-Mar-2018 (Restated)	1-April-2017 (Restated)	31-Mar-2019	31-Mar-2018 (Restated)	1-April-2017 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS						
Current assets						
Cash and cash equivalents	8,098	8,355	9,666	6,512	4,953	4,679
Trade and other receivables	25,682	13,045	20,065	29,029	28,316	38,568
Contract assets	20,863	35,803	29,278	17,813	25,151	22,974
Other current assets	6,281	4,042	2,115	1,762	2,608	1,759
	60,924	61,245	61,124	55,116	61,028	67,980
Non-current assets						
Club memberships	270	319	341	270	319	341
Investments in associated companies	297	310	269	-	-	-
Investments in subsidiaries	-	-	-	5,074	10,538	10,538
Property, plant and equipment	26,447	22,997	21,155	8,497	4,555	6,132
Financial assets, available-for-sale	-	2,482	2,482	-	2,482	2,482
Financial assets, at FVOCI	1,307	-	-	1,307	-	-
Deferred income tax assets	57	105	99	-	-	-
Intangible assets	-	503	4,440	-	-	-
	28,378	26,716	28,786	15,148	17,894	19,493
Total assets	89,302	87,961	89,910	70,264	78,922	87,473
LIABILITIES						
Current liabilities						
Trade and other payables	35,880	25,085	15,874	35,200	22,187	21,277
Provision for onerous contracts	5,852	-	-	5,852	-	-
Contract liabilities	9,203	1,944	2,824	3,414	1,244	2,782
Current income tax liabilities	7	14	38	-	-	22
Borrowings	29,950	16,684	6,118	21,125	7,518	85
	80,892	43,727	24,854	65,591	30,949	24,166
Non-current liabilities						
Borrowings	284	444	92	-	-	18
Deferred income tax liabilities	45	975	1,001	478	478	466
	329	1,419	1,093	478	478	484
Total liabilities	81,221	45,146	25,947	66,069	31,427	24,650
NET ASSETS	8,081	42,815	63,963	4,195	47,495	62,823
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital	36,178	36,178	36,178	36,178	36,178	36,178
Other reserves	124	2,169	1,287	(1,174)	-	-
(Accumulated losses) / Retained earnings	(27,743)	5,010	25,738	(30,809)	11,317	26,645
Total	8,559	43,357	63,203	4,195	47,495	62,823
Non-controlling interests	(478)	(542)	760	-	-	-
Total equity	8,081	42,815	63,963	4,195	47,495	62,823

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

	31-Mar-2019		31-Mar-2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	29,950	-	16,684	-
Amount repayable after one year	284	-	444	-

Details of any collaterals:

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

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

	Group		Group	
	4QFY 19 S\$'000	4QFY 18 (Restated) S\$'000	FY 19 S\$'000	FY 18 (Restated) S\$'000
Cash flows from operating activities:				
Total loss after tax	(8,038)	(11,364)	(30,269)	(21,052)
Adjustments for :				
Depreciation of property, plant and equipment	1,234	1,286	4,809	4,076
Amortisation of intangible assets				
Impairment of goodwill	503	4,440	503	4,440
Net gain on disposal of property, plant and equipment	(8)	(21)	(357)	(342)
Net loss on disposal of club membership	2		(8)	-
Impairment loss on financial assets	-		-	-
Net loss on disposal of an associated company	-	1	-	1
Property, plant and equipment written off	-	10	2	12
Club membership written off	49	23	49	23
Share of loss/(profit) of associated companies	14	(46)	14	(42)
Allowance for impairment of trade receivables	115	225	115	225
Unrealised currency translation (gain)/ loss	(2,300)	2,532	(2,411)	2,075
Income tax expense	64	182	198	988
Interest expense	285	152	886	384
Interest income	-	(1)	(2)	(111)
Operating cash flow before working capital changes	(8,080)	(2,581)	(26,471)	(9,323)
Change in working capital				
Contract assets	(17,713)	(33,118)	(11,122)	(34,310)
Trade and other receivables	32,787	43,459	17,286	40,078
Other current assets	(1,736)	(2,246)	(2,239)	(1,845)
Contract liabilities	8,503	1,903	8,503	1,903
Trade and other payables	(12,448)	(8,740)	11,358	(1,791)
Cash generated from/(used in) operations	1,313	(1,323)	(2,685)	(5,288)
Income taxes paid	(84)	(198)	(1,086)	(1,044)
Net cash provided by/(used in) operating activities	1,229	(1,521)	(3,771)	(6,332)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	(502)	22	28	403
Proceeds from disposal of club membership	(2)		8	
Purchases of property, plant and equipment	(549)	(387)	(7,717)	(2,858)
Interest income received	-	1	2	111
Acquisition of a subsidiary, net of cash acquired	-	-	-	(634)
Net cash used in investing activities	(1,053)	(364)	(7,679)	(2,978)

Cash flows from financing activities				
Dividend paid	-	-	-	(1,519)
Repayment of hire purchase creditors	(48)	(57)	(211)	(205)
Proceeds from trust receipts creditors	3,521	1,600	10,699	8,101
Repayments of trust receipts creditors	(2,611)	-	(10,980)	(5,719)
Proceeds from bank borrowings	10,343	5,650	35,549	34,813
Repayments of bank borrowings	(12,107)	(9,900)	(21,924)	(27,313)
Interest paid	(285)	(152)	(886)	(384)
Net cash (used in) /provided by financing activities	(1,187)	(2,859)	12,247	7,774
Net (decrease)/increase in cash and cash equivalents	(1,011)	(4,744)	797	(1,536)
Effect of currency translation on cash and cash equivalents	(26)	22	149	(227)
Cash and cash equivalents at beginning of the financial period/year	8,666	11,405	6,683	8,446
Cash and cash equivalents at end of the financial period/year	7,629	6,683	7,629	6,683
Cash and cash equivalents represented by:				
Bank and cash balances	8,098	7,202	8,098	7,202
Fixed deposits with financial institutions	-	1,153	-	1,153
Less: Bank overdrafts	(469)	(545)	(469)	(545)
Less: Restricted bank deposits	-	(1,127)	-	(1,127)
	7,629	6,683	7,629	6,683

Reconciliation of liabilities arising from financing activities

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

	1-Apr-18	Principal	Repayment	Non-cash changes		31-Mar-19
				Foreign exchange movement		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings	(12,500)	(25,549)	21,924	-	-	(16,125)
Bank Financing (Trust Receipts)	(3,429)	(10,699)	10,980	(46)	-	(3,194)
Finance lease liability (Hire Purchase)	(654)	-	211	(3)	-	(446)
AR Invoice Financing	-	(10,000)	-	-	-	(10,000)

1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share Capital	Other Reserves	(Accumulated losses)/ Retained Earnings	Total	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2018						
As previously reported	36,178	2,210	4,391	42,779	(27)	42,752
Effect of adopting SFRS(I) 15	-	(41)	619	578	(515)	63
Balance as at 1 April 2018, as restated	36,178	2,169	5,010	43,357	(542)	42,815
Total comprehensive loss for the period	-	(2,045)	(32,753)	(34,798)	64	(34,734)
Balance as at 31 March 2019	36,178	124	(27,743)	8,559	(478)	8,081
Balance as at 1 April 2017						
As previously reported	36,178	1,293	24,762	62,233	640	62,873
Effect of adopting SFRS(I) 15	-	(6)	976	970	120	1,090
Balance as at 1 April 2017, as restated	36,178	1,287	25,738	63,203	760	63,963
Loss for the year as restated	-	882	(19,209)	(18,327)	(1,824)	(20,151)
Acquisition of subsidiary	-	-	-	-	522	522
Dividend on ordinary shares	-	-	(1,519)	(1,519)	-	(1,519)
Total comprehensive income/(loss) for the period	-	882	(20,728)	(19,846)	(1,302)	(21,148)
Balance as at 31 March 2018, as restated	36,178	2,169	5,010	43,357	(542)	42,815

Company	Share Capital S\$'000	Other reserves	Retained Earnings S\$'000	Total Equity S\$'000
Balance as at 1 April 2018				
As previously reported	36,178	-	7,651	43,829
Effect of adopting SFRS(I) 15	-		3,666	3,666
Balance as at 1 April 2018, as restated	36,178	-	11,317	47,495
Total comprehensive loss for the period	-	(1,174)	(42,126)	(43,300)
Balance as at 31 March 2019	36,178	(1,174)	(30,809)	4,195
Balance as at 1 April 2017				
As previously reported	36,178	-	26,440	62,618
Effect of adopting SFRS(I) 15	-	-	205	205
Balance as at 1 April 2017, as restated	36,178	-	26,645	62,823
Loss for the year:				
-As previously reported	-	-	(11,072)	(11,072)
Effect of adopting SFRS(I) 15	-	-	(2,737)	(2,737)
Total comprehensive income/(loss) for the year	-	-	(13,809)	(13,809)
Dividend relating to FY2017 paid	-	-	(1,519)	(1,519)
Balance as at 31 March 2018, as restated	36,178	-	11,317	47,495

1(d)(ii). Details of any changes in the company's share capital arising rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversions of other issues of equity securities, issue of shares for the cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Not applicable.

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

	FY2019	FY2018
Issued & fully paid share capital		
Number of shares	303,750,000	303,750,000

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

Not applicable.

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

These figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**
Not applicable.

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

The accounting policies have been consistently applied by the Group, and are consistent with those used in the preparation of the financial statements for the financial year ended 31 March 2018 except as disclosed in paragraph 5 below.

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

As required by the listing requirements of the Singapore Exchange, the Group has adopted Singapore Financial Reporting Standards ("SFRS") (I) on 1 April 2018 and have prepared its first set of financial information under SFRS(I)s for the financial period ended 31 March 2019. The Group's previously issued financial information for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I), the Group is required to apply all the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group has also concurrently adopted SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue and Contracts with Customers.

The summary of changes arising from adoption of SFRS(I) on the Group's financial statements is set out as follows:

Consolidated Statement of Comprehensive Income

	Group 4QFY18			Group FY18		
	Reported under SFRS	Effects of SFRS(I) 15	Reported under SFRS(I)	Reported under SFRS	Effects of SFRS(I) 15	Reported under SFRS(I)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Turnover	22,318	9,568	31,886	109,377	9,568	118,945
Cost of sales	(22,143)	(10,561)	(32,704)	(106,358)	(10,561)	(116,919)
Gross (loss)/profit	175	(993)	(818)	3,019	(993)	2,026
Loss attributable to:						
Equity holders of the Company	(9,854)	(360)	(10,214)	(18,852)	(360)	(19,212)
Non-controlling interests	(517)	(633)	(1,150)	(1,207)	(633)	(1,840)
	(10,371)	(993)	(11,364)	(20,059)	(993)	(21,052)

Balance Sheet as at 1 April 2017 and 31 March 2018

	Group As at 1 April 2017			Group As at 31 March 2018			
	Reported under SFRS	Effects of SFRS(I) 15	Reported under SFRS(I)	Reported under SFRS	Effects of SFRS(I) 15	Effects of SFRS(I) 9	Reported under SFRS(I)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets							
Trade and other receivables	52,566	(32,501)	20,065	43,084	(30,039)		13,045
Contract work-in-progress	1,493	(1,493)	-	9,741	(9,741)		-
Contract assets	-	29,278	29,278	-	35,803		35,803
Non-current assets							
Available-for-sale financial assets	2,482		2,482	2,482	-	(2,482)	-
Financial assets, at FVOCI	-	-	-	-	-	1,307	1,307
Current liabilities							
Trade and other payables	24,504	(8,630)	15,874	31,069	(5,984)		25,085
Contract liabilities	-	2,824	2,824		1,944		1,944
EQUITY							
Other reserves	1,293	(6)	1,287	2,210	(41)	(1,175)	994
Retained earnings	24,762	976	25,738	4,391	619		5,010
Non-controlling interests	640	120	760	(27)	(515)	-	(542)

	Company As at 1 April 2017			Company As at 31 March 2018			
	Reported under SFRS	Effects of SFRS(I) 15	Reported under SFRS(I)	Reported under SFRS	Effects of SFRS(I) 15	Effects of SFRS(I) 9	Reported under SFRS(I)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets							
Trade and other receivables	63,054	(24,486)	38,568	46,850	(18,534)	-	28,316
Contract work-in-progress	891	(891)	-	5,898	(5,898)	-	-
Contract assets	-	22,974	22,974	-	25,151	-	25,151
Non-current assets							
Available-for-sale financial assets	2,482		2,482	2,482	-	(2,482)	-
Financial assets, at FVOCI	-		-	-		1,307	1,307
Current liabilities							
Trade and other payables	26,667	(5,390)	21,277	26,378	(4,191)	-	22,187
Contract liabilities	-	2,782	2,782	-	1,244	-	1,244
EQUITY							
Other reserves	-		-	-		(1,175)	(1,175)
Retained earnings	26,440	205	26,645	7,651	3,666	-	11,317

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	
	4QFY19	4QFY18 Restated	FY19	FY18 Restated
Loss per share (cents) Based on number of ordinary shares on issue (cents)	(2.45)	(3.36)	(9.44)	(6.32)
On fully diluted basis (cents)	(2.45)	(3.36)	(9.44)	(6.32)
Loss attributable to ordinary shareholders for basic loss per share (S\$'000)	(7,453)	(10,214)	(28,668)	(19,212)
Loss attributable to ordinary shareholders for diluted loss per share (S\$'000)	(7,453)	(10,214)	(28,668)	(19,212)
Weighted average number of ordinary shares in issue applicable to basic/diluted loss per share ('000)	303,750	303,750	303,750	303,750

Notes:

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

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

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

	Group		Company	
	31-Mar-19	31-Mar-18 Restated	31-Mar-19	31-Mar-18 Retated
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	2.8	14.3	1.4	15.6

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 31 March 2019 (31 March 2018: 303,750,000). There was no material impact on prior period net asset value per share on adoption of SFRS(I) as discussed in paragraph 5.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

Fourth Quarter (4QFY2019) Review

The Group's revenue for 4QFY2019 decreased by 24.3% from S\$31.9 million to S\$24.1 million as compared to 4QFY2018 mainly due to lower recognition of revenue in 4QFY2019.

The Group's gross loss for 4QFY2019 increased to S\$1.6 million from S\$0.8 million as compared to 4QFY2018 mainly due to higher than expected operating costs in 4QFY2019.

The Group's other loss decreased from S\$6.0 million for 4QFY2018 to S\$1.4 million for 4QFY2019 mainly due to the Group impairment of goodwill decreased from S\$4.4 million for its Thailand operations in 4QFY2018 to S\$0.5 million for its Scaffold operations in 4QFY2019. The decrease also includes the Group's currency exchange loss decreased from S\$1.6 million for 4QFY2018 to S\$1.0 million for 4QFY2019.

The Group's net loss attributable to shareholders for 4QFY2019 decreased to S\$7.5 million from S\$10.2 million for 4QFY2018 mainly due to the factors mentioned above.

Full Year (FY2019) Review

The Group's revenue for FY2019 increased by 25.1% from S\$118.9 million to S\$148.8 million as compared to FY2018 mainly due to higher recognition of revenue in FY2019.

The Group's gross loss for FY2019 amounted to S\$12.3 million as compared to gross profit of S\$2.0 million for FY2018 mainly due to cost overrun caused by delay in project work commencement as announced previously.

The Group's net loss attributable to shareholders for FY2019 increased from S\$19.2 million to S\$28.7 million as compared to FY2018 mainly due to the factors mentioned above.

Statement of Financial Position Review

The increase of S\$12.6 million in trade and other receivables as at 31 March 2019 as compared to 31 March 2018 is mainly due to increase in billings in FY2019.

The decrease of S\$14.9 million in Contract assets as at 31 March 2019 as compared to 31 March 2018 is due to revenue recognized but yet to be billed to customers.

The increase of S\$3.5 million in property, plant and equipment as at 31 March 2019 as compared to 31 March 2018 is mainly due to new purchases of plant and equipment for operation.

The increase of S\$10.8 million in trade and other payables as at 31 March 2019 as compared to 31 March 2018 is mainly due to increase in operating costs.

The increase of S\$7.3 million in Contract liabilities as at 31 March 2019 as compared to 31 March 2018 is due to billings to customers but yet to be recognized as revenue.

The total borrowings of S\$30.2 million as at 31 March 2019 had increased by S\$13.1 million compared to S\$17.1 million as at 31 March 2018 was used to finance for working capital and purchase of plant and equipment.

Working Capital Review

As at 31 March 2019, the Group's current liabilities including borrowings from banks of S\$30.0 million exceeded current assets by S\$20.0 million. Part of the current liabilities comprised Contract liabilities of S\$9.2 million which are invoiced to customers but yet to be recognized as revenue.

Cash Flow Statement Review

As at 31 March 2019, the Group's cash and cash equivalents stood at S\$8.1 million as compared to S\$8.4 million as at 31 March 2018. The Group reported a net decrease in cash and cash equivalents of S\$0.3 million mainly due to net cash used in operating activities of S\$3.8 million and purchase of property, plant and equipment under investing activities of S\$7.7 million, offset by net cash generated from financial activities of S\$12.2 million.

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

Not applicable.

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

The outlook for process sector of the oil-and-gas industry is showing signs of improvement. The Group will continue to further control costs, secure new projects and improve productivity.

As at the date of this announcement, the Group's outstanding order book stands at S\$126 million.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?
Nil

(b) Corresponding period of the immediately preceding financial year

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

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

Not applicable.

(d) Date payable

Not applicable

(e) Books closure date

Not applicable

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

No dividend has been recommended for the period ended 31 March 2019.
The Company wishes to reserve adequate resources for the Company's ongoing projects.

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

The Group Segmental results for the financial year ended 31 March 2019 is as follows:

(A) Reportable Segments

	Plant construction & maintenance		Compression & process equipment fabrication		Total	
	FY19	FY 18 Restated	FY19	FY 18 Restated	FY19	FY 18 Restated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
- Revenue from external parties	142,273	109,790	6,500	9,155	148,773	118,945
Adjusted EBITDA for reportable segments	(21,386)	(5,635)	(2,488)	(5,637)	(23,874)	(11,272)
Depreciation	(4,781)	(4,026)	(28)	(50)	(4,809)	(4,076)
Impairment of goodwill	(503)	(4,440)	-	-	(503)	(4,440)
Finance expense	(723)	(270)	(163)	(114)	(886)	(384)
Interest income	1	107	1	4	2	111
Loss before tax	(27,393)	(14,267)	(2,678)	(5,797)	(30,071)	(20,064)

Share of (loss)/ profit of associated companies	(14)	42	-	-	(14)	42
Total assets	83,542	80,076	5,760	7,885	89,302	87,961
Total assets include:						
Investment in associated companies	297	310	-	-	297	310
Additions to:						
Property, plant and equipment	7,715	2,853	2	5	7,717	2,858
Total liabilities	(64,726)	(29,590)	(16,495)	(15,556)	(81,221)	(45,146)

(B) Geographical information

	Revenue		Non-current assets	
	FY19	FY18 Restated	31Mar19	31Mar18 Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	117,584	80,995	14,261	12,752
China	1,823	693	452	499
Malaysia	889	334	4	5
Vietnam	50	12,998	-	-
Thailand	5,983	18,168	10,020	10,601
Korea	45	1,556	-	-
UAE	15,200	4,046	3,641	2,859
Others	7,199	155	-	-
Total	148,773	118,945	28,378	26,716

Revenues of \$27,330,000 (2018: \$16,538,000) are derived from a single external customer. These revenues are attributable to the Singapore plant construction and maintenance segment.

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

The revenue for plant construction & maintenance segment increased from S\$109.8 million to S\$142.3 million. This increase was mainly due to the higher recognition of project revenue for FY2019. The loss before tax for this segment increased from S\$14.3 million to S\$27.4 million for FY 2019 mainly due to cost overrun caused by delay in project work commencement.

The revenue for compression & process equipment fabrication segment decreased from S\$9.2 million to S\$6.5 million mainly due to lower recognition of project revenue. The loss before tax for this segment decreased from S\$5.8 million for FY2018 to S\$1.7 million for FY2019 mainly due to lower operating costs.

Geographically, the Group's revenue in Singapore, UAE and others segments recorded an increase. On the other hand, the Group's revenue in Vietnam, and Thailand segments declined mainly due to the lower recognition of project revenue for FY2019.

15. A breakdown of sales

(all figures in S\$'000)	FY19	FY 18 Restated	% increase/ (decrease)
Sales reported for the first half year	72,224	66,742	8.2%
Loss after tax reported for first half year	(24,606)	(2,447)	NM

Sales reported for second half year	76,549	52,203	46.6%
Net loss after tax reported for second half year	(5,663)	(18,605)	(69.6%)
NM: Denotes not meaningful			

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

(all figures in S\$'000)	FY19	FY18
Ordinary	-	-
Preference	-	-
Total	-	-

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

The Group does not have any interested person transaction and no IPT mandate has been obtained.

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

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

Name	Age	Family Relationship with any Director CEO and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the
Tan Yew Kun	67	Brother of Tan Ah Lam and Tan Leau Kuee	Plant Maintenance Director In charge of Group's Plant maintenance department Since 1999	No change
Tan Puay Chye	42	Nephew of Tan Ah Lam and Tan Leau Kuee	Vice President In charge of Group's Compression & Process equipment fabrication Since 2007	No change
Tan Yaw Song	59	Brother of Tan Ah Lam and Tan Leau Kuee	Director of Projects Oversees the Group's overall operations except plant maintenance Since 2002	No change
Tan Yeow Lan	63	Sister of Tan Ah Lam and Tan Leau Kuee	Senior Accounts Manager Assist the CFO in the Group's accounting functions Since 1997	No change

Goh Chwee Guan	67	Brother-in-law of Tan Ah Lam	Senior Project Manager Manage projects undertaken by the Group Since 1992	No change
Tay Hee Thiam	64	Cousin of Tan Ah Lam and Tan Leau Kuee	Construction Manager Manage projects undertaken by the Group Since 1993	No change
Tan Phuay Hung Max	30	Nephew of Tan Ah Lam Son of Tan Leau Kuee	Manager – Special Projects Manage special projects undertaken by the Group Since January 2018	No change
Tan Biby Valarie	41	Niece of Tan Ah Lam Daughter of Tan Leau Kuee	Business Manager Establish, develop and maintain business relationships with current customers and prospective customers for the Group Since 2011	No change

19. Confirmation of Undertakings from Directors and Executive Officers

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

By order of the board

TAN HAK JIN
Joint Company Secretary
28 June 2019