

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

**UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2014
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 2014

| | Group | | | Group | | |
|--|----------|----------|-------------------------|-----------|-----------|-------------------------|
| | 4QFY14 | 4QFY13 | Increase/ (Decrease) | FY14 | FY13 | Increase/ (Decrease) |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Turnover | 68,860 | 46,883 | 46.9 | 258,960 | 237,417 | 9.1 |
| Cost of sales | (63,622) | (43,585) | 46.0 | (239,764) | (211,983) | 13.1 |
| Gross profit | 5,238 | 3,298 | 58.8 | 19,196 | 25,434 | (24.5) |
| Gross profit margin | 7.6% | 7.0% | | 7.4% | 10.7% | |
| Other gain – net | 1 | 19 | NM | 84 | 98 | (14.3) |
| Administrative costs | (5,264) | (6,218) | (15.3) | (23,050) | (21,768) | 5.9 |
| Other operating costs –net | 883 | (2,625) | NM | 406 | 3,815 | (89.4) |
| Profit/ (loss) from operations | 858 | (5,526) | NM | (3,364) | 7,579 | NM |
| Finance costs | (153) | (26) | NM | (499) | (299) | 66.9 |
| Share of profit/ (loss) of associated companies | 433 | (11) | NM | 680 | (414) | NM |
| Profit/ (loss) before tax | 1,138 | (5,563) | NM | (3,183) | 6,866 | NM |
| Income tax credit/ (expense) | 79 | 721 | (89.0) | (246) | 265 | NM |
| Net profit/ (loss) after tax | 1,217 | (4,842) | NM | (3,429) | 7,131 | NM |
| Other comprehensive income | | | | | | |
| Foreign currency translation | 78 | (869) | NM | (52) | (69) | NM |
| Total comprehensive Income/ (loss) for the period | 1,295 | (5,711) | NM | (3,481) | 7,062 | NM |
| Profit/ (loss) attributable to: | | | | | | |
| Owner of the parent | 1,129 | (4,539) | NM | (3,583) | 7,526 | NM |
| Non-controlling interests | 88 | (303) | NM | 154 | (395) | NM |
| | 1,217 | (4,842) | NM | (3,429) | 7,131 | NM |
| Total comprehensive Income/ (loss) attributable to: | | | | | | |
| Owner of the parent | 1,238 | (5,378) | NM | (3,606) | 7,487 | NM |
| Non-controlling interests | 57 | (333) | NM | 125 | (425) | NM |
| | 1,295 | (5,711) | NM | (3,481) | 7,062 | NM |

NM: Denotes not meaningful

| Profit from operations included the following: | Group | |
|---|---------|---------|
| | 4QFY14 | 4QFY 13 |
| | S\$'000 | S\$'000 |
| (a) Other gain – net | | |
| Other income including interest income | 1 | 19 |
| (b) Other operating costs-net | | |
| Profit/ (loss) on disposal of property, plant and equipment | 75 | (9) |
| Foreign exchange gain/ (loss) | 743 | 601 |
| Write-back/(allowance) for impairment of receivables | 335 | (700) |
| Loss from disposal of interest in associated companies | - | 4 |
| Adjustment to gain on equity interest arising from reassessment | - | (2,853) |

| Group | |
|---------|---------|
| FY14 | FY13 |
| S\$'000 | S\$'000 |
| | |
| 84 | 98 |
| | |
| 203 | 278 |
| 158 | (308) |
| 335 | (117) |
| - | (187) |
| - | 3,776 |

| | | |
|--|-------|-------|
| (c) Finance expenses | | |
| Interest on borrowings | (153) | (26) |
| (d) Depreciation of property, plant and equipment | (951) | (859) |
| (e) Amortisation of intangible assets | (86) | (295) |
| (f) Income tax expense | | |
| Adjustment for over provision of tax of prior years | 41 | 714 |

| | |
|---------|---------|
| | |
| (499) | (299) |
| (4,319) | (3,306) |
| (347) | (295) |
| | |
| 41 | 714 |

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-2014 | 31-Mar-2013 | 31-Mar-2014 | 31-Mar-2013 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 7,812 | 18,743 | 3,156 | 7,774 |
| Income tax recoverable | 907 | 681 | 781 | 681 |
| Trade and other receivables | 109,166 | 80,870 | 110,829 | 73,520 |
| Contract work-in-progress | 52,319 | 20,869 | 15,047 | 9,074 |
| Other current assets | 2,376 | 2,224 | 1,767 | 1,024 |
| | 172,580 | 123,387 | 131,580 | 92,073 |
| Non-current assets | | | | |
| Club memberships | 363 | 363 | 298 | 298 |
| Other receivables | - | 616 | - | - |
| Investments in associated companies | 1,078 | 419 | 109 | 109 |
| Investments in subsidiaries | - | - | 14,858 | 14,856 |
| Property, plant and equipment | 26,034 | 23,861 | 8,913 | 6,778 |
| Available-for-sale financial assets | 2,482 | 2,482 | 2,482 | 2,482 |
| Deferred income tax assets | 96 | - | - | - |
| Intangible assets | 6,657 | 7,004 | - | - |
| | 36,710 | 34,745 | 26,660 | 24,523 |
| Total assets | 209,290 | 158,132 | 158,240 | 116,596 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 97,191 | 72,263 | 62,670 | 45,287 |
| Current income tax liabilities | 1 | 347 | - | - |
| Borrowings | 36,553 | 2,978 | 28,487 | - |
| | 133,745 | 75,588 | 91,157 | 45,287 |
| Non-current liabilities | | | | |
| Borrowings | 833 | 1,293 | 342 | - |
| Deferred income tax liabilities | 1,536 | 1,559 | 458 | 458 |
| | 2,369 | 2,852 | 800 | 458 |
| Total liabilities | 136,114 | 78,440 | 91,957 | 45,745 |
| NET ASSETS | 73,176 | 79,692 | 66,283 | 70,851 |
| EQUITY | | | | |
| Capital and reserves attributable to the Company's equity holders | | | | |
| Share capital | 36,178 | 36,178 | 36,178 | 36,178 |
| Other reserves | (93) | (70) | - | - |
| Retained earnings | 35,345 | 41,963 | 30,105 | 34,673 |
| Total | 71,430 | 78,071 | 66,283 | 70,851 |
| Non-controlling interests | 1,746 | 1,621 | - | - |
| Total equity | 73,176 | 79,692 | 66,283 | 70,851 |

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

Amount repayable in one year or less, or on demand

| As at 31/03/2014 | | As at 31/03/2013 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 36,553 | 0 | 2,978 | 0 |

Amount repayable after one year

| As at 31/03/2014 | | As at 31/03/2013 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 833 | 0 | 1,293 | 0 |

Details of any collateral

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

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

| | Group | | Group | |
|---|---------------------|---------------------|------------------|------------------|
| | 4Q FY 14 S\$'000 | 4Q FY 13 S\$'000 | FY 14 S\$'000 | FY 13 S\$'000 |
| Cash flow from operating activities: | | | | |
| Total profit/ (loss) | 1,217 | (4,842) | (3,429) | 7,131 |
| Adjustment for : | | | | |
| Depreciation of property, plant and equipment | 951 | 859 | 4,319 | 3,306 |
| Amortisation of intangible assets | 86 | 295 | 347 | 295 |
| Net (gain)/ loss on disposal of plant and equipment | (75) | 9 | (203) | (278) |
| Fixed assets written off | (6) | - | 2 | - |
| Share of (profit)/ loss of associated companies (Write-back)/ allowance for impairment of receivables | (433) | 11 | (680) | 414 |
| (Gain)/ loss on disposal of interest in associated companies | - | (4) | - | 187 |
| Foreign exchange adjustments | (436) | (1) | 112 | (595) |
| Adjustment to gain on equity interest arising from reassessment | - | 2,853 | - | (3,776) |
| Income tax (credit)/ expense | (79) | (721) | 246 | (265) |
| Interest expense | 153 | 26 | 499 | 299 |
| Interest income | (1) | (19) | (84) | (98) |
| Operating cash flow before working capital changes | 1,042 | (834) | 794 | 6,737 |
| Changes in operating assets and liabilities | | | | |
| Contract work-in-progress | 9,402 | 1,232 | (31,450) | (14,062) |
| Trade and other receivables | (12,899) | (3,731) | (27,961) | (10,536) |
| Other current assets | 2,753 | (79) | (152) | (1,220) |

| | | | | |
|---|----------------|----------------|-----------------|-----------------|
| Trade and other payables | (2,728) | (3,229) | 24,928 | 22,098 |
| Cash (used in)/ generated from operations | (2,430) | (6,641) | (33,841) | 3,017 |
| Income taxes paid | (591) | (101) | (885) | (1,384) |
| Net cash inflow (used in)/ generated from operating activities | (3,021) | (6,742) | (34,726) | 1,633 |
| Cash flows from investing activities | | | | |
| Proceeds from disposal of property, plant and equipment | 237 | 168 | 366 | 840 |
| Proceeds from disposal of associates | - | - | - | 450 |
| Capital contribution to associated companies | - | (475) | - | (475) |
| Payment for investment | - | 472 | - | (2,482) |
| Acquisition of a subsidiary, net of cash acquired | - | 3,447 | - | (369) |
| Purchases of property, plant and equipment | (3,367) | (3,149) | (7,756) | (7,834) |
| Interest income received | 1 | 19 | 84 | 98 |
| Net cash (outflow)/ inflow from investing activities | (3,129) | 482 | (7,306) | (9,772) |
| Cash flows from financing activities | | | | |
| Dividend paid | (1,516) | (1,518) | (3,035) | (3,038) |
| Decrease/(Increase) in bank deposits pledged | 693 | (616) | 693 | (575) |
| (Decrease)/ increase in Hire purchase creditors | (86) | (15) | 485 | 28 |
| Trust receipt creditors | 1,422 | 12 | 7,108 | 31 |
| Money market line loans | 6,127 | 223 | 26,317 | (508) |
| Interest paid | (153) | (26) | (499) | (299) |
| Net cash inflow/ (outflow) from financing activities | 6,487 | (1,940) | 31,069 | (4,361) |
| Net increase/ (decrease) in cash and cash equivalents held | 337 | (8,200) | (10,963) | (12,500) |
| Effect of exchange rate change on cash and cash equivalents | (8) | 31 | 43 | 3 |
| Cash and cash equivalents at beginning of the financial period | 4,164 | 23,582 | 15,413 | 27,910 |
| Cash and cash equivalents at end of the financial period | 4,493 | 15,413 | 4,493 | 15,413 |
| Cash and cash equivalents represented by: | | | | |
| Bank and cash balances | 5,909 | 18,743 | 5,909 | 18,743 |
| Fixed deposits with financial institutions | 1,903 | - | 1,903 | - |
| Less: Bank overdrafts | (1,417) | (2,121) | (1,417) | (2,121) |
| Less: Restricted bank deposits | (1,902) | (1,209) | (1,902) | (1,209) |
| | 4,493 | 15,413 | 4,493 | 15,413 |

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

Attributable to owners of the parent

| Group | Share Capital | Other Reserves | Retained Earnings | Total | Non-controlling interests | Total Equity |
|---|---------------|----------------|-------------------|---------|---------------------------|--------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 9MFY14 | | | | | | |
| As at 1/4/13 | 36,178 | (70) | 41,963 | 78,071 | 1,621 | 79,692 |
| Total comprehensive (loss)/ income for the period | - | (101) | (4,712) | (4,813) | 68 | (4,745) |
| Dividend on ordinary share | - | - | (1,519) | (1,519) | - | (1,519) |
| As at 31/12/13 | 36,178 | (171) | 35,732 | 71,739 | 1,689 | 73,428 |
| 4QFY14 | | | | | | |

| | | | | | | |
|---|--------|-------|---------|---------|-------|---------|
| Total comprehensive (loss)/ income for the period | - | 78 | 1,129 | 1,207 | 57 | 1,264 |
| Dividend on ordinary share | - | - | (1,516) | (1,516) | - | (1,516) |
| As at 31/3/14 | 36,178 | (93) | 35,345 | 71,430 | 1,746 | 73,176 |
| <u>9MFY13</u> | | | | | | |
| As at 1/4/12 | 36,178 | (31) | 37,475 | 73,622 | 1,789 | 75,411 |
| Total comprehensive income for the period | - | 799 | 12,065 | 12,864 | (91) | 12,773 |
| Contribution from NCI | - | - | - | - | 29 | 29 |
| Dividend on ordinary share | - | - | (1,520) | (1,520) | - | (1,520) |
| As at t 31/12/12 | 36,178 | 768 | 48,020 | 84,966 | 1,727 | 86,693 |
| <u>4QFY13</u> | | | | | | |
| Total comprehensive income for the period | - | (838) | (4,539) | (5,377) | (363) | (5,740) |
| Dividend on ordinary share | - | - | (1,518) | (1,518) | - | (1,518) |
| Acquisition of a subsidiary | - | - | - | - | 257 | 257 |
| At 31/3/13 | 36,178 | (70) | 41,963 | 78,071 | 1,621 | 79,692 |

| Company | Share Capital | Retained Earnings | Total Equity |
|---|---------------|-------------------|--------------|
| | S\$'000 | S\$'000 | S\$'000 |
| <u>9MFY14</u> | | | |
| As at 1/4/13 | 36,178 | 34,673 | 70,851 |
| Total comprehensive loss for the period | - | (7,064) | (7,064) |
| Dividend on ordinary share | - | (1,519) | (1,519) |
| As at 31/12/13 | 36,178 | 26,090 | 62,268 |
| <u>4QFY14</u> | | | |
| Total comprehensive loss for the period | - | 5,531 | 5,531 |
| Dividend on ordinary share | - | (1,516) | (1,516) |
| As at 31/03/14 | 36,178 | 30,105 | 66,283 |
| <u>9MFY13</u> | | | |
| As at 1/4/12 | 36,178 | 31,870 | 68,048 |
| Total comprehensive income for the period | - | 435 | 435 |
| Dividend paid | - | (1,520) | (1,520) |
| As at 31/12/12 | 36,178 | 30,785 | 66,963 |
| <u>4QFY13</u> | | | |
| Total comprehensive income for the period | - | 5,406 | 5,406 |
| Dividend on ordinary share | - | (1,518) | (1,518) |
| As at 31/03/13 | 36,178 | 34,673 | 70,851 |

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.

| | FY 14 | FY 13 |
|--|--------------|--------------|
| Issued & fully paid share capital | | |
| Number of shares as at 1 April and 31 March | 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 statement 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 2013 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

In FY2014, the Group and the Company adopted the FRS which are effective from annual periods commencing on or after 1 January 2013.

The FRS applicable to the Group is as follows:
 Amendments to FRS 19 (revised 2011) - Employee benefits.
 Amendments to FRS 113- Fair value measurement.

The adoption of the above FRS did not result in significant changes to the Group's and Company's accounting policies.

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 dividend

| | Group | | Group | |
|---|---------|---------|---------|---------|
| | 4Q FY14 | 4Q FY13 | FY14 | FY13 |
| Earnings per share (cents) | | | | |
| Based on number of ordinary shares in issue (cents) | 0.37 | (1.49) | (1.18) | 2.48 |
| On fully diluted basis (cents) | 0.37 | (1.49) | (1.18) | 2.48 |
| Net (loss)/profit attributable to ordinary shareholders for basic earnings per share (S\$'000) | 1,129 | (4,539) | (3,583) | 7,526 |
| Net (loss)/profit attributable to ordinary shareholders for diluted earnings per share (S\$'000) | 1,129 | (4,539) | (3,583) | 7,526 |
| Weighted average number of ordinary shares in issue applicable to basic/diluted earnings per share ('000) | 303,750 | 303,750 | 303,750 | 303,750 |

Note:

(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. Diluted earnings per share are the same as basic earnings per share as there are no potential dilutive ordinary shares.

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

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

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 31-Mar-2014 | 31-Mar-2013 | 31-Mar-2014 | 31-Mar-2013 |
| Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on | 24.1 | 26.2 | 21.8 | 23.3 |

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 31 March 2014 (31 March 2013: 303,750,000). There was no material impact on prior period net asset value per share on adoption of the revised FRS as discussed in paragraph 5.

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

Fourth Quarter (4QFY2014) Review

The Group's revenue for 4QFY2014 increased by 46.9% from S\$46.9 million to S\$68.9 million as compared to 4QFY2013 mainly due to higher recognition of project revenue in 4QFY2014. The gross profit increased by 58.8% from S\$3.3 million to S\$5.2 million mainly due to the higher recognition of project revenue and marginally improved gross margin.

The Group recorded a net profit attributable to shareholders of S\$1.1 million in 4QFY2014, as compared to a loss of S\$4.5 million in 4QFY2013 mainly due to the factors mentioned above.

Full year (FY2014) Review

The Group's revenue for FY2014 increased by 9.1% from S\$237.4 million to S\$259.0 million as compared to FY2013 mainly due to higher recognition of project revenue in FY2014. However, the gross profit decreased by 24.5% from S\$25.4 million to S\$19.2 million mainly due to cost overruns in certain projects and escalating labour costs.

The Group's net results attributable to shareholders for FY2014 was a loss of S\$3.6 million as compared to FY2013 profit of S\$7.5 million mainly due to the factors mentioned above as well as the absence of a gain of S\$3.8 million in FY2013 on measurement of previously held equity interest.

Statement of Financial Position Review

The increase of S\$28.3 million in trade and other receivables as at 31 March 2014 as compared to 31 March 2013 is mainly due to increased billings. The increase of S\$31.5 million in contract work-in-progress as at 31 March 2014 as compared to 31 March 2013 is in line with the project completion schedules.

The increase of S\$2.2 million in property, plant and equipment as at 31 March 2014 as compared to 31 March 2013 is mainly due to purchases of new automated machinery to improve productivity.

The increase of S\$24.9 million in trade and other payables as at 31 March 2014 as compared to 31 March 2013 is in line with business activities.

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 the oil-and-gas and petrochemical industries which the Group serves still remains positive. However, the Directors of the Company are not optimistic about the Group's performance for the current financial year ending 31 March 2015 in view of keen competition, escalating labour costs and potential cost overruns in certain projects. The Group will continue to control costs and take steps to improve productivity.

As at the date of this announcement, the Group's outstanding order book stands at S\$226 million.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? No.

(b) Corresponding period of the immediately preceding financial year

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

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

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

Not applicable

- (d) **Date payable**
Not applicable

- (e) **Books closure date**
Not applicable

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

No dividend has been declared or recommended for the fourth quarter and full year ended 31 March 2014.

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 2014 is as follows:

(A) Reportable Segment

| | Plant construction & maintenance | | Compression & process equipment fabrication | | Consolidated | |
|--|----------------------------------|----------|---|---------|--------------|----------|
| | FY 14 | FY 13 | FY 14 | FY 13 | FY 14 | FY 13 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | | | | | | |
| -Total segment revenue | 212,334 | 204,990 | 46,626 | 32,427 | 258,960 | 237,417 |
| -Inter-segment revenue | - | - | - | - | - | - |
| Revenue from external parties | 212,334 | 204,990 | 46,626 | 32,427 | 258,960 | 237,417 |
| Adjusted EBITDA for reportable segments | 1,643 | 14,398 | 255 | (3,730) | 1,898 | 10,668 |
| Other segments EBITDA | | | | | - | - |
| Depreciation | (4,205) | (3,195) | (114) | (111) | (4,319) | (3,306) |
| Amortisation | (347) | (295) | - | - | (347) | (295) |
| Finance expense | (487) | (299) | (12) | - | (499) | (299) |
| Interest income | 75 | 84 | 9 | 14 | 84 | 98 |
| (Loss)/ profit before tax | (3,321) | 10,693 | 138 | (3,827) | (3,183) | 6,866 |
| Share of profit/(loss) of associated companies | 680 | (414) | - | - | 680 | (414) |
| Total assets | 179,453 | 139,735 | 29,837 | 18,397 | 209,290 | 158,132 |
| Total assets include: | | | | | | |
| Investment in associated companies | 1,078 | 419 | - | - | 1,078 | 419 |
| Additions to: | | | | | | |
| Property, plant and equipment | 7,672 | 7,690 | 84 | 144 | 7,756 | 7,834 |
| Total liabilities | (115,150) | (69,418) | (20,964) | (9,022) | (136,114) | (78,440) |

(B) Geographical information

| | Revenue | | Non-current assets | |
|-----------|---------|---------|--------------------|---------|
| | FY 14 | FY 13 | FY 14 | FY 13 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Singapore | 135,384 | 130,124 | 12,857 | 19,751 |
| China | 18,105 | 14,424 | 861 | - |
| Malaysia | 48,800 | 49,788 | 3,678 | 1,683 |
| Vietnam | 3,740 | 7,468 | - | - |
| Thailand | 34,261 | 20,885 | 19,314 | 13,311 |
| Africa | 15,196 | 11,443 | - | - |
| Others | 3,474 | 3,285 | - | - |
| Total | 258,960 | 237,417 | 36,710 | 34,745 |

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 significantly from S\$205.0 million to S\$212.3 million. This increase was mainly due to the completion of several major projects during FY2014.

The revenue for compression & process equipment fabrication segment increased from S\$32.4 million to S\$46.6 million mainly due to the completion of major projects during FY2014. The profit before tax for this segment was S\$0.1 million for FY2014 as compared to a loss of S\$3.8 million for FY2013 mainly due to higher revenue and better cost control.

Geographically, the Group's revenue in Thailand increased from S\$20.9 million to S\$34.3 million, mainly due to the completion of major projects in FY2014. The Group's revenue in China increased from S\$14.4 million to S\$18.1 million, mainly due to completion of more Compression & process equipment fabrication works in FY2014.

15. A breakdown of sales

| (all figures in S\$'000) | FY 14 | FY 13 | % increase/(decrease) |
|---|---------|---------|--------------------------|
| Sales reported for the first half year | 123,565 | 121,913 | 3.0 |
| Net (loss)/ profit after tax reported for first half year | (5,923) | 9,056 | NM |
| Sales reported for second half year | 135,395 | 115,504 | 15.5 |
| Net profit/(loss) after tax reported for second half year | 2,494 | (1,925) | NM |

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

| (all figures in S\$'000) | Latest Full Year | Previous Full Year |
|--------------------------|------------------|--------------------|
| Ordinary | 3,037 | 3,037 |
| Preference | 0 | 0 |
| Total | 3,037 | 3,037 |

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 year |
|----------------|------------|---|--|--|
| Tan Yew Kun | 62 | Brother of Tan Ah Lam Brother of Tan Leau Kuee | Plant Maintenance Director In charge of Group's Plant maintenance department Since 1999 | No change |
| Tan Phuay Hong | 41 | Son of Tan Ah Lam Nephew of Tan Leau Kuee | Assistant Vice President Manage projects undertaken by the Group Since 2007 | No change |
| Tan Puay Chye | 37 | Nephew of Tan Ah Lam Nephew of Tan Leau Kuee | Vice President In charge of Group's Compression & Process equipment fabrication Since 2007 | No change |
| Tan Yaw Song | 54 | Brother of Tan Ah Lam Brother of Tan Leau Kuee | Project Director Oversees the Group's overall operations except plant maintenance Since 2002 | No change |
| Tan Yeow Lan | 58 | Sister of Tan Ah Lam Sister of Tan Leau Kuee | Senior Accounts Manager Assist the CFO in the Group's accounting functions Since 1997 | No change |
| Goh Chwee Guan | 63 | Brother-in-law of Tan Ah Lam | Senior Project Manager Manage projects undertaken by the Group Since 1992 | No change |
| Tay Hee Thiam | 59 | Cousin of Tan Ah Lam Cousin of Tan Leau Kuee | Construction Manager Manage projects undertaken by the Group Since 1993 | No change |

By order of the board

TAN HAK JIN
Joint Company Secretary
26 May 2014