


HAI LECK HOLDINGS LIMITED

(Company Registration No. : 199804461D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR FULL YEAR AND FOURTH QUARTER ENDED 30 JUNE 2017
PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

 1(a) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group			Group		
	4Q17 \$'000	4Q16 \$'000	Change %	FY17 \$'000	FY16 \$'000	Change %
Revenue	33,428	34,322	(2.6)	109,271	104,116	5.0
Less:						
Cost of sales	(21,961)	(18,859)	16.4	(60,520)	(53,043)	14.1
Other income	154	553	(72.2)	964	2,559	(62.3)
Distribution and selling expenses	(328)	(175)	87.4	(1,140)	(575)	98.3
Administrative expenses	(9,042)	(7,031)	28.6	(33,653)	(32,821)	2.5
Other operating expenses	(1,745)	(1,557)	12.1	(6,711)	(6,108)	9.9
Interest expense	(3)	(3)	-	(11)	(11)	-
Share of results of joint venture	763	738	3.4	894	1,043	(14.3)
Profit before taxation	1,266	7,988	(84.2)	9,094	15,160	(40.0)
Taxation	(388)	(895)	(56.6)	(1,163)	(2,405)	(51.6)
Profit for the period	878	7,093	(87.6)	7,931	12,755	(37.8)
Attributable to:						
Equity holders of the Company	878	7,093	(87.6)	7,931	12,755	(37.8)
Net profit included the following:						
	4Q17 \$'000	4Q16 \$'000		FY17 \$'000	FY16 \$'000	
Interest income	29	89		205	197	
Interest expense	(3)	(3)		(11)	(11)	
Foreign exchange loss, net	(12)	(50)		(59)	(186)	
Fixed assets written off	12	-		(199)	-	
Gain on disposal of property, plant and equipment, net	105	35		277	449	
Amortisation of intangible assets	(113)	(15)		(163)	(61)	
Depreciation of property, plant and equipment	(1,607)	(1,542)		(6,475)	(6,047)	
Write back of allowance for doubtful debts, net	-	1,412		-	1,412	
(Provision)/write back of provision for warranty, net	(464)	(131)		(814)	669	
Gain on disposal of a subsidiary	-	423		-	423	
Provision for foreseeable losses	(2,770)	-		(2,770)	-	
Consolidated statement of comprehensive income						
	4Q17 \$'000	4Q16 \$'000		FY17 \$'000	FY16 \$'000	
Profit for the period	878	7,093		7,931	12,755	
Other comprehensive income:						
<u>Items that may be reclassified to profit and loss</u>						
Foreign currency translation	530	301		476	91	
Total comprehensive income for the period	1,408	7,394		8,407	12,846	
Total comprehensive income attributable to:						
Equity holders of the Company	1,408	7,394		8,407	12,846	

Note:

4Q16: The 4th quarter ended 30 June 2016

4Q17: The 4th quarter ended 30 June 2017

FY16: Full year ended 30 June 2016

FY17: Full year ended 30 June 2017

n.m. denotes not meaningful

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

	Group		Company	
	30.6.2017 \$'000	30.6.2016 \$'000	30.6.2017 \$'000	30.6.2016 \$'000
Non-current assets:				
Property, plant and equipment	50,770	52,027	163	250
Investments in subsidiary companies	-	-	34,760	34,760
Loans due from subsidiary companies	-	-	19,814	21,861
Investment in joint venture	6,632	5,591	-	-
Intangible assets	501	250	-	-
Customer retention	791	-	-	-
Other receivables and deposits	141	150	100	100
Deferred tax asset	192	-	-	-
	<u>59,027</u>	<u>58,018</u>	<u>54,837</u>	<u>56,971</u>
Current assets:				
Inventories	1,610	690	-	-
Trade receivables	33,650	35,277	-	-
Other receivables and deposits	1,203	873	6,020	24
Prepayments	469	465	115	156
Customer retention	898	971	-	-
Amounts due from subsidiary companies - non-trade	-	-	814	399
Gross amount due from customers for contract work-in-progress	371	200	-	-
Fixed deposits pledged	1,686	-	-	-
Cash and cash equivalents	52,222	51,480	12,286	15,207
	<u>92,109</u>	<u>89,956</u>	<u>19,235</u>	<u>15,786</u>
Current liabilities:				
Trade and other payables	23,300	20,181	468	1,049
Advances from customers	153	618	-	-
Supplier retention	290	233	-	-
Amounts due to subsidiary companies - trade	-	-	65	115
Amounts due to subsidiary companies - non-trade	-	-	-	71
Gross amount due to customers for contract work-in-progress	1,413	-	-	-
Provision for warranty	3,407	2,593	-	-
Finance lease obligation - current portion	39	79	-	-
Provision for taxation	2,547	2,238	205	4
	<u>31,149</u>	<u>25,942</u>	<u>738</u>	<u>1,239</u>
Net current assets	<u>60,960</u>	<u>64,014</u>	<u>18,497</u>	<u>14,547</u>
Non-current liabilities:				
Deferred taxation	1,171	1,415	28	16
Finance lease obligation, non-current portion	138	177	-	-
	<u>1,309</u>	<u>1,592</u>	<u>28</u>	<u>16</u>
Net assets	<u>118,678</u>	<u>120,440</u>	<u>73,306</u>	<u>71,502</u>
Equity attributed to equity holders of the Company				
Share capital	65,112	65,019	65,112	65,019
Treasury shares	(160)	(160)	(160)	(160)
Capital reserve	1,126	1,152	1,126	1,152
Accumulated profits	52,393	54,698	7,228	5,491
Translation reserve	207	(269)	-	-
Total equity	<u>118,678</u>	<u>120,440</u>	<u>73,306</u>	<u>71,502</u>

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

Amount repayable in one year or less, or on demand

Finance lease liabilities

As at 30.6.2017	
\$'000	\$'000
Secured	Unsecured
39	-

As at 30.6.2016	
\$'000	\$'000
Secured	Unsecured
79	-

Amount repayable after one year

Finance lease liabilities

As at 30.6.2017	
\$'000	\$'000
Secured	Unsecured
138	-

As at 30.6.2016	
\$'000	\$'000
Secured	Unsecured
177	-

Details of any collateral

Hire purchase financing for plant and equipment.

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**

Consolidated Statement of Cash Flows	Group		Group	
	4Q17 \$'000	4Q16 \$'000	FY17 \$'000	FY16 \$'000
Cash flows from operating activities:				
Profit before taxation	1,266	7,988	9,094	15,160
Adjustments for:				
Depreciation of property, plant and equipment	1,607	1,542	6,475	6,047
Amortisation of intangible assets	113	15	163	61
Fixed assets written off	(12)	-	199	-
Gain on disposal of property, plant and equipment, net	(105)	(35)	(277)	(449)
Share of results of joint venture	(763)	(738)	(894)	(1,043)
Gain on disposal of a subsidiary	-	(423)	-	(423)
Write back of allowance for doubtful debts, net	-	(1,412)	-	(1,412)
Provision for foreseeable losses	2,770	-	2,770	-
Provision/(write back of) provision for warranty, net	464	131	814	(669)
Interest income	(29)	(89)	(205)	(197)
Interest expense	3	3	11	11
Unrealised exchange loss/(gain)	29	(19)	(39)	68
Operating cash flows before working capital changes	5,343	6,963	18,111	17,154
<i>(Increase)/Decrease in:</i>				
Customer retention, trade and other receivables and prepayments	(10,244)	(15,324)	572	(5,239)
Inventories	(966)	(69)	(920)	2,215
Gross amount due from/(to) customers for contract work-in-progress, net	(1,728)	175	(1,528)	1,084
<i>Increase/(Decrease) in:</i>				
Trade and other payables and advances from customers	4,696	3,120	2,711	(4,729)
Cash (used in)/generated from operations	(2,899)	(5,135)	18,946	10,485
Tax refund/(paid)	13	(45)	(920)	(1,635)
Net cash flows (used in)/generated from operating activities	(2,886)	(5,180)	18,026	8,850
Cash flows from investing activities:				
Interest received	85	89	214	197
Purchase of property, plant and equipment	(1,218)	(884)	(5,611)	(3,969)
Purchase of intangible assets	(327)	1	(335)	(86)
Proceeds from disposal of property, plant and equipment	147	40	393	487
Proceeds from disposal of a subsidiary	-	423	-	423
Net cash flows used in investing activities	(1,313)	(331)	(5,339)	(2,948)
Cash flows from financing activities:				
Net proceeds from issue of new shares	18	8	67	8
Repayment of finance lease obligations	(20)	(20)	(79)	(78)
(Increase)/decrease in fixed deposits pledged	(413)	-	(1,686)	588
Dividend paid	-	(10,230)	(10,236)	(10,230)
Interest paid	(3)	(3)	(11)	(11)
Net cash flows used in financing activities	(418)	(10,245)	(11,945)	(9,723)
Net (decrease)/increase in cash and cash equivalents	(4,617)	(15,756)	742	(3,821)
Cash and cash equivalents at beginning of period	56,839	67,236	51,480	55,301
Cash and cash equivalents at end of period	52,222	51,480	52,222	51,480

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

**Statements of changes in equity
For period ended 30 June 2017**

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Accumulated profits \$'000	Translation reserve \$'000	Total equity \$'000
At 1 July 2015	65,008	(160)	1,155	52,173	(360)	117,816
Profit net of tax	-	-	-	12,755	-	12,755
Other comprehensive income for the period	-	-	-	-	91	91
Total comprehensive income for the period	-	-	-	12,755	91	12,846
Issuance of ordinary shares	11	-	(3)	-	-	8
Dividend on ordinary shares	-	-	-	(10,230)	-	(10,230)
Balance at 30 June 2016	65,019	(160)	1,152	54,698	(269)	120,440
At 1 July 2016	65,019	(160)	1,152	54,698	(269)	120,440
Profit net of tax	-	-	-	7,931	-	7,931
Other comprehensive income for the period	-	-	-	-	476	476
Total comprehensive income for the period	-	-	-	7,931	476	8,407
Issuance of ordinary shares	93	-	(26)	-	-	67
Dividend on ordinary shares	-	-	-	(10,236)	-	(10,236)
Balance at 30 June 2017	65,112	(160)	1,126	52,393	207	118,678
Company	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000	
At 1 July 2015	65,008	(160)	1,155	14,716	80,719	
Total comprehensive income for the period	-	-	-	1,005	1,005	
Issuance of ordinary shares	11	-	(3)	-	8	
Dividend on ordinary shares	-	-	-	(10,230)	(10,230)	
Balance at 30 June 2016	65,019	(160)	1,152	5,491	71,502	
At 1 July 2016	65,019	(160)	1,152	5,491	71,502	
Total comprehensive income for the period	-	-	-	11,973	11,973	
Issuance of ordinary shares	93	-	(26)	-	67	
Dividend on ordinary shares	-	-	-	(10,236)	(10,236)	
Balance at 30 June 2017	65,112	(160)	1,126	7,228	73,306	

1(d)(ii) Details of any changes in the company's share capital arising from right 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 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 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

Share consolidation

Following the completion of the Share Consolidation, which became effective on 25 November 2015, the total number of issued shares of the Company (excluding treasury shares) was 204,578,897 after disregarding any fractions of a consolidated share arising from the Share Consolidation.

2012 Warrants

On 7 January 2013, the Company had allotted and issued the Warrants ("2012 Warrants") pursuant to the Warrants Issue. The 81,114,750 2012 Warrants were listed and quoted on the Official List of SGX-ST on 9 January 2013. The new shares arising from the exercise of the Warrants will be listed and quoted on the Official List of SGX-ST.

Further to the completion of the above Share Consolidation, the Company has made the following adjustments to the 2012 Warrants on the same date:

- on the basis that two (2) 2012 Warrants will be consolidated into one (1) Consolidated 2012 Warrant.
- the existing exercise price of each Consolidated 2012 Warrant will be adjusted from S\$0.13 to S\$0.26.
- each Consolidated 2012 Warrant shall carry the right to receive one (1) Consolidated Share.

Since 1 July 2016, 259,725 Consolidated 2012 Warrants were exercised to acquire new shares.

As of 30 June 2017, 1,015,900 (30 June 2016: 1,275,625) Consolidated 2012 Warrants are outstanding.

2013 Warrants

On 14 May 2014, the Company had allotted and issued the Warrants ("2013 Warrants") pursuant to the Warrants Issue. The 200,990,250 2013 Warrants were listed and quoted on the Official List of SGX-ST on 16 May 2014. The new shares arising from the exercise of the Warrants will be listed and quoted on the Official List of SGX-ST.

Further to the completion of the above Share Consolidation, the Company has made the following adjustments to the 2013 Warrants on the same date:

- on the basis that two (2) 2013 Warrants will be consolidated into one (1) Consolidated 2013 Warrant.
- the existing exercise price of each 2013 Consolidated Warrant will be adjusted from S\$0.33 to S\$0.66.
- each Consolidated 2013 Warrant shall carry the right to receive one (1) Consolidated Share.

Since 1 July 2016, no Consolidated 2013 Warrants were exercised to acquire new shares.

As of 30 June 2017, 97,396,852 (30 June 2016: 97,396,852) Consolidated 2013 Warrants are outstanding.

In view of the above, the changes in the Company's share capital are as follows:-

	FY17		FY16	
	No of shares	\$'000	No of shares	\$'000
Issued and paid up capital				
As at beginning of financial year	204,929,397	65,019	409,797,859	65,008
Share issued pursuant to the exercise of Warrants	259,725	93	30,500	11
Share consolidation	-	-	(204,898,962)	-
At 30 June	205,189,122	65,112	204,929,397	65,019
Treasury shares				
As at beginning of financial year	320,000	160	640,000	160
Share consolidation	-	-	(320,000)	-
At 30 June	320,000	160	320,000	160
Percentage of treasury shares against total number of shares outstanding	0.16%		0.16%	
Total shares excluding treasury shares as at end of period	204,869,122	64,952	204,609,397	64,859

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 30 June 2017, the total number of issued ordinary shares (excluding treasury shares) was 204,869,122 (30 June 2016: 204,609,397).

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.

1(d)(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at 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 figures have not been audited nor reviewed.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the most recent audited financial statements for the year ended 30 June 2016.

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**

Not applicable

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	
	4Q17 \$'000	4Q16 \$'000	FY17 \$'000	FY16 \$'000
Profit attributable to ordinary equity holders of the Company (\$'000)	878	7,093	7,931	12,755
(a) Weighted average number of ordinary shares in issue (excluding treasury shares) applicable to basic earnings per share ('000)	204,837	204,599	204,688	204,584
(b) Weighted average number of ordinary shares in issue (excluding treasury shares) applicable to diluted earnings per share ('000)	205,417	204,967	205,249	204,992
Earnings per share -				
Basic (cents)	0.4	3.5	3.9	6.2
Fully diluted (cents)	0.4	3.5	3.9	6.2

Comparative basic and diluted earnings per share have been adjusted to reflect the effect of Share Consolidation in FY16.

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

	Group		Company	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
Net asset value (\$'000)	118,678	120,440	73,306	71,502
Number of ordinary shares in issue (excluding treasury shares) at end of quarter ('000)	204,869	204,609	204,869	204,609
Net asset value per ordinary share based on the number of shares in issue (excluding treasury shares) at end of period (cents)	57.9	58.9	35.8	34.9

- 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**

Review of Financial Results

Results for full year and fourth quarter ended 30 June 2017

Revenue

Revenue for FY17 increased by 5.0% to \$109.3 million compared to \$104.1 million in FY16 due to higher maintenance revenue in 1Q2017 compared to 1Q16 and higher project revenue in 3Q17 from the projects secured in 2Q17.

Quarter-on-quarter, revenue decreased by 2.6% to \$33.4 million in 4Q17.

Cost of sales

Cost of sales increased by 14.1% to \$60.5 million as compared to \$53.0 million in FY16. The increase was mainly due to provision for foreseeable losses of \$2.8 million in respect of an on-going project due to additional resources required to complete the project according to project timeline notwithstanding delay in handover of the project site to the Group. Higher manpower costs and warranty provision also contributed to the higher cost of sales in FY17, partially offset by lower material usage.

Quarter-on-quarter, cost of sales increased by \$3.1 million to \$22.0 million in 4Q17 as compared to \$18.9 million in 4Q16 mainly due to the provision for foreseeable losses of \$2.8 million mentioned above. The effects of higher manpower costs and warranty provision in 4Q17 was offset by lower material usage.

Other income

Other income comprised mainly of interest income, miscellaneous income earned from non-core businesses, safety and performance incentives, and gain on disposal of property, plant and equipment as well as governmental grant, jobs credit grant and special employment credit. The amount of other income for FY17 and 4Q17 was \$1.0 million and \$0.2 million respectively. Other income was lower in FY17 mainly due the absence of write back of allowance for doubtful debts of \$1.4 million which was recorded in FY16.

Operating expenses

Operating expenses consist of distribution and selling expenses, administrative expenses and other operating expenses, including depreciation, amortisation and exchange differences.

Operating expenses increased by \$2.0 million to \$41.5 million in FY17 compared to \$39.5 million in FY16 in line with the higher level of activities in FY17.

For 4Q17, operating expenses increased by 26.8% to \$11.1 million as compared to \$8.8 million in 4Q16 mainly due to timing difference in provisioning for staff bonus and incentives.

Share of results of joint venture

Share of results of joint venture for FY17 and 4Q17 are \$0.9 million and \$0.8 million respectively.

Taxation

The effective tax rate in FY17 is 13% which is lower than the statutory tax rate of 17% mainly due to tax refunds received in 2Q17.

Profit attributable to equity holders of the Company

The profit attributable to equity holders for FY17 decreased by \$4.8 million to \$7.9 million compared to FY16.

Quarter-on-quarter, the profit attributable to equity holders for 4Q17 decreased by \$6.2 million to \$0.9 million compared to 4Q16.

Review of Financial Position

Non-current assets

Non-current assets of the Group increased by \$1.0 million from \$58.0 million as at 30 June 2016 to \$59.0 million as at 30 June 2017 mainly due additional share of profits arising from the Group's investment in joint venture, retention of contract sum by a customer and additional investment in computer software, offset by depreciation of property, plant and equipment.

Current assets

Current assets increased by 2.4% or \$2.2 million, from \$90.0 million as at 30 June 2016 to \$92.1 million as at 30 June 2017. This was mainly due to increase in cash and cash equivalents and fixed deposits pledged, offset by net decrease in trade and other receivables and deposits.

Current liabilities

Current liabilities increased by 20.1% or \$5.2 million, from \$25.9 million as at 30 June 2016 to \$31.1 million as at 30 June 2017, mainly due to increase in gross amount due to customers for contract work-in-progress, trade and other payables in line with higher level of activities and higher provision for warranty.

Non-current liabilities

Non-current liabilities decreased by 17.8% due to lower deferred taxes and repayment of finance lease obligations.

Utilisation of Warrant Issue Proceeds

2012 Warrants

On 7 January 2013, the Company had allotted and issued 81,114,750 2012 Warrants and raised net proceeds of \$3.9 million for business expansion and working capital.

As at 30 June 2017, the Group has applied \$0.5 million of the proceeds for business expansion and \$3.4 million as working capital in accordance with the announcement dated 4 January 2013.

From 7 January 2013 to 30 June 2017, 78,502,500 2012 Warrants and 290,225 2012 Consolidated Warrants were exercised for 78,502,500 new shares and 290,225 new Consolidated Shares. The Company raised net proceeds of about \$10.3 million, which was used to acquire property, plant and equipment for business expansion.

2013 Warrants

On 16 May 2014, the Company had allotted and issued 200,990,250 2013 Warrants and raised net proceeds of \$13,000 for general working capital. The amount was applied in accordance with the announcement dated 9 May 2014.

From 16 May 2014 to 30 June 2017, 6,196,359 2013 Warrants were exercised for 6,196,359 new shares. The Company raised net proceeds of approximately \$2.0 million, which was used to acquire property, plant and equipment for business expansion.

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 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

The outlook of oil and gas industry remains uncertain. The Group will continue to monitor and manage its costs to be competitive.

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) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared/ recommended.

13 If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPT"), 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

No IPT mandate has been obtained.

14 Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings in the format set out in Appendix 7.7 collectively from all its directors and executive officers under Rule 720(1) of the Listing Manual.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

a. By business segments

Revenue by business segment	Project Services		Maintenance Services		Contact Centre Services		Elimination		Group FY17 \$'000	Group FY16 \$'000
	Group FY17 \$'000	Group FY16 \$'000	Group FY17 \$'000	Group FY16 \$'000	Group FY17 \$'000	Group FY16 \$'000	Group FY17 \$'000	Group FY16 \$'000		
	Revenue									
External customers	58,555	39,914	41,460	52,307	9,256	11,895	-	-	109,271	104,116
Inter-segment	22,472	10,828	15,910	29,671	-	-	(38,382)	(40,499)	-	-
	<u>81,027</u>	<u>50,742</u>	<u>57,370</u>	<u>81,978</u>	<u>9,256</u>	<u>11,895</u>	<u>(38,382)</u>	<u>(40,499)</u>	<u>109,271</u>	<u>104,116</u>
Results										
Interest income	92	62	87	100	26	35	-	-	205	197
Depreciation and amortisation	2,967	2,133	2,968	3,445	703	530	-	-	6,638	6,108
Segment profit before tax	1,310	3,054	7,356	8,424	1,377	4,154	(949)	(472)	9,094	15,160
Assets										
Additions to non-current assets	2,453	1,255	2,409	1,984	1,034	554	-	-	5,896	3,793
Segment assets	128,354	91,131	112,672	138,361	15,695	14,578	(105,777)	(96,096)	150,944	147,974
Segment liabilities	65,798	37,913	36,469	41,974	1,088	1,117	(74,615)	(57,123)	28,740	23,881

b) by geographical segments

	Revenue		Non-current assets	
	Group FY17 \$'000	Group FY16 \$'000	Group FY17 \$'000	Group FY16 \$'000
	Singapore	107,242	104,116	51,271
Others	2,029	-	-	-
Total	<u>109,271</u>	<u>104,116</u>	<u>51,271</u>	<u>52,277</u>

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

Project Services segment turnover increased from \$50.7 million in FY16 to \$81.0 million in FY17 mainly due to the projects secured in 2Q17 as mentioned above. Turnover for Maintenance Services decreased from \$82.0 million to \$57.4 million due to lower maintenance activities by our key customers in FY17. Turnover for Contact Centre Services segment decreased from \$11.9 million to \$9.3 million due to reduction in scope and completion of contract that ended in FY17.

Profit before tax for Project Services segment decreased from \$3.1 million in FY16 to \$1.3 million in FY17 despite higher segment revenue mainly due to provision for foreseeable losses of \$2.8 million made in FY17 as mentioned above. Profit before tax for Maintenance Services and Contact Centre Services segments decreased in line with lower segment revenue in FY17 compared to FY16.

17 A breakdown of sales

	Group		Change %
	Group FY17 \$'000	Group FY16 \$'000	
Sales reported for first half year	46,884	46,009	1.9
Operating profit after tax before deducting minority interest for first half year	4,801	3,445	39.4
Sales reported for second half year	62,387	58,107	7.4
Operating profit after tax before deducting minority interest for second half year	3,130	9,310	(66.4)

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

	Group	
	Group FY17 \$'000	Group FY16 \$'000
Ordinary	10,236	10,230

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

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Cheng Buck Poh @ Chng Bok Poh	74	Mr Cheng Yao Tong, Ms Cheng Li Hui and Ms Cheng Li Chen are the children of Mr Cheng Buck Poh @ Chng Bok Poh, Executive Chairman and Substantial Shareholder of the Company.	Executive Chairman 1998 Responsible for charting and reviewing corporate directions and strategies for the Group and subsidiaries.	N.A.
Cheng Yao Tong	35	Son of Mr Cheng Buck Poh @ Chng Bok Poh, Executive Chairman and Substantial Shareholder of the Company and Mdm Goo Guik Bing @ Goh Guik Bing, Substantial Shareholder of the Company.	Chief Executive Officer and Executive Director 2012 Responsible for overseeing management and development of the Group's businesses, locally and overseas, and is also responsible for sales and marketing for the Group's businesses.	N.A.
Cheng Li Hui	41	Daughter of Mr Cheng Buck Poh @ Chng Bok Poh, Executive Chairman and Substantial Shareholder of the Company and Mdm Goo Guik Bing @ Goh Guik Bing, Substantial Shareholder of the Company.	Deputy CEO and Executive Director 2012 Assists the Chief Executive Officer in overseeing the daily operations of the Group with regard to its scaffolding, corrosion prevention, insulation and refractory as well as its maintenance businesses locally.	N.A.
Cheng Li Chen	43	Daughter of Mr Cheng Buck Poh @ Chng Bok Poh, Executive Chairman and Substantial Shareholder of the Company and Mdm Goo Guik Bing @ Goh Guik Bing, Substantial Shareholder of the Company.	Non-Executive Director 2012 Provide oversight & value added input to strategy and strategic development	N.A.
Cheng Wee Ling	38	Daughter of Mr Cheng Buck Poh @ Chng Bok Poh, Executive Chairman and Substantial Shareholder of the Company and Mdm Goo Guik Bing @ Goh Guik Bing, Substantial Shareholder of the Company.	Managing Director of Tele-centre Services Pte. Ltd. ("Tele-centre") 2014 Responsible for overseeing management and development, as well as the daily operations of Tele-centre	Managing Director of Tele-centre

BY THE ORDER OF THE BOARD

Cheng Yao Tong
Chief Executive Officer
28 August 2017