

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

UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2020
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

The quarterly reporting announcement is mandatory, made pursuant to the Exchange's requirements as required under Listing Rule 705(2C).

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 2020

	Group			Group		
	4QFY20	4QFY19	Increase/ (Decrease)	FY20	FY19	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	40,649	31,963	27.2%	151,994	140,932	7.8%
Cost of sales	(39,789)	(40,057)	-0.7%	(155,453)	(162,406)	-4.3%
Gross profit/(loss)	860	(8,094)	NA	(3,459)	(21,474)	-83.9%
Gross profit/(loss) margin	2.1%	-25.3%		-2.3%	-15.2%	
Other income	-	-	NA	1	2	-50.0%
Administrative costs	(3,795)	(4,524)	-16.1%	(16,285)	(17,185)	-5.2%
Other (losses)/gains- net	(165)	(721)	-77.1%	367	310	18.4%
Loss from operations	(3,100)	(13,339)	-76.8%	(19,376)	(38,347)	-49.5%
Finance costs	(373)	(332)	12.3%	(971)	(933)	4.1%
Share of profit/(loss) of associated companies	43	(14)	NA	29	(14)	NA
Loss before tax	(3,430)	(13,685)	-74.9%	(20,318)	(39,294)	-48.3%
Income tax expense	(265)	(64)	NA	(270)	(198)	36.4%
Net loss after tax	(3,695)	(13,749)	-73.1%	(20,588)	(39,492)	-47.9%
Other comprehensive income/(loss)						
Items that may be reclassified subsequently to profit or loss:						
- Currency translation differences arising from consolidation	501	(708)	NA	108	(867)	NA
Items that will not be reclassified subsequently to profit or loss:						
- Currency translation differences arising from consolidation	28	-	Na	30	(18)	NA
- Fair value losses on equity investments classified as financial assets, at FVOCI	(18)	(1,175)	-98.5%	(18)	(1,175)	-98.5%
Total comprehensive loss for the period/year	(3,184)	(15,632)	-79.6%	(20,468)	(41,552)	-50.7%
Loss/(profit) attributable to:						
Equity holders of the Company	(3,968)	(12,917)	-69.3%	(20,007)	(37,450)	-46.6%
Non-controlling interests	273	(832)	NA	(581)	(2,042)	-71.5%
	(3,695)	(13,749)	-73.1%	(20,588)	(39,492)	-47.9%
Total comprehensive loss/(profit) attributable to:						
Equity holders of the Company	(3,485)	(14,800)	-76.5%	(19,917)	(39,492)	-49.6%
Non-controlling interests	301	(832)	NA	(551)	(2,060)	-73.3%
	(3,184)	(15,632)	-79.6%	(20,468)	(41,552)	-50.7%

NM: Denotes not meaningful

	Group	
	4QFY19	4QFY19
	S\$'000	S\$'000
(a) Other income		
Interest income	-	-
(b) Other gains/(losses)- net		
Fixed asset written off	-	-

	Group	
	FY20	FY19
	S\$'000	S\$'000
	1	2
	-	(2)

Net gain disposal of property, plant and equipment	666	8	701	357
Currency exchange (loss)/gain –net	(311)	(135)	63	404
Impairment of goodwill	-	-	-	-
Disposal of a subsidiary	(584)	-	(584)	-
(c) Administrative costs				
Allowance/(write back) for impairment of trade receivables	-	(115)	20	(115)
(d) Depreciation of property, plant and equipment	(1,119)	(1,234)	(4,307)	(4,809)

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-2020 S\$'000	31-Mar-2019 S\$'000	31-Mar-2020 S\$'000	31-Mar-2019 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,885	8,098	360	6,512
Trade and other receivables	18,170	25,435	31,119	29,085
Contract assets	14,692	22,285	5,066	17,813
Other current assets	3,299	6,281	999	1,762
	38,046	62,099	37,544	55,172
Non-current assets				
Club memberships	270	270	270	270
Investments in associated companies	326	297	-	-
Investments in subsidiaries	-	-	4,831	5,018
Property, plant and equipment	21,205	26,447	6,646	8,497
Financial assets, available-for-sale	-	-	-	-
Financial assets, at FVOCI	1,289	1,307	1,289	1,307
Deferred income tax assets	51	57	-	-
Intangible assets	-	-	-	-
	23,141	28,378	13,036	15,092
Total assets	61,187	90,477	50,580	70,264
LIABILITIES				
Current liabilities				
Trade and other payables	38,239	36,153	30,525	35,201
Provision for onerous contracts	275	5,852	256	5,852
Contract liabilities	6,439	10,590	3,736	3,414
Current income tax liabilities	28	7	2	-
Borrowings	29,374	29,950	22,025	21,125
	74,355	82,552	56,544	65,592
Non-current liabilities				
Borrowings	12	284	-	-
Deferred income tax liabilities	1,166	933	740	478
	1,178	1,217	740	478
Total liabilities	75,533	83,769	57,284	66,070
NET ASSETS	(14,346)	6,708	(6,704)	4,194
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	36,178	36,178	36,178	36,178
Other reserves	283	191	(1,193)	(1,175)
Accumulated losses	(49,111)	(29,104)	(41,688)	(30,809)
Total	(12,650)	7,265	(6,704)	4,194
Non-controlling interests	(1,696)	(557)	-	-
Total equity	(14,346)	6,708	(6,704)	4,194

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

	31-Mar-2020		31-Mar-2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	29,374	-	29,950	-
Amount repayable after one year	12	-	284	-

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 20 S\$'000	4QFY 19 S\$'000	FY 20 S\$'000	FY 19 S\$'000
Cash flows from operating activities:				
Total loss after tax	(3,695)	(17,261)	(20,588)	(39,492)
Adjustments for :				
Depreciation of property, plant and equipment	1,119	1,234	4,307	4,809
Amortisation of intangible assets	-	-	-	-
Impairment of goodwill	-	503	-	503
Net gain on disposal of property, plant and equipment	(666)	(8)	(701)	(357)
Net gain on disposal of club membership	-	10	-	-
Net loss on disposal of a subsidiary	584	-	584	-
Property, plant and equipment written off	-	-	-	2
Share of loss/(profit) of associated companies (Write back)/Allowance for impairment of trade receivables	(43)	14	(29)	14
Unrealised currency translation (gain)/ loss	-	115	(20)	115
Income tax expense	532	607	(216)	496
Interest expense	265	64	270	198
Interest income	359	332	971	933
	-	-	(1)	(2)
Operating cash flow before working capital changes	(1,545)	(14,390)	(15,423)	(32,781)
Change in working capital				
Contract assets	(5,737)	10,758	7,592	17,349
Trade and other receivables	3,625	2,798	6,744	(12,703)
Other current assets	2,338	(1,736)	2,982	(2,239)
Contract liabilities	(6,474)	7,470	(4,151)	7,470
Trade and other payables	5,883	(5,790)	(2,451)	18,016
Cash generated from/(used in) operations	(1,910)	(890)	(4,707)	(4,888)
Income taxes paid	(5)	804	(17)	(198)
Net cash provided by/(used in) operating activities	(1,915)	(86)	(4,724)	(5,086)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	672	120	708	650
Proceeds from disposal of club membership	-	39	-	49
Purchases of property, plant and equipment	(90)	(1,172)	(583)	(8,340)
Interest income received	-	-	1	2
Disposal of a subsidiary, net of cash acquired	12	-	12	-
Net cash generated from/(used in) investing activities	594	(1,013)	138	(7,639)

Cash flows from financing activities				
Repayment of lease liabilities	1	(48)	(157)	(211)
Proceeds from trust receipts creditors	2,697	3,521	22,626	10,699
Repayments of trust receipts creditors	(2,530)	(2,611)	(23,192)	(10,980)
Proceeds from bank borrowings	3,430	38,503	43,517	63,709
Repayments of bank borrowings	(3,470)	(40,267)	(45,382)	(50,084)
Release of bank deposit pledged	-	1,127	-	1,127
Proceeds from loans from non-controlling interests	-	197	-	197
Interest paid	(389)	(332)	(971)	(933)
Net cash (used in) /provided by financing activities	(261)	90	(3,559)	13,524
Net (decrease)/increase in cash and cash equivalents	(1,582)	(1,009)	(8,145)	799
Effect of currency translation on cash and cash equivalents	102	(28)	124	147
Cash and cash equivalents at beginning of the financial period/year	1,088	8666	7,629	6,683
Cash and cash equivalents at end of the financial period/year	(392)	(7,629)	(392)	7,629
Cash and cash equivalents represented by:				
Bank and cash balances	1,885	8,098	1,885	8,098
Fixed deposits with financial institutions				
Less: Bank overdrafts	(2,277)	(469)	(2,277)	(469)
Less: Restricted bank deposits	-	-	-	-
	(392)	(7,629)	(392)	7,629

Reconciliation of liabilities arising from financing activities

	Non-cash changes						
	1-Apr-18	Principal	Repayment	Interest expenses	Conversion of loan to equity	Foreign exchange movement	31-Mar-19
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings	12,500	25,549	(22,400)	476	-	-	16,125
Bank Financing (Trust Receipts)	3,429	10,699	(11,135)	154	-	46	3,194
Finance lease liability (Hire Purchase)	654	-	(237)	26	-	3	446
AR Invoice Financing	-	38,160	(28,367)	207	-	-	10,000
Loan from non-controlling interest	1,441	197	-	-	1,685	(47)	-

	Non-cash changes						
	1-Apr-19	Principal	Repayment	Disposal	Interest expenses	Foreign exchange movement	31-Mar-20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings	16,125	10,013	(11,494)		456	-	15,100
Bank Financing (Trust Receipts)	3,194	22,626	(23,401)		206	76	2,703
Finance lease liability (Hire Purchase)	446	118	(179)	(352)	22	4	59
AR Invoice Financing	10,000	33,504	(34,579)		235	86	9,246
Loan from non-controlling interest	-	-	-	-	-	-	-

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	Retained Earnings	Total	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9MFY20						
As at 1 Apr 2019	36,178	191	(29,104)	7,265	(557)	6,708
Total comprehensive loss for the period	-	(393)	(16,039)	(16,432)	(852)	(17,284)
As at 31 Dec 2019	36,178	(202)	(45,143)	(9,167)	(1,409)	(10,576)
4QFY20						
Total comprehensive income/(loss) for the period	-	484	(3,968)	(3,484)	303	(3,181)
Disposal of a subsidiary	-	-	-	-	(589)	(589)
As at 31 Mar 2020	36,178	282	(49,111)	(12,651)	(1,695)	(14,346)
9MFY19						
As at 1 Apr 2018	36,178	2,233	8,346	46,757	(182)	46,575
Total comprehensive income/(loss) for the period	-	(160)	(24,533)	(24,693)	(1,227)	(25,920)
As at 31 Dec 2018	36,178	2,073	(16,187)	22,064	(1,409)	20,655
4QFY19						
Total comprehensive loss for the period	-	(1,882)	(12,917)	(14,799)	852	(13,947)
As at 31 Mar 2019	36,178	191	(29,104)	7,265	(557)	6,708

Company	Share Capital	Other reserves	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
9MFY20				
As at 1 Apr 2019	36,178	(1,175)	(30,809)	4,194
Total comprehensive loss for the period	-	-	(9,986)	(9,986)
As at 31 Dec 2019	36,178	(1,175)	(40,795)	(5,792)
4QFY20				
Total comprehensive loss for the period	-	(18)	(894)	(912)
As at 31 Mar 2020	36,178	(1,193)	(41,689)	(6,704)
9MFY19				
As at 1 Apr 2018	36,178	-	12,014	48,192
Total comprehensive income for the period	-	-	(17,311)	(17,311)
As at 31 Dec 2018	36,178		(5,317)	30,861
4QFY19				
Total comprehensive loss for the period	-	(1,193)	(25,492)	(6,939)
As at 31 Mar 2019	36,178	(1,193)	(30,809)	4,194

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 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 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. Since 31 March 2019, there is no change in 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. As at 31 March 2020 and 31 March 2019, the Company did not have any outstanding convertibles, treasury shares or subsidiary holdings.

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.

	FY2020	FY2019
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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue; and (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.

Reference is made to pages 13, 14, 24 and 25 of the Company’s FY2019 Annual Report. The Company’s auditors, PricewaterhouseCoopers LLP noted, amongst other things, that for the financial year ended 31 March 2019, the Group reported a net loss of \$39,492,000 and a net cash outflow from operating activities of \$5,086,000, and that as at 31 March 2019, the Group’s and the Company’s current liabilities exceeded their current assets by \$20,453,000 and \$10,420,000 respectively. Accordingly, the Company’s auditors considered there to be a material uncertainty which cast significant doubt about the Group’s and the Company’s ability to continue as going concerns. The Company had on 28 July 2020 applied to be placed under judicial management. Please refer to paragraph 10 below as well as the Company’s announcement on 28 July 2020.

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 2019 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**

The Group has concurrently adopted SFRS(I) 16 Leases.

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	
	4QFY20	4QFY19 Restated	FY20	FY19
Loss per share (cents) Based on number of ordinary shares on issue (cents)	(1.31)	(4.25)	(6.59)	(12.33)
On fully diluted basis (cents)	(1.31)	(4.25)	(6.59)	(12.33)
Loss attributable to ordinary shareholders for basic loss per share (S\$'000)	(3,968)	(12,917)	(20,007)	(37,450)
Loss attributable to ordinary shareholders for diluted loss per share (S\$'000)	(3,968)	(12,917)	(20,007)	(37,450)
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-20	31-Mar-19	31-Mar-20	31-Mar-19
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	(4.2)	2.4	(2.2)	1.4

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 31 March 2020 (31 March 2019: 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 (4QFY2020) Review

The Group's revenue for 4QFY2020 increased by 27.2% from S\$31.9 million to S\$40.6 million as compared to 4QFY2019 mainly due to higher recognition of revenue in 4QFY2020.

The Group's gross profit for 4QFY2020 amounted to S\$0.9 million as compared to gross loss of S\$8.1 million mainly due to higher revenue and lower costs in 4QFY2020.

The Group's administrative costs decreased from S\$4.5 million for 4QFY2019 to S\$3.8 million for 4QFY2020 mainly due to cost cutting efforts.

The Group's net loss attributable to shareholders for 4QFY2020 decreased to S\$3.9 million from S\$12.9 million for 4QFY2019 mainly due to the factors mentioned above.

Full Year (FY2020) Review

The Group's revenue for FY2020 increased by 7.8% from S\$140.9 million to S\$151.9 million as compared to FY2019 mainly due to higher recognition of revenue in FY2020..

The Group's gross loss for FY2020 decreased from S\$21.4 million to S\$3.4 million as compared to for FY2019 mainly due to higher revenue and lower costs in FY 2020..

The Group's net loss attributable to shareholders for FY2020 decreased from S\$37.4 million to S\$20.0 million as compared to FY2019 mainly due to the factors mentioned above.

Statement of Financial Position Review

The decrease of S\$7.2 million in trade and other receivables as at 31 March 2020 as compared to 31 March 2019 is mainly due to increase in collections in FY2019.

The decrease of S\$7.5 million in contract assets as at 31 March 2020 as compared to 31 March 2019 is in line with project completion schedule.

The decrease of S\$5.2 million in property, plant and equipment as at 31 March 2020 as compared to 31 March 2019 is mainly due to depreciation charged.

The increase of S\$2.1 million in trade and other payables as at 31 March 2020 as compared to 31 March 2019 is mainly due to working capital requirement.

The decrease of S\$5.6 million in provision for onerous contracts as at 31 March 2020 as compared to 31 March 2019 due to completion of loss-making projects.

The decrease of S\$4.2 million in contract liabilities as at 31 March 2020 as compared to 31 March 2019 is in line with project completion schedule.

The total borrowings of S\$29.4 million as at 31 March 2020 had decreased by S\$0.8 million compared to S\$30.2 million as at 31 March 2019.

Working Capital Review

As at 31 March 2020, the Group's current liabilities including borrowings from banks of S\$29.4 million exceeded current assets by S\$36.3 million. Part of the current liabilities comprised contract liabilities of S\$6.4 million which are invoiced to customers but yet to be recognized as revenue.

Cash Flow Statement Review

The Group reported a net decrease in cash and cash equivalents of S\$6.2 million mainly due to net cash used in operating and financing activities of S\$4.7 million and S\$3.5 million respectively.

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 Group's operations are primarily in the process sector of the oil and gas industry and its business is reactive to the economic sentiments surrounding crude oil prices. However, in the past few years, crude oil prices crept downwards for various reasons, and this year, COVID-19 contracted the demand for oil significantly. These various developments culminated in a collapse of crude oil into negative prices this year for the first time in known history.

Against this backdrop, the Group observed a significant shrinkage in the number of plant construction projects, lower bids and capital expenditure, thinner margins and a general belt tightening policy of project owners. Additionally, its various partners and stakeholders were increasingly seeking delays, deferments and various compensations.

The Group is presently in financial distress due to difficulties faced with its liquidity. It had gone through intense competition and higher-than-expected operating costs which resulted in a weak and challenging financial health condition. These cost overruns were mainly due to delays in project work commencement and harsh market conditions. Due to COVID-19 safety measures and restrictions, the Group expects further increases in operating costs.

The Company had been pursuing all available avenues to ease its financial woes and to generate cash. Further to this, the Company's subsidiary, Hiap Seng Engineering (Thailand) Co., Ltd., had put the Group's non-core assets in Thailand, comprising its factory buildings, workshop and two-storey building ("Property") together with plant and equipment ("Assets") up for sale since the beginning of this year.

Despite having been marketed for more than 5 months, due to the COVID-19 pandemic, HSE Thailand only recently received a formal offer from a third party buyer of Thailand Baht 300 million (approximately S\$13 million). HSE Thailand had on 3 July 2020 entered into sale and purchase agreements for the Property and the Assets. It is anticipated that completion of the sales will occur by 31 August 2020.

The Company has consulted with, amongst others, various professional advisors and particularly, RSM Corporate Advisory Pte. Ltd. Based on the internal projections prepared, the Group would likely be in a cash negative position this year. Accordingly, the Board has concluded that the Company is unable to continue operating as a going concern and further thereto, on 28 July 2020, the Company and its subsidiary HS Compression & Process Pte Ltd ("HSCP"), each filed an application in the High Court of Singapore for, amongst others, orders that they be placed under judicial management pursuant to Section 227B of the Companies Act. Judicial management is a method of debt restructuring where independent judicial managers are appointed to manage the affairs, business and property of a company under financial distress. The Company is also temporarily shielded from legal proceedings by third-parties, giving it the breathing space and opportunity to rehabilitate.

The Board has proposed the appointment of Ms Oon Su Sun and Mr Lin Yueh Hung c/o RSM Corporate Advisory Pte. Ltd. as the judicial managers to manage the affairs, business and property of the Company and HSCP, subject to the approval of the High Court of Singapore.

Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments.

Shareholders, stakeholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders are also advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders, stakeholders and potential investors of the Company should consult their financial, tax or other advisers if they have any doubt about the actions they should take.

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 year ended 31 March 2020.

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 2020 is as follows:

(A) Reportable Segments

	Plant construction & maintenance		Compression & process equipment fabrication		Total	
	FY20	FY19	FY20	FY19	FY20	FY19
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
- Revenue from external parties	123,769	134,440	27,699	6,492	151,468	140,932
Adjusted EBITDA for reportable segments	(9,875)	(29,771)	(5,166)	(3,280)	(15,041)	(33,051)
Depreciation	(4,278)	(4,781)	(29)	(28)	(4,307)	(4,809)
Impairment of goodwill	-	(503)	-	-	-	(503)
Finance expense	(813)	(770)	(158)	(163)	(971)	(933)
Interest income	1	1	-	1	1	2
Loss before tax	(14,964)	(35,824)	(5,353)	(3,470)	(20,317)	(39,294)
Share of (loss)/profit of associated companies	29	(14)	-	-	29	(14)
Segment assets	48,031	83,539	11,046	5,304	59,077	88,843
Total assets include:						
Investment in associated companies	326	297	-	-	326	297
Additions to:						
Property, plant and equipment	677	8,338	25	2	702	8,340
Segment liabilities	(47,938)	(36,108)	(27,595)	(16,487)	(75,533)	(52,595)

(B) Geographical information

	Revenue		Non-current assets	
	FY20	FY19	31Mar20	31Mar19
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	76,648	112,229	8,428	12,686
China	356	1,823	419	452
Malaysia	9,983	889	-	4
Vietnam	187	50	-	-
Thailand	14,426	3,357	9,151	10,020
Korea	1	45	-	-
UAE	33,457	15,340	3,533	3,582
Others	16,936	7,199	-	-
Total	151,994	140,932	21,531	26,744

Revenues of \$25,959,339 (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 decreased from S\$134.4 million to S\$123.7 million. This decrease was mainly due to the lower recognition of project revenue for FY2020. The loss before tax for this segment decreased from S\$35.8 million to S\$14.9 million for FY 2020 mainly due to lower operating costs.

The revenue for compression & process equipment fabrication segment increased from S\$6.5 million to S\$27.7 million mainly due to higher recognition of project revenue. The loss before tax for this segment increased from S\$3.4 million for FY2019 to S\$5.3 million for FY2020 mainly due to higher operating costs.

Geographically, the Group's revenue in Malaysia, Thailand, UAE and others segments recorded an increase. On the other hand, the Group's revenue in Singapore, and China segments declined mainly due to the lower recognition of project revenue for FY2020.

15. A breakdown of sales

(all figures in S\$'000)	FY20	FY19	% increase/ (decrease)
Sales reported for the first half year	79,571	62,444	27.4%
Loss after tax reported for first half year	(11,287)	(24,365)	-53.7%
Sales reported for second half year	72,423	78,488	-7.7%
Net loss after tax reported for second half year	(9,301)	(15,127)	-161.5%
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)	FY20	FY19
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	68	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	43	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	60	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	64	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
Tay Hee Thiam	65	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	31	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	42	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.

20. Compliance with Rule 706A

The Company has not undertaken any acquisition or sale of shares resulting in a company becoming or ceasing (as the case may be) to be a subsidiary or an associated company. The Company has also not undertaken any sale of shares resulting in the issuer increasing or decreasing (as the case may be) its shareholding percentage in a subsidiary or an associated company.

By order of the board

TAN HAK JIN
Joint Company Secretary
6 August 2020