



HAI LECK HOLDINGS LIMITED
(Company Registration No. : 199804461D)
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR FULL YEAR AND FOURTH QUARTER ENDED 30 JUNE 2018

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		
	4Q18 \$'000	4Q17 \$'000	Change %	FY18 \$'000	FY17 \$'000	Change %
Revenue	19,454	33,428	(41.8)	87,690	109,271	(19.7)
Less:						
Cost of sales	(12,314)	(21,961)	(43.9)	(47,842)	(60,520)	(20.9)
Other income	454	154	194.8	1,770	964	83.6
Distribution and selling expenses	(158)	(328)	(51.8)	(1,017)	(1,140)	(10.8)
Administrative expenses	(8,284)	(9,042)	(8.4)	(32,873)	(33,653)	(2.3)
Other operating expenses	(1,622)	(1,745)	(7.0)	(6,733)	(6,711)	0.3
Interest expense	(3)	(3)	-	(11)	(11)	-
Share of results of joint venture	(248)	763	n.m.	(210)	894	n.m.
(Loss)/profit before taxation	(2,721)	1,266	n.m.	774	9,094	(91.5)
Taxation	1,333	(388)	n.m.	584	(1,163)	n.m.
(Loss)/profit for the period	(1,388)	878	n.m.	1,358	7,931	(82.9)
Attributable to:						
Equity holders of the Company	(1,388)	878	n.m.	1,358	7,931	(82.9)

Net (loss)/profit included the following:	Group		Group	
	4Q18 \$'000	4Q17 \$'000	FY18 \$'000	FY17 \$'000
Interest income	65	29	335	205
Interest expense	(3)	(3)	(11)	(11)
Foreign exchange loss, net	(4)	(12)	(6)	(59)
Property, plant and equipment written off	(629)	12	(629)	(199)
Gain on disposal of property, plant and equipment, net	294	105	597	277
Amortisation of intangible assets	(50)	(113)	(235)	(162)
Depreciation of property, plant and equipment	(1,557)	(1,607)	(6,364)	(6,475)
Write back of/(allowance) for doubtful debts	66	-	(151)	-
Write back of/(provision for) warranty	23	(464)	23	(814)
Write back of/(provision for) foreseeable losses	1,441	(2,770)	1,441	(2,770)

Consolidated statement of comprehensive income

	Group		Group	
	4Q18 \$'000	4Q17 \$'000	FY18 \$'000	FY17 \$'000
(Loss)/profit for the period	(1,388)	878	1,358	7,931
Other comprehensive income:				
<u>Items that may be reclassified to profit and loss</u>				
Foreign currency translation	108	530	70	476
Total comprehensive income for the period	(1,280)	1,408	1,428	8,407
Total comprehensive income attributable to:				
Equity holders of the Company	(1,280)	1,408	1,428	8,407

Note:

4Q17: The 4th quarter ended 30 June 2017
4Q18: The 4th quarter ended 30 June 2018
FY17: The financial year ended 30 June 2017
FY18: The financial year ended 30 June 2018
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	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	\$'000	\$'000	\$'000	\$'000
Non-current assets:				
Property, plant and equipment	47,063	50,770	433	163
Investments in subsidiary companies	-	-	34,760	34,760
Loans due from subsidiary companies	-	-	19,591	19,814
Investment in joint venture	6,453	6,632	-	-
Intangible assets	341	501	-	-
Customer retention	1,139	791	-	-
Other receivables and deposits	25	141	-	100
Deferred tax assets	23	192	-	-
	<u>55,044</u>	<u>59,027</u>	<u>54,784</u>	<u>54,837</u>
Current assets:				
Inventories	2,790	1,610	-	-
Trade receivables	21,189	33,650	-	-
Other receivables and deposits	990	1,203	186	6,020
Prepayments	284	469	87	115
Customer retention	2,474	898	-	-
Amounts due from subsidiary companies - non-trade	-	-	776	814
Gross amounts due from customers for contract work-in-progress	2,215	371	-	-
Fixed deposits pledged	1,827	1,686	-	-
Cash and cash equivalents	61,135	52,222	25,449	12,286
	<u>92,904</u>	<u>92,109</u>	<u>26,498</u>	<u>19,235</u>
Current liabilities:				
Trade and other payables	21,243	23,300	334	468
Advances from customers	153	153	-	-
Supplier retention	537	290	-	-
Amounts due to subsidiary companies - trade	-	-	59	65
Gross amounts due to customers for contract work-in-progress	325	1,413	-	-
Provisions	3,384	3,407	-	-
Finance lease obligation - current portion	78	79	-	-
Provision for taxation	82	2,547	36	205
	<u>25,802</u>	<u>31,189</u>	<u>429</u>	<u>738</u>
Net current assets	<u>67,102</u>	<u>60,920</u>	<u>26,069</u>	<u>18,497</u>
Non-current liabilities:				
Deferred taxation	1,577	1,171	5	28
Supplier retention	232	-	-	-
Finance lease obligation, non-current portion	20	98	-	-
	<u>1,829</u>	<u>1,269</u>	<u>5</u>	<u>28</u>
Net assets	<u>120,317</u>	<u>118,678</u>	<u>80,848</u>	<u>73,306</u>
Equity attributed to equity holders of the Company				
Share capital	65,403	65,112	65,403	65,112
Treasury shares	(160)	(160)	(160)	(160)
Capital reserve	1,046	1,126	1,046	1,126
Accumulated profits	53,751	52,393	14,559	7,228
Translation reserve	277	207	-	-
Total equity	<u>120,317</u>	<u>118,678</u>	<u>80,848</u>	<u>73,306</u>

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

Amount repayable in one year or less, or on demand

	As at 30.6.2018		As at 30.6.2017	
	\$'000	\$'000	\$'000	\$'000
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	78	-	79	-

Amount repayable after one year

	As at 30.6.2018		As at 30.6.2017	
	\$'000	\$'000	\$'000	\$'000
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	20	-	98	-

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	
	4Q18 \$'000	4Q17 \$'000	FY18 \$'000	FY17 \$'000
Cash flows from operating activities:				
(Loss)/profit before taxation	(2,721)	1,266	774	9,094
Adjustments for:				
Depreciation of property, plant and equipment	1,557	1,607	6,364	6,475
Amortisation of intangible assets	50	113	235	162
Property, plant and equipment written off	629	(12)	629	199
Gain on disposal of property, plant and equipment, net	(294)	(105)	(597)	(277)
Share of results of joint venture	248	(763)	210	(894)
(Write back of)/provision for foreseeable loss	(1,441)	2,770	(1,441)	2,770
(Write back of)/provision for warranty	(23)	464	(23)	814
(Write back of)/allowance for doubtful debts	(66)	-	151	-
Interest income	(65)	(29)	(335)	(205)
Interest expense	3	3	11	11
Unrealised exchange (gain)/loss	(4)	29	39	(38)
Operating cash flows before working capital changes	(2,127)	5,343	6,017	18,111
<i>(Increase)/Decrease in:</i>				
Customer retention, trade and other receivables and prepayments	(1,048)	(10,244)	10,971	572
Inventories	(1,295)	(966)	(1,180)	(920)
Gross amounts due from/(to) customers for contract work-in-progress, net	(1,751)	(1,728)	(1,491)	(1,528)
<i>Increase/(Decrease) in:</i>				
Trade and other payables, supplier retention, deferred income and advances from customers	4,660	4,696	(1,578)	2,711
Cash (used in)/generated from operations	(1,561)	(2,899)	12,739	18,946
Tax paid	(153)	13	(1,306)	(920)
Net cash flows (used in)/generated from operating activities	(1,714)	(2,886)	11,433	18,026
Cash flows from investing activities:				
Interest received	64	85	264	214
Purchase of property, plant and equipment	(235)	(1,218)	(3,391)	(5,611)
Purchase of intangible assets	(24)	(327)	(75)	(335)
Proceeds from disposal of property, plant and equipment	320	147	702	393
Net cash flows generated from/(used in) investing activities	125	(1,313)	(2,500)	(5,339)
Cash flows from financing activities:				
Net proceeds from issue of new shares	-	18	211	67
Repayment of finance lease obligations	(20)	(20)	(79)	(79)
Increase in fixed deposits pledged	-	(413)	(141)	(1,686)
Dividend paid	-	-	-	(10,236)
Interest paid	(3)	(3)	(11)	(11)
Net cash flows used in financing activities	(23)	(418)	(20)	(11,945)
Net (decrease)/increase in cash and cash equivalents	(1,612)	(4,617)	8,913	742
Cash and cash equivalents at beginning of period	62,747	56,839	52,222	51,480
Cash and cash equivalents at end of period	61,135	52,222	61,135	52,222

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 2018

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Accumulated profits \$'000	Translation reserve \$'000	Total equity \$'000
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
<u>Contributions by and distributions to owners</u>						
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
At 1 July 2017	65,112	(160)	1,126	52,393	207	118,678
Profit net of tax	-	-	-	1,358	-	1,358
Other comprehensive income for the period	-	-	-	-	70	70
Total comprehensive income for the period	-	-	-	1,358	70	1,428
<u>Contributions by and distributions to owners</u>						
Issuance of ordinary shares	291	-	(80)	-	-	211
Balance at 30 June 2018	65,403	(160)	1,046	53,751	277	120,317

Company	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 July 2016	65,019	(160)	1,152	5,491	71,502
Profit net of tax	-	-	-	11,973	11,973
Total comprehensive income for the period	-	-	-	11,973	11,973
<u>Contributions by and distributions to owners</u>					
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
At 1 July 2017	65,112	(160)	1,126	7,228	73,306
Profit net of tax	-	-	-	7,331	7,331
Total comprehensive income for the period	-	-	-	7,331	7,331
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	291	-	(80)	-	211
Balance at 30 June 2018	65,403	(160)	1,046	14,559	80,848

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 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

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:

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

Since 1 July 2017, 804,825 Consolidated 2012 Warrants were exercised to acquire new shares.

As of 30 June 2017, 1,015,900 Consolidated 2012 Warrants were outstanding.

The Consolidated 2012 Warrants expired on 5 January 2018. Consequently, the remaining 211,075 unexercised Consolidated 2012 Warrants lapsed.

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:

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

Since 1 July 2017, no Consolidated 2013 Warrants were exercised to acquire new shares.

As of 30 June 2018, 97,396,852 (30 June 2017: 97,396,852) Consolidated 2013 Warrants are outstanding.

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

	FY18		FY17	
	No of shares	\$'000	No of shares	\$'000
Issued and paid up capital				
As at beginning of financial year	205,189,122	65,112	204,929,397	65,019
Share issued pursuant to the exercise of Warrants	804,825	291	259,725	93
At 30 June	205,993,947	65,403	205,189,122	65,112
Treasury shares				
As at beginning of financial year and 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	205,673,947	65,243	204,869,122	64,952

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 2018, the total number of issued ordinary shares (excluding treasury shares) was 205,673,947 (30 June 2017: 204,869,122).

1(d)(iv) A statement showing all sales, transfers, disposals, 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

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 recently audited financial statements for the year ended 30 June 2017, except for the following change in accounting estimates:

Project revenue

The Group recognises project revenue to the extent of project costs incurred where it is probable those costs will be recoverable or based on the stage of completion method. In the most recently audited financial statements for the year ended 30 June 2017, stage of completion was determined based on surveys of work done.

With effect from 1 July 2017, the Group changed its basis for determination of stage of completion from surveys of work done to proportion of total contract costs incurred to-date and the estimated costs to complete in order to better reflect the level of completion for each project.

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 accordance with FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, this change in accounting estimates was applied prospectively from 1 July 2017. Accordingly, the adoption of the new accounting estimates has no effect on prior years. The change in accounting estimates has resulted in project revenue for FY18 to be higher by \$2.1 million.

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	
	4Q18 \$'000	4Q17 \$'000	FY18 \$'000	FY17 \$'000
(Loss)/profit attributable to ordinary equity holders of the Company (\$'000)	(1,388)	878	1,358	7,931
Weighted average number of ordinary shares in issue (excluding treasury shares) applicable to basic earnings per share ('000)	205,674	204,837	205,341	204,688
Weighted average number of ordinary shares in issue (excluding treasury shares) applicable to diluted earnings per share ('000)	205,674	205,417	205,577	205,249
Earnings per share -				
Basic (cents)	(0.7)	0.4	0.7	3.9
Fully diluted (cents)	(0.7)	0.4	0.7	3.9

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	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
Net asset value (\$'000)	120,317	118,678	80,848	73,306
Number of ordinary shares in issue (excluding treasury shares) at end of quarter ('000)	205,674	204,869	205,674	204,869
Net asset value per ordinary share based on the number of shares in issue (excluding treasury shares) at end of period (cents)	58.5	57.9	39.3	35.8

- 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 financial year and fourth quarter ended 30 June 2018

Revenue

Revenue for FY18 decreased by 19.7% to \$87.7 million compared to \$109.3 million recorded in FY17 mainly due to lower project revenue.

Quarter-on-quarter, revenue decreased by \$14.0 million to \$19.5 million in 4Q18 due to lower project revenue.

Cost of sales

For FY18, cost of sales decreased by 20.9% to \$47.8 million in line with the lower revenue recognised.

Quarter-on-quarter, cost of sales decreased by \$9.6 million to \$12.3 million in 4Q18 as compared to \$22.0 million in 4Q17 due to the same reason as above.

Other income

Other income comprise mainly of interest income, miscellaneous income earned from non-core businesses, safety and performance incentives, gain on disposal of property, plant and equipment as well as government grant, jobs credit grant and special employment credit. The amount of other income for FY18 and 4Q18 was \$1.8 million and \$0.5 million respectively. The increase of approximately \$0.8 million and \$0.3 million respectively compared to FY17 and 4Q17 was mainly due to higher net gain on disposal of property, plant and equipment and interest income.

Operating expenses

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

For FY18, total operating expenses decreased \$0.9 million from \$41.5 million in FY17 to \$40.6 million mainly due to lower personnel related costs.

For 4Q18, total operating expenses decreased \$1.0 million from \$11.1 million in 4Q17 to \$10.1 million due to the same reason as above.

Taxation

The tax credit recorded in 4Q18 and FY18 is mainly due to write-back of overprovision of tax for prior years.

Profit attributable to equity holders of the Company

The profit attributable to equity holders for FY18 decreased by \$6.6 million to \$1.4 million compared to FY17.

Quarter-on-quarter, the profit attributable to equity holders for 4Q18 decreased by \$2.3 million to a loss of \$1.4 million compared to 4Q17.

Review of Financial Position

Non-current assets

Non-current assets of the Group decreased from \$59.0 million as at 30 June 2017 to \$55.0 million as at 30 June 2018 mainly due to the effects of depreciation of property, plant and equipment which was partially offset by increase in customer retention.

Current assets

Current assets increased by \$0.8 million, from \$92.1 million as at 30 June 2017 to \$92.9 million as at 30 June 2018. The increase was due to increase in cash and cash equivalents, customer retention, gross amounts due from customers for contract work-in-progress and inventories, which was partially offset by decrease in trade receivables.

Current liabilities

Current liabilities comprise of payables to suppliers of materials and equipment and subcontractors, other payables, advances from customers, provision for warranty as well as tax provision. Current liabilities decreased by \$5.4 million, from \$31.2 million as at 30 June 2017 to \$25.8 million as at 30 June 2018 due to decrease in trade and other payables, provision for taxation and gross amounts due to customers for contract work-in-progress.

Non-current liabilities

Non-current liabilities increased from \$1.3 million as at 30 June 2017 to \$1.8 million as at 30 June 2018 mainly due to higher deferred taxation as at 30 June 2018.

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 date of expiration of the 2012 Warrants on 5 January 2018, the Group had 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 5 January 2018, 78,502,500 2012 Warrants and 1,095,050 2012 Consolidated Warrants were exercised for 78,502,500 new shares and 1,095,050 new Consolidated Shares. The Company raised net proceeds of about \$10.5 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 2018, 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

The actual results are in line with the profit guidance announcement made on 14 August 2018.

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

The oil and gas industry remains weak and recovery is expected to be slow. The Group will continue to judiciously control operating cost and capital investments, whilst it works towards securing new contracts.

11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Final dividends

Name of Dividend	Not applicable
Dividend Type	
Dividend Rate	

(b) Corresponding period of the immediately preceding financial year

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

Not applicable

(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

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

<u>Revenue by business segment</u>	Project Services		Maintenance Services		Contact Centre Services		Elimination		Group FY18 \$'000	Group FY17 \$'000
	Group FY18 \$'000	Group FY17 \$'000	Group FY18 \$'000	Group FY17 \$'000	Group FY18 \$'000	Group FY17 \$'000	Group FY18 \$'000	Group FY17 \$'000		
<u>Revenue</u>										
External customers	41,676	58,556	37,190	41,459	8,824	9,256	-	-	87,690	109,271
Inter-segment	21,367	22,472	19,068	15,910	-	-	(40,435)	(38,382)	-	-
	<u>63,043</u>	<u>81,028</u>	<u>56,258</u>	<u>57,369</u>	<u>8,824</u>	<u>9,256</u>	<u>(40,435)</u>	<u>(38,382)</u>	<u>87,690</u>	<u>109,271</u>
<u>Results</u>										
Interest income	130	92	174	87	31	26	-	-	335	205
Depreciation and amortisation	2,199	2,966	3,759	2,968	641	703	-	-	6,599	6,637
Segment profit before tax	(1,611)	282	574	6,486	2,036	1,377	(225)	949	774	9,094
<u>Assets</u>										
Additions to non-current assets	1,397	2,453	1,997	2,408	-	1,034	-	-	3,394	5,895
Segment assets	101,053	128,354	129,696	112,672	9,433	15,695	(92,257)	(105,777)	147,925	150,944
<u>Segment liabilities</u>	52,582	65,798	33,156	36,469	1,150	1,088	(60,916)	(74,615)	25,972	28,740

(b) by geographical segments

	Revenue		Non-current assets	
	Group FY18 \$'000	Group FY17 \$'000	Group FY18 \$'000	Group FY17 \$'000
Singapore	81,872	107,242	47,404	51,271
Others	5,818	2,029	-	-
Total	<u>87,690</u>	<u>109,271</u>	<u>47,404</u>	<u>51,271</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 decreased from \$81.0 million in FY17 to \$63.0 million in FY18 mainly due to completion of projects previously secured. Turnover for Maintenance Services decreased from \$57.4 million in FY17 to \$56.3 million in FY18 mainly due to lesser maintenance work from on-going maintenance contracts. Turnover for Contact Centre Services segment decreased from \$9.3 million to \$8.8 million due to reduction in scope and completion of contract that ended in FY18.

Profit before tax for Project Services segment decreased from \$0.3 million in FY17 to loss before tax of \$1.6 million in FY18 due to lower revenue contribution in FY18. Profit before tax for Maintenance Services segment decreased from \$6.5 million in FY17 to \$0.6 million in FY18 due to the higher proportion of overhead operating costs borne by the Maintenance Services segment arising from lower revenue contribution from Project Services segment. Profit before tax for Contact Centre Services segment increased from \$1.4 million in FY17 to \$2.0 million in FY18 due to lower personnel related costs pursuant to cost control measures implemented.

17 A breakdown of sales

	Group		Change %
	Group FY18 \$'000	Group FY17 \$'000	
Sales reported for first half year	48,887	46,884	4.3
Operating profit after tax before deducting minority interest for first half year	4,236	4,801	(11.8)
Sales reported for second half year	38,803	62,387	(37.8)
Operating profit after tax before deducting minority interest for second half year	(2,878)	3,130	n.m.

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 FY18 \$'000	Group FY17 \$'000
Ordinary	-	10,236

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	75	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	36	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 Chen	44	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 Li Hui	42	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 2018 Provide oversight & value added input to strategy and strategic development	Deputy CEO and Executive Director since 2012 Re-designated as Non-Executive Director on 16 January 2018
Cheng Wee Ling	39	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	N.A.

BY THE ORDER OF THE BOARD

Cheng Yao Tong
Chief Executive Officer
24 August 2018