



# ROTARY ENGINEERING LIMITED

(Company Registration No. 198000255E)

## FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2013 FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

1(a). A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Consolidated income statement

(All figures in S\$'000)	Group			Group		
	4Q13	4Q12	% Increase/ (Decrease)	FY13	FY12	% Increase/ (Decrease)
<b>Revenue</b>	181,502	84,341	NM	595,026	444,467	34%
Cost of sales	(163,091)	(106,775)	53%	(526,472)	(554,517)	(5%)
Gross profit/(loss)	18,411	(22,434)		68,554	(110,050)	
	10%	(27%)		12%	(25%)	
Other income	2,702	1,028	NM	8,002	4,387	82%
Selling and marketing costs	(236)	(224)	5%	(1,191)	(1,541)	(23%)
Administrative costs	(13,857)	(8,782)	58%	(50,302)	(43,185)	16%
Other operating costs	(3,758)	(3,018)	25%	(15,286)	(26,568)	(42%)
Finance costs	(327)	(357)	(8%)	(1,583)	(2,643)	(40%)
Share of results from associated companies	(593)	(721)	18%	(607)	(2,345)	74%
<b>Profit/(loss) before tax</b>	2,342	(34,508)		7,587	(181,945)	
Taxation	(6,533)	(1,383)	NM	(12,262)	(3,052)	NM
<b>Loss after tax</b>	(4,191)	(35,891)		(4,675)	(184,997)	
<b>Profit/(loss) attributable to:</b>						
Owners of the company	5,169	(18,434)	NM	20,735	(80,441)	NM
Non-controlling interests	(9,360)	(17,457)	46%	(25,410)	(104,556)	76%
	(4,191)	(35,891)		(4,675)	(184,997)	

\* NM denotes Not Meaningful

## Consolidated statement of comprehensive income

(All figures in S\$'000)	Group			Group		
	4Q13	4Q12	% Increase/ (Decrease)	FY13	FY12	% Increase/ (Decrease)
<b>Loss after tax</b>	(4,191)	(35,891)		(4,675)	(184,997)	
<b>Other comprehensive income/(loss)</b>						
Net fair value gain on available-for-sale financial assets	-	878	NM	95	1,569	(94%)
Net fair value gain on cash flow hedges	67	-	NM	67	-	NM
Amount transferred from fair value adjustment reserve to income statement on disposal of available-for-sale financial assets	(1,708)	-	NM	(2,585)	-	NM
Foreign currency translation movement	1,963	662	NM	(834)	(2,899)	(71%)
<b>Other comprehensive income/(loss) for the period</b>	322	1,540		(3,257)	(1,330)	
<b>Total comprehensive income/(loss) for the period</b>	(3,869)	(34,351)		(7,932)	(186,327)	
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the company	6,449	(17,261)	NM	20,857	(82,795)	NM
Non-controlling interests	(10,318)	(17,090)	40%	(28,789)	(103,532)	72%
	(3,869)	(34,351)		(7,932)	(186,327)	

\* NM denotes Not Meaningful

Profit after tax is stated after  
(charging)/crediting the following  
items:

	Group		Group	
	4Q13	4Q12	FY13	FY12
<b>(a) Other income</b>				
Investment income	57	5	165	47
Interest income	199	251	758	993
(Loss)/gain on disposal of property, plant and equipment	-	(2)	363	233
Gain on disposal of available-for-sale financial asset	1,918	-	3,025	-
Gain on disposal of associated companies	171	-	65	1,396
<b>(b) Administrative costs</b>				
Foreign exchange (loss)/gain	(1,003)	2,233	(513)	(5,087)
Unrealised fair value gain/(loss) on foreign currency contracts	726	(2,820)	(326)	(52)
<b>(c) Other operating costs</b>				
Allowance for doubtful debts	(124)	(433)	(226)	(84)
Inventories written back/(down)	71	(23)	(248)	(66)
Amortisation of intangible assets	(332)	(229)	(1,296)	(1,030)
Depreciation of property, plant and equipment	(3,373)	(3,712)	(13,516)	(14,767)
Impairment loss of available-for-sale financial assets written back	-	1,112	-	1,112
Impairment loss of advances to associated companies	-	-	-	(4,500)
Impairment loss of investments in associated companies	-	-	-	(7,500)
<b>(d) Finance costs</b>				
Amortisation of prepaid loan appraisal fees	(55)	(54)	(220)	(220)
Interest expense	(272)	(303)	(1,363)	(2,423)

**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.**

(All figures in S\$'000)

	Group		Company	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
<b>Non-current assets</b>				
Property, plant and equipment	53,730	61,051	8,880	8,866
Intangible assets	2,074	2,754	1,874	2,476
Investments				
Subsidiary companies	-	-	60,559	54,089
Associated companies	3,529	2,189	5,963	5,699
Others	896	3,731	895	895
Deferred tax assets	498	480	-	-
Other receivables	8,538	8,990	8,538	8,990
Prepaid loan appraisal fees	533	730	-	-
<b>Current assets</b>				
Gross amount due from customers for contract work-in-progress	5,252	3,004	133	2,377
Inventories	3,287	5,402	704	-
Prepaid operating expenses	312	238	164	103
Downpayments made to suppliers	15,620	2,583	7,545	1
Trade and other receivables	266,296	199,689	189,598	114,729
Foreign currency contracts	234	-	234	-
Cash and short-term deposits	193,725	164,539	107,158	103,939
	484,726	375,455	305,536	221,149
<b>Current liabilities</b>				
Income tax payable	15,636	11,769	5,815	2,506
Loans and borrowings	50,202	72,039	10,133	26,877
Gross amount due to customers for contract work-in-progress	178,051	67,605	116,858	20,992
Trade and other payables	141,871	170,213	102,781	128,755
Downpayments from customers	58,487	9,665	39,682	4,332
Foreign currency contracts	545	52	545	52
	444,792	331,343	275,814	183,514
<b>Net current assets</b>	39,934	44,112	29,722	37,635
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,795	2,345	1,155	1,375
Loans and borrowings	9,563	11,180	-	-
	11,358	13,525	1,155	1,375
<b>Net assets</b>	98,374	110,512	115,276	117,275
<b>Equity attributable to owners of the company</b>				
Share capital	89,365	89,365	89,365	89,365
Treasury shares	(161)	(161)	(161)	(161)
Retained earnings	124,167	106,270	26,005	28,071
Other reserves	(2,193)	(2,789)	67	-
	211,178	192,685	115,276	117,275
<b>Non-controlling interests</b>	(112,804)	(82,173)	-	-
<b>Total equity</b>	98,374	110,512	115,276	117,275

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

(All figures in S\$'000 unless stated)

**Amount repayable in one year or less, or on demand**

31-Dec-13		31-Dec-12	
Secured	Unsecured	Secured	Unsecured
40,069	10,133	1,354	70,685

**Amount repayable after one year**

31-Dec-13		31-Dec-12	
Secured	Unsecured	Secured	Unsecured
9,563	-	11,180	-

**Details of any collateral**

Collateral for \$49.6 million (31 December 2012: \$12.5 million) loan of a subsidiary includes mortgage over property, plant and equipment of the subsidiary, pledged deposits and shareholders' guarantees.

**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.**

(All figures in S\$'000)	Group		Group	
	4Q13	4Q12	FY13	FY12
<b>Operating activities</b>				
Profit/(loss) before tax	2,342	(34,508)	7,587	(181,945)
<b>Adjustments for :</b>				
Allowance for doubtful debts	124	433	226	84
Amortisation of intangible assets	332	229	1,296	1,030
Amortisation of prepaid loan appraisal fees	55	54	220	220
Depreciation of property, plant and equipment	3,373	3,712	13,516	14,767
Dividends from quoted investments	(57)	(5)	(165)	(47)
Gain on disposal of associated companies	(171)	-	(65)	(1,396)
Gain on disposal of available-for-sale financial asset	(1,918)	-	(3,025)	-
Loss/(gain) on disposal of property, plant and equipment	-	2	(363)	(233)
Impairment loss of advances to associated companies	-	-	-	4,500
Impairment loss of investments in associated companies	-	-	-	7,500
Impairment loss of available-for-sale financial assets written back	-	(1,112)	-	(1,112)
Interest expense	272	303	1,363	2,423
Interest income	(199)	(251)	(758)	(993)
Inventories (written-back)/down	(71)	23	248	66
Share of results from associated companies	593	721	607	2,345
Unrealised fair value (gain)/loss on foreign currency contracts	(726)	2,820	326	52
<b>Operating cash flows before changes in working capital</b>	<b>3,949</b>	<b>(27,579)</b>	<b>21,013</b>	<b>(152,739)</b>
(Increase)/decrease in receivables	(6,273)	69,793	(77,436)	209,105
Decrease in inventories	2,258	1,376	1,806	285
Increase/(decrease) in gross amount due to customers for contract work-in-progress	40,782	(31,333)	108,092	44,976
(Decrease)/increase in payables	(3,284)	13,499	13,210	(11,173)
<b>Cash flows from operations</b>	<b>37,432</b>	<b>25,756</b>	<b>66,685</b>	<b>90,454</b>
Interest received	529	245	750	987
Interest paid	(272)	(303)	(1,363)	(2,423)
Income tax (paid)/refunded	(1,783)	70	(9,049)	(5,352)
<b>Net cash flows from operating activities</b>	<b>35,906</b>	<b>25,768</b>	<b>57,023</b>	<b>83,666</b>

(All figures in S\$'000)

	Group		Group	
	4Q13	4Q12	FY13	FY12
<b>Investing activities</b>				
Acquisition of shares of associated companies	-	-	(888)	-
Acquisition of non-controlling interests	(768)	(32)	(768)	(32)
Additions to intangible assets	(97)	(494)	(623)	(885)
Dividends from associated companies	283	-	756	480
Dividends from quoted investments	57	5	165	47
Proceeds from capital reduction of available-for-sale financial assets	-	1,112	-	1,112
Proceeds from disposal of associated companies	825	-	4,588	2,045
Proceeds from disposal of property, plant and equipment	1	2,699	493	3,172
Proceeds from disposal of intangible assets	-	1,305	-	1,305
Purchase of available-for-sale financial assets	-	-	(167)	-
Proceeds from disposal of available-for-sale financial assets	2,230	-	3,536	-
Purchase of property, plant and equipment	(1,659)	(1,610)	(6,145)	(5,641)
<b>Net cash flows from investing activities</b>	<b>872</b>	<b>2,985</b>	<b>947</b>	<b>1,603</b>
<b>Financing activities</b>				
Repayment of bank loans and trade facilities, net	(7,538)	(9,832)	(25,410)	(25,111)
Purchase of treasury shares	-	-	-	(161)
Dividends paid:				
- by the Company	-	(10)	(2,838)	(11,357)
- by subsidiaries to non-controlling interests	(600)	(82)	(600)	(1,682)
Repayment of finance lease obligations, net	(10)	(193)	(39)	(56)
Increase in pledged fixed deposits	(37,904)	-	(37,904)	-
<b>Net cash flows used in financing activities</b>	<b>(46,052)</b>	<b>(10,117)</b>	<b>(66,791)</b>	<b>(38,367)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,274)</b>	<b>18,636</b>	<b>(8,821)</b>	<b>46,902</b>
Effect of exchange rate changes on cash and cash equivalents	(539)	2,110	123	739
<b>Cash and cash equivalents at beginning of quarter/year</b>	<b>165,540</b>	<b>143,679</b>	<b>164,425</b>	<b>116,784</b>
<b>Cash and cash equivalents at end of the year</b>	<b>155,727</b>	<b>164,425</b>	<b>155,727</b>	<b>164,425</b>

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.

(All figures in S\$'000)

Group	Attributable to owners of the company										
	Share capital	Treasury shares	Retained earnings	Capital reserve	Statutory reserve	Foreign currency translation reserve	Fair value adjustment reserve	Hedging reserve	Total	Non-controlling interests	Total equity
At 1 January 2013	89,365	(161)	106,270	86	300	(5,665)	2,490	-	192,685	(82,173)	110,512
Total Comprehensive income for the period	-	-	15,566	-	-	(376)	(782)	-	14,408	(18,471)	(4,063)
Dividends paid	-	-	(2,838)	-	-	-	-	-	(2,838)	-	(2,838)
<b>At 30 September 2013</b>	<b>89,365</b>	<b>(161)</b>	<b>118,998</b>	<b>86</b>	<b>300</b>	<b>(6,041)</b>	<b>1,708</b>	<b>-</b>	<b>204,255</b>	<b>(100,644)</b>	<b>103,611</b>
Total Comprehensive income for the period	-	-	5,169	-	-	2,921	(1,708)	67	6,449	(10,318)	(3,869)
Dividends paid	-	-	-	-	-	-	-	-	-	(600)	(600)
Acquisition of non-controlling interests	-	-	-	474	-	-	-	-	474	(1,242)	(768)
<b>At 31 December 2013</b>	<b>89,365</b>	<b>(161)</b>	<b>124,167</b>	<b>560</b>	<b>300</b>	<b>(3,120)</b>	<b>-</b>	<b>67</b>	<b>211,178</b>	<b>(112,804)</b>	<b>98,374</b>
At 1 January 2012	89,365	-	198,068	80	300	(1,742)	921	-	286,992	23,079	310,071
Total Comprehensive income for the period	-	-	(62,007)	-	-	(4,218)	691	-	(65,534)	(86,442)	(151,976)
Purchase of treasury shares	-	(161)	-	-	-	-	-	-	(161)	-	(161)
Dividends paid	-	-	(11,347)	-	-	-	-	-	(11,347)	(1,600)	(12,947)
<b>At 30 September 2012</b>	<b>89,365</b>	<b>(161)</b>	<b>124,714</b>	<b>80</b>	<b>300</b>	<b>(5,960)</b>	<b>1,612</b>	<b>-</b>	<b>209,950</b>	<b>(64,963)</b>	<b>144,987</b>
Total Comprehensive income for the period	-	-	(18,434)	-	-	295	878	-	(17,261)	(17,090)	(34,351)
Dividends paid	-	-	(10)	-	-	-	-	-	(10)	(82)	(92)
Acquisition of non-controlling interests	-	-	-	6	-	-	-	-	6	(38)	(32)
<b>At 31 December 2012</b>	<b>89,365</b>	<b>(161)</b>	<b>106,270</b>	<b>86</b>	<b>300</b>	<b>(5,665)</b>	<b>2,490</b>	<b>-</b>	<b>192,685</b>	<b>(82,173)</b>	<b>110,512</b>



<b>Company</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Retained earnings</b>	<b>Hedging reserve</b>	<b>Total equity</b>
At 1 January 2013	89,365	(161)	28,071	-	117,275
Total comprehensive income for the period	-	-	(9,876)	-	(9,876)
Dividends paid	-	-	(2,838)	-	(2,838)
<b>At 30 September 2013</b>	<b>89,365</b>	<b>(161)</b>	<b>15,357</b>	<b>-</b>	<b>104,561</b>
Total comprehensive income for the period	-	-	10,648	67	10,715
<b>At 31 December 2013</b>	<b>89,365</b>	<b>(161)</b>	<b>26,005</b>	<b>67</b>	<b>115,276</b>
At 1 January 2012	89,365	-	153,343	-	242,708
Total comprehensive income for the period	-	-	(56,359)	-	(56,359)
Purchase of treasury shares	-	(161)	-	-	(161)
Dividends paid	-	-	(11,347)	-	(11,347)
<b>At 30 September 2012</b>	<b>89,365</b>	<b>(161)</b>	<b>85,637</b>	<b>-</b>	<b>174,841</b>
Total comprehensive income for the period	-	-	(57,556)	-	(57,556)
Dividends paid	-	-	(10)	-	(10)
<b>At 31 December 2012</b>	<b>89,365</b>	<b>(161)</b>	<b>28,071</b>	<b>-</b>	<b>117,275</b>

**1(d)(ii). Details of any changes in the company's 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 since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the share capital of the Company as at 31 December 2013.

As at 31 December 2013, the Company has 336,000 (31 December 2012: 336,000) ordinary shares of the company by way of market purchases on the Singapore Exchange and held them as treasury shares.

**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.**

Total number of issued shares, excluding treasury shares, as at end of 31 December 2013 is 567,518,000 (31 December 2012: 567,518,000).

**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.**

Nil.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

The Company had considered and consistently applied all applicable revised and new Singapore Financial Reporting Standards.

**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.**

See point 4 as above.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.**

(In '000 unless stated)

	Group		Group	
	4Q13	4Q12	FY13	FY12
Earnings per ordinary share of the group for the period after deducting any provision for preference dividends:				
Based on weighted average number of ordinary shares in issue (In cents)	0.9	(3.2)	3.7	(14.2)
On a fully diluted basis (in cents)	0.9	(3.2)	3.7	(14.2)
Net profit/(loss) attributable to ordinary shareholders for basic and diluted earnings per share	5,169	(18,434)	20,735	(80,441)
Weighted average number of ordinary shares applicable to basic and diluted earnings per share	567,518	567,518	567,518	567,671

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

	Group		Company	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	37.2	34.0	20.3	20.7

The calculation of net asset value per ordinary share is based on 567,518,000 shares as at 31 December 2013 (31 December 2012: 567,518,000).

**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.**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**2013 Fourth Quarter (4Q13) Review**

Revenue in 4Q13 more than doubled compared with the same quarter last year due to execution of major projects secured at the beginning of this year.

Gross profit margin at 10% was a significant improvement from the same quarter last year where the Group was impacted by cost overruns from the construction phase of the SATORP project.

Increase in other income and movement in fair value adjustment reserve was mainly due to sale of quoted shares, TRC Construction Public Company Limited, a former associated company which is currently listed on the Stock Exchange of Thailand.

Administrative costs increased in line with revenue. Other operating expenses and finance costs remained stable.

Higher taxation relative to profits this quarter was due to losses on overseas subsidiaries for which no deferred tax benefits has been recognised.

Foreign currency translation movement is mainly attributable to the translation of the Group's investments in Saudi Arabia resulting from the fluctuations of the Saudi Riyal (pegged to US Dollar) against the Singapore Dollar. Non-controlling interests movement mainly relates to the minority share of results of our joint venture company in Saudi Arabia.

**2013 Full Year (FY13) Review**

Revenue increased 34% compared with the last year due to execution of major contracts secured at the beginning of this year.

Gross profit margin at 12%, was a significant improvement from last year where the group was impacted by cost overruns from the construction phase of the SATORP project.

Increase in other income and movement in fair value adjustment reserve was mainly due to sale of quoted shares, TRC Construction Public Company Limited, a former associated company which is currently listed on the Stock Exchange of Thailand.

Administrative costs increased in line with revenue. Other operating expenses were lower as compared to last year due to an impairment made last year on the investment and advances to an associate. Finance costs decreased in line with borrowings.

Share of results from associates improved mainly due to gain recognised on acquisition of an associate at a discount to its net tangible asset. This is offset by losses resulting from the low level of operations at a waste-to-energy plant.

Higher taxation relative to profits was due to losses on overseas subsidiaries for which no deferred tax benefits has been recognized.

Foreign currency translation movement is mainly attributable to the translation of the Group's investments in Saudi Arabia resulting from the fluctuations of the Saudi Riyal (pegged to US Dollar) against the Singapore Dollar. Non-controlling interests movement mainly relates to the minority share of results of our joint venture company in Saudi Arabia.

### **Balance Sheet Review**

Property, plant and equipment decreased mainly due to depreciation. Other investments declined due to sale of quoted shares, TRC Construction Public Company Limited, a former associated company.

- Gross amount due from customers for contract work-in-progress
- Gross amount due to customers for contract work-in-progress

These relate to contract accounting to record revenue and cost on accrual basis. These figures can be reconciled to the trade receivables and trade payables. Gross amount due to customers for contract work-in-progress increased as a result of project accruals made on new projects.

Trade and other receivables increased in line with revenue. Downpayments made to suppliers increased on new projects undertaken.

Trade and other payables declined as SATORP project has substantially completed. Downpayments from customers increased due to receipts from new projects.

Cash and short-term deposits balances increased in line with profitability. Loans and borrowings were lower due to repayments.

Non-controlling interests movement is mainly due to the minority shareholders accounting for their share of loss on the joint venture company in Saudi Arabia as a result of the SATORP project.

### **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 has seen improvements in revenue and profitability in 2013. The Group remains focused on the execution of its current projects and continue to build its momentum in the coming year.

The longer term focus is to manage rising costs. The Group is constantly looking for ways to innovate current work processes so as to improve productivity and enhance operational efficiencies.

Business development activities remain high with strong demand for oil and gas infrastructure in the period of relatively stable oil prices. The Group continues to actively develop its business through direct negotiations and bidding for projects in ASEAN and Gulf Cooperation Council countries. The Group has set up an Oman representative office and a subsidiary in Myanmar to tap on the business opportunities of storage infrastructure in both countries.

At the date of this announcement, the Group's order book stands at \$694 million, of which over 60% is attributed to projects in Singapore.

## 11. Dividend

### (a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Proposed Final Dividend:

Name of dividend	Final one-tier tax exempt
Dividend type	Cash
Dividend rate	1.5 cents per share
Tax rate	One-tier tax exempt

### (b) Corresponding period of the immediately preceding financial year

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

Final Dividend:

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

### (c) Date payable

The proposed final one-tier tax exempt dividend, if approved at the Annual General Meeting to be held on 25 April 2014, will be paid on 19 May 2014.

### (d) Books closure date

NOTICE IS HEREBY GIVEN that the Company's Share Transfer Books and Register of Members will be closed from 6 May 2014 (5.00 p.m.) to 7 May 2014 (both dates inclusive) for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 pm on 6 May 2014 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 6 May 2014 will be entitled to the proposed final one-tier tax exempt dividend.

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

Not applicable.

## 13. If the Group has obtained a general mandate from shareholders for interested person 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.

The Group does not have a shareholders' mandate for interested person transactions.

**14. 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) BUSINESS SEGMENT

	Segment Information - S\$'000					
	2013			2012		
	Project Services	Maintenance & Trading	Consolidated	Project Services	Maintenance & Trading	Consolidated
<b><u>Segment Revenue</u></b>						
Revenue	539,444	70,453	609,897	396,270	64,966	461,236
Inter-segment sales	(1,674)	(13,197)	(14,871)	(1,954)	(14,815)	(16,769)
Sales to external customers	537,770	57,256	595,026	394,316	50,151	444,467
<b>Gross Profit/(Loss)</b>	51,292	17,262	68,554	(124,771)	14,721	(110,050)
Unallocated expenses			(58,777)			(66,907)
Operating profit/(loss)	10%	30%	9,777	(32%)	29%	(176,957)
Finance costs			(1,583)			(2,643)
Share of results from associated companies			(607)			(2,345)
Profit/(loss) before tax			7,587			(181,945)
Taxation			(12,262)			(3,052)
Loss after tax			(4,675)			(184,997)
<b><u>Segment Assets</u></b>						
Investment in associated companies	1,202	-	1,202	1,433	-	1,433
Segment assets	501,545	48,075	549,620	400,483	51,382	451,865
Unallocated assets			3,702			2,082
Total Assets			554,524			455,380
<b><u>Segment Liabilities</u></b>						
Segment liabilities	420,967	17,752	438,719	316,599	14,155	330,754
Unallocated liabilities			17,431			14,114
Total Liabilities			456,150			344,868
<b><u>Other Segment Information</u></b>						
Capital expenditure	5,851	917	6,768	6,342	381	6,723
Depreciation & amortisation	13,537	1,275	14,812	14,459	1,338	15,797
Impairment loss on investments and advances	-	-	-	10,888	-	10,888

(B) GEOGRAPHICAL SEGMENT

(In S\$'000)	Sales to External Customers		Segment Assets		Capital Expenditure	
	2013	2012	2013	2012	2013	2012
Singapore	335,003	222,427	370,062	279,956	3,921	2,386
Thailand	35,997	38,028	26,962	31,553	1,860	1,019
Middle East	219,509	178,291	141,163	124,118	787	3,237
Others	4,517	5,721	11,433	16,238	200	81
	595,026	444,467	549,620	451,865	6,768	6,723
Unallocated assets			1,375	1,326		
Investment in associated companies			3,529	2,189		
Total	595,026	444,467	554,524	455,380	6,768	6,723

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segment.**

The increase in revenue for Project Services was mainly due to increased business activities stemming from new projects wins in 2013.

The gross loss reported for Project Services in 2012 were due to the SATORP project.

The increase in revenue in Singapore and the Middle East was in line with more projects executed.

**16. A breakdown of sales.**

(All figures in S\$'000)

- (a) Sales reported for first half year
- (b) Operating loss after tax reported for first half year
- (c) Sales reported for second half year
- (d) Operating loss after tax reported for second half year

Group		
2013	2012	Change %
229,035	244,774	(6%)
(510)	(20,505)	98%
365,991	199,693	83%
(4,165)	(164,492)	97%

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

Total Annual Dividend

(All figures in S\$'000)

Ordinary

Preference

Total

	Latest Full Year	Previous Full Year
Ordinary	2,838	11,357
Preference	-	-
Total	2,838	11,357

**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 the position was first held	Details of changes in duties and position held, if any, during the year
Roger Chia Kim Piow	65	Chia Kim Chua (brother) Jenny Wong Oi Moi (wife)	Managing Director (since January 1980) - Responsible for steering the Group's local and global business strategies and to uphold good corporate governance.	Nil
Chia Kim Chua	63	Roger Chia Kim Piow (brother) Jenny Wong Oi Moi (sister-in-law)	Executive Director (since March 1982) - Head of Project Department and oversees all EPC projects in Singapore and overseas. - Head of Management Risk Committee. - Assigned as the Management Representative for the Group's ISO 9001:2000 certification.	Nil
Jenny Wong Oi Moi	59	Roger Chia Kim Piow (husband) Chia Kim Chua (brother-in-law)	Non-Executive Director (since May 1983)	Nil

**BY ORDER OF THE BOARD  
TAN CHER LIANG  
COMPANY SECRETARY**

27 February 2014