

Unaudited Full-Year Financial Statement**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) HALF-YEAR AND FULL YEAR RESULTS**

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

Income Statements

	GROUP		
	Year ended 31 Mar 2006 S\$'000	Year ended 31 Mar 2005 S\$'000	Change %
Revenue			
Construction income	11,504	22,199	(48)
Rental income on exhibits	-	-	-
Interest income	-	4	NM
Other income	286	120	138
Total revenue	<u>11,790</u>	<u>22,323</u>	(47)
Costs and expenses			
Raw materials and consumables used	11,032	21,094	(48)
Subcontract costs	(18)	(1,749)	(99)
Staff costs	3,212	2,225	44
Other operating expenses	<u>4,664</u>	<u>10,314</u>	(55)
Total costs and expenses	<u>18,890</u>	<u>31,884</u>	(41)
Operating loss	(7,100)	(9,561)	(26)
Finance costs	(460)	(574)	(20)
Share of profit of associated companies	-	-	-
Loss from continuing operations before taxation	<u>(7,560)</u>	<u>(10,135)</u>	(25)
Tax Expense	(110)	(76)	45
Loss from continuing operations after taxation	<u>(7,670)</u>	<u>(10,211)</u>	(25)
Net loss from discontinuing operations	(340)	(284)	NM
Gain on disposal of discontinuing operations	955	1,898	(50)
Loss for the year	<u>(7,055)</u>	<u>(8,597)</u>	(18)

Notes to Income Statements

The following items were charged/(credited)
to the income statements:

	GROUP		
	Year ended 31 Mar 2006 S\$'000	Year ended 31 Mar 2005 S\$'000	Change %
Impairment loss on assets held for sale	256	-	NM
Depreciation of fixed assets	118	529	(78)
Exchange (gain)/loss	149	(272)	NM
Impairment loss in quoted equity shares	93	4,651	(98)
Allowance for doubtful debts - trade	106	3,264	(97)
Provision for settlement of legal claims	405	250	62
Under provision for taxation in respect of previous years	-	33	NM
Gain on disposal of fixed assets	(138)	(31)	345
Provision for warranty	78	128	(39)
Fixed assets written off	2	-	NM

* NM - Not Meaningful

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

Balance Sheets

	Group		Company	
	31 Mar 2006 S\$'000	31 Mar 2005 S\$'000	31 Mar 2006 S\$'000	31 Mar 2005 S\$'000
FIXED ASSETS	52	1,876	25	1,840
SUBSIDIARY COMPANIES	-	-	655	1,503
INVESTMENT	1,006	1,099	1,006	1,099
CURRENT ASSETS				
Contracts-in-progress	1,616	2,153	-	1,840
Trade receivables	33	2,068	-	2,038
Other receivables	205	1,286	141	263
Amounts owing by subsidiary companies	-	-	-	165
Amounts owing by an associated company	120	515	12	446
Amounts owing by related parties	3,011	9,583	3,002	9,159
Cash at bank and in hand	37	269	9	39
	<u>5,022</u>	<u>15,874</u>	<u>3,164</u>	<u>13,950</u>
Assets classified as held for sale	1,324	-	1,324	-
	<u>6,346</u>	<u>15,874</u>	<u>4,488</u>	<u>13,950</u>
LESS: CURRENT LIABILITIES				
Contracts-in-progress	-	-	-	-
Amounts due to bankers	7,456	7,613	7,456	7,613
Trade payables	808	3,668	743	2,059
Other payables	4,525	3,057	3,866	2,859
Amounts owing to subsidiary companies	-	-	7,914	7,098
Amounts owing to an associated company	254	86	51	-
Amounts owing to related party	14,067	16,951	4,073	10,712
Provision for taxation	90	43	-	-
	<u>27,200</u>	<u>31,418</u>	<u>24,103</u>	<u>30,341</u>
NET CURRENT LIABILITIES	(20,854)	(15,544)	(19,615)	(16,391)
NON-CURRENT LIABILITIES				
Hire purchase creditors	(57)	(286)	(57)	(286)
	<u>(19,853)</u>	<u>(12,855)</u>	<u>(17,986)</u>	<u>(12,235)</u>
SHARE CAPITAL*	32,342	20,752	32,342	20,752
SHARE PREMIUM	-	11,595	-	11,595
REVENUE RESERVE	(52,232)	(45,177)	(50,328)	(44,582)
FOREIGN CURRENCY TRANSLATION RESERVE	37	(25)	-	-
	<u>(19,853)</u>	<u>(12,855)</u>	<u>(17,986)</u>	<u>(12,235)</u>

Note: * Following the recent changes in the Companies (Amendment) Act 2005, the par value concept was abolished on 30/01/2006. As such, share premium of the Company have been transferred to the share capital as at 31/03/06.

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

Amount repayable in one year or less, or on demand

As at 31/03/06	
Secured S\$'000	Unsecured S\$'000
25	7,456

As at 31/03/05	
Secured S\$'000	Unsecured S\$'000
59	7,613

Amount repayable after one year

As at 31/03/06	
Secured S\$'000	Unsecured S\$'000
57	-

As at 31/03/05	
Secured S\$'000	Unsecured S\$'000
286	-

Details of any collateral

The secured borrowings are in relation to assets acquired under hire purchase financing.

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

Cash Flow Statements

	Year ended 31 Mar 2006 S\$'000	GROUP Year ended 31 Mar 2005 S\$'000
Cash flow from operating activities		
Loss from continuing operations before taxation	(7,560)	(10,135)
Gain/(loss) from discontinuing operations	615	1,614
Adjustments for:		
Depreciation of fixed assets	118	529
Impairment loss in quoted equity shares	93	4,651
Allowance for doubtful debts - trade	106	3,264
Gain on disposal of subsidiaries	(955)	(1,898)
Gain on disposal of fixed assets	(138)	(31)
Provision for warranty	78	128
Provision for settlement of legal claims	405	250
Impairment loss on assets held for sale	256	-
Interest expense	460	574
Interest income	-	(4)
Fixed assets written off	2	-
Provision for subcontract cost written back	-	(2,214)
Operating loss before reinvestment in working capital	(6,520)	(3,272)
Decrease in debtors	2,962	4,546
Decrease/(increase) in stocks and contracts-in-progress	537	(2,606)
Decrease in creditors	(836)	(11,570)
Cash used in operations	(3,857)	(12,902)
Interest income	-	4
Interest expense	(460)	(574)
Income taxes paid	(63)	(143)
Net cash used in operating activities	(4,380)	(13,615)
Cash flow from investing activities		
Purchase of fixed assets	(5)	(44)
Proceeds from sale of fixed assets	267	178
Increase in amount due to associated company	563	2,809
Increase in amount due to related parties	3,688	5,972
Disposal of subsidiaries, net of cash disposed	(2)	(18)
Net cash (used in) investing activities	4,511	8,897
Cash flow from financing activities		
Payment made to bankers and financial institutions	(716)	(1,823)
Decrease in hire purchase creditors	(263)	(350)
Payment of expenses on issuance of shares	(5)	(50)
Issuance of shares	-	3,109
Net cash provided by financing activities	(984)	886
Net decrease in cash & cash equivalents	(853)	(3,832)
Cash and cash equivalents at beginning of the period	(5,282)	(1,450)
Effects of exchange differences on opening cash	62	
Cash and cash equivalents at end of the year	(6,073)	(5,282)
Cash and cash equivalents comprise the following:-		
Cash at bank and in hand	37	269
Bank overdraft	(6,110)	(5,551)
	(6,073)	(5,282)

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

Changes in equity - Group (S\$'000)	Share Capital	Share Premium	Capital Reserve	Translation Reserve	Accumulated Losses	Total
As at 1 April 2005	20,752	11,595	-	(25)	(45,177)	(12,855)
Foreign currency translation arising on consolidation	-	-	-	62	-	62
Due to disposal of subsidiaries	-	-	-	-	-	-
New shares issued	-	-	-	-	-	-
Expenses on issue of ordinary shares	-	(5)	-	-	-	(5)
Net loss for the year	-	-	-	-	(7,055)	(7,055)
Implementation of Companies (Amendment) Act 2005	11,590	(11,590)				
As at 31 March 2006	32,342	-	-	37	(52,232)	(19,853)
As at 1 April 2004	18,634	10,654	375	296	(36,955)	(6,996)
Foreign currency translation arising on consolidation	-	-	-	(9)	-	(9)
Due to disposal of subsidiaries	-	-	-	(312)	-	(312)
New shares issued	2,118	991	-	-	-	3,109
Expenses on issue of ordinary shares	-	(50)	-	-	-	(50)
Net loss for the year	-	-	-	-	(8,597)	(8,597)
Transferred to accumulated loss	-	-	(375)	-	-	(375)
Transferred from capital reserve	-	-	-	-	375	375
As at 31 March 2005	20,752	11,595	-	(25)	(45,177)	(12,855)
Changes in equity - Company (S\$'000)	Share Capital	Share Premium	Capital Reserve	Translation Reserve	Accumulated Losses	Total
As at 1 April 2005	20,752	11,595	-	-	(44,582)	(12,235)
New shares issued	-	-	-	-	-	-
Expenses on issue of ordinary shares	-	(5)	-	-	-	(5)
Implementation of Companies (Amendment) Act 2005	11,590	(11,590)	-	-	-	-
Net loss for the year	-	-	-	-	(5,746)	(5,746)
As at 31 March 2006	32,342	-	-	-	(50,328)	(17,986)
As at 1 April 2004	18,634	10,654	-	-	(35,020)	(5,732)
New shares issued	2,118	991	-	-	-	3,109
Expenses on issue of ordinary shares	-	(50)	-	-	-	(50)
Net loss for the year	-	-	-	-	(9,562)	(9,562)
As at 31 March 2005	20,752	11,595	-	-	(44,582)	(12,235)

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 or 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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by its auditors, Messrs Ernst & Young.

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 financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by any accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

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

	Year ended 31 Mar 2006	Year ended 31 Mar 2005
Loss per ordinary share:		
(i) Based on weighted average number of ordinary shares in issue	(1.70) cents	(2.19) cents
(ii) On a fully diluted basis	(1.70) cents	(2.19) cents

The computation of earnings per ordinary share is based on weighted average number of shares of 415,045,060. (31 March 2005: 391,835,274 shares)

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

	Group		Company	
	31 Mar 2006	31 Mar 2005	31 Mar 2006	31 Mar 2005
Net asset value per ordinary share (cents)	(4.78)	(3.10)	(4.33)	(2.95)

Net asset value per ordinary share for the Group and Company is based on 415,045,060 shares (31 March 2005: 415,045,060 shares).

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

Revenue for the Group for the year ended 31 March 2006 was \$11.5 million compared to \$22.2 million for the previous year. The decrease was mainly due to lower construction income, and a re-focusing and gradual development of business outside Singapore (mainly Malaysia).

The Group incurred a loss of \$7.0 million for the year ended 31 March 2006, an improvement of \$1.6 million (18%) compared to the loss of \$8.6 million for the year ended 31 March 2005. The reduction in loss for the current year was mainly due to the reduction in other operating expenses of \$5.7 million (55%) from \$10.3 million in the previous year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast or prospect statement which has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the 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 construction industry in Singapore is still a very competitive environment. As such, the Group has launched, with its business associates, into other regional markets and it is working on several projects in Malaysia. The Group is also following up on other projects in Asean and Middle East.

The Group has received an approval-in-principle from the SGX-ST on 19 May 2006 with regards to a proposed Rights and Warrants Issue to raise working capital for the Group. Following an EGM in June, the Rights and Warrants Issue is expected to be completed by August 2006.

The Group is also in an advanced stage of due diligence with regards to the proposed Acquisition of 38% of Specialist BioDiesel Manufacturer Lereno Sdn Bhd through Eligro Sdn Bhd. Lereno Sdn Bhd is expected to have a significant business and performance impact on the Group in future.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

NIL

(d) Books closure date

NIL

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

No dividend has been declared/recommended for the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

(a) Business segment

Revenue and results - 31 March 2006

Revenue and Results – 31 March 2009

	Continuing Operations				Discontinuing Operations	Total Operations
	Mechanical & electrical engineering S\$'000	Aquarium Specialist Works S\$'000	Eliminations S\$'000	Sub-total S\$'000	Edutainment S\$'000	Consolidated S\$'000
Segment revenue	11,504	-	-	11,504	-	11,504
Interest income	-	-	-	-	-	-
Other revenue	286	-	-	286	-	286
Total revenue	11,790	-	-	11,790	-	11,790
Segment result	(7,066)	(34)	-	(7,100)	(340)	(7,440)
Finance costs						(460)
						(7,900)
Share of losses of associated companies						-
Gain from disposal of subsidiary companies						955
Loss before tax						(6,945)
Tax expense						(110)
Minority interests, net of tax						-
Net loss for the year						(7,055)

(a) Business segment

Revenue and results - 31 March 2005

	Continuing Operations				Discontinuing Operations		Total Operations
	Mechanical & electrical engineering S\$'000	Aquarium Specialist Works S\$'000	Eliminations S\$'000	Sub-total S\$'000	Prawn & fish farming S\$'000	Edutainment S\$'000	Consolidated S\$'000
Segment revenue	22,190	9	-	22,199	-	-	22,199
Interest income	4	-	-	4	-	-	4
Other revenue	120	-	-	120	-	-	120
Total revenue	22,314	9	-	22,323	-	-	22,323
Segment result	(9,321)	(240)	-	(9,561)	91	(375)	(9,845)
Finance costs							(574)
							(10,419)
Share of losses of associated companies							-
Loss before tax							1,898
Tax expense							(8,521)
Minority interests, net of tax							(76)
Net loss for the year							-
							(8,597)

(b) Geographical segment

Revenue - 31 March 2006

	Singapore S\$'000	People's Republic of China S\$'000	Malaysia S\$'000	Others S\$'000	Eliminations S\$'000	Total S\$'000
Sales to external customers	-	-	11,401	103	-	11,504
Interest income	-	-	-	-	-	-
Other revenue	286	-	-	-	-	286
Total revenue	286	-	11,401	103	-	11,790

Revenue - 31 March 2005

	Singapore S\$'000	People's Republic of China S\$'000	Malaysia S\$'000	Others S\$'000	Eliminations S\$'000	Total S\$'000
Sales to external customers	9	-	20,137	2,053	-	22,199
Interest income	4	-	-	-	-	4
Other revenue	120	-	-	-	-	120
Total revenue	133	-	20,137	2,053	-	22,323

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

Please refer to Paragraph 8 for the review.

15. A breakdown of sales.

	31 Mar 2006 S\$'000	31 Mar 2005 S\$'000	Change %
(a) Sales reported for first half year	3,238	4,098	(21)
(b) Operating loss reported for first half year	(2,653)	(2,469)	7
(c) Sales reported for second half year	8,266	18,101	(54)
(d) Operating loss reported for second half year	(4,402)	(6,128)	(28)

16. 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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

17. Interested Person Transactions

The aggregate value of interested person transactions is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	\$'000	\$'000
<u>Revenue</u>		
Kejuruteraan Bintai Kindenko Sdn Bhd	-	4,565
Bintai Kindenko Private Limited	-	230
Bintai Kinden Integrated Power Engineering Sdn. Bhd.	-	6,834
<u>Costs and expenses</u>		
Kejuruteraan Bintai Kindenko Sdn Bhd	-	4,470
Bintai Kindenko Private Limited	-	112
Bintai Kinden Integrated Power Engineering Sdn. Bhd.	-	6,448
Sun Continental Investment & Trading Pte Ltd	-	228

BY ORDER OF THE BOARD

Ong Puay Koon
Executive Vice Chairman
MAE ENGINEERING LTD

29 May 2006