

**Unaudited Full Year Financial Statement and Dividend Announcement  
For the Financial Year Ended 31 December 2020**

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

1(a) (i) **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**

Financial year ended 31 December 2020 (“FY2020”) vs. financial year ended 31 December 2019 (“FY2019”)

	Group		Increase / (Decrease) %
	FY2020 (Unaudited) S\$'000	FY2019 (Audited) S\$'000	
<b>Revenue</b>	14,740	17,263	(14.6)
Cost of works	(8,616)	(12,353)	(30.3)
<b>Gross profit</b>	6,124	4,910	24.7
Other income	1,738	187	N.M
Interest income	18	15	20
<b>Expenses:</b>			
Administrative expenses	(2,818)	(3,325)	(15.2)
Other expenses	(982)	(1,089)	(9.8)
Loss allowance on trade, retention, contract assets and other receivables	(3,218)	(261)	N.M.
Finance costs	(129)	(270)	(52.2)
<b>Profit before income tax</b>	733	167	N.M.
Income tax expense	(293)	(57)	N.M.
<b>Net profit for the year</b>	440	110	299
<b>Other comprehensive income:</b>			
Items that may be reclassified to profit or loss subsequently			
Currency translation differences arising from foreign operations	3	6	(50)
<b>Total comprehensive (income for the year</b>	443	116	282
<b>Earnings per share attributable to equity holders of the Company</b>			
Basic & Diluted (Cents)	0.44	0.11	3

N.M. - Not meaningful

The Group's profit before income tax is arrived at after crediting/ (charging):

	Group		Increase / (Decrease) %
	FY2020 (Unaudited) S\$'000	FY2019 (Audited) S\$'000	
Loss on foreign exchange	(32)	(10)	220
Loss on disposal and write-off of property, plant and equipment	(982)	(1,089)	(9.8)
Government grants income	1,496	28	N.M.
Interest income from bank deposits	18	15	20
Loss allowance on trade, retention, contract assets and other receivables	(3,218)	(261)	N.M.
Interest expense	(132)	(274)	(51.8)
Amortisation of preliminary costs	(295)	(598)	(50.7)
Depreciation of property, plant and equipment and right-of-use-asset	(1,909)	(1,902)	0.36
Professional fees	(323)	(527)	(38.7)

N.M. – Not meaningful

	Group		Increase / (Decrease) %
	FY2020 (Unaudited) S\$'000	FY2019 (Audited) S\$'000	
<b>Income Tax Expense</b>			
Tax expense attributable to profit is made up of			
- Current income tax	7	2	250
- Deferred income tax	41	81	(49.4)
	48	83	(42.2)
Under/(over) provision in prior financial years			
- Current income tax	-	(26)	N.M.
- Deferred income tax	245	-	N.M.
<b>Income tax expense</b>	<b>293</b>	<b>57</b>	<b>N.M.</b>

N.M. - Not meaningful

**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**

	<b>Group</b>	
	<b>31 Dec 2020 (Unaudited) S\$'000</b>	<b>31 Dec 2019 (Audited) S\$'000</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	830	1,249
Fixed deposits pledged	2,064	2,046
Trade and other receivables (Note 1)	19,117	8,993
Contract assets (Note 3)	11,465	17,195
Prepayments	87	35
Income tax recoverable	643	643
<b>Total current assets</b>	<b>34,206</b>	<b>30,161</b>
<b>Non-current assets</b>		
Property, plant and equipment	30,731	33,136
<b>Total non-current assets</b>	<b>30,731</b>	<b>33,136</b>
<b>Total assets</b>	<b>64,937</b>	<b>63,297</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 2)	4,205	3,991
Contract liabilities (Note 3)	3,272	3,240
Income tax payable	7	2
Lease liabilities	224	398
Bank borrowings	2,293	3,820
<b>Total current liabilities</b>	<b>10,001</b>	<b>11,451</b>
<b>Non-current liabilities</b>		
Lease liabilities	54	205
Bank borrowings	2,563	-
Deferred tax liabilities	684	399
<b>Total non-current liabilities</b>	<b>3,301</b>	<b>604</b>
<b>Total liabilities</b>	<b>13,302</b>	<b>12,055</b>
<b>NET ASSETS</b>	<b>51,635</b>	<b>51,242</b>
<b>EQUITY</b>		
Share capital	32,291	32,291
Retained earnings	44,963	44,573
Merger reserve	(25,628)	(25,628)
Currency translation reserve	9	6
<b>Total equity</b>	<b>51,635</b>	<b>51,242</b>

	<b>Company</b>	
	<b>31 Dec 2020 (Unaudited) S\$'000</b>	<b>31 Dec 2019 (Audited) S\$'000</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	9	74
Prepayments	-*	-*
Trade and other receivables	889	745
Dividends receivables	250	250
<b>Total current assets</b>	<b>1,148</b>	<b>1,069</b>
<b>Non-current assets</b>		
Investment in subsidiaries	27,070	27,070
<b>Total non-current assets</b>	<b>27,070</b>	<b>27,070</b>
<b>Total assets</b>	<b>28,218</b>	<b>28,139</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	172	58
Income tax payable	2	2
<b>Total liabilities</b>	<b>174</b>	<b>60</b>
<b>NET ASSETS</b>	<b>28,044</b>	<b>28,079</b>
<b>EQUITY</b>		
Share capital	32,291	32,291
Accumulated losses	(4,247)	(4,212)
<b>Total equity</b>	<b>28,044</b>	<b>28,079</b>

\* denotes amount that is less than S\$1,000

Notes:

- (1) The Group's trade and other receivables as at the end of respective financial years comprised the following:

	<b>30 Dec 2020 (Unaudited) S\$'000</b>	<b>31 Dec 2019 (Audited) S\$'000</b>
Trade receivables – third parties	1,549	1,893
Less: Allowance for impairment of trade receivables	(748)	(866)
	801	1,027
Unbilled receivables – third parties	16,279	5,161
Grants receivable	200	-
Retention receivables	2,280	3,163
Less: Allowance for impairment of retention receivables	(685)	(627)
	1,595	2,536
Other receivables	208	178
Less: Allowance for impairment of other receivables	(170)	(170)
	38	8

Deposits	204	261
<b>Total trade and other receivables</b>	<b>19,117</b>	<b>8,993</b>

- (2) The Group's trade and other payables as at the end of respective financial periods comprised the following:

	<b>31 Dec 2020 (Unaudited) S\$'000</b>	<b>31 Dec 2019 (Audited) S\$'000</b>
Trade payables	2,391	2,593
Other payables	712	628
Deferred income	254	-
Accrued operating expenses	848	770
<b>Total</b>	<b>4,205</b>	<b>3,991</b>

- (3) The Group's contract assets and contract liabilities as follows:

	<b>31 Dec 2020 (Unaudited) S\$'000</b>	<b>31 Dec 2019 (Audited) S\$'000</b>
<u>Contract assets</u>		
Structural steel works	9,445	15,629
Tunnelling works	1,530	847
	<u>10,975</u>	<u>16,476</u>
Unamortised preliminary costs	490	719
	<u>11,465</u>	<u>17,195</u>
<u>Contract liabilities</u>		
Structural steel works	3,272	3,240
Tunnelling works	-	-
	<u>3,272</u>	<u>3,240</u>

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

#### Amount repayable in one year or less

	<b>As at 31 Dec 2020 (Unaudited)</b>		<b>As at 31 Dec 2019 (Audited)</b>	
	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
Lease liabilities	7	217	120	278
Bank loans	1,000	1,293	2,108	1,712

#### Amount repayable after one year

	<b>As at 31 Dec 2020 (Unaudited)</b>		<b>As at 31 Dec 2019 (Audited)</b>	
	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
Lease liabilities	-	54	7	198

Bank loans	-	2,563	-	-
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**Details of any collateral:**

Bank loan of S\$1.0 million as at 31 December 2020 and S\$2.108 million as at 31 December 2019 are secured by fixed deposits of S\$1.0 million and S\$2.0 million respectively pledged with the lending banks.

In June 2020, the Group (via one of its subsidiaries) obtained a temporary bridging loan of S\$3 million under the Enterprise Financing Scheme. The loan is repayable over 5 years and is secured by a corporate guarantee executed by the Company.

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**

	<b>FY2020 (Unaudited) S\$'000</b>	<b>FY2019 (Audited) S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	733	167
Adjustments for:		
Loss on disposal and write-off of property, plant and equipment	982	1,089
Depreciation of property, plant and equipment and right-of-use assets	1,909	1,902
Interest income	(18)	(15)
Interest expense	132	274
Loss allowance for trade, other and retention sum receivables	3,218	261
Loss on unrealised currency translation	-	10
Operating cash flows before changes in working capital	6,956	3,688
<b>Changes in working capital</b>		
Trade and other receivables	(13,341)	3,288
Contract assets	5,729	(858)
Prepayments	(52)	(8)
Trade and other payables	214	(4,993)
Contract liabilities	33	3,240
Cash (used in)/generated from operations	(461)	4,357
Income tax (paid)	(2)	(1)
<b>Net cash (used in)/ from operating activities</b>	(463)	4,356
<b>Cash flows from investing activities</b>		
Interest income	14	9
Additions of property, plant and equipment	(541)	(2,933)
Proceeds from disposals of property, plant & equipment	57	449
<b>Net cash used in investing activities</b>	(470)	(2,475)
<b>Cash flows from financing activities</b>		
Fixed deposit pledged with a financial institution	(14)	(1,015)
Repayment of lease liabilities/finance lease liabilities	(325)	(423)
Proceeds from bank borrowings	4,333	4,987
Repayment of bank borrowings	(3,298)	(5,272)
Dividends paid	(50)	-
Interest paid	(132)	(274)
<b>Net cash from/ (used in) financing activities</b>	514	(1,997)
Net decrease in cash and cash equivalents	(419)	(116)
Cash and cash equivalents at the beginning of the financial year	1,249	1,365
<b>Cash and cash equivalents at end of the financial year</b>	<b>830</b>	<b>1,249</b>

Note:

- (1) Cash and cash equivalents at the end of the respective financial years comprise the following:

	FY2020 (Unaudited) S\$'000	FY2019 (Audited) S\$'000
Cash at bank and on hand	830	1,249
Short-term bank deposit	2,064	2,046
Cash and bank balances per consolidated statement of financial position	2,894	3,295
Less: short-term bank deposit pledged	(2,064)	(2,046)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>830</b>	<b>1,249</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

Group	Share capital S\$'000	Retained earnings S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000	Total S\$'000
<b>(Unaudited)</b>					
<b>Balance as at 1 January 2020</b>	32,291	44,573	6	(25,628)	51,242
First and final dividends	-	(50)	-	-	(50)
Total comprehensive income for the financial year	-	440	3	-	443
<b>Balance as at 31 December 2020</b>	32,291	44,963	9	(25,628)	51,635
<b>(Audited)</b>					
<b>Balance as at 1 January 2019</b>	32,291	44,463	-	(25,628)	51,126
Total comprehensive income for the financial year	-	110	6	-	116
<b>Balance as at 31 December 2019</b>	32,291	44,573	6	(25,628)	51,242

Company	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>(Unaudited)</b>			
<b>Balance as at 1 January 2020</b>	32,291	(4,212)	28,079
First & final dividends paid for FY2019	-	(50)	(50)
Total comprehensive income for the financial year	-	15	15
<b>Balance as at 31 December 2020</b>	32,291	(4,247)	28,044
<b>(Audited)</b>			
<b>Balance as at 1 January 2019</b>	32,291	(4,283)	28,008
Total comprehensive income for the financial year	-	71	71
<b>Balance as at 31 December 2019</b>	32,291	(4,212)	28,079



**1(d) (ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, 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 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 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.**

	Number of Shares	Share capital (S\$)
As at 30 June 2020 and 31 December 2020	<u>99,200,000</u>	<u>32,290,650</u>

The Company did not have any outstanding convertibles, subsidiary holdings or treasury shares as at 31 December 2020 and 31 December 2019.

**1(d) (iii) To show the 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.**

	Company As at 31 December 2020	Company As at 31 December 2019
Total number of issued shares excluding treasury shares	<u>99,200,000</u>	<u>99,200,000</u>

The Company did not have any treasury shares as at 31 December 2020 and 31 December 2019.

**1(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

**1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during, and at the end of the current financial year reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a 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.**
- (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. The Group's financial statements for the financial year ended 31 December 2019 were not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

**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's financial statements for the current reporting period have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") including related Interpretations of SFRS(I).

Other than the adoption of new SFRS(I) as mentioned in Note 5 below, there was no change in accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2019.

**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 the financial period under review, the Group and the Company adopted the new SFRS(I) and Amendments to SFRS(I) that are effective for annual period beginning on or after 1 January 2020.

During FY2020, the Group has adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2020:-

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 1-1 SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of a Business
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform.

The adoption of the above amendments to SFRS(I)s is assessed to have no significant impact on the financial statements of the Group.

**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**

	Group	
	FY2020 (Unaudited)	FY2019 (Audited)
Net profit attributable to equity holders of the Company (S\$'000)	440	110
Basic & diluted earnings per share (EPS) in Singapore cents	0.44	0.11

The basic and diluted EPS were the same for FY2020 and FY2019 as there were no potentially dilutive ordinary securities existing during the respective financial years.

**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 2020 (Unaudited)	31 Dec 2019 (Audited)	31 Dec 2020 (Unaudited)	31 Dec 2019 (Audited)
Net asset value (S\$'000)	51,635	51,242	28,044	28,079
Number of issued shares ('000)	99,200	99,200	99,200	99,200
Net asset value per ordinary share based on issued share capital (S\$)	0.52	0.52	0.28	0.28

**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 the Income Statement of the Group

#### **FY2020 VS FY2019**

	Steelworks Segment S\$'000		Tunneling Segment S\$'000	
	FY2020	FY2019	FY2020	FY2019
Revenue	12,414	15,981	2,326	1,282
Cost of Works	(7,174)	(11,616)	(1,442)	(737)
Gross Profit	5,240	4,365	884	545

#### Revenue

##### *Steelworks Segment*

Revenue from Steelworks Segment comprises income from the provision of construction services (Service) and income from leasing of steel beams (Lease).

In FY2020, the Group's revenue was mainly generated from recognition of revenue from leasing of steel beams. There was minimal revenue being recognized from the provision of construction service due to the suspension of business activities from 7 April until end of August 2020 as a result of novel coronavirus pandemic (COVID-19) containment measures. Further, there was a reversal of construction service revenue of approximately S\$1.6 million in FY2020 following the completion of two projects undertaken in prior years which were subject to re-measurements.

##### *Tunneling Segment*

The increase in revenue from the tunneling segment is attributable to the increase in percentage of completion of the T10 project which only commenced in April 2019.

#### Cost of works

In line with the decrease in steel work construction revenue in FY2020, the cost of works for Steelworks Segment decreased by 38% as compared to FY 2019. On the other hand, in line with the increase in tunneling construction revenue in FY2020, the cost of works for Tunneling Segment increased by 96% compared with that as of FY2019.

#### Gross profit margin

The overall gross profit margin was 42% and 28% for FY2020 & FY2019 respectively. The higher GPM for FY2020 was mainly due to recognition of higher lease revenue during the year.

### Administrative expenses

Administrative expenses decreased by 15% in FY2020 compared with FY2019. It was mainly due to decreases in professional fees, directors' remuneration, staff salaries, foreign worker levies and depreciation of motor vehicles in FY2020.

### Loss allowance on trade, retention, contract assets and other receivables

The significant increase in this line item is due mainly to an impairment loss made against contract assets amounting to S\$3.1 million pertaining to two of our projects that were finalized and closed in FY2020. Additionally, there was an impairment loss of S\$0.1 million made on the remaining balance of a main contractor which was under judicial administration in a foreign jurisdiction (Please refer to our results announcement for the half year ended 30 June 2020 for more detail).

### Amortization of preliminary costs

The amortization of preliminary costs (classified as part of "cost of works" in the income statement) for FY2020 was lower than that of FY2019 mainly due to lower preliminary costs being incurred and capitalized for our projects during FY2020.

### Other income

Other income mainly relates to government grants received and/or receivable during FY2020 (such as the Jobs Support Scheme, foreign worker levy rebates and rental rebates/reliefs) amounting to approximately S\$1.5 million.

### Income tax expense

Higher effective tax rate is due mainly to a provision made for deferred tax expense of about S\$0.3 million in respect of some prior years' under-estimations.

## **Review of the Financial Position of the Group**

The current assets as at 31 December 2020 was 13% higher than that as of 31 December 2019 mainly due to an increase in unbilled receivables as at 31 December 2020 primarily as a result of lease revenue that has been recognized during the year but no significant progress billings had been raised yet due to stoppage of construction works for 4 months. The increase is partially offset by a decrease in contract assets largely as a result of the impairment loss allowance made against these assets as mentioned above and some reclassifications between the contract asset and unbilled receivable accounts.

The decrease of non-current assets was mainly due to depreciation of property, plant and equipment and amortization of right-of-use assets.

The current liabilities as at 31 December 2020 decreased by 13% as compared with 31 December 2019 mainly due to the full repayment of a bank loan.

The non-current liabilities increased due primarily to the drawdown of a bridging bank loan amounting to S\$3 million in FY2020. The loan is repayable over 5 years.

### **Review of the Cash Flow Statement of the Group**

Net cash used in operating activities amounted to S\$0.463 million mainly due to increase in unbilled receivables and decrease in trade receivables due to stoppage of construction work during the circuit breaker period.

Net cash used in investing activities amounted to S\$0.47 million. It was mainly due to the steel beams acquired in FY2020.

Net cash generated from financing activities amounted to S\$0.5 million in FY2020. It was largely due to the drawdown of a 5-year bridging loan amounting to S\$3 million during the year which was offset by the repayment of some previous bank borrowings which bore higher finance costs and were due for repayment.

The net cash outflow for FY2020 is S\$0.4 million in terms of cash and cash equivalents.

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

Not applicable. No forecast or prospect statement has been previously issued to the shareholders for the current financial period reported on.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The outlook for the Singapore construction industry for the next 12 months is envisaged to be positive. In this regard, the Building and Construction Authority (“**BCA**”) projected between S\$23 billion and S\$28 billion worth of construction contracts to be awarded in 2021 with the public sector contributing about 65% of the total demand<sup>(1)</sup> which includes the North-South Corridor development and new MRT lines. As such, the Group is cautiously positive that its established track record and strong technical expertise in past similar infrastructure projects will put it in a favourable position to benefit from such developments.

Nevertheless, the global outbreak of the novel coronavirus pandemic (“**COVID-19**”) since early February 2020 has unexpectedly brought about unprecedented health, social, economic and financial disruptions to many individuals and entities across virtually all industries around the world, not least the construction industry.

The adverse impact of the pandemic on the construction sector continued unabated throughout 2020 and is expected to persist to a large extent in 2021. As a result, the completion dates of certain steelworks segment projects are expected to be extended. This might in turn affect the timing of recognition of revenue (and hence profit) as well as collections from our customers.

It is to be noted that the COVID-19 (Temporary Measures) Act 2020 provides certain reliefs for contracts affected by construction delays. Therefore, the Group believes that the risk and cost associated with the extension of the initially agreed completion dates of projects would be minimal and manageable.

Although the Group has resumed full on-site activities since Phase 3 of the pandemic control measures in late December 2020, we expect that operational productivity will not be able to revert back to pre-pandemic levels with some of the pandemic containment measures still being in place. Some of these measures are expected to further elevate pressure from the already acute constraint of labour supply and increasing manpower costs as well as the increase in steel prices in Singapore.

Nevertheless, the Group will continuously monitor its operational constraints and implement the necessary measures to minimise the impact of such constraints. In addition, the Group will continue to work closely with its customers, suppliers, financiers and other stakeholders, and manage its operational costs so as to generate sufficient cash flows to preserve and sustain its operation as a going concern while continuously effecting its Business Continuity Plan and safe management measures to counter the impact of COVID-19.

With the securing of new contracts as announced on 4 January 2021 and the emphasis on research and development efforts to increase productivity notably on the precast road decking panels, and barring any further adverse and unforeseen circumstances, the Group is reasonably well positioned to gradually come out from the pandemic stronger.

Source:

(1) Building and Construction Authority. (18 January 2021). <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2021/01/18/public-sector-construction-demand-to-support-the-sector's-recovery>

## 11. Dividend

**Decision regarding dividend has been made, the required information has been disclosed.**

**(a) *Whether an interim (final) ordinary dividend has been declared (recommended); and***

No interim or final ordinary dividend has been declared or recommended for FY2020.

**(b)(i) *Amount per share:***

Not applicable.

**(b)(ii) *Previous corresponding period***

In view of the Group's performance in FY2019, the Board of Directors had proposed and recommended a first and final dividend (one-tier tax exempt) of 0.05 Singapore cents (S\$0.0005) per ordinary share in respect of FY2019 ("**Proposed Dividend**"). The Proposed Dividend had been approved by the Company's shareholders at the Annual General Meeting ("**AGM**") held on 29 June 2020.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)**

Not applicable.

- (d) **The date the dividend is payable**

Not applicable.

- (e) **The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision**

No dividend has been declared or recommended for FY2020 after taking into consideration the Group's future cash flow requirements.

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.**

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		FY2020 S\$	FY2020 S\$
K.H. Land Pte Ltd - Provision of strutting work	Refer to Note 1	180,000 <sup>(2)</sup>	-



Notes:

- (1) Keong Hong Holdings Limited has a 15.12% direct interest in Kori Holdings Limited (the Company). It is a controlling shareholder of the Company. K. H. Land Pte. Ltd. is a wholly-owned subsidiary of Keong Hong Holdings Limited.
- (2) The Company had on 20 August 2020 entered into a contract with K. H. Land Pte. Ltd. in relation to strutting works. The value of the contract amounted to S\$180,000. Construction work is scheduled to commence and complete in FY2021; hence, no revenue had been recognized in FY2020.

The Group does not have a general mandate for IPTs.

Save for as disclosed, there were no IPTs exceeding S\$100,000 entered into during the financial year reported on.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

**15. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules**

During FY2020, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

16. **Segmented revenue and results for operating 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.**

Business Segments

	FY2020 (Unaudited)			FY2019 (Audited)		
	Structural Steel S\$'000	Tunneling S\$'000	Total S\$'000	Structural Steel S\$'000	Tunneling S\$'000	Total S\$'000
<b>Sales</b>	12,414	2,326	14,740	15,981	1,282	17,263
<b>Cost of works</b>	(7,174)	(1,442)	(8,616)	(11,616)	(737)	(12,353)
<b>Gross profit</b>	5,240	884	6,124	4,365	545	4,910
Other income			1,738			187
Interest income			18			15
Administrative expenses			(2,818)			(3,325)
Other expenses			(982)			(1,089)
Loss allowance on trade, other and retention receivables			(3,218)			(261)
Finance expenses			(129)			(270)
Profit before tax			733			167
Income tax expense			(293)			(57)
<b>Net Profit for the year</b>			<b>440</b>			<b>110</b>

The Company only operates in one geographical location, Singapore.

17. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 above.

**18. A breakdown of sales as follows:**

	Group		
	FY2020 (Unaudited) S\$'000	FY2019 (Audited) S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	6,082	8,627	(29.5)
(b) Operating profit after tax before deducting minority interests reported for first half year	83	107	(22.4)
(c) Sales reported for second half year	8,658	8,636	0.25
(d) Operating profit after tax before deducting minority interests reported for second half year	357	3	118

N.M. - Not meaningful

**19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Total Annual Dividend

Type of Shares	FY2020 (S\$'000)	FY2019 (S\$'000)
Ordinary	-	50
Preference	-	-
Total	-	50

FY2020

No dividends were recommended or declared in FY2020.

FY2019

The first and final dividend of 0.05 Singapore cents (S\$0.0005) per ordinary share was approved by shareholders of the Company at the AGM held on 29 June 2020.

**20. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable. There are no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**By Order of the Board**

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HOOI YU KOH  
Executive Chairman and CEO  
1 March 2021

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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