

Half Year Financial Statement And Dividend Announcement for the Period Ended 31 August 2014

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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.

Statement of Comprehensive Income for the six months ended 31 August 2014

	Group Latest half year to 31/8/14 S\$'000	Group Previous half year to 31/8/13 S\$'000	+ / (-) %
Revenue	13,962	12,976	8
Cost of sales	(10,368)	(9,726)	7
Gross profit	3,594	3,250	11
Other income	94	145	(35)
Selling, general and administrative expenses	(1,052)	(997)	6
Finance expense	(71)	(56)	27
Profit before income tax	2,565	2,342	10
Income tax expense	(450)	(287)	57
Profit for the period	2,115	2,055	3
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	62	(40)	NM
Total comprehensive income for the period	2,177	2,015	8
Profit attributable to:			
Owners of the Company	2,024	2,001	1
Non-controlling interests	91	54	69
Profit for the period	2,115	2,055	3
Total comprehensive income attributable to:			
Owners of the Company	2,067	1,973	5
Non-controlling interests	110	42	162
Total comprehensive income for the period	2,177	2,015	8

NM denotes 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.

Statements of Financial Position as at 31 August 2014

	Group 31/8/14 S\$'000	Group 28/2/14 S\$'000	Company 31/8/14 S\$'000	Company 28/2/14 S\$'000
Non-current assets				
Plant and equipment	21,032	21,663	2,017	2,043
Investment in subsidiaries	-	-	12,740	12,740
Deferred tax asset	95	115	95	115
Total non-current assets	21,127	21,778	14,852	14,898
Current assets				
Inventories	1,337	1,062	-	-
Trade and other receivables	8,447	7,230	719	2,278
Tax recoverable	18	3	-	-
Cash and cash equivalents	777	564	1	1
Total current assets	10,579	8,859	720	2,279
Total assets	31,706	30,637	15,572	17,177
Equity attributable to owners of the company				
Share capital	11,191	11,191	11,191	11,191
Reserves	9,772	7,705	1,542	1,435
Total equity attributable to owners of the company	20,963	18,896	12,733	12,626
Non-controlling interests	806	696	-	-
Total equity	21,769	19,592	12,733	12,626
Non-current liabilities				
Deferred tax liabilities	1,834	1,499	-	-
Finance lease obligations	1,035	663	-	-
Total non-current liabilities	2,869	2,162	-	-
Current liabilities				
Trade and other payables	4,955	6,283	2,396	3,154
Current tax liabilities	82	76	-	-
Finance lease obligations	1,588	1,127	-	-
Bank overdrafts	443	1,397	443	1,397
Total current liabilities	7,068	8,883	2,839	4,551
Total liabilities	9,937	11,045	2,839	4,551
Total equity and liabilities	31,706	30,637	15,572	17,177

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

Amount repayable in one year or less, or on demand

As at 31/8/14		As at 28/2/14	
Secured	Unsecured	Secured	Unsecured
\$2,030,388	-	\$2,524,529	-

Amount repayable after one year

As at 31/8/14		As at 28/2/14	
Secured	Unsecured	Secured	Unsecured
\$1,034,793	-	\$662,837	-

Details of any collateral

The Group's banking and debt facilities, comprising of overdraft and finance lease obligations, are secured by:

- a) A fixed and floating charge of up to \$1,500,000 (28/2/2014: \$1,500,000) on the Company's assets.
- b) Corporate guarantees issued by the Company.
- c) Finance lease arrangement for certain plant and equipment of subsidiaries.

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 for the six months ended 31 August 2014

	Group 31/8/14 S\$'000	Group 31/8/13 S\$'000
Operating activities		
Profit before income tax	2,565	2,342
Adjustments for:		
Depreciation of plant and equipment	1,601	1,391
Gain on disposal of plant and equipment	(50)	(120)
Interest income	-	(1)
Interest expense	71	56
Operating profit before working capital changes	4,187	3,668
Changes in working capital:		
Inventories	(275)	(105)
Trade and other receivables	(1,232)	(1,717)
Trade and other payables	66	426
Cash generated from operations	2,746	2,272
Income taxes paid	(89)	(32)
Cash flows from operating activities	2,657	2,240
Investing activities		
Interest received	-	1
Purchase of plant and equipment	(408)	(1,004)
Proceeds from disposal of plant and equipment	65	195
Cash flows used in investing activities	(343)	(808)
Financing activities		
Interest expense paid	(71)	(56)
Repayment of finance lease obligations	(1,080)	(391)
Repayment of bank loan	-	(256)
Cash flows used in financing activities	(1,151)	(703)
Net increase in cash and cash equivalents	1,163	729
Cash and cash equivalents at beginning of the year	(833)	(1,117)
Effects of exchange rate fluctuations on cash held	4	(29)
Cash and cash equivalents at end of the period	334	(417)
Comprising:		
Cash at bank and in hand	776	639
Fixed deposits	1	1
Bank overdraft	(443)	(1,057)
Cash and cash equivalents at end of the period	334	(417)

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	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Total S\$'000
At 1 March 2014	11,191	(158)	7,863	18,896	696	19,592
Total comprehensive income for the period						
Profit for the period	-	-	2,024	2,024	91	2,115
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	43	-	43	19	62
Total other comprehensive income for the period	-	43	-	43	19	62
Total comprehensive income for the period	-	43	2,024	2,067	110	2,177
At 31 August 2014	11,191	(115)	9,887	20,963	806	21,769
At 1 March 2013	11,191	(106)	6,224	17,309	578	17,887
Total comprehensive income for the period						
Profit for the period	-	-	2,001	2,001	54	2,055
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(28)	-	(28)	(12)	(40)
Total other comprehensive income for the period	-	(28)	-	(28)	(12)	(40)
Total comprehensive income for the period	-	(28)	2,001	1,973	42	2,015
At 31 August 2013	11,191	(134)	8,225	19,282	620	19,902

Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 March 2014	11,191	1,435	12,626
Profit for the period representing total comprehensive income for the period	-	107	107
At 31 August 2014	11,191	1,542	12,733
At 1 March 2013	11,191	1,572	12,763
Profit for the period representing total comprehensive income for the period	-	969	969
At 31 August 2013	11,191	2,541	13,732

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.

Nil.

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.

	31/8/14	28/2/14
Total number of issued shares	69,590,800	69,590,800

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 auditing standard or practice.

The 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 a matter).

NA.

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

The accounting policies and methods of computation adopted are consistent with those applied in the most recent audited financial statements.

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.

New/Revised Accounting Standards/Interpretations (Effective for annual periods beginning on or after 1 March 2014)

- (1) Amendments to FRS 110 Consolidated Financial Statements
- (2) Amendments to FRS 27 Separate Financial Statements
- (3) Amendments to FRS 111 Joint Arrangements
- (4) Amendments to FRS 28 Investments in Associates and Joint Ventures (revised)
- (5) Amendments to FRS 112 Disclosures of Interests in Other Entities
- (6) Amendments to FRS 110, FRS 111 and FRS 112 - Transition Guidance
- (7) Amendments to FRS 32 Offsetting financial assets and financial liabilities
- (8) Amendments to FRS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
- (9) INT FRS 121 Levies

Through management's assessment, none of these are expected to have a significant effect on the current year's financial statements.

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 Latest period	Group Previous corresponding period
(a) Based on the weighted average number of ordinary shares on issue; and	2.91 cents	2.88 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	2.91 cents	2.88 cents
Weighted average number of shares	69,590,800	69,590,800

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 31/8/14	Group 28/2/14	Company 31/8/14	Company 28/2/14
Net asset value per ordinary share based on issued share capital at the end of the year (in cents)	30.12	27.15	18.3	18.14

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.**
- (a) Group turnover rose by 8% to \$14 million for the half year ended 31 August 2014 compared with \$13 million for the previous period. This was due mainly to an increase in concrete pumping sales arising from the increase in construction activities of infrastructure projects and private and public housing projects in Singapore and Malaysia.
- (b) On the back of better sales, the group achieved gross profit of \$3.6 million, an 11% improvement over previous period where gross profit was \$3.25 million. However, group profit attributable to owners of the company remained at \$2 million, weighed down by higher selling, general and administrative expenses and income tax expense.
- (c) In tandem with the increase in sales, trade and other receivables were up from \$7.2 million to \$8.4 million. Trade and other payables were down from \$6.3 million to \$5 million due to payment made to payables for plant and equipment. Cash and cash equivalents, net of bank overdraft of the Group improved to \$334,000 compared to \$(833,000) for 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.**

The current period's performance is consistent with the earlier prospect statement made in the Full Year Financial Statement Announcement for the year ended 28 February 2014 which stated that barring unforeseen circumstances, the performance of the Group for the new financial year is expected to be profitable.

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.**

Based on the current trend in the industry, we expect demand to remain strong for building materials and construction related services in Singapore and Malaysia for the second half of the financial year. Barring unforeseen circumstances, the performance of the Group is expected to be profitable.

11. **If a decision regarding dividend has been made:-**

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

- (b)(i) **Current financial period reported on**

Name of Dividend	Interim
Dividend Type	Cash
Amount per share	1.5 cents (one tier tax exempt)

(b)(ii) Previous corresponding period

Name of Dividend	Interim (Paid)
Dividend Type	Cash
Amount per share	1.5 cent (one tier tax exempt)

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

Please refer to 11 (b).

(e) The date the dividend is payable.

26 December 2014

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

8 December 2014

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

NA.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

NA.

14. Negative confirmation pursuant to Rule 705(5). (Note required for announcement on full year results)

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the Half Year Financial Results for the Period ended 31 August 2014 to be false or misleading.

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.

NA.

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

NA.

17. A breakdown of sales as follows:-

NA.

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

	Latest Full Year (S\$)	Previous Full Year (S\$) 28/2/14
Ordinary	NA	1,739,770
Preference	NA	0
Total	NA	1,739,770

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

NA.

BY ORDER OF THE BOARD

Chen Lee Lee
Company Secretary
8/10/14