

## Half Year Financial Statement and Dividend Announcement for the Period Ended 31 August 2020

## PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1,Q2 &amp; 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.

## Consolidated Statement of Comprehensive Income for the half year ended 31 August 2020

	Group Half year period ended 31/8/20 (Unaudited) S\$'000	Group Half year period ended 31/8/19 (Unaudited) S\$'000	+ / (-) %
<b><u>Continuing operations</u></b>			
Revenue	1,644	4,225	(61)
Cost of sales	(2,173)	(4,479)	(51)
<b>Gross loss</b>	(529)	(254)	108
Other income	276	26	962
Selling, general and administrative expenses	(660)	(796)	(17)
Net finance income	25	23	9
Share of (loss)/profit of joint venture, net of tax	(44)	109	NM
<b>Loss before tax</b>	(932)	(892)	4
Tax credit	97	159	(39)
<b>Loss from continuing operations</b>	(835)	(733)	14
<b><u>Discontinued operations</u></b>			
Loss from discontinued operations (net of tax)	(8)	(136)	(94)
<b>Loss for the period</b>	(843)	(869)	(3)
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences for foreign operations			
- Continuing operations	(109)	24	NM
- Discontinued operations	(15)	(34)	(56)
	(124)	(10)	1140
<b>Total comprehensive income for the period</b>	(967)	(879)	10

NM denotes not meaningful.

<b>Loss for the period attributable to:</b>	Group Half year period ended 31/8/20 (Unaudited) S\$'000	Group Half year period ended 31/8/19 (Unaudited) S\$'000	+ / (-) %
<b><u>Continuing operations</u></b>			
Owners of the Company	(835)	(733)	14
<b><u>Discontinued operations</u></b>			
Owners of the Company	(11)	(89)	(88)
Non-controlling interests	3	(47)	NM
<b>Loss for the period</b>	(843)	(869)	(3)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(965)	(831)	16
Non-controlling interests	(2)	(48)	(96)
<b>Total comprehensive income for the period</b>	(967)	(879)	10

#### **Discontinued operations**

In the prior year, the Group announced the cessation of the operations of its two subsidiaries, Concrete Forest Ready Mix Sdn. Bhd. and Crescent Concrete Sdn. Bhd. These companies represent the ready-mixed concrete operations in Malaysia.

#### **Discontinued operations**

	Group Half year period ended 31/8/20 (Unaudited) S\$'000	Group Half year period ended 31/8/19 (Unaudited) S\$'000	+ / (-) %
Revenue	-	-	NM
Cost of sales	-	-	NM
<b>Gross profit</b>	-	-	NM
Other income	-	79	NM
General and administrative expenses	(8)	(120)	(93)
Other operating expenses	-	(94)	NM
Net finance cost	-	(1)	NM
<b>Loss before tax</b>	(8)	(136)	(94)
Tax expense	-	-	NM
<b>Loss from discontinued operations</b>	(8)	(136)	(94)

Group's loss before tax for the period includes the following:

	Group Half year period ended 31/8/20 (Unaudited) S\$'000	Group Half year period ended 31/8/19 (Unaudited) S\$'000	+ / (-) %
<b><u>Continuing operations</u></b>			
Other income	276	23	1100
Interest income	21	18	17
Depreciation	(515)	(1,245)	(59)
Impairment loss on trade receivables	-	(93)	NM
Foreign exchange gain	4	5	(20)
(Loss)/Gain on disposal of plant and equipment	(1)	3	NM
<b><u>Discontinued operations</u></b>			
Other income	-	36	NM
Interest on borrowings	-	(1)	NM
Gain on disposal of plant and equipment	-	43	NM
Impairment loss on assets held for sale	-	(94)	NM

**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 2020

	Group 31/8/20 S\$'000	Group 29/2/20 S\$'000	Company 31/8/20 S\$'000	Company 29/2/20 S\$'000
<b>Non-current assets</b>				
Plant and equipment	2,281	2,739	383	475
Right-of-use assets	22	22	-	-
Investment in subsidiaries	-	-	5,178	5,178
Investment in joint venture	1,979	2,127	2,136	2,136
<b>Total non-current assets</b>	<b>4,282</b>	<b>4,888</b>	<b>7,697</b>	<b>7,789</b>
<b>Current assets</b>				
Inventories	684	633	-	-
Trade and other receivables	1,674	3,217	98	118
Cash and cash equivalents	5,336	4,836	3,567	3,495
	7,694	8,686	3,665	3,613
Assets held for sale	138	185	-	-
<b>Current assets</b>	<b>7,832</b>	<b>8,871</b>	<b>3,665</b>	<b>3,613</b>
<b>Total assets</b>	<b>12,114</b>	<b>13,759</b>	<b>11,362</b>	<b>11,402</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	11,191	11,191	11,191	11,191
Reserves	(659)	306	(4,765)	(5,450)
<b>Total equity attributable to owners of the Company</b>	<b>10,532</b>	<b>11,497</b>	<b>6,426</b>	<b>5,741</b>
Non-controlling interests	374	376	-	-
<b>Total equity</b>	<b>10,906</b>	<b>11,873</b>	<b>6,426</b>	<b>5,741</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	87	198	-	-
Lease liabilities	7	7	-	-
<b>Total non-current liabilities</b>	<b>94</b>	<b>205</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	1,014	1,581	4,936	5,661
Current tax liabilities	83	83	-	-
Lease liabilities	17	17	-	-
<b>Total current liabilities</b>	<b>1,114</b>	<b>1,681</b>	<b>4,936</b>	<b>5,661</b>
<b>Total liabilities</b>	<b>1,208</b>	<b>1,886</b>	<b>4,936</b>	<b>5,661</b>
<b>Total equities and liabilities</b>	<b>12,114</b>	<b>13,759</b>	<b>11,362</b>	<b>11,402</b>

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

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

As at 31/8/20 (S\$'000)		As at 29/2/20 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Amount repayable after one year**

As at 31/8/20 (S\$'000)		As at 29/2/20 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral**

The Company's banking and overdraft facilities are secured by a fixed and floating charge of up to S\$1,500,000 (29/2/2020: S\$1,500,000) on the Company's assets.

**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 2020**

	Group 31/8/20 S\$'000	Group 31/8/19 S\$'000
<b>Cash flows from operating activities</b>		
Loss before tax	(940)	(1,028)
Adjustments for:		
Depreciation of plant and equipment	515	1,245
(Loss)/Gain on disposal of plant and equipment	1	(46)
Impairment loss on trade receivables	-	93
Impairment loss on assets held for sale	-	94
Interest income	(21)	(18)
Interest expense	-	1
Share of (loss)/profit of joint venture	44	(109)
	(401)	232
Changes in:		
Inventories	(51)	5
Trade and other receivables	1,543	668
Trade and other payables	(567)	(669)
Contract liabilities	-	(24)
Cash generated from operations	524	212
Income taxes paid	(14)	(2)
<b>Net cash from operating activities</b>	<b>510</b>	<b>210</b>
<b>Cash flows from investing activities</b>		
Interest received	21	18
Purchase of plant and equipment	(59)	(29)
Proceeds from disposal of plant and equipment	1	3
Proceeds from disposal of assets held for sale	47	149
<b>Net cash from/(used in) investing activities</b>	<b>10</b>	<b>141</b>
<b>Cash flows from financing activities</b>		
Interest expense paid	-	(1)
Repayment of finance lease obligations	-	(10)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(11)</b>
<b>Net increase in cash and cash equivalents</b>	<b>520</b>	<b>340</b>
Cash and cash equivalents at beginning of the period	4,836	3,460
Effects of exchange rate fluctuations on cash held	(20)	(5)
<b>Cash and cash equivalents at end of the period</b>	<b>5,336</b>	<b>3,795</b>
<i>Comprising:</i>		
Cash at bank and in hand	3,434	1,305
Fixed deposits	1,902	2,490
Cash and cash equivalents at end of the period	5,336	3,795

**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.**

Consolidated Statement of Changes in Equity for the six months ended 31 August 2020

	Share capital S\$'000	Capital Reserve 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
<b>Group (unaudited)</b>							
<b>2020</b>							
At 1 March 2019	11,191	-	(670)	2,664	13,185	147	13,332
<b>Total comprehensive income for the period</b>							
Loss for the period	-	-	-	(822)	(822)	(47)	(869)
<b>Other comprehensive income, net of tax</b>							
Foreign currency translation differences for foreign operations	-	-	(9)	-	(9)	(1)	(10)
<b>Total other comprehensive income for the period</b>	-	-	(9)	-	(9)	(1)	(10)
Total comprehensive income for the period	-	-	(9)	(822)	(831)	(48)	(879)
At 31 August 2019	11,191	-	(679)	1,842	12,354	99	12,453
<b>2021</b>							
At 1 March 2020	11,191	162	(638)	782	11,497	376	11,873
<b>Total comprehensive income for the period</b>							
Loss for the period	-	-	-	(846)	(846)	3	(843)
<b>Other comprehensive income, net of tax</b>							
Foreign currency translation differences for foreign operations	-	-	(119)	-	(119)	(5)	(124)
<b>Total other comprehensive income for the period</b>	-	-	(119)	-	(119)	(5)	(124)
Total comprehensive income for the period	-	-	(119)	(846)	(965)	(2)	(967)
At 31 August 2020	11,191	162	(757)	(64)	10,532	374	10,906

Statement of Changes in Equity for the period ended 31 August 2020

<b>Company</b>	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>2020</b>			
At 1 March 2019	11,191	280	11,471
Profit for the period, representing total comprehensive income for the period	-	21	21
At 31 August 2019	11,191	301	11,492
<b>2021</b>			
At 1 March 2020	11,191	(5,450)	5,741
Profit for the period, representing total comprehensive income for the period	-	685	685
At 31 August 2020	11,191	(4,765)	6,426

**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.**

	31/8/20	29/2/20
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.**

Save as disclosed in Item 5, the accounting policies and methods of computation applied by the Group for the financial statements for the current financial period reported on are consistent with those used in its most recently audited financial statements for the financial year ended 29 February 2020 ("FY2020").

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.**

The Group has applied the following SFRS(I)s, interpretations of SFRS(I) and requirement of SFRS(I) which are mandatorily effective from 1 March 2020:

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

The adoption of the above standards did not have any significant impact on the 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 (Unaudited) As at 31/8/20	Group (Unaudited) As at 31/8/19
(a)Based on the weighted average number of ordinary shares on issue:		
Continuing operations	(1.20) cents	(1.05) cents
Discontinuing operations	(0.01) cents	(0.13) cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)		
Continuing operations	(1.20) cents	(1.05) cents
Discontinuing operations	(0.01) cents	(0.13) 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 31/8/20	Group 29/2/20	Company 31/8/20	Company 29/2/20
Net asset value per ordinary share based on issued share capital at the end of the year (in cents) *	15.13	16.52	9.23	8.25

\*Net asset value per ordinary share based on issued share capital at the end of the period/year excludes NCI's share of the Group's net assets.

**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.**

8(a) Continuing operations

Group turnover fell 61% to \$1.6 million for the half year ended 31 August 2020 compared with \$4.2 million for the previous period. Sales turnover was brought down by strict Covid-19 pandemic lockdown and curbs in manpower usage measures which have severely affected the construction industry and delayed numerous projects in both Singapore and Malaysia.

The Group recorded a gross loss of \$529,000 compared to \$254,000 in the previous period. In spite of the fall in sales revenue by \$2.6 million, gross loss was mitigated by corresponding fall in labour cost and variable overheads, fall in depreciation from \$1.2 million in the previous period to \$515,000 and receipts of MOM construction support package comprising foreign worker levy waiver and rebates for each foreign worker at \$750 & \$375 given to companies to help local businesses stay viable during this difficult period.

Against the backdrop of a challenging operating environment, the Group continued to incur a loss attributable to owners of \$835,000 compared with \$733,000 for the previous period. The increase in loss was due mainly to the abovementioned gross loss, share of loss of joint venture of \$44,000 offset by an increase in other income of \$250,000 which consist receipts of co-funding of monthly wages for every local worker in employment from the Government Job Support Scheme for the current period.

Discontinued operations

The Group ceased its ready-mixed concrete operation in early 2019 due to deteriorating market conditions in Malaysia. Loss attributable to owners from discontinued operations was \$11,000 as compared to \$89,000 for the previous period.

8(b) In tandem with the decrease in revenue, trade and other receivables were down from \$3.2 million to \$1.7 million while trade and other payables fell from \$1.6 million to \$1 million. Cash and cash equivalents of the Group was \$5.3 million compared with \$4.8 million as at the end of the last financial year.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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 ongoing challenges and uncertainties posed by Covid-19 pandemic such as delayed infrastructure projects and private construction projects are expected to weigh heavily on the construction industry including our business. Strict measures on safe distancing, testing and re-testing of workers, streamlining of workers' dormitories have resulted in significant interruptions in deployment and scheduling of workers thus adding to more inefficiencies.

The Company expects these conditions to continue over the next several months, although there are indications that the circumstances are stabilizing due to the stringent steps taken by the Government to control the pandemic.

In view of the above, the Group will be focusing its efforts on securing for business, controlling costs, properly managing its workers' resources and maintaining strict credit controls. As a matter of prudence, the Group will continue to monitor its working capital during this period.

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

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**  
No.

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

Name of dividend	Nil
Dividend type	Nil
Amount per share	Nil (one tier tax exempt)

**(b)(ii) Corresponding period of the immediate preceding financial year**

Name of dividend	Nil
Dividend type	Nil
Amount per share	Nil (one tier tax exempt)

**(c) 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).

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

NA

**(e) 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.**

NA

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

As the Group has not been profitable, interim dividend has not been declared for the current financial period reported on.

- 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). ( Not 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 2020 to be false or misleading.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

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

- 16. 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.

- 17. 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.

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

NA.

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.

20. **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\$) 28/2/21	Previous Full Year (S\$) 29/2/20
(a) Ordinary	NA	NA
(b) Preference	NA	NA
(c) Total	NA	NA

**BY ORDER OF THE BOARD**

**Chen Lee Lee**  
**Company Secretary**  
**13/10/20**