

Half Year Financial Statement and Dividend Announcement for the Period Ended 31 August 2019

PART 1 – INFORMATION REQUIRED FOR 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.

Consolidated Statement of Comprehensive Income for the half year ended 31 August 2019

	Group Half year period ended 31/8/19 (Unaudited) S\$'000	Group Half year period ended 31/8/18 (Unaudited) S\$'000	+ / (-) %
<b>Continuing operations</b>			
Revenue	4,225	4,535	(7)
Cost of sales	(4,479)	(4,810)	(7)
<b>Gross loss</b>	(254)	(275)	(8)
Other income	26	18	44
Selling, general and administrative expenses	(796)	(824)	(3)
Net finance income	23	10	130
Share of profit of joint venture, net of tax	109	78	40
<b>Loss before tax</b>	(892)	(993)	(10)
Tax credit	159	154	3
<b>Loss from continuing operations</b>	(733)	(839)	(13)
<b>Discontinued operations</b>			
Loss from discontinued operations (net of tax)	(136)	(98)	39
<b>Loss for the period</b>	(869)	(937)	(7)
<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	24	(166)	NM
- Discontinued operations	(34)	81	NM
	(10)	(85)	(88)
<b>Total comprehensive income for the period</b>	(879)	(1,022)	(14)

NM denotes not meaningful.

<b>Loss for the period attributable to:</b>	Group Half year period ended 31/8/19 (Unaudited) S\$'000	Group Half year period ended 31/8/18 (Unaudited) S\$'000	+ / (-) %
<b><u>Continuing operations</u></b>			
Owners of the Company	(733)	(839)	(13)
<b><u>Discontinued operations</u></b>			
Owners of the Company	(89)	(77)	16
Non-controlling interests	(47)	(21)	124
<b>Loss for the period</b>	<b>(869)</b>	<b>(937)</b>	<b>(7)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(831)	(995)	(16)
Non-controlling interests	(48)	(27)	78
<b>Total comprehensive income for the period</b>	<b>(879)</b>	<b>(1,022)</b>	<b>(14)</b>

#### **Discontinued operations**

On 16 January 2019 and 18 February 2019, the Group announced that its two subsidiaries, Concrete Forest Ready Sdn. Bhd. and Crescent Concrete Sdn. Bhd. (collectively "Ceased Entities") had ceased their ready-mixed concrete operations in Malaysia, respectively. For the half year ended 31 August 2019, the Ceased Entities represents the Group's ready-mixed concrete operating segment.

#### **Discontinued operations**

	Group Half year period ended 31/8/19 (Unaudited) S\$'000	Group Half year period ended 31/8/18 (Unaudited) S\$'000	+ / (-) %
Revenue	-	3,637	NM
Cost of sales	-	(3,622)	NM
<b>Gross profit</b>	-	15	NM
Other income	79	30	163
General and administrative expenses	(120)	(113)	6
Other operating expenses	(94)	-	NM
Net finance cost	(1)	(6)	(83)
<b>Loss before tax</b>	<b>(136)</b>	<b>(74)</b>	<b>84</b>
Tax expense	-	(24)	NM
<b>Loss from discontinued operations</b>	<b>(136)</b>	<b>(98)</b>	<b>39</b>

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

	Group Half year period ended 31/8/19 (Unaudited) S\$'000	Group Half year period ended 31/8/18 (Unaudited) S\$'000	+ / (-) %
<b><u>Continuing operations</u></b>			
Other income	23	18	28
Interest income	18	7	157
Depreciation	(1,245)	(1,538)	(19)
Impairment loss on trade receivables	(93)	(72)	29
Foreign exchange gain	5	3	67
Gain on disposal of plant and equipment	3	1	200
<b><u>Discontinued operations</u></b>			
Other income	36	30	20
Interest on borrowings	(1)	(6)	(83)
Depreciation	-	(225)	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 2019

	Group 31/8/19 S\$'000	Group 28/2/19 S\$'000	Company 31/8/19 S\$'000	Company 28/2/19 S\$'000
<b>Non-current assets</b>				
Plant and equipment	4,872	6,089	851	1,035
Investment in subsidiaries	-	-	10,810	10,810
Investment in joint venture	2,067	1,958	2,136	2,136
<b>Total non-current assets</b>	<b>6,939</b>	<b>8,047</b>	<b>13,797</b>	<b>13,981</b>
<b>Current assets</b>				
Inventories	696	701	-	-
Trade and other receivables	3,125	3,886	110	116
Cash and cash equivalents	3,795	3,460	2,625	2,471
	7,616	8,047	2,735	2,587
Assets held for sale	495	699	-	-
<b>Current assets</b>	<b>8,111</b>	<b>8,746</b>	<b>2,735</b>	<b>2,587</b>
<b>Total assets</b>	<b>15,050</b>	<b>16,793</b>	<b>16,532</b>	<b>16,568</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	11,191	11,191	11,191	11,191
Reserves	1,163	1,994	301	280
<b>Total equity attributable to owners of the Company</b>	<b>12,354</b>	<b>13,185</b>	<b>11,492</b>	<b>11,471</b>
Non-controlling interests	99	147	-	-
<b>Total equity</b>	<b>12,453</b>	<b>13,332</b>	<b>11,492</b>	<b>11,471</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	418	619	-	-
<b>Total non-current liabilities</b>	<b>418</b>	<b>619</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	2,128	2,797	5,040	5,097
Contract liabilities	10	34	-	-
Current tax liabilities	41	1	-	-
Finance lease obligations	-	10	-	-
<b>Total current liabilities</b>	<b>2,179</b>	<b>2,842</b>	<b>5,040</b>	<b>5,097</b>
<b>Total liabilities</b>	<b>2,597</b>	<b>3,461</b>	<b>5,040</b>	<b>5,097</b>
<b>Total equities and liabilities</b>	<b>15,050</b>	<b>16,793</b>	<b>16,532</b>	<b>16,568</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 31/8/19 (S\$'000)		As at 28/2/19 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	10	-

**Amount repayable after one year**

As at 31/8/19 (S\$'000)		As at 28/2/19 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral**

- a) The Company's banking and overdraft facilities are secured by a fixed and floating charge of up to S\$1,500,000 (28/2/2019: S\$1,500,000) on the Company's assets.
- b) As at 28/2/19, plant and equipment of subsidiaries were used as collateral for the finance lease obtained.

**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 2019

	Group 31/8/19 S\$'000	Group 31/8/18 S\$'000
<b>Cash flows from operating activities</b>		
Loss before tax	(1,028)	(1,067)
Adjustments for:		
Depreciation of plant and equipment	1,245	1,763
Gain on disposal of plant and equipment	(46)	(1)
Impairment loss on trade receivables	93	72
Impairment loss on assets held for sale	94	-
Interest income	(18)	(7)
Interest expense	1	6
Share of profit of joint venture	(109)	(78)
	232	688
Changes in:		
Inventories	5	-
Trade and other receivables	668	200
Trade and other payables	(669)	(512)
Contract liabilities	(24)	-
Cash generated from operations	212	376
Income taxes paid	(2)	(42)
<b>Net cash from operating activities</b>	<b>210</b>	<b>334</b>
<b>Cash flows from investing activities</b>		
Interest received	18	7
Purchase of plant and equipment	(29)	(69)
Proceeds from disposal of plant and equipment	3	5
Proceeds from disposal of assets held for sale	149	-
<b>Net cash from/(used in) investing activities</b>	<b>141</b>	<b>(57)</b>
<b>Cash flows from financing activities</b>		
Interest expense paid	(1)	(6)
Repayment of finance lease obligations	(10)	(58)
<b>Net cash used in financing activities</b>	<b>(11)</b>	<b>(64)</b>
<b>Net increase in cash and cash equivalents</b>	<b>340</b>	<b>213</b>
Cash and cash equivalents at beginning of the period	3,460	3,087
Effects of exchange rate fluctuations on cash held	(5)	(8)
<b>Cash and cash equivalents at end of the period</b>	<b>3,795</b>	<b>3,292</b>
<i>Comprising:</i>		
Cash at bank and in hand	1,305	1,282
Fixed deposits	2,490	2,010
Cash and cash equivalents at end of the period	3,795	3,292

**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 2019

	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
<b>Group (unaudited)</b>						
<b>2019</b>						
At 1 March 2018	11,191	(606)	7,404	17,989	1,009	18,998
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	(916)	(916)	(21)	(937)
<b>Other comprehensive income, net of tax</b>						
Foreign currency translation differences for foreign operations	-	(79)	-	(79)	(6)	(85)
<b>Total other comprehensive income for the period</b>	-	(79)	-	(79)	(6)	(85)
Total comprehensive income for the period	-	(79)	(916)	(995)	(27)	(1,022)
At 31 August 2018	11,191	(685)	6,488	16,994	982	17,976
<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

Statement of Changes in Equity for the period ended 31 August 2019

<b>Company</b>	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>2019</b>			
At 1 March 2018	11,191	2,101	13,292
Profit for the period, representing total comprehensive income for the period	-	890	890
At 31 August 2018	11,191	2,991	14,182
<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

**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.**

	31/8/19	28/2/19
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 28 February 2019 ("FY2019").

**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 prepared the Group's financial statements for 1H2020 in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and has adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 March 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 3 and SFRS(I) 11 *Previously Held Interest in a Joint Operation*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- Amendments to SFRS(I) 1-12 *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*
- Amendments to SFRS(I) 1-19 *Plan Amendment, Curtailment or Settlement*
- Amendments to SFRS(I) 1-23 *Borrowing Costs Eligible for Capitalisation*
- Amendments to SFRS(I) 1-28 *Long-Term Interests in Associates and Joint Ventures*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for SFRS(I) 16. Application of SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group has adopted SFRS(I) 16 initially on 1 March 2019, using the modified retrospective approach, with no restatement of comparative information.

### **The Group as lessee**

The Group has entered into the lease agreement for rental of office and foreign workers accommodation.

The lease rental of office and all other lease agreement were signed for a period of 12 months with no renewal options. The Group elected for exemption for accounting of these short-term leases, hence, there is no right-of-use asset and lease liability being recognised. The lease rental will be charged out to the statement of profit or loss as and when incurred.

**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 31/8/19	Group (Unaudited) As at 31/8/18
(a)Based on the weighted average number of ordinary shares on issue:		
Continuing operations	(1.05) cents	(1.21) cents
Discontinuing operations	(0.13) cents	(0.11) cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)		
Continuing operations	(1.05) cents	(1.21) cents
Discontinuing operations	(0.13) cents	(0.11) 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 31/8/19	Group 28/2/19	Company 31/8/19	Company 28/2/19
Net asset value per ordinary share based on issued share capital at the end of the year (in cents) *	17.75	18.95	16.51	16.48

**\*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 7% to \$4.2 million for the half year ended 31 August 2019 compared with \$4.5 million for the previous period. This was mainly due to subdued demand for concrete pumping services caused by keen competition, increased use of prefabricated concrete and a slowdown in the construction activities.

Against the backdrop of a challenging operating environment, the Group recorded a gross loss of \$254,000 as compared to a gross loss of \$275,000 in the previous period. As a result, the Group continued to incur a loss attributable to owners of \$733,000 compared with a loss of \$839,000 for the previous period. The decrease in loss was due mainly to a reduction in the selling, general and administrative expenses and increased contribution from the joint venture, PT ATMC.

Discontinued operations

Due to deteriorating market conditions in Malaysia, the Group ceased its ready-mixed concrete operations (comprising mainly of Concrete Forest Ready Mix Sdn. Bhd and Crescent Concrete Sdn. Bhd.) in January and February 2019, respectively. Loss attributable to owners from discontinued operations was \$89,000 as compared to \$77,000 for the previous period. In the process of winding down, the ceased entities continued to incur certain operating expenses such as salary, layoff payments and land rental.

8(b) In tandem with the decrease in revenue, trade and other receivables were down from \$3.9 million to \$3.1 million while trade and other payables fell from \$2.8 million to \$2.1 million. Cash and cash equivalents of the Group was \$3.8 million compared with \$3.5 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 construction demand is expected to be boosted by the commencement of major infrastructure projects such as the North South Corridor, the Deep Tunnel Sewerage System Phase 2, the JTC Space Industrial Property and private projects such as data centres, mega warehouses, etc. The Group looks forward to being able to participate in these projects.

**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 2019 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\$) 29/2/20	Previous Full Year (S\$) 28/2/19
(a) Ordinary	NA	NA
(b) Preference	NA	NA
(c) Total	NA	NA

**BY ORDER OF THE BOARD**

**Chen Lee Lee**  
**Company Secretary**  
**10/10/19**