

Half Year Financial Statement And Dividend Announcement for the Period Ended 31 August 2015

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 2015

	Group Latest half year to 31/8/15 S\$'000	Group Previous half year to 31/8/14 S\$'000	+ / (-) %
Revenue	17,113	13,962	23
Cost of sales	(12,122)	(10,368)	17
Gross profit	4,991	3,594	39
Other income	42	94	(55)
Selling, general and administrative expenses	(1,132)	(1,052)	8
Finance expense	(51)	(71)	(28)
Profit before income tax	3,850	2,565	50
Income tax expense	(439)	(450)	(2)
Profit for the period	3,411	2,115	61
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(313)	62	NM
	(313)	62	NM
Total comprehensive income for the period	3,098	2,177	42
Profit attributable to:			
Owners of the Company	3,305	2,024	63
Non-controlling interests	106	91	16
Profit for the period	3,411	2,115	61
Total comprehensive income attributable to:			
Owners of the Company	3,080	2,067	49
Non-controlling interests	18	110	(84)
Total comprehensive income for the period	3,098	2,177	42

NM denotes not meaningful.

(ii) Profit before income tax includes the following:

	Group Latest half year to 31/8/15 S\$'000	Group Previous half year to 31/8/14 S\$'000	+ / (-) %
Other income including interest income	42	94	(55)
Depreciation	(1,733)	(1,601)	8
Allowances for doubtful receivables	(72)	-	NM
Foreign exchange gain/(loss)	59	(13)	NM
Gain/(loss) on disposal of plant and equipment	(9)	50	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 2015

	Group 31/8/15 S\$'000	Group 28/2/15 S\$'000	Company 31/8/15 S\$'000	Company 28/2/15 S\$'000
Non-current assets				
Plant and equipment	23,314	21,782	3,903	2,841
Investment in subsidiaries	-	-	12,740	12,740
Deferred tax asset	490	370	490	370
Total non-current assets	23,804	22,152	17,133	15,951
Current assets				
Inventories	1,236	1,063	-	-
Trade and other receivables	9,574	8,200	1,929	1,522
Cash and cash equivalents	3,430	1,899	2,235	524
Total current assets	14,240	11,162	4,164	2,046
Total assets	38,044	33,314	21,297	17,997
Equity attributable to owners of the Company				
Share capital	11,191	11,191	11,191	11,191
Reserves	13,993	10,913	5,755	3,564
Total equity attributable to owners of the company	25,184	22,104	16,946	14,755
Non-controlling interests	822	804	-	-
Total equity	26,006	22,908	16,946	14,755
Non-current liabilities				
Deferred tax liabilities	2,221	1,834	-	-
Finance lease obligations	398	1,159	-	-
Total non-current liabilities	2,619	2,993	-	-
Current liabilities				
Trade and other payables	7,664	5,291	4,351	3,242
Current tax liabilities	126	40	-	-
Finance lease obligations	1,629	2,082	-	-
Total current liabilities	9,419	7,413	4,351	3,242
Total liabilities	12,038	10,406	4,351	3,242
Total equity and liabilities	38,044	33,314	21,297	17,997

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

Amount repayable in one year or less, or on demand

As at 31/8/15		As at 28/2/15	
Secured	Unsecured	Secured	Unsecured
S\$1,629,577	-	S\$2,081,883	-

Amount repayable after one year

As at 31/8/15		As at 28/2/15	
Secured	Unsecured	Secured	Unsecured
S\$397,619	-	S\$1,158,468	-

Details of any collateral

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

- A fixed and floating charge of up to \$1,500,000 (28/2/2015: \$1,500,000) on the Company's assets.
- Corporate guarantees issued by the Company.
- Plant and equipment of subsidiaries 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 2015

	Group 31/8/15 S\$'000	Group 31/8/14 S\$'000
Operating activities		
Profit before income tax	3,850	2,565
Adjustments for:		
Depreciation of plant and equipment	1,733	1,601
Loss/(Gain) on disposal of plant and equipment	9	(50)
Interest expense	51	71
Operating profit before working capital changes	5,643	4,187
Changes in working capital:		
Inventories	(173)	(275)
Trade and other receivables	(1,374)	(1,232)
Trade and other payables	394	66
Cash generated from operations	4,490	2,746
Income taxes paid	(86)	(89)
Cash flows generated from operating activities	4,404	2,657
Investing activities		
Purchase of plant and equipment	(1,565)	(408)
Proceeds from disposal of plant and equipment	24	65
Cash flows used in investing activities	(1,541)	(343)
Financing activities		
Interest expense paid	(51)	(71)
Repayment of finance lease obligations	(1,214)	(1,080)
Cash flows used in financing activities	(1,265)	(1,151)
Net increase in cash and cash equivalents	1,598	1,163
Cash and cash equivalents at beginning of the period	1,899	(833)
Effects of exchange rate fluctuations on cash held	(67)	4
Cash and cash equivalents at end of the period	3,430	334
Comprising:		
Cash at bank and in hand	3,430	776
Fixed deposits	-	1
Bank overdraft	-	(443)
Cash and cash equivalents at end of the period	3,430	334

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 2015	11,191	(219)	11,132	22,104	804	22,908
Total comprehensive income for the period						
Profit for the period	-	-	3,305	3,305	106	3,411
Other comprehensive income, net of tax						
Foreign currency translation differences for foreign operations	-	(225)	-	(225)	(88)	(313)
Total other comprehensive income for the period	-	(225)	-	(225)	(88)	(313)
Total comprehensive income for the period	-	(225)	3,305	3,080	18	3,098
At 31 August 2015	11,191	(444)	14,437	25,184	822	26,006
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

Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 March 2015	11,191	3,564	14,755
Profit for the period/ Total comprehensive income for the period	-	2,191	2,191
At 31 August 2015	11,191	5,755	16,946
At 1 March 2014	11,191	1,435	12,626
Profit for the period/ Total comprehensive income for the period	-	107	107
At 31 August 2014	11,191	1,542	12,733

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.

	31/8/15	28/2/15
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 2015)

(1) Improvements to FRSs (January 2014)

Contains amendments to:

FRS 103 Business combinations – Classification and measurement of contingent consideration;
FRS 108 Operating segments – Disclosures on the aggregation of operating segments;
FRS 16 Property, plant and equipment and FRS 38 Intangible assets – Restatement of accumulated depreciation (amortisation) on revaluation; and
FRS 24 Related party disclosures – Definition of 'related party'.

(2) Improvements to FRSs (February 2014)

Contains amendments to:

FRS 103 Business combinations – Scope exclusion for the formation of joint arrangements; and
FRS 113 Fair value measurement – Scope of portfolio exception.

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	4.75 cents	2.91 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	4.75 cents	2.91 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 31/8/15	Group 28/2/15	Company 31/8/15	Company 28/2/15
Net asset value per ordinary share based on issued share capital at the end of the year (in cents)*	36.19	31.76	24.35	21.20

*Net asset value per ordinary share based on issued share capital at the end of the 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.**
- (a) Group turnover rose by 23% to \$17.1 million for the half year ended 31 August 2015 compared with \$13.9 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.
- On the back of better sales, the group achieved gross profit of \$5 million, a 39% improvement over the previous period where gross profit was \$3.6 million. As a result, group profit attributable to owners grew 63% to \$3.3 million from \$2.02 million.
- (b) In tandem with the increase in sales, trade and other receivables were up from \$8.2 million to \$9.6 million. Trade and other payables increased from \$5.3 million to \$7.7 million due to the acquisition of new plant and equipment. Cash and cash equivalents of the Group improved to \$3.4 million compared to \$1.9 million as at the end of the previous financial 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 2015 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.**
- Barring unforeseen circumstances, the results of the Group is expected to remain profitable for the second half of the financial year.
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 | 2 cents (one tier tax exempt) |

(b)(ii) Previous corresponding period

Name of Dividend	Interim (Paid)
Dividend Type	Cash
Amount per share	1.5 cents (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.

23 December 2015

(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.

3 December 2015

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). (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 2015 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\$) 28/2/15
Ordinary	NA	2,087,724
Preference	NA	NA
Total	NA	2,087,724

- 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
14/10/15