HOLDINGS (S) LTD
Registration No.: 199304349M

Financial Statement for the Financial Period Ended 31 December 2019

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

1(a)(i) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Year ended 31 December		
	2019 **S$'000**	**2018** **S$'000**	**Change** **%**
Revenue	127,805	118,048	8.3
Cost of sales	(111,154)	(103,072)	7.8
Gross profit	16,651	14,976	11.2
Other operating income	2,455	2,845	(13.7)
Other income/(expense)	114	(987)	N.M
Administrative costs	(7,061)	(8,184)	(13.7)
Other operating costs	(22,013)	(18,852)	16.8
Finance costs	(3,984)	(3,182)	25.2
Share of results of joint ventures	(138)	8,599	N.M
Share of results of associates	344	127	170.9
Loss before taxation	(13,632)	(4,658)	192.7
Income tax expense	(593)	(516)	14.9
Loss for the year	**(14,225)**	**(5,174)**	174.9
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation loss	(212)	(82)	158.5
Other comprehensive income for the year	(212)	(82)	158.5
Total comprehensive income for the year	**(14,437)**	**(5,256)**	174.7
Loss attributable to:			
Equity holders of the Company	(12,822)	(3,363)	281.3
Non-controlling interests	(1,403)	(1,811)	(22.5)
	(14,225)	**(5,174)**	174.9
Total comprehensive income attributable to:			
Equity holders of the Company	(13,027)	(3,446)	278.0
Non-controlling interests	(1,410)	(1,810)	(22.1)
	(14,437)	**(5,256)**	174.7

N.M. - Not meaningful

1(a)(ii) Notes to income statement.

The following items of charges/(credits) have been included in arriving at the loss for the year:

	Year ended 31 December		
	2019	2018	Change
	S$'000	S$'000	%
Depreciation of property, plant and equipment	5,231	6,005	(12.9)
Amortisation of deferred income	(180)	(174)	3.4
Amortisation of right-of-use assets	1,280	-	N.M
(Gain)/loss on disposal of property, plant and equipment	(137)	9	N.M
Write back of allowance for inventory obsolescence	(11)	(46)	(76.1)
(Write back)/impairment loss on properties held for sale	(302)	71	N.M
Loss provision on trade receivables and contract assets	4,973	846	N.M
Impairment loss on goodwill	-	119	N.M
Interest expense	3,762	2,955	27.3
Accreted interest	223	227	(1.8)
Interest income	(854)	(1,006)	(15.1)
Rental income	(221)	(793)	(72.1)
Foreign exchange gain	(244)	(55)	343.6
Fair value loss on derivatives	130	1,040	(87.5)
Fair value loss on investment securities	-	4	N.M
Under/(over) provision of current income tax in respect of prior years	93	(147)	N.M
Under provision of deferred income tax in respect of prior years	79	22	259.1

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.

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	29,815	34,188	13,654	15,974
Right-of-use assets	5,214	-	2,179	-
Investments in subsidiaries	-	-	55,557	58,114
Investments in associates	1,749	2,455	260	260
Investment in joint ventures	10,431	10,840	-	-
Contract assets	7,136	7,518	-	-
Loans to a joint venture	8,530	15,260	-	-
	62,875	70,261	71,650	74,348
Current assets				
Trade receivables	18,859	10,021	-	-
Amounts due from subsidiaries	-	-	6,909	5,027
Contract assets	34,973	30,995	-	-
Development property	120,053	105,363	-	-
Properties held for sale	666	1,058	-	-
Investment securities	8	8	-	-
Inventories	7,031	8,640	-	-
Other receivables	3,954	1,554	90	223
Pledged deposits	4,833	4,479	-	-
Cash and bank balances	48,964	56,680	482	2,217
Income tax recoverable	-	54	-	-
	239,341	218,852	7,481	7,467
Total assets	**302,216**	**289,113**	**79,131**	**81,815**
Current liabilities				
Amounts due to subsidiaries	-	-	5,955	6,811
Contract liabilities	15,566	16,005	-	-
Trade and other payables	39,171	27,219	216	195
Deferred income	180	174	-	-
Other liabilities	3,576	3,775	1,613	735
Lease liabilities	1,360	-	224	-
Loans and borrowings	4,414	2,754	477	472
Income tax payables	186	21	5	5
	64,453	49,948	8,490	8,218
Net current assets/(liabilities)	**174,888**	**168,904**	**(1,009)**	**(751)**
Non-current liabilities				
Trade payables	2,066	3,837	-	-
Derivatives	1,206	1,076	-	-
Deferred income	2,779	2,858	-	-
Deferred tax liabilities	315	237	-	-
Lease liabilities	3,865	-	2,066	-
Loans and borrowings	109,014	97,971	8,767	9,241
	119,245	105,979	10,833	9,241
Total liabilities	**183,698**	**155,927**	**19,323**	**17,459**
Net assets	**118,518**	**133,186**	**59,808**	**64,356**
Equity attributable to equity holders of the Company				
Share capital	49,082	49,082	49,082	49,082
Treasury shares	(566)	(566)	(566)	(566)
Retained earnings	72,719	85,771	11,292	15,840
Foreign currency translation reserve	74	279	-	-
	121,309	134,566	59,808	64,356
Non-controlling interests	(2,791)	(1,380)	-	-
Total equity	**118,518**	**133,186**	**59,808**	**64,356**

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

Amount repayable in one year or less, or on demand

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S$4,414,000	-	S$2,754,000	-

Amount repayable after one year

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S$90,508,000	S$18,506,000	S$82,695,000	S$15,276,000

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly obligations under banker's acceptances, invoice financing and property loans. The amount reported for 31 December 2018 included finance leases which is now reported separately under lease liabilities. The borrowings are secured by charges over land and building, fixed deposits and corporate guarantee provided by the Company.

The unsecured borrowings relate to loans from non-controlling interests obtained for property development purpose.

1(c)(i) A consolidated statement of cash flows, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Year ended 31 December	
	2019	2018
	S$'000	S$'000
Cash flows from operating activities		
Loss before taxation	(13,632)	(4,658)
Adjustments for:		
Depreciation of property, plant and equipment	5,231	6,005
Amortisation of deferred income	(180)	(174)
Amortisation of right-of-use assets	1,280	-
Write back of allowance for inventory obsolesence	(11)	(46)
(Write back)/impairment loss on properties held for sale	(302)	71
Loss provision on trade receivables and contract assets	4,973	846
Impairment loss on goodwill	-	119
Share of results of joint ventures	138	(8,599)
Share of results of associates	(344)	(127)
Accreted interest	223	227
Fair value loss on derivatives	130	1,040
Fair value loss on investment securities	-	4
(Gain)/loss on disposal of property, plant and equipment	(137)	9
Interest income	(854)	(1,006)
Interest expense	3,762	2,955
Operating cash flows before working capital changes	**277**	**(3,334)**
Changes in working capital		
Development property	(14,691)	(658)
Contract assets	(7,113)	5,934
Trade receivables	(9,654)	4,209
Other receivables	(2,344)	4,574
Inventories	1,603	(2,511)
Trade and other payables	9,804	(14,497)
Contract liabilities	(453)	879
Other liabilities	(610)	(756)
Cash used in operations	**(23,181)**	**(6,160)**
Interest paid	(3,119)	(2,539)
Interest received	1,236	338
Income tax paid	(349)	(1,609)
Net cash used in operating activities	**(25,413)**	**(9,970)**
Cash flows from investing activities		
Purchase of property, plant and equipment (Note A)	(1,663)	(894)
Proceeds from disposal of property, plant and equipment	173	106
Investment in associate	-	(200)
Distribution of profits from an associate	1,050	15,853
Distribution of profits from a joint venture	271	250
Repayment of loans from an associate	-	13,482
Loans to a joint venture	-	(2,079)
Repayment of loans from a joint venture	6,349	12,024
Purchase of investment securities	-	(13)
Net cash generated from investing activities	**6,180**	**38,529**

1(c)(i) Consolidated statement of cash flows (cont'd)

	Year ended 31 December	
	2019	2018
	S$'000	S$'000
Cash flows from financing activities		
Bank borrowings, net	1,764	1,063
Dividends paid on ordinary shares to equity holders of the Company	-	(1,934)
Proceeds from long term borrowings	9,612	-
Repayment of long term borrowings	(1,573)	(1,515)
Repayment of lease liabilities	(1,158)	(443)
(Increase)/decrease in pledged deposits	(362)	480
Loans from non-controlling interests	3,230	-
Net cash generated from/(used in) financing activities	**11,513**	**(2,349)**
Net (decrease)/increase in cash and cash equivalents	(7,720)	26,210
Effect of exchange rate changes on cash and cash equivalents	4	35
Cash and cash equivalents at beginning of the period	56,680	30,435
Cash and cash equivalents at end of the period	**48,964**	**56,680**
Comprising:		
Cash and bank balances	30,039	16,314
Fixed deposits	23,758	44,845
	53,797	61,159
Less: Fixed deposits pledged with financial institutions	(4,833)	(4,479)
Cash and bank balances (including fixed deposits), representing cash and cash equivalents in consolidated statement of cash flows	**48,964**	**56,680**

1(c)(ii) Notes to consolidated statement of cash flows.

Note A

The Group acquired property, plant and equipment through the following arrangements:

	Year ended 31 December	
	2019	2018
	S$'000	S$'000
Purchase of property, plant and equipment	1,663	1,476
Less: Acquisition costs satisfied by finance lease arrangements	-	(582)
Cash payments to acquire property, plant and equipment	1,663	894

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	Attributable to equity holders of the Company						
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Foreign currency translation reserve S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 January 2019	49,082	(566)	85,771	279	134,566	(1,380)	133,186
Adoption of the SFRS(I) 16	-	-	(230)	-	(230)	(1)	(231)
Balance at 1 January 2019 (restated)	49,082	(566)	85,541	279	134,336	(1,381)	132,955
Total comprehensive income							
Loss for the year	-	-	(12,822)	-	(12,822)	(1,403)	(14,225)
Other comprehensive income for the year	-	-	-	(205)	(205)	(7)	(212)
Total comprehensive income for the year	-	-	(12,822)	(205)	(13,027)	(1,410)	(14,437)
Balance at 31 December 2019	**49,082**	**(566)**	**72,719**	**74**	**121,309**	**(2,791)**	**118,518**

Group	Attributable to equity holders of the Company						
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Foreign currency translation reserve S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 January 2018 (as previously reported)	49,082	(566)	91,932	(2,290)	138,158	430	138,588
Adoption of the SFRS(I) 1	-	-	(2,652)	2,652	-	-	-
Adoption of the SFRS(I) 15	-	-	1,788	-	1,788	-	1,788
Balance at 1 January 2018 (restated)	49,082	(566)	91,068	362	139,946	430	140,376
Total comprehensive income							
Loss for the year	-	-	(3,363)	-	(3,363)	(1,811)	(5,174)
Other comprehensive income for the year	-	-	-	(83)	(83)	1	(82)
Total comprehensive income for the year	-	-	(3,363)	(83)	(3,446)	(1,810)	(5,256)
Distribution to owners							
Dividends paid on ordinary shares to equity holders of the Company	-	-	(1,934)	-	(1,934)	-	(1,934)
Total transactions with owners in their capacity as owners	-	-	(1,934)	-	(1,934)	-	(1,934)
Balance at 31 December 2018	**49,082**	**(566)**	**85,771**	**279**	**134,566**	**(1,380)**	**133,186**

1(d)(i) Statement of changes in equity (cont'd)

Company	Attributable to equity holders of the Company			
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Total equity S$'000
Balance at 1 January 2019	49,082	(566)	15,840	64,356
Adoption of SFRS(I) 16	-	-	(168)	(168)
Balance at 1 January 2019 (restated)	49,082	(566)	15,672	64,188
Total comprehensive income				
Loss for the year	-	-	(4,380)	(4,380)
Total comprehensive income for the year	-	-	(4,380)	(4,380)
Balance as at 31 December 2019	49,082	(566)	11,292	59,808

Company	Attributable to equity holders of the Company			
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Total equity S$'000
Balance at 1 January 2018	49,082	(566)	21,454	69,970
Total comprehensive income				
Loss for the year	-	-	(3,680)	(3,680)
Total comprehensive income for the year	-	-	(3,680)	(3,680)
Distribution to owners				
Dividends paid on ordinary shares to equity holders of the Company	-	-	(1,934)	(1,934)
Total transactions with owners in their capacity as owners	-	-	(1,934)	(1,934)
Balance as at 31 December 2018	49,082	(566)	15,840	64,356

1(d)(ii) Details of any changes in the company's share capital arising from right 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 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.

Share capital

There were no changes in the Company's share capital since the end of the previous financial year.

As at 31 December 2019, the issued share capital of the Company was S$49,082,199 (31 December 2018: S$49,082,199) comprising 322,388,218 (31 December 2018: 322,388,218) ordinary shares (excluding treasury shares).

Treasury shares

The Company did not acquire any ordinary shares of the Company which are to be held as treasury shares during the financial period.

The number of treasury shares held by Company and the book amount were:

	No. of shares	S$'000
At 31 December 2019 and 2018	2,322,200	566

Employee performance share plan

As at 31 December 2019 and 2018, there were no performance shares granted and outstanding to eligible employees under the BBR Share Plan.

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.

The total number of issued shares excluding treasury shares as at 31 December 2019 was 322,388,218 (31 December 2018: 322,388,218). The total number of treasury shares held as at 31 December 2019 was 2,322,200 (31 December 2018: 2,322,200).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial year ended 31 December 2019.

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

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matters).

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2018, except that the Group has adopted all new and revised standards of Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on 1 January 2019 as shown in paragraph 5 below.

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 adopted all the new and revised SFRS(I)s that are effective for annual periods beginning on 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations that are relevant to the Group:

Description	***Effective for annual periods beginning on***
SFRS(I) 16 *Leases*	1 January 2019
SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I) did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted SFRS(I) 16 using the modified retrospective approach with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 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. (cont'd)

In addition, the Group elected the following practical expedients wherein it:

- elected to use the transition practical expedient to not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases

- applied the short-term leases exemptions to leases with lease term that ends within 12 months as of 1 January 2019

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics

On the adoption of SFRS(I) 16, the Group recognised right-of-use assets, lease liabilities and its related tax impact arising primarily from its non-cancellable operating lease commitments with adjustments made to the statement of financial position of the Group as at 1 January 2019. The differences from the statement of financial position of the Group and the Company as previously reported are as follow:

	Group	**Company**
	01-Jan-19	**01-Jan-19**
	S$'000	S$'000
Statement of financial position		
Increase/(decrease) in:		
Right-of-use assets	3,843	2,611
Property, plant and equipment	(711)	-
Lease liabilities	3,716	2,779
Finance leases	(353)	-
Net assets	(231)	(168)
Retained earnings	(230)	(168)
Non-controlling interests	(1)	-
Total equity	(231)	(168)

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.

	Year ended 31 December	
	2019	2018
	Cents	Cents
Loss per ordinary share of the Group attributable to equity holders		
(a) Based on the weighted average number of ordinary shares in issue	(3.98)	(1.04)
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(3.98)	(1.04)

The weighted average number of shares used for basic and diluted earnings per share computation for the financial period ended 31 December 2019 was 322,388,218 (31 December 2018: 322,388,218). This takes into account the weighted average effect of changes in treasury shares transactions, if any, during the financial period.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	37.63	41.74	18.55	19.96

Net asset value per ordinary share is calculated based on the issued share capital (excluding treasury shares) of 322,388,218 ordinary shares as at 31 December 2019 (31 December 2018: 322,388,218).

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 followings:-

(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.

Income Statement Review – Financial Year Ended 31 December 2019 ("FY2019") vs Financial Year Ended 31 December 2018 ("FY2018")

The Group recorded revenue of S$127.8 million in FY2019 that represented an increase of 8.3% from S$118.0 million achieved in FY2018. As construction activities increased during the financial year, revenue for the General Construction, Specialised Engineering and Green Technology business segments improved. Gross profit margin improved marginally from 12.7% to 13.0% due to better margins from the Specialised Engineering projects. As a result, gross profit increased 11.2% from S$15.0 million to S$16.7 million.

Other operating income decreased by 13.7% over the two financial years due to a drop in rental and interest income earned by the Group.

Other income/(expense) comprised foreign exchange differences and fair value adjustment on derivatives amounting to a gain of S$0.1 million in FY2019 as compared to a loss of S$1.0 million in FY2018. The fair value adjustment on derivatives arose from the interest rate swaps entered into by the Group to hedge against interest rate movements on a long term loan. The Group does not apply hedge accounting.

Administrative costs decreased by S$1.1 million or 13.7% mainly due to lower depreciation cost for the current financial year as some plant and equipment that was fully depreciated are still in use.

Operating expenses increased by S$3.2 million or 16.8% as the Group provided for impairment loss on trade receivables and contract assets of S$5.0 million as compared to S$0.8 million provided for in FY2018. The provision made was mainly for one of the Group's debtors who has defaulted in meeting contractual payment terms. The Group has since issued demand letter to the debtor and has also through its legal advisor, sent a statutory demand to the debtor for the outstanding debts. In determining the amount of provision for the impairment loss, the Group has considered the financial position of the debtor and the possibility of the debt recovery.

Finance costs increased by 25.2% with more borrowings for the financial year mainly for the Group's development property project.

Share of results of joint ventures for FY2019 amounted to a loss of S$0.1 million. This is in contrast to S$8.6 million reported in FY2018 which comprised substantially a fair value gain on an investment property, Wisteria Mall, owned by the Group's joint venture. The fair value of the investment property was determined by independent valuation at the reporting dates.

Income tax expense of S$0.6 million included under provision of current and deferred taxes in respect of prior years of S$0.2 million. Income tax expense was provided despite a loss before tax because the tax losses of certain subsidiaries cannot be utilised to offset against the taxable profits of other subsidiaries in the Group.

The Group had a loss attributable to equity holders of the Company of S$12.8 million for FY2019.

Statement of Financial Position and Cash Flow Review

Pursuant to the adoption of SFRS(I) 16 *Leases*, the Group recognised right-of-use assets presented under non-current assets for its leases previously classified as operating leases (excluding short-term leases and leases for which the underlying assets are of low value) of S$5.2 million as at 31 December 2019. Correspondingly, lease liabilities (current and non-current) of S$5.2 million were recognised as at 31 December 2019. Please refer to paragraph 5 for more details.

Loans to a joint venture decreased by S$6.7 million as the Group received partial repayment of principal and interest from its joint venture.

Development property increased by S$14.7 million due to capitalisation of costs for the development of Goh & Goh Building, an en-bloc acquisition by the Group intended to be developed into a 20-storey mixed development.

Current contract assets increased by S$4.0 million as construction work done has yet to be certified and billed. The progress billing at the end of the year which remained outstanding from customers resulted in an increase in trade receivables by S$8.8 million.

Other receivables increased by S$2.4 million as the Group made down payment to suppliers for materials to be used for its solar photovoltaic projects.

Current trade and other payables increased by S$12.0 million as amount owing to suppliers and subcontractors increased with more construction activities.

Current loans and borrowings increased by S$1.7 million due to an increase in trade finance facilities utilised to pay suppliers. Non-current borrowings increased as additional loans of S$9.6 million and S$3.2 million were obtained from the bank and non-controlling interests respectively for the Group's property development project. After offsetting against repayment of the existing borrowings, there was an increase of S$11.0 million in non-current borrowings.

For the financial period ended 31 December 2019, the Group used cash amounting to S$23.2 million in operations. This is mainly due to the payment of development expenses for the Group's property development project that has yet to be launched and also the difference in timing in collection of construction revenue and payment of construction costs.

Net cash of S$6.2 million was generated from investing activities for the current period with the cash inflow arising mainly from the loan repayment and distribution of profits from joint ventures.

Net cash generated from financing activities of S$11.5 million was mainly due to additional loans of S$9.6 million and S$3.2 million from the bank and the non-controlling interests respectively to finance the Group's property development project. Additional bank borrowings of S$1.8 million were obtained for working capital purposes and this was offset by repayment of S$2.7 million for long term borrowings and lease liabilities.

The Group's cash position remains healthy at S$49.0 million as at 31 December 2019.

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

The Group made an announcement of Profit Guidance on 19 February 2020 which states that the Group expects to report a net loss for the financial year ended 31 December 2019 based on a preliminary review of the unaudited financial results.

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.

On 17 February 2020, the Ministry of Trade and Industry announced that the GDP growth forecast for 2020 is downgraded to "-0.5 to 1.5 per cent" following the outbreak of COVID-19. Singapore economy grew by 1.0 per cent on a year-on-year basis in the fourth quarter of 2019, faster than the 0.7 per cent growth in the third quarter. The construction sector grew by 4.3 per cent on a year-on-year, accelerating from 3.1 per cent in the third quarter. Growth was supported by both public and private sector construction works[1].

According to the media release published by the Building and Construction Authority of Singapore on 8 January 2020, construction demand in 2020 is expected to remain strong with sustained public sector construction demand. The total construction demand is expected to range between S$28 billion and S$33 billion, supported by infrastructure projects and the redevelopment of past en-bloc sales sites and new industrial developments[2].

Although construction demand is expected to increase, local construction firms also see increased competition from overseas players from countries such as People's Republic of China, Japan and South Korea. Besides, the construction sector is expected to face headwinds from uncertainties in the global economy which may dampen construction demand in the buildings sector as well as rising material and labour costs. As such, the Group expects the business to remain challenging and competition to be stiff among the industry players.

The ongoing COVID-19 situation may raise concerns on supply issues as factories and shops in some parts of China remain closed. Besides Singapore, our subsidiaries also operate in countries affected by COVID-19 virus, namely Malaysia and Thailand.

Foreign labour supply still remains tight and this is exacerbated by the delay in workers returning from the PRC due to the COVID-10 measures implemented by the PRC and SG governments. Currently, impact on the Group's foreign labour supply due to COVID-19 is not significant.

On the redevelopment of Goh & Goh Building, discussion with the authorities to optimise the potential of the development site was finalised. The Group expects to launch the sale of the units in the second half of financial year ending 2020.

The Group will continue to focus on its core businesses by leveraging its strong track record to secure more projects, as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects. The Group will also explore business opportunities both locally and in the region to maintain and sustain its long term growth.

As at 31 December 2019, the Group has an order book of approximately S$228 million in respect of construction projects, predominantly in Singapore and Malaysia.

References:

1. Ministry of Trade and Industry Singapore Press Release "MTI Downgrades 2020 GDP Growth Forecast to "-0.5 to 1.5 Per Cent"", 17 February 2020
2. Building and Construction Authority Media Release "Singapore's Total Construction Demand For 2020 Expected to Remain Strong", 8 January 2020

11. Dividend.

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

No.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(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)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) 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.

No dividend has been declared/recommended for the current financial period.

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.

No IPT mandate has been obtained pursuant to Rule 920(1).

14. Negative confirmation pursuant to Rule 705(5).

Not applicable for full year results.

15. Confirmation that the issuer had procured undertakings from all its directors and executive officers.

The Company confirms that it had procured undertakings from all its directors and executive officers under Rule 720(1).

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.

Business information

For management purposes, the Group has four reportable segments organised based on their products and services as follows:

Specialised engineering
This segment is in the business of post-tensioning, installation of stay cable systems for structural engineering applications, piling and foundation systems, heavy lifting, bridge design and construction, maintenance, strengthening, retrofitting and prefabricated prefinished volumetric construction system ("PPVC").

General construction
This segment is in the business of design and build, general building construction and civil and structural engineering construction, and conservation and restoration of buildings.

Property development
This segment is in the business of property development, focusing on developing residential properties and mixed developments, and the provision of property management and consultancy services.

Green technology
This segment is in the business of system integration and distribution of renewable energy, and supply, installation and leasing of solar panels and grid connected systems.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment revenue and expenses, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Inter-segment transfers of revenue and expenses include transfers between business segments and are eliminated on consolidation. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

16. Segment revenue and results (cont'd)

(a) Analysis by business segment

2019	Specialised Engineering $'000	General Construction $'000	Property Development $'000	Green Technology $'000	Total $'000
Revenue					
External revenue	92,251	31,685	-	3,775	**127,711**
Inter-segment revenue	8,889	300	-	251	**9,440**
Total revenue	101,140	31,985	-	4,026	**137,151**
Results:					
Interest income	289	73	492	-	**854**
Interest expense	383	107	3,041	111	**3,642**
Depreciation of property, plant and equipment	1,600	645	1	634	**2,880**
Amortisation of right-of-use assets	694	-	-	-	**694**
Share of results of associates	72	-	272	-	**344**
Share of results of joint ventures	-	271	(409)	-	**(138)**
Other non-cash items:					
Write back for inventories obsolescence	(11)	-	-	-	**(11)**
Write back for impairment loss on properties held for sale	(302)	-	-	-	**(302)**
Amortisation of deferred income	-	-	-	(174)	**(174)**
Accreted interest	116	107	-	-	**223**
Fair value loss on derivatives	-	-	130	-	**130**
Loss provision on trade receivables and contract assets	4,973	-	-	-	**4,973**
Segment (loss)/profit before taxation	(2,432)	(4,414)	(2,554)	336	**(9,064)**
Income tax expense/(credit)	606	-	(13)	-	**593**
Assets					
Investment in associates	954	-	795	-	**1,749**
Additions to property, plant and equipment	1,516	99	3	12	**1,630**
Segment assets	84,434	21,435	166,225	13,699	**285,793**
Segment liabilities	41,977	23,590	101,897	3,623	**171,087**

16. Segment revenue and results (cont'd)

(b) Analysis by business segment

	Specialised Engineering $'000	General Construction $'000	Property Development $'000	Green Technology $'000	Total $'000
2018					
Revenue					
External revenue	89,324	27,161	-	1,502	**117,987**
Inter-segment revenue	2,057	-	-	125	**2,182**
Total revenue	91,381	27,161	-	1,627	**120,169**
Results:					
Interest income	146	63	793	-	**1,002**
Interest expense	164	109	2,446	133	**2,852**
Depreciation of property, plant and equipment	2,351	678	-	633	**3,662**
Share of results of associates	98	-	29	-	**127**
Share of results of joint ventures	-	250	8,348	-	**8,598**
Other non-cash items:					
Write back for inventories obsolescence	(46)	-	-	-	**(46)**
Impairment loss on properties held for sale	71	-	-	-	**71**
Impairment loss on goodwill	-	119	-	-	**119**
Amortisation of deferred income	-	-	-	(174)	**(174)**
Accreted interest	118	-	-	109	**227**
Fair value (gain)/loss on derivatives	(36)	-	1,076	-	**1,040**
Fair value loss on investment securities	4	-	-	-	**4**
Loss provision on trade receivables and contract assets	846	-	-	-	**846**
Segment (loss) /profit before taxation	(3,548)	(2,517)	5,451	(10)	**(624)**
Income tax expense/(credit)	617	-	(101)	-	**516**
Assets					
Investment in associates	882	-	1,573	-	**2,455**
Additions to property, plant and equipment	1,370	22	-	14	**1,406**
Segment assets	64,809	29,016	165,485	11,372	**270,682**
Segment liabilities	25,807	27,437	88,786	3,249	**145,279**

16. Segment revenue and results (cont'd)

(a) Analysis by business segment (continued)

	2019 $'000	2018 $'000
Revenue		
Total revenue for reportable segments	137,151	120,169
Management fee from an associate	94	61
Elimination of intersegment revenue	(9,440)	(2,182)
	127,805	118,048
Loss before tax		
Total loss before taxation for reportable segments	(9,064)	(624)
Management fee from an associate	94	61
Unallocated amounts:		
Other corporate income	1,949	2,387
Other corporate expenses	(6,611)	(6,482)
	(13,632)	(4,658)
Assets		
Total assets for reportable segments	285,793	270,682
Other unallocated amounts	16,423	18,431
	302,216	289,113
Liabilities		
Total liabilities for reportable segments	171,087	145,279
Other unallocated amounts	12,611	10,648
	183,698	155,927

	2019			2018		
Other material items	**Reportable segment totals**	**Adjustments**	**Entity totals**	**Reportable segment totals**	**Adjustments**	**Entity totals**
	$'000	$'000	$'000	$'000	$'000	$'000
Interest income	(854)	-	(854)	(1,002)	(4)	(1,006)
Interest expense	3,642	120	3,762	2,852	103	2,955
Write back for inventories obsolescence	(11)	-	(11)	(46)	-	(46)
(Write back)/impairment loss on properties held for sale	(302)	-	(302)	71	-	71
Impairment of goodwill	-	-	-	119	-	119
Accreted interest	227	(4)	223	227	-	227
Fair value loss on derivative	130	-	130	1,040	-	1,040
Depreciation of property, plant and equipment	2,880	2,351	5,231	3,662	2,343	6,005
Amortisation of right-of-use assets	694	586	1,280	-	-	-
Loss provision on trade receivables and contract assets	4,973	-	4,973	846	-	846
Additions to property, plant and equipment	1,630	33	1,663	1,406	70	1,476

16. Segment revenue and results (cont'd)

(b) Analysis by geographical segments

	Revenue		Non-current assets	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Countries				
Singapore	72,370	72,789	52,791	63,282
Malaysia	49,063	43,886	9,033	6,245
Thailand	6,372	1,373	719	376
Others	-	-	332	358
	127,805	118,048	62,875	70,261

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.

The Group saw an increase in revenue in the current financial year across all its specialised engineering, general construction and green technology business segments. Gross margins for general construction projects were relatively thin due to the stiff competition in local construction industry. Property development segment also incurred a loss as the development property has yet to be launched for sales. In addition, based on the accounting standards, interest costs incurred cannot be capitalised as part of project development cost until redevelopment activities of the property are in progress. Revenue and profit from the green technology improved as there were more projects on solar PV systems this year.

In terms of geographical segements, revenue increased in Thailand as the specialised engineering business unit in Thailand which was set up two years ago has succeeded in clinching several projects. The projects involved are post-tensioning and column erection works for express ways, monorails, double track rails, etc. Revenue from Malaysia had also improved by 11.8% compared to the previous financial year while revenue from Singapore had decreased slightly by 0.6%.

18. A breakdown of sales.

GROUP	Year ended 31 December		Decrease
	2019	2018	
	S$'000	S$'000	%
(a) Sales reported for the first half year	48,063	70,269	(31.6)
(b) Operating loss after taxation before deducting non-controlling interest reported for the first half year	(7,648)	(5,877)	30.1
(c) Sales reported for the second half year	79,742	47,779	66.9
(d) Operating (loss)/profit after taxation before deducting non-controlling interest reported for the second half year	(6,577)	703	N.M.

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

	Latest Full Year 2019 S$'000	Previous Full Year 2018 S$'000
Ordinary	-	-
Preference	-	-
Total:	-	-

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(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Voon Chet Chie	34	Son of Mr Voon Yok Lin, a director and substantial shareholder of the Company	Appointed as Manager (Special Task) of BBR Construction Systems (M) Sdn Bhd on 1 January 2017 Appointed as the alternate director to Mr Voon Yok Lin in the Company on 21 June 2017	No change to the duties and position held during the financial year.

BY ORDER OF THE BOARD

Tan Kheng Hwee Andrew
Group Chief Executive Officer
25 February 2020