



Financial Statement for the Financial Period Ended 30 June 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.

	Second quarter ended 30 June			Half year ended 30 June		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
Revenue	27,547	29,596	(6.9)	48,063	70,269	(31.6)
Cost of sales	(23,919)	(26,653)	(10.3)	(42,057)	(63,615)	(33.9)
Gross profit	3,628	2,943	23.3	6,006	6,654	(9.7)
Other operating income	596	737	(19.1)	1,119	1,319	(15.2)
Other (expense)/income	(166)	(534)	(68.9)	123	(424)	N.M
Administrative costs	(2,016)	(2,125)	(5.1)	(3,933)	(4,198)	(6.3)
Other operating costs	(4,454)	(4,772)	(6.7)	(8,961)	(9,125)	(1.8)
Finance costs	(914)	(651)	40.4	(1,816)	(1,266)	43.4
Share of results of joint ventures	(16)	293	N.M	24	1,026	(97.7)
Share of results of associates	10	85	(88.2)	4	171	(97.7)
Loss before taxation	(3,332)	(4,024)	(17.2)	(7,434)	(5,843)	27.2
Income tax credit/(expense)	-	12	N.M.	(214)	(34)	529.4
Loss for the period	(3,332)	(4,012)	(16.9)	(7,648)	(5,877)	30.1
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation (loss)/gain	(364)	(35)	940.0	(211)	478	N.M
Other comprehensive income for the period	(364)	(35)	940.0	(211)	478	N.M
Total comprehensive income for the period	(3,696)	(4,047)	(8.7)	(7,859)	(5,399)	45.6
Loss attributable to:						
Equity holders of the Company	(2,870)	(3,501)	(18.0)	(6,891)	(5,099)	35.1
Non-controlling interests	(462)	(511)	(9.6)	(757)	(778)	(2.7)
	(3,332)	(4,012)	(16.9)	(7,648)	(5,877)	30.1
Total comprehensive income attributable to:						
Equity holders of the Company	(3,229)	(3,539)	(8.8)	(7,094)	(4,623)	53.5
Non-controlling interests	(467)	(508)	(8.1)	(765)	(776)	(1.4)
	(3,696)	(4,047)	(8.7)	(7,859)	(5,399)	45.6

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 period:

	Second quarter ended 30 June			Half year ended 30 June		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
Depreciation of property, plant and equipment	1,423	1,482	(4.0)	2,861	2,955	(3.2)
Amortisation of deferred income	(45)	(43)	4.7	(90)	(87)	3.4
Amortisation of right-of-use assets	149	-	N.M	300	-	N.M
(Gain)/loss on disposal of property, plant and equipment	(6)	-	N.M	(13)	11	N.M
Write back of allowance for inventory obsolescence	(3)	-	N.M	(3)	(38)	(92.1)
Impairment loss on trade receivables and contract assets	73	50	46.0	148	101	46.5
Interest expense	888	651	36.4	1,763	1,266	39.3
Accreted interest	27	-	N.M	54	-	N.M
Interest income	(189)	(208)	(9.1)	(416)	(422)	(1.4)
Rental income	(31)	(264)	(88.3)	(86)	(488)	(82.4)
Foreign exchange (gain)/loss	(100)	19	N.M	(161)	(55)	192.7
Fair value loss on derivatives	267	514	(48.1)	39	478	(91.8)
(Over)/under provision of current income tax in respect of prior years	(2)	(12)	(83.3)	133	34	291.2
Under provision of deferred income tax in respect of prior years	-	-	N.M	79	-	N.M

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	
	30-Jun-19 S\$'000	31-Dec-18 S\$'000	30-Jun-19 S\$'000	31-Dec-18 S\$'000
Non-current assets				
Property, plant and equipment	31,838	34,188	14,805	15,974
Right-of-use assets	2,795	-	2,372	-
Investments in subsidiaries	-	-	58,114	58,114
Investments in associates	2,459	2,455	260	260
Investment in joint ventures	10,648	10,840	-	-
Contract assets	9,034	7,518	-	-
Loans to a joint venture	10,399	15,260	-	-
	67,173	70,261	75,551	74,348
Current assets				
Trade receivables	16,842	10,021	-	-
Amounts due from subsidiaries	-	-	7,370	5,027
Contract assets	32,392	30,995	-	-
Development property	105,803	105,363	-	-
Properties held for sale	1,073	1,058	-	-
Investment securities	8	8	-	-
Inventories	9,030	8,640	-	-
Other receivables	1,700	1,554	196	223
Pledged deposits	4,460	4,479	-	-
Cash and bank balances	55,725	56,680	357	2,217
Income tax recoverable	127	54	-	-
	227,160	218,852	7,923	7,467
Total assets	294,333	289,113	83,474	81,815
Current liabilities				
Amounts due to subsidiaries	-	-	6,592	6,811
Contract liabilities	24,644	16,005	-	-
Trade and other payables	24,927	27,219	158	195
Deferred income	177	174	-	-
Other liabilities	3,973	3,775	480	735
Lease liabilities	582	-	459	-
Loans and borrowings	4,167	2,754	472	472
Income tax payables	38	21	5	5
	58,508	49,948	8,166	8,218
Net current assets/(liabilities)	168,652	168,904	(243)	(751)
Non-current liabilities				
Trade payables	3,519	3,837	-	-
Derivatives	1,115	1,076	-	-
Deferred income	2,819	2,858	-	-
Deferred tax liabilities	314	237	-	-
Lease liabilities	2,444	-	2,078	-
Loans and borrowings	100,518	97,971	9,007	9,241
	110,729	105,979	11,085	9,241
Total liabilities	169,237	155,927	19,251	17,459
Net assets	125,096	133,186	64,223	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	78,650	85,771	15,707	15,840
Foreign currency translation reserve	76	279	-	-
	127,242	134,566	64,223	64,356
Non-controlling interests	(2,146)	(1,380)	-	-
Total equity	125,096	133,186	64,223	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 30/6/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$4,167,000	-	S\$2,754,000	-

Amount repayable after one year

As at 30/6/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$82,012,000	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 finance leases, banker's acceptances, invoice financing and property loans. These are secured by charges over land and building, plant and equipment, motor vehicles, 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.

	Second quarter ended 30 June		Half year ended 30 June	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Cash flows from operating activities				
Loss before taxation	(3,332)	(4,024)	(7,434)	(5,843)
Adjustments for:				
Depreciation of property, plant and equipment	1,423	1,482	2,861	2,955
Amortisation of deferred income	(45)	(43)	(90)	(87)
Amortisation of right-of-use assets	149	-	300	-
Write back of allowance for inventory obsolescence	(3)	-	(3)	(38)
Impairment loss on trade receivables and contract assets	73	50	148	101
Share of results of joint ventures	16	(293)	(24)	(1,026)
Share of results of associates	(10)	(85)	(4)	(171)
Accreted interest	27	-	54	-
Fair value loss on derivatives	267	514	39	478
(Gain)/loss on disposal of property, plant and equipment	(6)	-	(13)	11
Interest income	(189)	(208)	(416)	(422)
Interest expense	888	651	1,763	1,266
Operating cash flows before working capital changes	(742)	(1,956)	(2,819)	(2,776)
<u>Changes in working capital</u>				
Development property	(141)	131	(440)	(76)
Properties held for sale	-	4	-	(66)
Contract assets	(2,348)	1,972	(3,052)	8,919
Trade receivables	(6,055)	7,905	(6,993)	4,123
Other receivables	716	70	(219)	978
Inventories	258	551	(406)	(1,445)
Trade and other payables	2,755	(10,054)	(2,639)	(16,092)
Contract liabilities	5,352	1,047	8,664	5,696
Other liabilities	(99)	(370)	(44)	(117)
Cash used in operations	(304)	(700)	(7,948)	(856)
Interest paid	(566)	(624)	(1,287)	(1,126)
Interest received	129	31	267	78
Income tax paid	-	(435)	(117)	(930)
Net cash used in operating activities	(741)	(1,728)	(9,085)	(2,834)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note A)	(430)	(112)	(509)	(182)
Proceeds from disposal of property, plant and equipment	6	-	13	75
Investment in associate	-	(200)	-	(200)
Distribution of profits from a joint venture	87	27	215	56
Repayment of loans from an associate	-	13,482	-	13,482
Loans to a joint venture	-	(826)	-	(1,578)
Repayment of loans from a joint venture	-	-	5,010	-
Purchase of investment securities	-	-	-	(13)
Net cash generated (used in)/from investing activities	(337)	12,371	4,729	11,640

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

	Second quarter ended 30 June		Half year ended 30 June	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Cash flows from financing activities				
Bank borrowings, net	437	-	1,368	-
Dividends paid on ordinary shares to equity holders of the Company	-	(1,934)	-	(1,934)
Repayment of long term borrowings	(393)	(387)	(785)	(774)
Repayment of lease liabilities	(151)	-	(300)	-
Repayment of finance leases	(62)	(43)	(117)	(82)
Decrease/(increase) in pledged deposits	-	1,000	-	1,000
Loans from non-controlling interests	3,230	-	3,230	-
Net cash generated from/(used in) financing activities	3,061	(1,364)	3,396	(1,790)
Net increase/(decrease) in cash and cash equivalents	1,983	9,279	(960)	7,016
Effect of exchange rate changes on cash and cash equivalents	(11)	(13)	5	110
Cash and cash equivalents at beginning of the period	53,753	28,296	56,680	30,435
Cash and cash equivalents at end of the period	55,725	37,562	55,725	37,561
<u>Comprising:</u>				
Cash and bank balances	38,510	20,378	38,510	20,378
Fixed deposits	21,675	21,250	21,675	21,250
	60,185	41,628	60,185	41,628
Less: Fixed deposits pledged with financial institutions	(4,460)	(4,067)	(4,460)	(4,067)
Cash and bank balances (including fixed deposits), representing cash and cash equivalents in consolidated statement of cash flows	55,725	37,561	55,725	37,561

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

Note A

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

	Second quarter ended 30 June		Half year ended 30 June	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Purchase of property, plant and equipment	430	248	509	481
Less: Acquisition costs satisfied by finance lease arrangements	-	(136)	-	(299)
Cash payments to acquire property, plant and equipment	430	112	509	182

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

<u>Company</u>	Attributable to equity holders of the Company			Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	
Balance at 1 January 2019	49,082	(566)	15,840	64,356
Adoption of SFRS(l) 16	-	-	(168)	(168)
	49,082	(566)	15,672	64,188
<u>Total comprehensive income</u>				
Profit for the period	-	-	103	103
Total comprehensive income for the period	-	-	103	103
Balance as at 31 March 2019	49,082	(566)	15,775	64,291
Balance at 1 April 2019	49,082	(566)	15,775	64,291
<u>Total comprehensive income</u>				
Loss for the period	-	-	(68)	(68)
Total comprehensive income for the period	-	-	(68)	(68)
Balance as at 30 June 2019	49,082	(566)	15,707	64,223
<u>Company</u>	Attributable to equity holders of the Company			Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	
Balance at 1 January 2018	49,082	(566)	21,454	69,970
<u>Total comprehensive income</u>				
Profit for the period	-	-	113	113
Total comprehensive income for the period	-	-	113	113
Balance as at 31 March 2018	49,082	(566)	21,567	70,083
Balance at 1 April 2018	49,082	(566)	21,567	70,083
<u>Total comprehensive income</u>				
Profit for the period	-	-	30	30
Total comprehensive income for the period	-	-	30	30
<u>Distribution to owners</u>				
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 30 June 2018	49,082	(566)	19,663	68,179

- 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 30 June 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:

	<u>No. of shares</u>	<u>S\$'000</u>
At 30 June 2019 and 31 December 2018	2,322,200	566

Employee performance share plan

As at 30 June 2019 and 31 December 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 30 June 2019 was 322,388,218 (31 December 2018: 322,388,218). The total number of treasury shares held as at 30 June 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 period ended 30 June 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 adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 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 or after
SFRS(I) 16 <i>Leases</i>	1 January 2019
SFRS(I) INT 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SFRS(I) 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to SFRS(I) 1-28 <i>Long-term Interests in Associates and Joint Ventures</i>	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 payments (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 adopts 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. Changes in the accounting policies and methods of computation (cont'd)

In addition, the Group elects the following practical expedients:

- 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
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply 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 01-Jan-19 S\$'000	Company 01-Jan-19 S\$'000
<u>Statement of financial position</u>		
Increase/(decrease) in:		
Right-of-use assets	3,094	2,611
Lease liabilities	3,325	2,779
Net assets	<u>(231)</u>	<u>(168)</u>
Retained earnings	(230)	(168)
Non-controlling interests	(1)	-
Total equity	<u>(231)</u>	<u>(168)</u>

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.

	Second quarter ended		Half year ended	
	30 June		30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	Cents	Cents	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	(0.89)	(1.09)	(2.14)	(1.58)
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(0.89)	(1.09)	(2.14)	(1.58)

The weighted average number of shares used for basic and diluted earnings per share computation for the financial period ended 30 June 2019 was 322,388,218 (30 June 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	
	<u>30-Jun-19</u>	<u>31-Dec-18</u>	<u>30-Jun-19</u>	<u>31-Dec-18</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	39.47	41.74	19.92	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 30 June 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 – Second Quarter Ended 30 June 2019 (“2Q2019”) vs Second Quarter Ended 30 June 2018 (“2Q2018”)

The Group recorded revenue of S\$27.5 million in 2Q2019 that represented a decrease of 6.9% from S\$29.6 million achieved in 2Q2018. This was attributable to lower construction activities during the quarter for the Specialised Engineering and General Construction business segments. Gross profit margin improved from 9.9% to 13.2% with better margins from specialised engineering projects. As a result, gross profit increased by S\$0.7 million or 23.3% despite the drop in revenue.

Other operating income decreased 19.1% due to lower rental income earned by the Group. Other income/(expense) comprised foreign exchange differences and fair value gain or loss on derivatives amounted to a loss of S\$0.2 million for the current quarter versus S\$0.5 million in 2Q2018. This arose mainly from a lower fair value loss adjustment on interest rate swap entered into by the Group to hedge against interest rate movements on a long term loan. The Group does not apply hedge accounting.

Operating expenses remain relatively constant with administrative and other operating costs declining by 5.1% and 6.7% respectively.

Finance costs increased by S\$0.3 million with more borrowings and higher interest rates for the current quarter.

Share of results of joint ventures for 2Q2019 was a loss of S\$16,000 as compared to a profit of S\$0.3 million in 2Q2018 as the joint venture development, The Wisteria, obtained its Temporary Occupancy Permit (“TOP”) in July 2018 and the remaining income from the sale of residential units had been fully recognised in the previous financial year.

After taking into account the share of non-controlling interest, the Group had a loss attributable to equity holders of the Company of S\$2.9 million for 2Q2019.

Income Statement Review – Half Year Ended 30 June 2019 (“1H2019”) vs Half Year Ended 30 June 2018 (“1H2018”)

Group revenue recorded for 1H2019 was S\$48.1 million as compared to S\$70.3 million in 1H2018 with lower revenue from the General Construction and Specialised Engineering business segments. Gross profit was S\$6.0 million with a gross profit margin of 12.5% compared with 9.5% achieved in 1H2018 with better margins from specialised engineering projects.

Other operating income decreased by 15.2% due to lower rental income and other income/(expense) was a gain of S\$0.1 million in 1H2019 compared to a loss of S\$0.4 million in 1H2018.

Operating expenses remain relatively constant with administrative costs and other operating costs declining by 6.3% and 1.8% respectively.

Finance costs increased by S\$0.6 million with more borrowings and higher interest rates.

Share of results of joint ventures for 1H2019 was S\$24,000 as compared to S\$1.0 million in 1H2018 as explained above.

Income tax expense of S\$0.2 million was due to under provision of current and deferred taxes in respect of prior years.

The Group had a loss attributable to equity holders of the Company of S\$6.9 million for 1H2019.

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\$2.8 million as at 30 June 2019. Correspondingly, lease liabilities (current and non-current) of S\$3.0 million were recognised as at 30 June 2019. Please refer to paragraph 5 for more details.

Loans to a joint venture decreased by S\$4.9 million as the Group received partial repayment from its joint venture.

Non-current contract assets increased by S\$1.5 million due to an increase in retention receivable from customers.

Trade receivables increased by \$6.8 million due to progress billings done at the end of the period which remained outstanding from customers.

Current trade and other payables decreased by S\$2.3 million due to settlement of balances subsequent to the last financial year end. Contract liabilities increased by S\$8.7 million as there were excess of progress billings over revenue recognised on projects.

Current loans and borrowings increased by S\$1.4 million due to an increase in trade finance facilities utilised to pay suppliers. Additional loans of S\$3.2 million were obtained from non-controlling interests for the Group's property development project. After offsetting against repayment of the existing borrowings, the non-current borrowings increased by S\$2.5 million.

For the financial period ended 30 June 2019, the Group used cash amounting to S\$7.9 million in operations mainly due to difference in timing in collection of construction revenue and payment of construction costs.

Net cash of S\$4.7 million was generated from investing activities for the current period with the cash inflow arising mainly from the loan repayment from a joint venture.

Net cash generated from financing activities of S\$3.4 million was mainly due to additional loans of S\$3.2 million from non-controlling interests and bank borrowings of S\$1.4 million, offset by repayment of S\$1.2 million for long term borrowings, finance leases and lease liabilities.

The Group's cash position remains healthy at S\$55.7 million as at 30 June 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 30 July 2019 which states that the Group expects to report a net loss for the second quarter ended 30 June 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 12 July 2019, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 0.1 per cent on a year-on-year basis in the second quarter of 2019, slower than the 1.1 per cent growth in the previous quarter. The construction sector grew by 2.2 per cent on a year-on-year basis in the second quarter, extending the 2.7 per cent expansion in the previous quarter. Growth of the sector was supported by an increase in public sector construction activities.

According to the media release published by the Building and Construction Authority of Singapore's on 14 January 2019, the projected total construction demand in 2019 should range between S\$27 billion and S\$32 billion, supported by infrastructure projects and the redevelopment of past en-bloc sales sites and new industrial developments.

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.

On the redevelopment of Goh & Goh Building, the Group is still in discussions with the relevant authorities to optimise the potential of the development site.

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 for business opportunities both locally and in the region to maintain and sustain its long term growth.

As at the date of this announcement, the Group has an order book of approximately S\$210 million in respect of construction projects, predominantly in Singapore and Malaysia.

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).

Please refer to the attached negative confirmation by the Board of Directors.

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).

BY ORDER OF THE BOARD

Tan Kheng Hwee Andrew
Group Chief Executive Officer
6 August 2019

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Tan Kheng Hwee Andrew and Carrie Luk Kai Lai, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 June 2019 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW
Group Chief Executive Officer



CARRIE LUK KA LAI
Non-Executive Director

6 August 2019