

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

	Group		
	S\$'000		%
	31 Jul 2020	31 Jul 2019	Increase/(Decrease)
Revenue	88,849	80,165	10.8
Other income	5,227	3,467	50.8
Changes in inventories of finished goods and work-in progress	1,455	(97)	nm
Raw materials and consumables used	(40,154)	(34,061)	17.9
Purchase of finished goods for resale	(1,351)	(2,060)	(34.4)
Employee benefits expense	(28,070)	(24,546)	14.4
Depreciation and amortisation expenses	(5,565)	(3,944)	41.1
Impairment loss on financial assets	(306)	(103)	197.1
Other operating expenses	(12,304)	(14,502)	(15.2)
Finance costs	(611)	(341)	79.2
Profit before tax	7,170	3,978	80.2
Income tax (expense) credit	(2,274)	222	nm
Profit after tax	4,896	4,200	16.6
Other comprehensive loss, net of tax: <i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	(160)	(88)	81.8
Other comprehensive loss, net of tax	(160)	(88)	81.8
Total comprehensive income	4,736	4,112	15.2
Profit attributable to:			
Owners of the Company	4,984	4,236	17.7
Non-controlling interests	(88)	(36)	144.4
	4,896	4,200	16.6
Total comprehensive income attributable to:			
Owners of the Company	4,824	4,148	16.3
Non-controlling interests	(88)	(36)	144.4
	4,736	4,112	15.2

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 Jul 2020 S\$'000	31 Jul 2019 S\$'000	31 Jul 2020 S\$'000	31 Jul 2019 S\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	4,481	4,106	100	164
Trade receivables	21,452	24,452	-	-
Other receivables	3,224	2,617	33,040	36,750
Contract assets	5,558	4,947	-	-
Inventories	14,612	9,819	-	-
Income tax receivables	141	-	-	-
Total current assets	49,468	45,941	33,140	36,914
Non-current assets:				
Property, plant and equipment	32,128	23,885	-	-
Investment property	-	6,502	-	-
Right-of-use assets	5,357	-	-	-
Joint venture	1,795	1,795	-	-
Intangible assets	1,287	1,162	-	-
Associate	-	239	-	-
Deferred tax assets	1,100	2,881	-	-
Subsidiaries	-	-	41,034	40,766
Total non-current assets	41,667	36,464	41,034	40,766
Total assets	91,135	82,405	74,174	77,680
LIABILITIES AND EQUITY				
Current liabilities:				
Bank borrowings	8,634	8,626	-	-
Trade payables	5,054	4,270	-	-
Other payables	6,804	6,318	1,001	1,432
Contract liabilities	1,422	757	-	-
Lease liabilities	1,058	-	-	-
Finance leases	-	225	-	-
Income tax payable	209	32	-	-
Total current liabilities	23,181	20,228	1,001	1,432
Non-current liabilities:				
Other payables	221	-	-	-
Lease liabilities	4,105	-	-	-
Finance leases	-	113	-	-
Bank borrowings	-	-	-	-
Deferred tax liabilities	1,904	1,536	-	-
Total non-current liabilities	6,230	1,649	-	-
Capital and reserves:				
Share capital	50,605	50,407	50,605	50,407
Treasury shares	(37)	(37)	(37)	(37)
Share option reserve	1,546	1,480	1,546	1,480
Currency translation reserve	(1,198)	(1,038)	-	-
Capital reserve	(169)	-	-	-
Revaluation reserve	2,965	2,965	-	-
Retained earnings	8,012	6,832	21,059	24,398
Equity attributable to owners of the Company	61,724	60,609	73,173	76,248
Non-controlling interests	-	(81)	-	-
Total equity	61,724	60,528	73,173	76,248
Total liabilities and equity	91,135	82,405	74,174	77,680

Notes :-

1 Revenue comprises:

	31 Jul 2020 S\$'000	31 Jul 2019 S\$'000
Medical devices	61,368	45,046
Pipes and pipe fittings	27,481	35,119
Total	88,849	80,165

2 Other income comprises:

	31 Jul 2020 S\$'000	31 Jul 2019 S\$'000
Gain on disposal of property, plant and equipment	5	94
Interest income from outside parties	1	4
Income from tooling, mould and maintenance services	2,084	2,092
Miscellaneous income, net:		
-Outside parties	559	1,140
Rental income:		
-Subsidiaries of the ultimate holding company	71	72
-Outside parties	12	12
Government grant	256	53
Covid-19 related government subsidies	1,549	-
Negative goodwill	690	-
Total	5,227	3,467

3 Other operating expenses comprises:

	31 Jul 2020 S\$'000	31 Jul 2019 S\$'000
Advertisement and marketing expenses	(713)	(1,053)
Audit fees	(227)	(214)
Bad debts written off	-	(137)
Computer expenses	(115)	(65)
Factory consumables	(614)	(581)
Foreign exchange loss, net	(75)	(37)
Insurance	(657)	(515)
Inventories written down to net realisable value, net	(5)	(347)
Laboratory and testing	(224)	(244)
Professional fees	(640)	(546)
Packaging materials	(368)	(416)
Property tax	(183)	(177)
Rental of premises and equipment	(469)	(1,151)
Repair and maintenance	(911)	(1,118)
Sterilisation and decontamination	(65)	(75)
Tooling expenses	(515)	(396)
Transportation and freight	(955)	(1,192)
Travelling and entertainment	(452)	(584)
Upkeep of factory premises	(464)	(449)
Upkeep of vehicles	(344)	(382)
Water and electricity	(2,035)	(2,083)
Write off of property, plant and equipment	(1)	-
Remeasurement loss on previously held associate	(57)	-
Others	(2,215)	(2,740)
Total	(12,304)	(14,502)

4 Income tax (expense) credit comprises:

	31 Jul 2020 S\$'000	31 Jul 2019 S\$'000
Current tax	(54)	(208)
Adjustment in respect of (under) over provision of current tax in prior year	(86)	104
Deferred tax	(1,996)	356
Adjustment in respect of over provision of deferred tax in prior year	-	11
Withholding tax *	(138)	(41)
Income tax (expense) credit	(2,274)	222

* Withholding tax arises from interests and rental charges to subsidiaries.

nm – not meaningful

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

Bank borrowings

Amount repayable in one year or less, or on demand

As at 31 Jul 2020		As at 31 Jul 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,634	-	8,626	-

Details of any collateral

The Group's bank borrowings are secured by way of legal mortgages over its leasehold land property of carrying value of approximately S\$10,306,000 (31 July 2019: S\$4,586,000) and investment property S\$Nil (31 July 2019: S\$6,502,000) and a corporate guarantee by the Company of S\$21,985,000 and US\$2,000,000 (31 July 2019: S\$21,985,000 and US\$2,000,000).

Lease liabilities

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

	As at 31 Jul 2020 S\$'000	As at 31 Jul 2019 S\$'000
Amount repayable in one year or less, or on demand	1,058	-
Amount repayable after one year	4,105	-

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.

	1 Aug 2019 to 31 Jul 2020	1 Aug 2018 to 31 Jul 2019
	S\$'000	S\$'000
Operating activities:		
Profit before income tax	7,170	3,978
Adjustments for:		
Loss allowance	306	103
Bad debts written off	-	137
Inventories written down to net realisable value, net	5	347
Amortisation of intangible assets	84	39
Depreciation of property, plant and equipment	4,359	3,905
Depreciation of right-of-use assets	1,122	-
Gain on disposal of property, plant and equipment	(5)	(94)
Remeasurement loss on previously held associate	57	-
Negative goodwill on acquisition	(690)	-
Interest income	(1)	(4)
Interest expense	611	341
Write off of property, plant and equipment	1	-
Share-based payment expenses	66	108
Operating cash flows before movements in working capital	<u>13,085</u>	<u>8,860</u>
Trade receivables	3,007	(6,269)
Other receivables	(18)	614
Contract assets	(611)	(939)
Inventories	(4,495)	(240)
Trade payables	689	83
Other payables	393	(53)
Contract liabilities	665	472
Cash generated from operations	<u>12,715</u>	<u>2,528</u>
Interest paid	(373)	(340)
Interest received	1	4
Income taxes paid	(242)	(126)
Net cash from operating activities	<u>12,101</u>	<u>2,066</u>
Investing activities:		
Purchase of property, plant and equipment (see (a))	(5,818)	(7,037)
Deposit placed for purchase of property, plant and equipment	(599)	(1,124)
Proceeds on disposal of property, plant and equipment	127	121
Addition to intangible asset	(209)	-
Investment in a joint venture	-	(627)
Investment in an associate	-	(239)
Net cash outflow from acquisition of a subsidiary	(37)	-
Net cash used in investing activities	<u>(6,536)</u>	<u>(8,906)</u>
Financing activities:		
Proceeds from bank borrowings (net)	(247)	5,816
Repayments of lease liabilities	(1,527)	(232)
Proceeds from exercise of share options	198	-
Dividend paid	(3,804)	(2,526)
Net cash (used in) / from financing activities	<u>(5,380)</u>	<u>3,058</u>
Net increase / (decrease) in cash and cash equivalents	185	(3,782)
Cash and cash equivalents at beginning of year	4,106	7,892
Effect of foreign exchange rate changes	190	(4)
Cash and cash equivalents at end of year	<u>4,481</u>	<u>4,106</u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u>4,481</u>	<u>4,106</u>

Note (a):

During the year, the Group acquired property, plant and equipment with an aggregate cost of S\$5,662,000 (31 July 2019: S\$7,694,000) of which S\$363,000 (31 July 2019: S\$519,000) was acquired and remain unpaid at year end and S\$Nil (31 July 2019: S\$255,000) was acquired under finance lease. Cash payments of S\$5,818,000 (31 July 2019: S\$7,037,000) were made to purchase property, plant and equipment of which S\$519,000 (31 July 2019: S\$117,000) pertains to payment of prior year outstanding balance.

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.

	Share capital	Treasury shares	Share option reserve	Currency translation reserve	Capital Reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY 2020										
Group										
Balance at 1 Aug 2019	50,407	(37)	1,480	(1,038)	-	2,965	6,832	60,609	(81)	60,528
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	4,984	4,984	(88)	4,896
Other comprehensive loss for the year	-	-	-	(160)	-	-	-	(160)	-	(160)
Total	-	-	-	(160)	-	-	4,984	4,824	(88)	4,736
Transactions with owners, recognised directly in equity:										
Issue of share capital	198	-	-	-	-	-	-	198	-	198
Dividends	-	-	-	-	-	-	(3,804)	(3,804)	-	(3,804)
Recognition of share-based payment	-	-	66	-	-	-	-	66	-	66
Acquisition of additional interests in subsidiaries	-	-	-	-	(169)	-	-	(169)	169	-
Total	198	-	66	-	(169)	-	(3,804)	(3,709)	169	(3,540)
Balance at 31 Jul 2020	50,605	(37)	1,546	(1,198)	(169)	2,965	8,012	61,724	-	61,724
FY 2019										
Group										
Balance at 1 Aug 2018	50,407	(37)	1,372	(950)	-	2,965	5,122	58,879	(45)	58,834
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	4,236	4,236	(36)	4,200
Other comprehensive loss for the year	-	-	-	(88)	-	-	-	(88)	-	(88)
Total	-	-	-	(88)	-	-	4,236	4,148	(36)	4,112
Transactions with owners, recognised directly in equity:										
Dividends	-	-	-	-	-	-	(2,526)	(2,526)	-	(2,526)
Recognition of share-based payment	-	-	108	-	-	-	-	108	-	108
Total	-	-	108	-	-	-	(2,526)	(2,418)	-	(2,418)
Balance at 31 Jul 2019	50,407	(37)	1,480	(1,038)	-	2,965	6,832	60,609	(81)	60,528
FY 2020										
Company										
Balance at 1 Aug 2019	50,407	(37)	1,480	-	-	-	24,398	76,248		
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	465	465		
Transactions with owners, recognised directly in equity:										
Issue of share capital	198	-	-	-	-	-	-	198		
Dividends	-	-	-	-	-	-	(3,804)	(3,804)		
Recognition of share-based payment	-	-	66	-	-	-	-	66		
Total	198	-	66	-	-	-	(3,804)	(3,540)		
Balance at 31 Jul 2020	50,605	(37)	1,546	-	-	-	21,059	73,173		
FY 2019										
Company										
Balance at 1 Aug 2018	50,407	(37)	1,372	-	-	-	25,563	77,305		
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	1,361	1,361		
Transactions with owners, recognised directly in equity:										
Dividends	-	-	-	-	-	-	(2,526)	(2,526)		
Recognition of share-based payment	-	-	108	-	-	-	-	108		
Total	-	-	108	-	-	-	(2,526)	(2,418)		
Balance at 31 Jul 2019	50,407	(37)	1,480	-	-	-	24,398	76,248		

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 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 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.

Changes in share capital

	Number of shares			
	As at 31 Jul 2020		As at 31 Jul 2019	
	Number of shares	S\$'000	Number of shares	S\$'000
Balance at the beginning of the financial period	505,677,699	50,407	505,677,699	50,407
Issue of shares pursuant to the exercise of share options	2,000,000	198	-	-
Balance at the end of the financial period	507,677,699	50,605	505,677,699	50,407

Outstanding share options

Grant date	Exercise price per share	Number of share options					Exercise period
		As at 31 Jul 2019	Issued	Forfeited	Exercised	As at 31 Jul 2020	
19 November 2014	S\$ 0.073	750,000	-	-	(750,000)	-	20 November 2015 to 19 November 2019
18 January 2016	0.115	2,500,000	-	-	(1,250,000)	1,250,000	19 January 2017 to 18 January 2021
18 January 2016	0.115	10,000,000	-	-	-	10,000,000	19 January 2017 to 18 January 2026
23 January 2017	0.108	11,000,000	-	(1,000,000)	-	10,000,000	24 January 2018 to 23 January 2027
		24,250,000	-	(1,000,000)	(2,000,000)	21,250,000	

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 Jul 2020	As at 31 Jul 2019
Number of issued shares	507,677,699	505,677,699
Treasury shares	461,000	461,000
Number of issued shares excluding treasury shares	507,216,699	505,216,699

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.

	As at 31 Jul 2020		As at 31 Jul 2019	
	Number of shares	S\$'000	Number of shares	S\$'000
Balance at the beginning of the financial period	461,000	37	461,000	37
Balance at the end of the financial period	461,000	37	461,000	37

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by our auditors.

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

Not applicable.

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 Group has applied the same accounting policies and methods of computations for the current reporting period consistent with those of the most recent audited financial statement as at 31 July 2019, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 August 2019 namely SFRS(I) 16 *Leases*.

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease, and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

The Group has adopted the SFRS(I) 16 using the modified retrospective approach, where the comparative figures of the financial year prior to the first adoption will not be restated. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model.

In compliance with SFRS(I) 16, the Group has applied the practical expedient to recognise the amount of right-of-use ("ROU") assets equal to the lease liabilities as at 1 August 2019 adjusted by the amounts of any prepaid or accrued lease payments relating to those leases recognised in the statement of financial position before 1 August 2019, accordingly no adjustment was made to the opening retained earnings of the Group. Subsequent to initial recognition, the Group depreciate the ROU assets over the lease term, and recognise interest expenses on the lease liabilities.

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.

Please refer to the impact from the adoption of SFRS(I) 16 from the computation below:

	As at 31 Jul 2020 S\$'000 Increase/ (Decrease)
Statement of financial position	
Property, plant and equipment	(415)
Right-of-use assets	5,357
Total assets	4,942
Lease liabilities	5,163
Total liabilities	5,163
Net assets	(221)
For the year ended 31 Jul 2020 S\$'000 Increase/ (Decrease)	
Income statement	
Rental expense	(1,158)
Depreciation expense	1,048
Interest expense	216
Net increase in expenses	106

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.

	31 Jul 2020 (in cents)	31 Jul 2019 (in cents)
Earnings per ordinary share for the period based on the profit after tax attributable to shareholders		
(a) Based on weighted average number of ordinary shares in issue	0.98	0.84
- Weighted average number of shares	507,000,946	505,216,699
(b) On a fully diluted basis	0.98	0.84
- Adjusted weighted average number of shares	507,003,657	505,322,385

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 current financial period reported on and the immediately preceding financial year.

Group

	31 Jul 2020 (in cents)	31 Jul 2019 (in cents)
Net asset value per ordinary share	12.17	11.98

Company

	31 Jul 2020 (in cents)	31 Jul 2019 (in cents)
Net asset value per ordinary share	14.43	15.09

The calculation of net asset value per ordinary share is based on 507,216,699 ordinary shares in issue excluding treasury shares as at 31 July 2020 (31 July 2019: 505,216,699 ordinary shares).

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 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 period reported on.

Income statement

Revenue for the Company and its subsidiaries (the "Group") increased by 10.8% to S\$88.8 million for the year ended 31 July 2020 ("FY2020") as compared to S\$80.2 million for the year ended 31 July 2019 ("FY2019") driven by higher revenue from the medical devices segment which was partially offset by lower revenue from the pipes and pipe fittings segment.

The revenue for the medical devices segment was S\$61.4 million in FY2020, an increase of 36.2% from FY2019 due to increased orders from its customers. The revenue for the pipes and pipe fittings segment was S\$27.4 million in FY2020, a decrease of 21.7% from FY2019 as a result of the four-month stoppage of most construction projects in Singapore due to governmental measures to contain the spread of Covid-19 and the slow recovery thereafter as the construction industry adjusts to new work arrangements incorporating enhanced safety measures.

Other income was higher in FY2020 due to the negative goodwill of S\$0.7 million arising from the acquisition of the remaining 80% of Arrow Medical Limited and the receipt of S\$1.5 million in subsidies from the various governments of the countries where the Group's operations are located to cushion the impact from the Covid-19 outbreak.

Raw materials and consumables used increased by 17.9% due to increased customer orders in the medical devices segment.

Employee benefits expense was higher in FY2020 by 14.4% due to increased headcount and overtime in the medical devices segment to meet the higher revenue.

Depreciation and amortisation expenses increased by 41.1% due to the increase in property, plant and equipment used in the medical devices segment, the impact from the adoption of SFRS(I) 16 mentioned in paragraph 5 and the reclassification of the Group's investment property to property, plant and equipment.

Impairment loss on financial assets increased by 197.1% (S\$0.2 million) due to additional loss allowances related to trade receivables in the pipes and pipe fittings segment.

Other operating expenses decreased by 15.2% mainly due to a reduction in other variable costs due to the lower level of usage or activities in the pipes and pipe fittings segment, as well as the impact from the adoption of SFRS(I) 16 mentioned in paragraph 5.

As a result, the Group's profit before tax grew from S\$4.0 million in FY2019 to S\$7.2 million in FY2020, an increase of 80.2%.

The tax expense of S\$2.3 million in FY2020 was mainly due to the utilisation of deferred tax asset in FY2020 as the underlying tax losses from previous financial years for Forefront Medical Technology (Jiangsu) Co., Ltd were offset against the taxable profit in FY2020. This utilisation did not have an impact on cashflow.

Overall, the Group recorded a net profit after tax of S\$4.9 million in FY2020 as compared to S\$4.2 million in FY2019, an increase of 16.6%.

Statement of financial position

Trade receivables decreased due to lower sales and better collections in the pipes and pipe fittings segment, which was partially offset by the increase in trade receivables in the medical devices segment due to the increase in revenue.

Other receivables increased due to deposits placed for new plant and equipment, predominantly for the medical devices segment.

Contract assets increased due to higher inventories in production and post-production in the medical devices segment for contracts whereby the revenue is to be recognised over time as at 31 July 2020 as compared to 31 July 2019.

Inventories increased in the medical devices segment to fulfil the increase in orders from the customers. The pipes and pipe fittings segment also increased its inventories in preparation for the gradual recovery in the construction industry.

Property, plant and equipment increased due to capital expenditure and the reclassification of the Group's investment property to property, plant and equipment.

Right-of-use ("ROU") assets and Lease liabilities increased due to the adoption of SFRS(I) 16 where non-cancellable leases were capitalised to ROU assets and lease liabilities. Please refer to paragraph 4 for explanation for ROU assets.

Investment in associate decreased due to the acquisition of the remaining 80% in Arrow Medical Limited, the company based in United Kingdom under the medical devices segment.

Deferred tax assets decreased mainly due to the utilisation of deferred tax assets in Forefront Medical Technology (Jiangsu) Co., Ltd. as the underlying tax losses from previous financial years were offset against the taxable profit in FY2020.

Trade and other payables increased due primarily to higher level of activities in the medical devices segment.

Contract liabilities increased mainly due to higher balances due to customers for tooling and maintenance services. These arose when advance billings were made to customers.

Cash flow

Net cash from operating activities for FY2020 increased by 485.7% to S\$12.1 million from S\$2.1 million mainly due to higher profits, higher depreciation of ROU assets due to the adoption of SFRS (I) 16 (please refer to paragraph 4 on the adoption of SFRS(I) 16) and lower movements in working capital requirement as compared to FY2019. The lower working capital was mainly due to lower trade receivables, partly offset by higher inventories.

Net cash used in investing activities decreased by S\$2.4 million in FY2020 mainly due to lower capital expenditure and deposit placed for purchase of plant and machinery in the medical devices segment.

Net cash of S\$5.4 million was used in financing activities like repayment of lease liabilities (please refer to paragraph 4 on the adoption of SFRS(I) 16), dividend paid and repayment of bank borrowings in FY2020 as compared to the net cash from financing activities of S\$3.1 million in FY2019 from increase in bank borrowings less dividend paid.

Overall, the Group had a cash balance of S\$4.5 million as at 31 July 2020 as compared to S\$4.1 million as at 31 July 2019.

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

There was no forecast or prospect statement disclosed to shareholders previously.

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.

Medical devices segment

The medical devices segment has continued its positive momentum, even as its operations were impacted by the Covid-19 pandemic and the effects of such pandemic on the global economy. The segment recorded another financial year of positive segmental results which grew from S\$2.8 million in FY2019 to S\$7.9 million in FY2020, an increase of 179.5%. Revenue for the segment also increased by 36.2% in FY2020 as compared to FY2019.

Notably, the performance of the segment in the second half of FY2020 was adversely affected by the short-term disruption to production activities as a result of governmental measures instituted to contain the spread of Covid-19. Operations have since returned to normal and the segment is working with some customers on Covid-19 related projects, the bulk of which will be commercialised in the financial year ending 31 July 2021 ("FY2021"). However, given the higher base revenue reached in FY2020 (from rapid growth over FY2019 and FY2020), the revenue growth rate for this segment is expected to moderate in FY2021 as compared to FY2020. The segment will continue to build on its track record and broaden its customer base and core capabilities to improve its service offerings to customers. In addition, efforts to improve efficiency at the Group's manufacturing plants to manage costs and improve margins are ongoing.

Over the longer term, the segment will continue to face uncertainties in international trading conditions as a result of the ongoing US-China trade tensions and the Covid-19 pandemic. As the segment looks to expand its manufacturing options in tandem with its strategy towards becoming a global contract manufacturer for medical devices as well as mitigate its China supply chain risk, the Group is making plans to establish or acquire a fifth plant outside China for manufacturing medical devices for diversification and attracting new potential customers. As these plans are at an early stage, no assurance can be given at this moment regarding when a fifth plant will be established or acquired, if at all.

The segment remains optimistic about the long-term growth trends in the outsourcing of medical devices globally and seeks to augment its position in this industry by enhancing its technological and manufacturing footprint.

Pipes and pipe fittings segment

The pipes and pipe fittings segment operates in a very competitive environment which has resulted in the lowering of margins over the last few years. With the Covid-19 outbreak, the construction industry in Singapore is facing a challenging time as it recovers gradually from a four-month stoppage of most construction projects due to governmental measures to contain the spread of Covid-19. This situation, coupled with manpower and supply chain disruptions, has resulted in project delays and deadline extensions which have a substantial adverse effect on the revenue for this segment, with a 21.7% decrease from FY2019 to FY2020 concentrated in the second half of FY2020.

The segment has seen a slow recovery in the early part of FY2021 as construction projects in Singapore re-commence activities gradually. However, the segment faces uncertainties regarding the level and/or pace of demand for pipes and pipe fittings (especially for residential buildings) as the industry adjusts to new work arrangements incorporating enhanced safety measures to contain the spread of Covid-19. As such, the performance for this segment in FY2021 is expected to be adversely impacted by these challenges (including extensions to project completion deadlines). Notwithstanding this challenging operating environment, the segment will continue its focus on civil engineering projects and product expansion.

While the segment expects the revenue of the first half of FY2021 to be lower than the first half of FY2020 (which was not impacted by Covid-19), it expects higher revenue in the second half of FY2021 compared to the second half of FY2020 with gradual recovery in the construction industry (assuming that the Covid-19 situation remains under control) and accordingly aims to grow its revenue incrementally in FY2021 as compared to FY2020.

(Note: The segmental results of the medical devices segment and pipes and pipe fittings segment are before corporate, interest and tax expenses as set out in paragraph 14.)

Group

Despite the impact of the Covid-19 pandemic, the Group has grown its revenue and profit after tax in FY2020 by 10.8% and 16.6% respectively as compared to FY2019. Although the Group expects to continue growing its revenue in FY2021 as compared to FY2020, its rate of growth is expected to moderate in FY2021 given the higher base revenue in FY2020 and the operating environment discussed above and below. With regard to the Group's profit after tax in FY2021, the Group will not have the benefit of the non-recurring negative goodwill and the Covid-19 related government subsidies are likely to be lower in FY2021 as compared to FY2020, both of which had contributed materially to the profit after tax of the Group in FY2020.

Overall, the Group is facing a challenging operating environment, given the uncertainties in the global economy and the ongoing impact of the Covid-19 pandemic. Nevertheless, the Group will continue to monitor the situation and refine its strategies accordingly, while exercising prudent cost management and developing new business opportunities to strengthen its base and position itself for growth as the operating environment improves.

11 Dividend

(a) Current financial period reported on

Any dividend recommend for the current financial period reported on?

Yes

Name of Dividend	Final (proposed)
Dividend Type	Cash
Dividend Rate	S\$0.00375 per ordinary share (one-tier tax exempt)
Tax Rate	N.A
Book Closure Date	6 January 2021
Date Payable	15 January 2021

The Directors recommend a final dividend of S\$0.00375 per ordinary share (one-tier tax exempt) in respect of the financial year ended 31 July 2020 for approval by shareholders at the Annual General Meeting to be held on 26 November 2020.

In considering the amount of dividend to be paid in respect of FY2020, it should be noted that whilst the profit after tax of the Group in FY2020 had improved from FY2019, such profit had the benefit of the non-recurring negative goodwill (which is a non-cash accounting item) and the Covid-19 related subsidies from various governments (which were intended to mitigate the adverse effects of the Covid-19 pandemic in FY2020 and are likely to be a lower quantum in FY2021). Furthermore, given the challenging operating environment and outlook for FY2021, the Group's working capital and cashflow requirements, and the need to preserve financial capacity in order to prepare for expected capital expenditure relating to the proposed establishment/acquisition of a fifth plant for the medical devices segment, it is imperative to take these considerations into account in striving for a balance between rewarding shareholders and maintaining sufficient capital to continually develop the business.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Rate	SS\$0.005 per ordinary share (one-tier tax exempt)	SS\$0.0025 per ordinary share (one-tier tax exempt)
Tax Rate	N.A	N.A

(c) Date payable

Please refer to 11(a).

(d) Books closure date

Please refer to 11(a).

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Interested person transactions.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than SS\$100,000 and transactions under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SS\$100,000)
	SS'000	SS'000
Subsidiaries and associates of Venner Capital S.A.	-	2,181

14 Segmented revenue and results for business or geographical segments of the group in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediately preceding year.

	Medical devices		Pipes & pipe fittings		Eliminations		Total	
	31 Jul 2020 SS'000	31 Jul 2019 SS'000						
Revenue								
External sales	61,368	45,046	27,481	35,119	-	-	88,849	80,165
Results								
Segment result	7,857	2,811	2,574	3,920	(629)	(601)	9,802	6,130
Unallocated corporate expenses							(2,022)	(1,815)
Interest expense	(253)	(184)	(358)	(157)	-	-	(611)	(341)
Interest income	-	-	1	4	-	-	1	4
Profit before income tax							7,170	3,978
Income tax (expense) credit							(2,274)	222
Profit for the year							4,896	4,200
Other information								
Capital expenditure	4,809	4,682	999	3,012	-	-	5,808	7,694
Depreciation and amortisation	3,365	2,031	2,200	1,913	-	-	5,565	3,944
Balance Sheet								
Assets								
Segment assets	55,196	45,624	35,823	36,596	-	-	91,019	82,220
Unallocated corporate assets							116	185
Consolidated total assets							91,135	82,405
Liabilities								
Segment liabilities	18,376	13,135	10,034	7,310	-	-	28,410	20,445
Unallocated corporate liabilities							1,001	1,432
Consolidated total liabilities							29,411	21,877

Geographical segments

	Revenue		Segment assets		Capital expenditure	
	31 Jul 2020 SS'000	31 Jul 2019 SS'000	31 Jul 2020 SS'000	31 Jul 2019 SS'000	31 Jul 2020 SS'000	31 Jul 2019 SS'000
Singapore	82,312	75,262	51,586	48,088	2,177	1,990
Malaysia	2,600	3,917	4,769	4,172	53	1,204
China	3,008	986	32,541	30,145	3,578	4,500
United Kingdom	929	-	2,239	-	-	-
	88,849	80,165	91,135	82,405	5,808	7,694

- 15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

- 16 A breakdown of sales

	Group		
	31 Jul 2020 S\$'000	31 Jul 2019 S\$'000	Increase/ (Decrease) %
Sales reported for first half	47,165	37,098	27.1
Sales reported for second half	41,684	43,067	(3.2)
	88,849	80,165	10.8
Profit after tax reported for first half	2,270	310	632.3
Profit after tax reported for second half	2,626	3,890	(32.5)
	4,896	4,200	16.6

- 17 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 S\$'000	Previous full year S\$'000
Ordinary shares	3,804	2,526

- 18 Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1).

The Company has procured undertakings from all of its Directors and relevant Executive Officers (in the format set out in Rule 720(1) and appendix 7.7) in compliance with Listing Rule 720(1).

- 19 Notification pursuant to Rule 704(13) of the Listing Manual

Report of persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Cheng Hsheng @ Zhong Zixian	43	Son of Mr Cheng Liang (Group Chief Executive Officer)	Group Operations Director with effect from 1 April 2016	Not applicable

BY ORDER OF THE BOARD

Cheng Liang
Group Chief Executive Officer
28 September 2020