



Financial Statement for the Financial Year Ended 31 December 2020

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		
	2020 S\$'000	2019 S\$'000	Change %
Revenue	121,595	127,805	(4.9)
Cost of sales	(123,631)	(111,154)	11.2
Gross (loss)/profit	(2,036)	16,651	N.M
Other operating income	2,863	2,455	16.6
Other (expense)/income	(471)	114	N.M
Administrative costs	(4,595)	(7,061)	(34.9)
Other operating costs	(23,122)	(22,013)	5.0
Finance costs	(4,275)	(3,984)	7.3
Share of results of joint ventures	149	(138)	N.M.
Share of results of associates	89	344	(74.1)
Loss before taxation	(31,398)	(13,632)	130.3
Income tax credit/(expense)	2,839	(593)	N.M
Loss for the year	(28,559)	(14,225)	100.8
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain/(loss)	47	(212)	N.M
Other comprehensive income for the year	47	(212)	N.M
Total comprehensive income for the year	(28,512)	(14,437)	97.5
Loss attributable to:			
Equity holders of the Company	(26,441)	(12,822)	106.2
Non-controlling interests	(2,118)	(1,403)	51.0
	(28,559)	(14,225)	100.8
Total comprehensive income attributable to:			
Equity holders of the Company	(26,394)	(13,027)	102.6
Non-controlling interests	(2,118)	(1,410)	50.2
	(28,512)	(14,437)	97.5

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 financial year:

	Year ended 31 December		
	2020 S\$'000	2019 S\$'000	Change %
Depreciation of property, plant and equipment	3,200	5,231	(38.8)
Depreciation of right-of-use assets	1,490	1,279	16.5
Amortisation of deferred income	(187)	(180)	3.9
Amortisation of capitalised contract costs	78	-	N.M
Gain on disposal of property, plant and equipment	(881)	(137)	543.1
Write back of allowance for inventory obsolescence	(27)	(11)	145.5
Impairment loss/(write back) on properties held for sale	173	(302)	N.M
Loss provision on trade receivables and contract assets	5,220	4,973	5.0
Interest expense	4,119	3,761	9.5
Accreted interest	156	223	(30.0)
Interest income	(398)	(854)	(53.4)
Rental income	(330)	(221)	49.3
Foreign exchange loss/(gain)	246	(244)	N.M
Fair value loss on derivatives	225	130	N.M.
Under provision of current income tax in respect of prior years	11	94	(88.3)
(Over)/under provision of deferred income tax in respect of prior years	(74)	90	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	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	28,887	29,815	12,593	13,654
Right-of-use assets	4,287	5,214	1,905	2,179
Investments in subsidiaries	-	-	53,932	55,557
Investments in joint ventures	9,590	10,431	-	-
Investments in associates	1,075	1,749	260	260
Deferred tax assets	3,100	-	-	-
Contract assets	7,645	7,136	-	-
Loans to a joint venture	8,643	8,530	-	-
	63,227	62,875	68,690	71,650
Current assets				
Trade receivables	42,117	18,859	28	-
Amounts due from subsidiaries	-	-	6,089	6,909
Contract assets	79,257	34,973	-	-
Capitalised contract costs	5,557	-	-	-
Development property	77,074	120,053	-	-
Properties held for sale	1,598	666	-	-
Inventories	3,747	7,031	-	-
Investment securities	8	8	-	-
Other receivables	6,747	3,954	142	90
Pledged deposits	4,267	4,833	-	-
Cash and bank balances	53,566	48,964	1,901	482
Income tax recoverable	59	-	-	-
	273,997	239,341	8,160	7,481
Total assets	337,224	302,216	76,850	79,131
Current liabilities				
Amounts due to subsidiaries	-	-	9,113	5,955
Contract liabilities	23,901	15,566	-	-
Trade and other payables	45,071	39,171	93	216
Deferred income	187	180	-	-
Other liabilities	13,617	3,576	1,015	1,613
Derivatives	1,431	-	-	-
Lease liabilities	1,101	1,360	25	224
Loans and borrowings	4,330	4,414	462	477
Income tax payables	164	186	5	5
	89,802	64,453	10,713	8,490
Net current assets/(liabilities)	184,195	174,888	(2,553)	(1,009)
Non-current liabilities				
Trade payables	3,118	2,066	-	-
Derivatives	-	1,206	-	-
Deferred income	2,690	2,779	-	-
Deferred tax liabilities	241	315	-	-
Lease liabilities	3,252	3,865	2,041	2,066
Loans and borrowings	148,115	109,014	8,307	8,767
	157,416	119,245	10,348	10,833
Total liabilities	247,218	183,698	21,061	19,323
Net assets	90,006	118,518	55,789	59,808
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	46,278	72,719	7,273	11,292
Foreign currency translation reserve	121	74	-	-
	94,915	121,309	55,789	59,808
Non-controlling interests	(4,909)	(2,791)	-	-
Total equity	90,006	118,518	55,789	59,808

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

Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$4,330,000	-	S\$4,414,000	-

Amount repayable after one year

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$120,489,000	S\$27,626,000	S\$90,508,000	S\$18,506,000

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. Property loans are secured by charges over land and building and other secured borrowings are secured by pledge of 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	
	2020 S\$'000	2019 S\$'000
Cash flows from operating activities		
Loss before taxation	(31,398)	(13,632)
Adjustments for:		
Depreciation of property, plant and equipment	3,200	5,231
Depreciation of right-of-use assets	1,490	1,279
Amortisation of deferred income	(187)	(180)
Amortisation of capitalised contract costs	78	-
Write back of allowance for inventory obsolescence	(27)	(11)
Impairment loss/(write back) on properties held for sale	173	(302)
Loss provision on trade receivables, contract assets and other receivables	5,220	4,973
Share of results of joint ventures	(149)	138
Share of results of associates	(89)	(344)
Accreted interest	156	223
Fair value loss on derivatives	225	130
Gain on disposal of property, plant and equipment	(881)	(137)
Interest income	(398)	(854)
Interest expense	4,119	3,761
Operating cash flows before working capital changes	(18,468)	275
<u>Changes in working capital</u>		
Development property	43,960	(14,690)
Contract assets	(46,779)	(7,113)
Trade receivables	(27,631)	(9,654)
Other receivables	(2,794)	(2,346)
Inventories	3,316	1,603
Trade and other payables	6,286	9,809
Contract liabilities	8,354	(453)
Other liabilities	4,775	(696)
Cash used in operations	(28,981)	(23,265)
Interest paid	(4,831)	(3,118)
Interest received	388	1,235
Income tax paid	(416)	(350)
Net cash used in operating activities	(33,840)	(25,498)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,366)	(1,663)
Proceeds from disposal of property, plant and equipment	958	258
Investment in a joint venture	(74)	-
Return of share capital from an associate	350	-
Distribution of profits from an associate	350	1,050
Distribution of profits from joint ventures	1,063	271
Repayment of loans from a joint venture	-	6,349
Net cash generated from investing activities	281	6,265

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

	Year ended 31 December	
	2020 S\$'000	2019 S\$'000
Cash flows from financing activities		
(Repayment of)/proceeds from short term borrowings	(20)	1,764
Proceeds from long term borrowings	31,520	9,612
Repayment of long term borrowings	(1,579)	(1,573)
Repayment of lease liabilities	(1,435)	(1,158)
Decrease/(increase) in pledged deposits	561	(362)
Loans from non-controlling interests	9,120	3,230
Net cash generated from financing activities	38,167	11,513
Net increase/(decrease) in cash and cash equivalents	4,608	(7,720)
Effect of exchange rate changes on cash and cash equivalents	(6)	4
Cash and cash equivalents at beginning of the year	48,964	56,680
Cash and cash equivalents at end of the year	53,566	48,964
<u>Comprising:</u>		
Cash and bank balances	42,173	13,039
Fixed deposits	15,660	40,758
	57,833	53,797
Less: Fixed deposits pledged with financial institutions	(4,267)	(4,833)
Cash and bank balances (including fixed deposits), representing cash and cash equivalents in consolidated statement of cash flows	53,566	48,964

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.

	Attributable to equity holders of the Company						Total equity S\$'000
	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	
Balance at 1 January 2020	49,082	(566)	72,719	74	121,309	(2,791)	118,518
<u>Total comprehensive income</u>							
Loss for the year	-	-	(26,441)	-	(26,441)	(2,118)	(28,559)
Other comprehensive income for the year	-	-	-	47	47	-	47
Total comprehensive income for the year	-	-	(26,441)	47	(26,394)	(2,118)	(28,512)
Balance at 31 December 2020	49,082	(566)	46,278	121	94,915	(4,909)	90,006
	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
<u>Total comprehensive income</u>							
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

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

Company

Balance at 1 January 2020

Total comprehensive income

Loss for the year

Total comprehensive income for the year

Balance at 31 December 2020

Company

Balance at 1 January 2019

Adoption of SFRS(I) 16

Balance at 1 January 2019 (restated)

Total comprehensive income

Loss for the year

Total comprehensive income for the year

Balance at 31 December 2019

	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 2020	49,082	(566)	11,292	59,808
<u>Total comprehensive income</u>				
Loss for the year	-	-	(4,019)	(4,019)
Total comprehensive income for the year	-	-	(4,019)	(4,019)
Balance at 31 December 2020	49,082	(566)	7,273	55,789
	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(I) 16	-	-	(168)	(168)
Balance at 1 January 2019 (restated)	49,082	(566)	15,672	64,188
<u>Total comprehensive income</u>				
Loss for the year	-	-	(4,380)	(4,380)
Total comprehensive income for the year	-	-	(4,380)	(4,380)
Balance at 31 December 2019	49,082	(566)	11,292	59,808

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 2020, the issued share capital of the Company was S\$49,082,199 (31 December 2019: S\$49,082,199) comprising 322,388,218 (31 December 2019: 322,388,218) ordinary shares (excluding treasury shares).

There were no shares that may be issued on conversion of convertibles.

Treasury shares

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

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

	<u>No. of shares</u>	<u>S\$'000</u>
At 31 December 2020 and 31 December 2019	<u>2,322,200</u>	<u>566</u>

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 2020 was 322,388,218 (31 December 2019: 322,388,218). The total number of treasury shares held as at 31 December 2020 was 2,322,200 (31 December 2019: 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 2020.

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 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.**

There are no changes in accounting policies and methods of computation.

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	
	<u>2020</u>	<u>2019</u>
	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	(8.20)	(3.98)
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(8.20)	(3.98)

The weighted average number of shares used for basic and diluted earnings per share computation for the financial year ended 31 December 2020 was 322,388,218 (31 December 2019: 322,388,218). This takes into account the weighted average effect of changes in treasury shares transactions, if any, during the financial year.

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>31-Dec-20</u>	<u>31-Dec-19</u>	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	29.44	37.63	17.30	18.55

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 2020 (31 December 2019: 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 2020 (“FY2020”) vs Financial Year Ended 31 December 2019 (“FY2019”)

The Group recorded revenue of S\$121.6 million in FY2020 that represented a decrease of 4.9% from S\$127.8 million achieved in FY2019. Due to the imposition of Circuit Breaker (“CB”) in Singapore and the Movement Control Order (“MCO”) in Malaysia in response to the Coronavirus Disease 2019 (“Covid-19”), decline in sales was recorded for the General Construction and Specialised Engineering business segments. Revenue for the Green Technology business segment had increased due to work done before the CB for new projects awarded in the fourth quarter of 2019 for the construction of solar photovoltaic systems.

The Group's Property Development business segment launched the sale of the residential units of The LinQ @ Beauty World (“The LinQ”) in November 2020. The LinQ is a 20-storey mixed development along Upper Bukit Timah Road on the former Goh & Goh Building site (“G&G Site”). With approximately 94% of residential units sold as at the financial year end, revenue of S\$2.6 million was recognised in FY2020 on a percentage of completion basis.

The Covid-19 outbreak has led to an increase in the budgeted project costs of ongoing projects due to (i) delays in project schedules, (ii) a slow and gradual restart of projects at a lower level of productivity due to various safety measures imposed by the government authorities and (iii) additional costs incurred to comply with those safety measures. The Group also provided for additional costs of S\$3.8 million for rectification of some old projects. These additional costs resulted in a gross loss for the Group's construction business.

In accordance with the financial reporting standards, capitalised land and land related costs apportioned to the sold units of the Property Development business segment are amortised to cost of sales progressively based on the Percentage of Completion (“POC”) basis. However, construction and other development costs apportioned to the sold units are expensed to cost of sales when incurred. The accounting treatment of these development expenses resulted in a timing difference on the recognition of development profits, for which a gross loss was recognised for the Property Development business segment.

As a result of the foregoing, the Group incurred an overall gross loss of S\$2.0 million.

Other operating income increased by S\$0.4 million or 16.6% due to a higher gain of S\$0.9 million compared to S\$0.1 million in FY2019 on disposal of property, plant and equipment (“PPE”) as the Group disposed PPE that was not utilised. However, this is offset by a reduction in interest income and loss of training income due to the closure of the BCA Approved Training and Testing Centre operated by the Group as a result of the CB.

Other (expense)/income comprised foreign exchange differences and fair value adjustment on derivatives amounting to a loss of S\$0.5 million in FY2020 as compared to a gain of S\$0.1 million in FY2019. 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\$2.5 million or 34.9% mainly due to lower depreciation cost for the current financial year as some PPE had been fully depreciated. In particular, the lease term of one of the Group's leasehold properties had expired and hence no depreciation was provided for the leasehold property in the second half of FY2020.

Other operating costs increased by S\$1.1 million or 5.0%. Construction costs of The LinQ show flat and marketing expenses incurred for the sales launch amounted to approximately S\$2.9 million contributed to the increase. In FY2020, the Group provided for impairment losses on trade receivables and contract assets of S\$5.2 million versus S\$5.0 million in FY2019, as well as an impairment loss on properties held for sale of S\$0.2 million versus a write back of S\$0.3 million in FY2019. Project related costs including salaries of project staff and workers, food, workers' accommodation and machinery rental incurred during the CB period were charged to other operating costs. However, the Covid-19 financial support received from the government has helped to defray these additional costs and together with some other cost savings, staff costs and other expenses included in other operating costs had decreased by S\$2.5 million.

Following the acquisition of the G&G Site by Alika Properties Pte Ltd (“Alika”), a 62% owned subsidiary, it was proposed by Urban Redevelopment Authority to realign the G&G site through a land exchange of a land lot within the G&G site and an alienation of state land lots to Alika (the “Land Exercise”). The purpose was to enable the Urban Redevelopment Authority to enhance the utilisation of the land in the vicinity of the G&G site. The Land Exercise which resulted in an enlarged land parcel of a more regular shape, was completed in April 2020. Additional bank loan of S\$31.5 million was drawdown for the Land Exercise. According to the financial reporting standards, part of the interest cost incurred during the financial year after the units at The LinQ were ready for their intended sale was expensed off. This resulted in the overall finance cost increasing by 7.3% over the two comparative periods.

Share of results of joint ventures amounted to S\$0.1 million. This was after accounting for the fair value loss on the investment property held by its joint venture company. The annual assessment of the fair value of the investment property by an independent valuer indicated a drop in valuation of S\$0.3 million.

Income tax was a credit of S\$2.8 million as deferred tax assets were recognised on accumulated tax losses arising from the Group’s property development project as they will be carried forward to offset against future taxable income after the development obtains its Temporary Occupancy Permit.

The Group had a loss attributable to equity holders of the Company of S\$26.4 million for FY2020.

Statement of Financial Position and Cash Flow Review

Development property decreased by S\$43.0 million as the capitalised land and land related costs apportioned to the sold units were reclassified to contract assets and amortised to cost of sales based on POC while other capitalised costs relating to these sold units were expensed to cost of sales. With this, there was an increase in current contract assets of S\$44.3 million.

Capitalised contract costs relate to sales commission payable to property agents on the sale of units at The LinQ which is capitalised as incremental cost to obtain contracts, and is amortised to the profit and loss in a systematic manner via POC.

Trade receivables increased by S\$23.3 million mainly due to sales proceeds receivable from the purchasers of The LinQ and GST receivable of S\$3.1 million levied on the additional cost of land acquired through the Land Exercise which is yet to be refunded. Other receivables also increased as the Group recognised grant receivable in respect of the Job Support Scheme.

Inventories were down by S\$3.3 million as the Group cleared and disposed some of the unused inventories.

Contract liabilities increased by S\$8.3 million as construction work done was certified and billed. The claims for project advances for a public sector project during the CB period had also partly resulted in the increase in contract liabilities.

Current trade and other payables increased by S\$5.9 million due to the provision of rectification cost for certain completed projects and accruals for project cost incurred. Other liabilities increased by S\$10.0 million due to the accrual of commission payable to property agents for the sale of The LinQ and deferred grant income recognised in respect of the Job Support Scheme.

Non-current borrowings increased as additional loans of S\$31.5 million and S\$9.1 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\$39.1 million in non-current borrowings.

Derivatives of S\$1.4 million which comprise interest rate swaps (“IRS”) to hedge against interest rate fluctuations were reclassified as current liabilities as the IRS will be expiring in the next financial year.

For the full year ended 31 December 2020, the Group used cash amounting to S\$29.0 million in operations. This was mainly because of the trade receivables for the sale of The LinQ which remained outstanding as at the financial year end. These receivables were received subsequent to the financial year end.

Capital expenditure after offsetting the sale proceeds from disposals of older and unutilised equipment was S\$1.4 million. The Group received a total of S\$1.7 million from the return of share capital and distribution of profits from its associate and joint ventures. As a result, a net cash of S\$0.3 million was generated from investing activities.

Net cash generated from financing activities of S\$38.2 million was mainly due to additional loans of S\$31.5 million and S\$9.1 million from the bank and the non-controlling interests respectively to finance The LinQ. This was offset by repayment of S\$3.0 million for long term borrowings and lease liabilities.

The Group's cash holding was S\$53.6 million as at 31 December 2020, up by S\$4.6 million from S\$49.0 million as at the end of the last financial year.

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

The Group's unaudited results for the financial year ended 31 December 2020 are in line with the Company's announcement of profit guidance on 19 February 2021.

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.

Impact of Covid-19

The Covid-19 pandemic has caused a severe disruption to global economic activity and the impact on economies across the world has been broad and significant, affecting different sectors to varying degrees. Even with vaccines being distributed, the effects of the pandemic are expected to linger on for years.

In Singapore, the construction sector is one of the hardest hit sectors. Supply chains across the world have been disrupted due to measures implemented by the authorities to fight the virus. This has resulted in a shortage of construction materials, which in turn caused a delay in the completion of construction projects. In addition, foreign worker dormitories in Singapore were earlier significantly affected by Covid-19, leading to a shortage of manpower. The Singapore government has also implemented tighter restrictions, which further impacts the availability of manpower. While Singapore has entered Phase 3 of re-opening in December 2020 and construction work has started to resume progressively, manpower constraints and shortage of raw materials remain. In response to the crisis, the Singapore government has introduced various support measures to alleviate the impact of Covid-19. Where applicable, the Group has tapped onto support schemes to ease the impact from Covid-19. Going forward, the extent of the impact is largely dependent on the trajectory of the pandemic and its recovery, bearing in mind the uncertainty surrounding the likelihood of a second wave. Nevertheless, the Group has complied with the Safe Management Measures required by the Ministry of Manpower and Building and Construction Authority ("BCA") and has resumed activities at all of the Group's project sites. To tide through this crisis, the Group will continue to focus on preserving cash by reducing operating expenses where applicable and deferring all non-essential expenditures.

Business outlook

On 15 February 2021, the Ministry of Trade and Industry ("MTI") announced that the Singapore economy contracted by 5.4 per cent in 2020. For 2021, MTI has maintained the GDP growth forecast at 4.0 to 6.0 per cent. The construction sector contracted by 27.4 per cent year-on-year due to declines in both public sector and private sector construction works, although this was an improvement from the 52.5 percent contraction recorded in the third quarter. The improved performance of the sector came on the back of the resumption of more construction activities in the second half of 2020.

Growth prospects for the Malaysian economy is expected to weaken due to the recent resurgence in Covid-19 infections, which has necessitated the re-imposition of MCO and restrictions.

We expect the construction industry to remain challenging on the back of a competitive environment, supply chain issues, labour shortage and higher cost of construction materials. On the Group's property development business, the Group will remain focused to manage the development cost of The LinQ in the light of rising construction cost. The Group will continue to stay vigilant on managing its project costs and operating expenses and adopt cost-cutting measures where necessary.

As at 31 December 2020, the Group has an order book of approximately S\$290 million in respect of construction projects, predominantly in Singapore and Malaysia.

Reference:

1. Ministry of Trade and Industry Singapore Press Release "MTI Maintains GDP Growth Forecast at "4.0 to 6.0 Per Cent", 15 February 2021

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.

In view of the current challenging business environment, no dividend has been declared/recommended for the current financial year.

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).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

	<u>Specialised Engineering</u> \$'000	<u>General Construction</u> \$'000	<u>Property Development</u> \$'000	<u>Green Technology</u> \$'000	<u>Total</u> \$'000
2020					
Revenue					
External revenue	90,455	22,375	2,584	6,087	121,501
Inter-segment revenue	3,747	2,732	-	142	6,621
Total revenue	<u>94,202</u>	<u>25,107</u>	<u>2,584</u>	<u>6,229</u>	<u>128,122</u>
Results:					
Interest income	157	16	159	-	332
Interest expense	354	-	3,377	52	3,783
Depreciation of property, plant and equipment	1,204	269	7	641	2,121
Depreciation of right-of-use assets	1,216	-	-	-	1,216
Share of results of associates	-	-	89	-	89
Share of results of joint ventures	-	189	(40)	-	149
Other non-cash items:					
Write back for inventories obsolescence	(27)	-	-	-	(27)
Impairment loss on properties held for sale	173	-	-	-	173
Amortisation of deferred income	-	-	-	(187)	(187)
Amortisation of capitalised contract cost	-	-	78	-	78
Accreted interest	51	-	-	105	156
Fair value loss on derivatives	-	-	225	-	225
Loss provision on trade receivables and contract assets	5,147	17	-	56	5,220
Segment loss before taxation	(6,740)	(10,968)	(8,250)	(1,392)	(27,350)
Income tax expense/(credit)	261	-	(3,100)	-	(2,839)
Assets					
Investment in joint ventures	74	-	9,516	-	9,590
Investment in associates	891	-	184	-	1,075
Additions to property, plant and equipment	2,208	28	90	22	2,348
Segment assets	<u>82,316</u>	<u>31,470</u>	<u>205,377</u>	<u>1,477</u>	<u>320,640</u>
Segment liabilities	<u>47,993</u>	<u>35,988</u>	<u>149,121</u>	<u>2,169</u>	<u>235,271</u>

16. Segment revenue and results (cont'd)

(b) Analysis by business segment

	<u>Specialised Engineering</u> \$'000	<u>General Construction</u> \$'000	<u>Property Development</u> \$'000	<u>Green Technology</u> \$'000	<u>Total</u> \$'000
2019					
Revenue					
External revenue	92,251	31,685	-	3,775	127,711
Inter-segment revenue	8,889	300	-	251	9,440
Total revenue	<u>101,140</u>	<u>31,985</u>	<u>-</u>	<u>4,026</u>	<u>137,151</u>
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
Depreciation of right-of-use assets	694	-	-	-	694
Share of results of associates	72	-	272	-	344
Share of results of joint ventures	-	259	(397)	-	(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	-	-	-	(180)	(180)
Amortisation of capitalised contract cost	-	-	-	-	-
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 joint ventures	-	-	10,431	-	10,431
Investment in associates	954	-	795	-	1,749
Additions to property, plant and equipment	1,516	99	3	12	1,630
Segment assets	<u>84,434</u>	<u>21,435</u>	<u>166,225</u>	<u>13,699</u>	<u>285,793</u>
Segment liabilities					
	<u>41,977</u>	<u>23,590</u>	<u>101,897</u>	<u>3,623</u>	<u>171,087</u>

16. Segment revenue and results (cont'd)

(a) Analysis by business segment (continued)

	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
Revenue		
Total revenue for reportable segments	128,122	137,151
Management fee from an associate	94	94
Elimination of intersegment revenue	(6,621)	(9,440)
	<u>121,595</u>	<u>127,805</u>
Loss before tax		
Total loss before taxation for reportable segments	(27,350)	(9,064)
Management fee from an associate	94	94
Unallocated amounts:		
Other corporate income	386	1,949
Other corporate expenses	(4,528)	(6,611)
	<u>(31,398)</u>	<u>(13,632)</u>
Assets		
Total assets for reportable segments	320,640	285,793
Other unallocated amounts	16,584	16,423
	<u>337,224</u>	<u>302,216</u>
Liabilities		
Total liabilities for reportable segments	235,271	171,087
Other unallocated amounts	11,947	12,611
	<u>247,218</u>	<u>183,698</u>

Other material items	<u>2020</u>			<u>2019</u>		
	<u>Reportable</u>	<u>Adjustments</u>	<u>Entity totals</u>	<u>Reportable</u>	<u>Adjustments</u>	<u>Entity totals</u>
	segment totals			segment totals		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	(332)	(66)	(398)	(854)	-	(854)
Interest expense	3,783	336	4,119	3,642	119	3,761
Write back for inventories obsolescence	(27)	-	(27)	(11)	-	(11)
Impairment loss/(write back) on properties held for sale	173	-	173	(302)	-	(302)
Accreted interest	156	-	156	223	-	223
Fair value loss on derivative	225	-	225	130	-	130
Depreciation of property, plant and equipment	2,121	1,079	3,200	2,880	2,351	5,231
Depreciation of right-of-use assets	1,216	274	1,490	694	585	1,279
Loss provision on trade receivables and contract assets	5,220	-	5,220	4,973	-	4,973
Additions to property, plant and equipment	2,348	18	2,366	1,630	33	1,663
Income tax (credit)/expense	(2,839)	-	(2,839)	593	-	593

16. Segment revenue and results (cont'd)

(b) Analysis by geographical segments

	Revenue			Non-current assets		
	2020	2019	Change	2020	2019	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Countries</u>						
Singapore	72,499	72,370	0.2	51,641	52,791	(2.2)
Malaysia	40,716	49,063	(17.0)	9,003	9,033	(0.3)
Thailand	8,380	6,372	31.5	1,693	719	135.5
Others	-	-	-	890	332	168.1
	<u>121,595</u>	<u>127,805</u>	(4.9)	<u>63,227</u>	<u>62,875</u>	0.6

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 imposition of Circuit Breaker (“CB”) in Singapore and Movement Control Order (“MCO”) in Malaysia, the disruption of construction activities and the slow and gradual restart of projects with various safety measures imposed had caused decline in revenue from the General Construction and Specialised Engineering business segment. Revenue from Green Technology business segment increased as it was related to new solar PV systems projects awarded in the fourth quarter of 2019. The Covid-19 outbreak had also led to increase in the budgeted project costs of ongoing projects and eroded the gross profit margins which led to losses for the General Construction and Specialised Engineering business segments.

Property Development business segment recorded an increase in revenue as the Group started to recognise revenue on a Percentage of Completion (“POC”) basis from the sale of condominium units at The LinQ which was launched in November 2020. The condominium units were 94% sold as at the financial year end and has since been fully sold. While land and land related costs for the sold units were amortised to cost of sales according to the POC, construction and other development costs are expensed when incurred. Coupled with interest costs that are not eligible to be capitalised and the expense of show flat and marketing costs incurred for the sales launch, the timing difference between recognition of revenue and development expenses led to a loss for the Property Development business segment.

In terms of geographical segments, revenue in Thailand increased 31.5% as the Specialised Engineering business unit in Thailand which was set up three 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 declined by 17.0% compared to the previous financial year due to the impact of Covid-19 pandemic while revenue from Singapore had increased marginally by 0.2% as the decline in construction revenue was offset by increase in revenue from the solar PV projects and the sale of residential units of The LinQ.

18. A breakdown of sales.

GROUP	Year ended 31 December		
	2020 S\$'000	2019 S\$'000	Change %
(a) Sales reported for the first half year	42,428	48,063	(11.7)
(b) Operating loss after taxation before deducting non-controlling interest reported for the first half year	(14,275)	(7,648)	86.7
(c) Sales reported for the second half year	79,167	79,742	(0.7)
(d) Operating loss after taxation before deducting non-controlling interest reported for the second half year	(14,284)	(6,577)	117.2

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 2020 S\$'000	Previous Full Year 2019 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	35	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
Chief Executive Officer
1 March 2021