



CSE GLOBAL LIMITED
(Co. Reg. No. 198703851D)

Second Half Financial Statement and Dividend Announcement for the period ended 31 December 2020

Key Financial Performance

SS'000	2020 2H	2019 2H	Change	2020	2019	Change
Revenue	247,214	268,041	-7.8%	502,789	451,756	11.3%
Gross profit	68,762	72,933	-5.7%	146,199	123,711	18.2%
Gross margin (%)	27.8%	27.2%	+0.6pp	29.1%	27.4%	+1.7pp
Operating expenses	47,875	55,861	-14.3%	109,404	93,593	16.9%
Earnings before interest and tax (EBIT)	19,765	17,690	11.7%	39,306	31,835	23.5%
Net profit attributable to equity owners of the Company	12,913	13,836	-6.7%	28,004	24,054	16.4%
Net cash generated from operations	14,558	11,836	23.0%	48,476	18,027	168.9%
New orders received	189,413	386,206	-51.0%	431,484	578,848	-25.5%
Outstanding orders	235,998	307,305	-23.2%	235,998	307,305	-23.2%

Review of Performance – 2nd Half (“2H20”)

In 2H20, net profit attributable to equity owners of the Company decreased by 6.7% to S\$12.9 million, in line with a 7.8% decline in revenue to S\$247.2 million.

The lower group revenue in 2H20 was noted across all geographic regions, mainly due to lower recognition of infrastructure project and time and material revenues. In line with lower revenues, gross profit decreased by 5.7% from S\$73.0 million in 2H19 to S\$68.8 million in 2H20. Nevertheless, gross margin in 2H20 was relatively stable as compared to 2H19.

During 2H20, group operating expenses were 14.3% lower than 2H19, mainly attributed to lower personnel costs of S\$8.2 million, lower selling and distribution expenses of S\$1.2 million offsetted by increased amortization and depreciation expenses of S\$1.8 million.

EBIT improved by 11.7% in 2H20 at S\$19.8 million as compared to 2H19 of S\$17.7 million, led by stable gross margin and net decrease in operating expenses of \$8.0 million.

Net profit in 2H20 decreased by 6.7% to S\$12.9 million due to higher interest expenses and unfavourable exchange differences, and a one-off divestment gain of a former subsidiary recognized in 2H19.

Order intake in 2H20 decreased by 51% to S\$189.4 million as compared to 2H19 of S\$386.2 million as a result of lower orders in Oil & Gas segment as well as from the two large greenfield projects secured in October 2019 amounting to S\$103.7 million which did not recur in 2H20 as well as from the impact of a one-off adjustment of order intake in 2H19 due to consolidation of Volta’s order book, which was acquired at end of August 2019. As at end of the year, the order book stood robust at S\$236.0 million.

Review of Performance – FY2020 (“FY20”)

For FY20, the group revenue grew by 11.3% to S\$502.8 million, mainly led by the Americas and Asia-Pacific regions, attributed to higher revenue recognition from large greenfield projects secured in 2019 in the Americas region and higher mining & mineral revenues recognised in Australia. In line with the growth in revenues and an improvement in gross margin to 29.1%, gross profit in FY20 rose by 18.2% to S\$146.2 million.



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In FY20, group operating expenses grew by 16.9% year-on-year to S\$109.4 million from S\$93.6 million in FY19, mainly due to higher personnel costs of S\$7.6 million, higher building and equipment maintenance costs of S\$4.9 million, and increased amortization and depreciation expenses of S\$5.5 million, which is partially offset by lower selling and distribution expenses of S\$2.0 million.

EBIT in FY20 increased by 23.5% to S\$39.3 million as compared to FY19 of S\$31.8 million, led by higher gross profit of S\$22.5 million which was partially offset by increase in operating expenses of S\$15.8 million. During FY20, interest expenses grew by 76.3% or S\$1.6 million to S\$3.8 million, mainly from higher interest expenses incurred due to acquisitions made for Volta and RCS in FY19 and unfavourable fair value changes on financial instrument of S\$0.9 million.

With that, net profit attributable to equity owners of the Company increased by 16.4% to S\$28.0 million in FY20 from S\$24.1 million in FY19.

Order intake in FY20 decreased by 25.5% to S\$431.5 million as compared to FY19 of S\$578.8 million as a result of lower orders in the Oil & Gas segment but partially offset by growth in orders for both Infrastructure and Mining segments. As at 31 December 2020, the order book remained robust at S\$236.0 million.

Performance of Geographical Segments

S\$'000	2020 2H	2019 2H	Change	2020	2019	Change
Revenue						
Asia-Pacific	87,433	98,189	-11.0%	168,849	165,120	2.3%
Americas	156,468	165,864	-5.7%	328,704	279,438	17.6%
Europe/Middle East/Africa	3,313	3,988	-16.9%	5,236	7,198	-27.3%
Group	247,214	268,041	-7.8%	502,789	451,756	11.3%
Earnings before interest and tax (EBIT)						
Asia-Pacific	12,943	7,989	62.0%	23,227	16,528	40.5%
Americas	6,328	9,408	-32.7%	15,980	14,708	8.6%
Europe/Middle East/Africa	494	293	68.6%	99	599	-83.5%
Group	19,765	17,690	11.7%	39,306	31,835	23.5%

2H20 vs 2H19

In 2H20, the geographical regions of Asia-Pacific, the Americas and Europe/Middle East/Africa contributed 35.4%, 63.3% and 1.3% to revenue respectively.

The Asia Pacific region recorded a 11.0% year-on-year decrease in 2H20 revenues mainly from lower infrastructure revenues recognised as most infrastructure projects have moved to commissioning or finalization stage in 2H20 as compared to procurement stage in 2H19. EBIT rose by 62.0% year-on-year to S\$12.9 million, attributed to higher profitability for these projects that have been delivered or finalised in 2H20.

The Americas region registered a decline of 5.7% in revenues for 2H20 of S\$156.5 million as compared to 2H19 of S\$165.9 million, mainly attributed to lower contribution from time and material revenues. In line with lower revenues achieved coupled with higher unutilized labour costs, EBIT in 2H20 for the Americas region was 32.7% lower year-on-year.

The Europe/Middle East/Africa (“EMEA”) region registered a 16.9% decrease in revenues, but an improvement in EBIT to S\$0.5 million due to better margins for these projects.



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FY20 vs FY19

In FY20, the geographical regions of Asia-Pacific, the Americas and Europe/Middle East/Africa contributed 33.6%, 65.4% and 1.0% to revenue respectively.

The Asia Pacific region recorded a moderate 2.3% year-on-year growth in revenues due to higher recognition of revenues for projects for the infrastructure and mining projects in Australia. In line with the growth in revenues and better gross margins, EBIT rose by 40.5% year-on-year to S\$23.2 million.

The Americas region also posted a strong revenue growth of 17.6% in FY20 as compared to FY19, mainly attributed to higher large greenfield project revenues recognised. Due to higher unutilized labour costs, the Americas region increased its EBIT by a moderate 8.6% to S\$16.0 million in FY20.

The EMEA region registered a 27.3% decline in revenues year-on-year for FY20 and hence, recorded a lower EBIT due to a lack of greenfield projects in this region.

Liquidity and Capital Resources

For 2H20, the Group generated a cash inflow from operations of S\$14.6 million as compared to 2H19 of S\$11.8 million. For FY20, the Group generated a cash inflow from operations of S\$48.5 million compared to S\$18.0 million in FY19 due to better profitability and stronger cash management. The Group ended the period with a net debt position of S\$39.0 million, after dividend payments of S\$14.1 million made in FY20.

Order Book

S\$'000	FY2020	1H2020	FY2019
Asia-Pacific	128,425	142,067	118,090
Americas	102,528	145,944	184,811
Europe/Middle East/Africa	5,045	5,790	4,404
Total	235,998	293,801	307,305

As at 31 December 2020, the order book remained robust at S\$236.0 million, with the geographical regions of Asia-Pacific, the Americas and EMEA contributing 54.4%, 43.4% and 2.1% to group order book respectively.

Outlook

The Group notes that the current market environment still presents numerous uncertainties going forward: COVID-19 pandemic, oil & gas prices and global economic outlook. Despite these uncertainties in the coming months, the Group remains confident to achieve a satisfactory financial performance in 2021.

As a Group, we will continue to maintain capital discipline and will look for value accretive and strategic acquisitions to grow and reshape our business in a post pandemic environment to ensure a diversified and sustainable income stream.



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PART 1 – INFORMATION REQUIRED FOR HALF-YEAR (2H) ANNOUNCEMENTS

1. The following statements in the form presented in the issuer's most recently audited annual financial statement:-

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

SS'000	2020 2H	2019 2H	Change	2020	2019	Change
Revenue	247,214	268,041	-7.8%	502,789	451,756	11.3%
Cost of sales	(178,452)	(195,108)	-8.5%	(356,590)	(328,045)	8.7%
Gross profit	68,762	72,933	-5.7%	146,199	123,711	18.2%
Operating expenses						
Administrative costs	(45,745)	(50,376)	-9.2%	(103,126)	(85,785)	20.2%
Selling and distribution costs	(1,085)	(2,296)	-52.7%	(2,547)	(4,513)	-43.6%
Other operating costs	(1,045)	(3,189)	-67.2%	(3,731)	(3,295)	13.2%
Total operating expenses	(47,875)	(55,861)	-14.3%	(109,404)	(93,593)	16.9%
Operating profit	20,887	17,072	22.3%	36,795	30,118	22.2%
Interest expense	(2,193)	(1,438)	52.5%	(3,773)	(2,140)	76.3%
Interest income	148	181	-18.2%	312	300	4.0%
Share of profit of an associate	115	–	N.M	115	–	N.M
Other non-operating items (Note 1)	(1,248)	618	N.M	2,375	1,717	38.3%
Profit before tax	17,709	16,433	7.8%	35,824	29,995	19.4%
Tax expense	(4,800)	(3,306)	45.2%	(7,824)	(6,106)	28.1%
Profit after tax from continuing operations	12,909	13,127	-1.7%	28,000	23,889	17.2%
Discontinued operations						
Profit/(loss) from discontinued operations, net of tax	–	696	N.M.	–	(230)	N.M.
Profit for the period	12,909	13,823	-6.6%	28,000	23,659	18.3%
Attributable to :-						
Equity owners of the Company	12,913	13,836	-6.7%	28,004	24,054	16.4%
Non-controlling interests	(4)	(13)	-69.2%	(4)	(395)	-99.0%
	12,909	13,823	-6.6%	28,000	23,659	18.3%
Earnings per ordinary share (cents)						
- basic	2.53	2.72		5.49	4.73	
- diluted	2.50	2.68		5.43	4.66	



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Consolidated statement of comprehensive income for the second half ended 31 December 2020

SS'000	2020 2H	2019 2H	Change	2020	2019	Change
Profit after tax	12,909	13,823	-6.6%	28,000	23,659	18.3%
Other comprehensive income :						
Foreign currency translation	(129)	(839)	-84.6%	883	(3,604)	N.M.
Fair value changes on financial instruments	1,997	–	N.M.	(1,328)	–	N.M.
Other comprehensive income/(loss) for the period, net of tax	1,868	(839)	N.M.	(445)	(3,604)	-87.7%
Total comprehensive income for the period	14,777	12,984	13.8%	27,555	20,055	37.4%
Total comprehensive income /(loss) attributable to :-						
Owners of the Company	14,781	12,892	14.7%	27,559	20,348	35.4%
Non-controlling interests	(4)	92	N.M.	(4)	(293)	-98.6%
	14,777	12,984	13.8%	27,555	20,055	37.4%

N.M. – Not meaningful



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1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Continuing and Discontinued Operations

SS'000	2020 2H	2019 2H	Change	2020	2019	Change
Profit before tax is arrived at after charging/(crediting) the following:						
Interest expense *	2,193	1,464	49.8%	3,773	2,178	73.2%
Interest expense recognised as an expense in cost of sales	11	–	N.M.	21	–	N.M.
Interest income	(148)	(174)	-14.9%	(312)	(300)	4.0%
Depreciation for property, plant and equipment	4,972	3,445	44.3%	9,335	6,597	41.5%
Depreciation for right-to-use assets	3,009	2,383	26.3%	5,839	3,732	56.5%
Amortisation of intangible assets	2,101	2,435	-13.7%	3,954	3,284	20.4%
(Write back of allowance)/allowance for expected credit loss on trade receivables, net	(156)	278	N.M.	691	(36)	N.M.
Allowance for stock obsolescence made, net	238	457	-47.8%	249	414	-39.8%
Loss/(gain) on disposal of property, plant and equipment	173	(77)	N.M.	54	(284)	N.M.

* Included unrealized fair value loss on financial instrument of S\$915,000.

Note 1

SS'000	2020 2H	2019 2H	Change	2020	2019	Change
<u>Continuing operations</u>						
Miscellaneous income	263	495	-46.9%	759	774	-1.9%
Net exchange (loss)/gain	(1,511)	123	N.M.	1,616	943	71.4%
<u>Other non-operating items</u>	<u>(1,248)</u>	<u>618</u>	<u>N.M.</u>	<u>2,375</u>	<u>1,717</u>	<u>38.3%</u>



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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.

S\$'000	Group		Company	
	31-12-20	31-12-19	31-12-20	31-12-19
NON-CURRENT ASSETS				
Property, plant and equipment	61,582	58,240	1,641	2,029
Right-to-use assets	23,241	13,837	2,926	3,492
Investment in subsidiaries	–	–	127,171	125,104
Quoted investment	1,279	1,284	1,279	1,284
Investment in associate	224	103	–	–
Intangible assets	57,507	58,854	322	484
Deferred tax assets	2,980	2,564	908	907
Amount due from a subsidiary	–	–	578	–
Other receivable	451	–	–	–
	147,264	134,882	134,825	133,300
CURRENT ASSETS				
Contract assets	61,432	45,781	–	–
Inventories	26,079	21,658	–	–
Trade and other receivables	108,900	127,932	636	3,765
Prepaid operating expenses	5,670	7,439	291	369
Amount due from subsidiary companies	–	–	143,186	145,080
Short-term deposits	2,401	3,392	–	–
Cash and bank balances	50,124	55,246	3,286	2,102
	254,606	261,448	147,399	151,316
CURRENT LIABILITIES				
Contract liabilities	(15,798)	(22,619)	–	–
Trade payables and accruals	(68,088)	(71,497)	(3,716)	(4,266)
Lease liabilities	(4,797)	(4,288)	(568)	(486)
Loans and borrowings	(65,002)	(72,774)	(64,907)	(72,774)
Derivative liabilities	(2,243)	–	(2,243)	–
Amount due to subsidiary companies	–	–	(38,278)	(21,399)
Provision for warranties	(1,045)	(657)	–	–
Provision for taxation	(4,141)	(4,458)	(45)	(612)
	(161,114)	(176,293)	(109,757)	(99,537)
Net current assets	93,492	85,155	37,642	51,779
NON-CURRENT LIABILITIES				
Deferred tax liabilities	(2,672)	(360)	–	–
Lease liabilities	(19,728)	(10,734)	(2,981)	(3,552)
Loans and borrowings	(26,494)	(30,366)	(26,494)	(30,366)
Accruals	(224)	(2,372)	–	–
Net Assets	191,638	176,205	142,992	151,161
Equity attributable to owners of the Company				
Share capital	98,542	98,542	98,542	98,542
Treasury shares	(2,557)	(4,039)	(2,557)	(4,039)
Shares based payment reserve	1,935	1,742	1,935	1,742
Revenue reserve	105,425	91,478	36,290	45,066
Other reserve	8,750	9,818	8,782	9,850
Foreign currency translation reserve	(20,321)	(21,204)	–	–
Total Shareholders' Fund	191,774	176,337	142,992	151,161
Non-controlling interests	(136)	(132)	–	–
Total Equity	191,638	176,205	142,992	151,161



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1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 31 December 2020		As at 31 December 2019	
Secured	Unsecured	Secured	Unsecured
NIL	S\$65,002,000	NIL	S\$72,774,000

Amount repayable after one year

As at 31 December 2020		As at 31 December 2019	
Secured	Unsecured	Secured	Unsecured
NIL	S\$26,494,000	NIL	S\$30,366,000

Details of any collateral

Not applicable.



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

	Group			
	1.7.2020 to 31.12.2020	1.7.2019 to 31.12.2019	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019
SS'000				
<u>Continuing and Discontinued Operations</u>				
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	17,709	17,129	35,824	29,765
Adjustments for :-				
(Write back of allowance)/allowance for doubtful receivables	(156)	278	691	(36)
Allowance for stock obsolescence	238	457	249	414
Depreciation for property, plant and equipment	4,972	3,445	9,335	6,597
Depreciation for right-to-use assets	3,009	2,383	5,839	3,732
Amortisation of intangible assets	2,101	2,435	3,954	3,284
Loss/(gain) on disposal and write-off of property, plant and equipment	173	(77)	54	(284)
Gain on disposal of a subsidiary	-	(695)	-	(695)
Share of profit of an associate	(115)	-	(115)	-
Interest expense	2,204	1,464	3,794	2,178
Interest income	(148)	(174)	(312)	(300)
Operating profit before reinvestment in working capital	29,987	26,645	59,313	44,655
(Increase)/decrease in trade and other receivables and prepaid operating expenses	(11,928)	(30,191)	21,027	(31,164)
(Increase)/decrease in gross amount due from customers for contract assets and inventories	(2,502)	4,194	(26,688)	(3,742)
(Decrease)/increase in payables and accruals and provision for warranties	(999)	11,188	(5,176)	8,278
Cash generated from operations	14,558	11,836	48,476	18,027
Interest paid	(863)	(1,116)	(2,095)	(1,830)
Interest received	148	174	312	300
Income tax paid	(5,476)	(1,676)	(6,588)	(4,664)
Net cash generated from operating activities	8,367	9,218	40,105	11,833
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Cash consideration paid, net of cash assets & business acquired	(3,602)	(50,260)	(3,602)	(65,258)
Release of restricted cash/(Restricted cash from acquisition of subsidiaries)	4,852	(7,987)	4,852	(7,987)
Proceeds from sale of a subsidiary	-	3,586	-	3,586
Purchase of property, plant and equipment	(4,351)	(4,939)	(9,557)	(10,463)
Purchase of intangible assets	(790)	(2,600)	(1,868)	(2,941)
Proceeds from sale of property, plant and equipment	205	512	530	861
Net cash used in investing activities	(3,686)	(61,688)	(9,645)	(82,202)



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	Group			
	1.7.2020 to 31.12.2020	1.7.2019 to 31.12.2019	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019
SS'000				
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Dividends paid to shareholders	(14,057)	(6,349)	(14,057)	(13,968)
Purchase of treasury shares	-	-	-	(2,131)
Proceeds/(repayment) of borrowings, net	2,986	67,839	(11,427)	67,016
Payment of lease liabilities	(2,994)	(1,740)	(6,640)	(3,097)
Net cash (used in)/generated from financing activities	(14,065)	59,750	(32,124)	47,820
Net effect of exchange rate changes on cash and cash equivalents	(822)	(190)	403	(851)
Net (decrease)/increase in cash and cash equivalents	(9,384)	7,280	(1,664)	(22,549)
Cash and cash equivalents at beginning of the financial period	59,596	43,561	50,651	74,051
Cash and bank balances at end of the financial period	49,390	50,651	49,390	50,651
Cash and bank balances comprise of:-				
Cash and cash equivalents	49,390	50,651	49,390	50,651
Restricted cash arising from acquisition of subsidiaries	3,135	7,987	3,135	7,987
	52,525	58,638	52,525	58,638



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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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group S\$'000	Attributable to equity owners of the Company						Total	Non- controlling interests	Total Equity
	Share capital	Treasury shares	Revenue reserve	Share based payment reserve	Other reserve	Foreign currency translation reserve			
As previously reported at 1 January 2019	98,542	(3,327)	82,216	1,393	9,844	(17,432)	171,236	1,095	172,331
Effect of adopting SFRS(I) 16	–	–	(824)	–	–	–	(824)	(20)	(844)
At 1 January 2019	98,542	(3,327)	81,392	1,393	9,844	(17,432)	170,412	1,075	171,487
Purchase of treasury shares	–	(2,131)	–	–	–	–	(2,131)	–	(2,131)
Re-issuance of treasury shares	–	1,419	–	(1,393)	49	–	75	–	75
Total comprehensive income/(loss) for 1 st half	–	–	10,218	–	–	(2,762)	7,456	(385)	7,071
Dividend for FY2018 declared and paid	–	–	(7,619)	–	–	–	(7,619)	–	(7,619)
At 30 June 2019	98,542	(4,039)	83,991	–	9,893	(20,194)	168,193	690	168,883
Total comprehensive income/(loss) for 2 nd half	–	–	13,836	–	–	(945)	12,891	92	12,984
Equity-settled compensation to employees	–	–	–	1,742	(75)	–	1,667	–	1,666
Disposal of a subsidiary	–	–	–	–	–	(65)	(65)	(914)	(979)
Interim dividend for FY2019 declared and paid	–	–	(6,349)	–	–	–	(6,349)	–	(6,349)
At 31 December 2019	98,542	(4,039)	91,478	1,742	9,818	(21,204)	176,337	(132)	176,205



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Group S\$'000	Attributable to equity owners of the Company						Total	Non- controlling interests	Total Equity
	Share capital	Treasury shares	Revenue reserve	Share based payment reserve	Other reserve	Foreign currency translation reserve			
As reported 1 January 2020	98,542	(4,039)	91,478	1,742	9,818	(21,204)	176,337	(132)	176,205
Re-issuance of treasury shares	–	1,482	–	(1,742)	260	–	–	–	–
Total comprehensive income/(loss) for 1 st half	–	–	15,091	–	(3,325)	1,012	12,778	–	12,778
At 30 June 2020	98,542	(2,557)	106,569	–	6,753	(20,192)	189,115	(132)	188,983
Total comprehensive income/(loss) for 2 nd half	–	–	12,913	–	1,997	(129)	14,781	(4)	14,777
Equity-settled compensation to employees	–	–	–	1,935	–	–	1,935	–	1,935
Dividend for FY2019 and interim dividend for FY2020 declared and paid	–	–	(14,057)	–	–	–	(14,057)	–	(14,057)
At 31 December 2020	98,542	(2,557)	105,425	1,935	8,750	(20,321)	191,774	(136)	191,638



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Company S\$'000	Share capital	Treasury shares	Share-based payment reserve	Revenue reserve	Other reserve	Total Equity
At 1 January 2019	98,542	(3,327)	1,393	7,235	9,876	113,719
Effect of adopting SFRS(I) 16	–	–	–	(440)	–	(440)
At 1 January 2019	98,542	(3,327)	1,393	6,795	9,876	113,279
Total comprehensive income for 1 st half	–	–	–	811	–	811
Purchase of treasury shares	–	(2,131)	–	–	–	(2,131)
Re-issuance of treasury shares	–	1,419	(1,393)	–	49	75
Dividend for FY2018 declared and paid	–	–	–	(7,619)	–	(7,619)
At 30 June 2019	98,542	(4,039)	–	(13)	9,925	104,415
Total comprehensive income for 2 nd half	–	–	–	51,428	–	51,428
Equity-settled compensation to employees	–	–	1,742	–	(75)	1,667
Interim dividend for FY2019 declared and paid	–	–	–	(6,349)	–	(6,349)
At 31 December 2019	98,542	(4,039)	1,742	45,066	9,850	151,161
At 1 January 2020	98,542	(4,039)	1,742	45,066	9,850	151,161
Total comprehensive income/(loss) for 1 st half	–	–	–	1,684	(3,325)	(1,641)
Re-issuance of treasury shares	–	1,482	(1,742)	–	260	–
At 30 June 2020	98,542	(2,557)	–	46,750	6,785	149,520
Total comprehensive income for 2 nd half	–	–	–	3,597	1,997	5,594
Equity-settled compensation to employees	–	–	1,935	–	–	1,935
Dividend for FY2019 and interim dividend for FY2020 declared and paid	–	–	–	(14,057)	–	(14,057)
At 31 December 2020	98,542	(2,557)	1,935	36,290	8,782	142,992



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

There were no changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 financial period reported on.

As at 31 December 2020, the Company's number of issued and paid up shares comprised 511,147,422 (31 December 2019: 507,950,352) ordinary shares and 4,920,430 (31 December 2019: 8,117,500) treasury shares.

Treasury Shares

As at 31 December 2020, there were 4,920,430 treasury shares (31 December 2019: 8,117,500) in the share capital of the Company.

The Company does not have any outstanding convertibles and any subsidiary holdings.

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

Number of shares as at 31 December 2020	: 511,147,422
Number of shares as at 31 December 2019	: 507,950,352

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 December 2019	:	8,117,500
Reissuance of treasury shares	:	<u>(3,197,070)</u>
Balance as at 31 December 2020	:	<u>4,920,430</u>

Other than the shares-based payment, there is no sale, transfer, disposal, cancellation and/or use of treasury shares for the current financial period.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company has no subsidiary holdings.

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 our auditors.



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3. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of 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 computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements as at 31 December 2019, except for that disclosed under item 5.

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.**

Amendments to SFRS(I) 3: Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020

The adoption of the standards above will have no material impact on the financial statements in the current financial year.



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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:-**

	2H 2020	2H 2019	2020	2019
Earnings per ordinary share of the group after deducting any provision for preference dividends:-				
(a) Based on weighted average number of ordinary shares in issue; and	2.53	2.72	5.49	4.73
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	2.50	2.68	5.43	4.66
For the computation of basic earnings per share, the basis of arriving at the weighted average number of shares is determined as follows :-				
Weighted average number of shares outstanding during the period	511,147,422	507,950,352	507,950,352	508,890,352
Weighted average number of share-based payment during the period	–	–	2,580,877	2,470,356
Weighted average number of share buybacks during the period	–	–	–	(3,225,767)
Adjusted weighted average number of shares	511,147,422	507,950,352	510,531,229	508,134,941
For the computation of diluted earnings per share, the weighted average number of shares adjusted for the effect of all dilutive potential ordinary shares is determined as follows :-				
Weighted average number of shares outstanding during the period, used in computation of basic earnings per share	511,147,422	507,950,352	510,531,229	508,134,941
Weighted average number of treasury shares	4,920,430	8,117,500	5,536,623	7,932,911
Adjusted weighted average number of shares	516,067,852	516,067,852	516,067,852	516,067,852

* Weighted average number of ordinary shares issued during the year, the earnings per ordinary share of the Group has been computed based on adjusted issued share capital in accordance with SFRS(I)1-33 Earnings Per Share.



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

	31 December 2020		31 December 2019	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	37.75	28.15	34.72	29.76

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

There is no variance between the previous prospect statement and the actual results.

9. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Final (one-tier tax-exempt) dividend
Dividend type	Cash
Dividend Amount per share (in Singapore cents)	1.50 cents per ordinary share
Tax rate	Tax-exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Final (one-tier tax-exempt) dividend
Dividend type	Cash
Dividend Amount per share (in Singapore cents)	1.50 cents per ordinary share
Tax rate	Tax-exempt one-tier

(c) Date dividend is payable

The dividend, if approved by shareholders at the Annual General Meeting scheduled for 20 April 2021, will be paid on 18 May 2021.

(d) Record Date

Notice is hereby given that, subject to shareholders' approval of the payment of the dividend at the Annual General Meeting scheduled for 20 April 2021, the Share Transfer Books and the Register of Members of the Company will be closed on 7 May 2021. Duly completed registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, up to 5.00pm on 7 May 2021 will be registered for the dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the dividend will be paid by the Company to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

10. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

Not applicable.



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11. **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.**

A general mandate for Interested Person Transactions has been obtained from shareholders at the Annual General Meeting held on 27 May 2020.

For the period ended 31 December 2020, there was no Interested Person Transactions conducted under the shareholders' mandate.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

12. **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.**

Not applicable.

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

Not applicable.

14. **A breakdown of sales as follows:-**

S\$'000	Group			
	2020	2019	Variance	Variance (%)
Turnover for continuing operations reported for first half of the year	255,575	183,715	71,860	39.1%
Profit before tax before exceptional items for continuing operations reported for first half of the year	18,115	13,562	4,553	33.6%
Loss before tax before exceptional items for discontinued operations reported for first half of the year	–	(926)	N.M	N.M
Profit before tax reported for the first half of the year	18,115	12,636	5,479	43.4%
Turnover for continuing operations reported for second half of the year	247,214	268,041	(20,827)	-7.8%
Profit before tax before exceptional items for continuing operations reported for second half of the year	17,709	16,433	1,276	7.8%
Profit before tax before exceptional items for discontinued operations reported for second half of the year	–	696	N.M	N.M
Profit before tax reported for the second half of the year	17,709	17,129	580	3.4%



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15. **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	14,056	13,968
Total:	14,056	13,968

16. **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). If there are no such persons, the issuer must make an appropriate negative statement.**

There is no 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.

17. **Undertaking from all Directors and Executive Officers pursuant to Rule 720(1).**

The Company has procured the undertakings (in the format as set out under Appendix 7.7) under Rule 720 (1) of the SGX-ST Listing Manual from its directors and executive officers.

BY ORDER OF THE BOARD

Chester Leong
Company Secretary
23 February 2021