



## HGH Holdings Ltd.

(Company Registration No.: 200412064D)  
(Incorporated in the Republic of Singapore)

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### FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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## PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

The Board of Directors of HGH Holdings Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2020 (“**FY2020**”). The financial information in respect of FY2020 presented in this announcement has not been audited.

### 1(a)(i) An income statement and the statement of comprehensive income together with a comparative statement for the corresponding year of the immediately preceding financial year

	Group		
	FY 2020 S\$ '000	FY 2019 S\$ '000	% Change + / (-)
Revenue	12,145	23,900	(49.2%)
Cost of sales and services	(8,549)	(14,891)	(42.6%)
<b>Gross profit</b>	<b>3,596</b>	<b>9,009</b>	<b>(60.1%)</b>
Other income	1,301	407	>100%
Distribution costs	(242)	(1,071)	(77.4%)
Administrative expenses	(5,667)	(7,460)	(24.0%)
Other expenses	(3,442)	(2,637)	30.5%
Provision of impairment loss on financial assets, net	(394)	(3,976)	(90.1%)
Finance income	-	176	n.m.
Finance costs	(183)	(337)	(45.7%)
<b>Loss before income tax</b>	<b>(5,031)</b>	<b>(5,889)</b>	<b>(14.6%)</b>
Income tax credit/(expense)	556	(41)	n.m.
<b>Total loss for the year</b>	<b>(4,475)</b>	<b>(5,930)</b>	<b>(24.5%)</b>
Other comprehensive income/ (loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	2	1	100%
Equity investment at FVOCI – net change in fair value	-	(115)	n.m.
<b>Total comprehensive loss for the year</b>	<b>(4,473)</b>	<b>(6,044)</b>	<b>(26.0%)</b>
<b>Total loss attributable to:</b>			
Equity holders of the Company	(4,458)	(5,904) <sup>(a)</sup>	(24.5%)
Non-controlling interests	(17)	(26) <sup>(a)</sup>	(34.6%)
	<b>(4,475)</b>	<b>(5,930)</b>	<b>(24.5%)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company	(4,456)	(6,018) <sup>(a)</sup>	(26.0%)
Non-controlling interests	(17)	(26) <sup>(a)</sup>	(34.6%)
	<b>(4,473)</b>	<b>(6,044)</b>	<b>(26.0%)</b>

n.m. – not meaningful

<sup>(a)</sup> The variances between the announcement and annual report are due to effects of rounding

### 1(a)(ii) Breakdown and explanatory notes to the income statement

Loss before income tax is arrived at after charging/(crediting) the following:

	The Group		% change
	FY2020	FY2019	
	S\$'000	S\$'000	
Depreciation of property, plant and equipment	480	3,371	(85.8%)
Depreciation of investment properties	2,803	-	n.m.
Depreciation of right-of-use assets	307	555	(44.7%)
Amortisation of intangible assets	918	918	0%
Loss on disposal of property, plant and equipment	1	68	(98.5%)
Impairment loss on goodwill	2,506	1,125	>100%
Provision of impairment loss on financial assets, net	394	3,976	(90.1%)
Provision for defect liability	240	-	n.m.
Net foreign exchange loss - unrealised	2	1	100%
Interest expense	183	334	(45.2%)
Interest income	-	(176)	n.m.
Government grants received	(995)	(78)	n.m.

n.m. – not meaningful

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	Unaudited As at 31 Dec 2020	Audited As at 31 Dec 2019	Unaudited As at 31 Dec 2020	Audited As at 31 Dec 2019
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	1,813	55,992	-	-
Investment properties	50,943	-	-	-
Right - of - use assets	5,675	5,982	-	-
Intangible assets	1,885	2,764	-	-
Goodwill	-	2,506	-	-
Financial assets, at FVOCI	35	35	-	-
Subsidiaries	-	-	34,000	34,000
	60,351	67,279	34,000	34,000
<b>Current Assets</b>				
Inventories	297	123	-	-
Trade and other receivables	1,889	4,259	-	145
Other current assets	326	351	19	10
Cash and bank balances	6,784	6,643	131	89
	9,296	11,376	150	244
<b>Total Assets</b>	69,647	78,655	34,150	34,244
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Lease liabilities from financial institutions	-	27	-	-
Lease liabilities	5,709	6,098	-	-
Deferred tax liabilities	8,813	9,383	-	-
Other liabilities	471	471	-	-
	14,993	15,979	-	-
<b>Current Liabilities</b>				
Trade payables	515	2,701	-	-
Other payables and accruals	3,043	3,364	11,152	12,208
Provision for defect liability	240	-	-	-
Bond payable	-	-	-	1,000
Bank borrowings	100	-	-	-
Lease liabilities from financial institutions	27	27	-	-
Lease liabilities	389	491	-	-
Income tax payable	292	1,572	-	-
	4,606	8,155	11,152	13,208
<b>Total Liabilities</b>	19,599	24,134	11,152	13,208
<b>NET ASSETS</b>	50,048	54,521	22,998	21,036
<b>EQUITY</b>				
Capital and reserves attributable to equity holders of the Company				
Share capital	35,225	35,225	35,225	35,225
Reserves	14,847	19,303	(12,227)	(14,189)
	50,072	54,528	22,998	21,036
Non-controlling interests	(24)	(7)	-	-
<b>TOTAL EQUITY</b>	50,048	54,521	22,998	21,036

## (b)(ii) Aggregate amount of group borrowings and debt securities

### Amount payable in one year or less, or on demand

	Note	As at 31 December 2020		As at 31 December 2019	
		The Group	The Company	The Group	The Company
		Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bond payable	1	-	-	-	1,000
Bank borrowings		100	-	-	-
Lease liabilities from financial institutions		27	-	27	-

### Amount payable after one year

	As at 31 December 2020		As at 31 December 2019	
	The Group	The Company	The Group	The Company
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities from financial institutions	-	-	27	-

#### Note 1

The unsecured bond payable of S\$1,000,000 was fully repaid on 20 February 2020. As the lender, Poh Huat Heng Corporation Pte. Ltd. ("PHH") is a wholly-owned subsidiary of the Company, there was no unsecured borrowings held by the Group.

### Details of any collateral

The Group's secured bank borrowings of S\$100,000 were obtained through a personal guarantee by one of the directors of W&P Precast Pte. Ltd., a 95%-owned subsidiary.

The Group has an open banking facility of S\$8,000,000 that are secured by (i) corporate guarantee, (ii) legal mortgage of a subsidiary's leasehold buildings, and (iii) assignment of rental proceeds / charge over rental account to be executed of all current and future rental income from the leasehold buildings.

The hire purchase assets of the Group comprise of secured motor vehicles and office equipment.

**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**

	Group	
	FY2020 S\$ '000	FY2019 S\$ '000
<b>Cash flows from operating activities:</b>		
Loss before income tax	(5,031)	(5,888)
Adjustments for:		
Depreciation of property, plant and equipment	480	3,371
Depreciation of investment properties	2,803	-
Depreciation of right-of-use assets	307	555
Amortisation of intangible assets	918	918
Impairment of property, plant and equipment	-	54
Impairment loss on goodwill	2,506	1,124
Impairment loss on right-of-use assets	-	521
Loss on disposal of property, plant and equipment	1	68
Net foreign exchange loss - unrealised	2	1
Provision of impairment loss on financial assets, net	394	3,976
Provision for defects liability	240	-
Interest expense	183	334
Interest income	-	(176)
Operating cash flows before changes in working capital	2,803	4,858
Changes in working capital:		
Inventories	(174)	(23)
Trade and other receivables and other current assets	2,001	8,530
Trade and other payables	(2,507)	(3,226)
Cash from operating activities	2,123	10,139
Interest paid	(183)	(334)
Income tax refund	-	99
Income tax paid	(1,293)	(791)
<b>Net cash generated from operating activities</b>	647	9,113
Cash flows from investing activities:		
Purchase of property, plant and equipment <sup>(a)</sup>	(58)	(10)
Purchase of intangible assets	(39)	-
Proceeds from disposal of property, plant and equipment	10	52
<b>Net cash (used in)/generated from investing activities</b>	(87)	42
Cash flows from financing activities:		
Repayment of money market loan	-	(3,000)
Repayment of amount due to a former shareholder of its subsidiary	-	(500)
Proceeds from bank borrowings	100	-
Principal repayment of lease liabilities	(491)	(469)
Principal repayment of lease liabilities from financial institutions	(28)	(49)
Repayment of term loans	-	(1,609)
<b>Net cash used in financing activities</b>	(419)	(5,627)
<b>Net increase in cash and cash equivalents</b>	141	3,528
Cash and cash equivalents at the beginning of year	6,643	3,115
<b>Cash and cash equivalents at the end of year</b>	6,784	6,643

<sup>(a)</sup> During the financial year, property, plant and equipment amounting to S\$58,000 (2019: S\$10,000) and intangible assets amounting to S\$39,000 were acquired by cash payment.

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	Attributable to equity holders of the Company					Total	Non-controlling interests	Total Equity
	Share Capital	Merger Reserve	Translation Reserve	Fair value reserve	Retained Earnings			
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000			
Balance as at 1 January 2020	35,225	(6,478)	6	(115)	25,890	54,528	(7)	54,521
Net loss for the year	-	-	-	-	(4,458)	(4,458)	(17)	(4,475)
Other comprehensive income for the period net of tax: Currency translation differences arising from consolidation	-	-	2	-	-	2	-	2
Total comprehensive income/(loss) for the year	-	-	2	-	(4,458)	(4,456)	(17)	(4,473)
Balance as at 31 December 2020	35,225	(6,478)	8	(115)	21,432	50,072	(24)	50,048



Group	Attributable to equity holders of the Company						Non-controlling interests	Total Equity
	Share Capital	Merger Reserve	Translation Reserve	Fair value reserve	Retained Earnings	Total		
	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000		
Balance as at 1 January 2019	35,225	(6,478)	5	-	31,794	60,546	19	60,565
Net loss for the year	-	-	-	-	(5,904)	(5,904)	(26)	(5,930)
Other comprehensive income for the period net of tax:								
Currency translation differences arising from consolidation	-	-	1	-	-	1	-	1
Equity investment in FVOCI – net change in fair value	-	-	-	(115)	-	(115)	-	(115)
Total comprehensive loss for the year	-	-	1	(115)	(5,904)	(6,018)	(26)	(6,044)
Balance as at 31 December 2019	35,225	(6,478)	6	(115)	25,890	54,528	(7)	54,521

**Company**

	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>
Balance as at 1 January 2020	35,225	(14,189)	21,036
Total comprehensive loss for the year	-	1,962	1,962
Balance as at 31 December 2020	35,225	(12,227)	22,998

**Company**

	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>
Balance as at 1 January 2019	35,225	(8,953)	26,272
Total comprehensive loss for the year	-	(5,236)	(5,236)
Balance as at 31 December 2019	35,225	(14,189)	21,036

**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, as well as the number of shares held in treasury shares, if any, against the total number of issued shares, excluding treasury 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.**

Ordinary shares

	<b>Number of Shares</b>	<b>Issued and paid-up share capital S\$ '000</b>
Ordinary shares as at 31 December 2020 and 31 December 2019	1,780,860,561	35,225

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

As at 31 December 2020, the Company did not have any subsidiary holdings, treasury shares nor any outstanding convertibles that may be converted into shares.

As at 31 December 2019, the Company did not have any subsidiary holdings, treasury shares. There were outstanding warrants of 680,945,760 for conversion into ordinary shares. These warrants have expired on 20 December 2019.

**1(d)(iii) 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.**

	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
Total number of issued shares (excluding treasury shares)	1,780,860,561	1,780,860,561

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

Not applicable as the Company does not have any treasury shares as at 31 December 2020 and 31 December 2019.

**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 does not have any subsidiary holdings as at 31 December 2020 and 31 December 2019.

**2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**

- a) Updates on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty to going concern.**

Not applicable. The latest financial statements of the Group are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**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 year as compared with the audited financial statements for the financial year ended 31 December 2019 except for the adoption of the new or revised Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") that are mandatory for the financial year beginning on or after 1 January 2020.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

The adoption of the new and revised SFRS(I)s as highlighted in item 4 has no significant impact on the financial statements.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share ("EPS")	The Group	
	FY2020	FY2019
Loss attributable to owners of the Company (S\$'000)	<b>(4,458)</b>	(5,904)
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS ('000)	<b>1,780,861</b>	1,780,855
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS ('000)	<b>1,780,861</b>	1,825,888
<u>Loss per share (Singapore cents)</u>		
- Basic basis <sup>(1)</sup>	<b>(0.25)</b>	(0.33)
- Diluted basis <sup>(2)</sup>	<b>(0.25)</b>	(0.32)

**Notes:**

<sup>(1)</sup> Loss per share was calculated based on the weighted average number of issued shares in each of FY2020 and FY2019, being 1,780,860,561 and 1,780,854,645 ordinary shares respectively.

<sup>(2)</sup> Loss per share was calculated based on the weighted average number of issued shares and outstanding warrants (if any) in each of FY2020 and FY2019, being 1,780,860,561 and 1,825,887,566 ordinary shares respectively.

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

Net Asset Value ("NAV")	The Group		The Company	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
Net assets (S\$'000)	<b>50,048</b>	54,521	<b>22,998</b>	21,036
Number of ordinary shares used in calculating NAV per ordinary share ('000)	<b>1,780,861</b>	1,780,861	<b>1,780,861</b>	1,780,861
Net asset value per ordinary share (Singapore cents) <sup>(1)</sup>	<b>2.81</b>	3.06	<b>1.29</b>	1.18

**Note:**

<sup>(1)</sup> NAV per share were computed based on the issued share capital of 1,780,860,561 ordinary shares as at 31 December 2020 and as at 31 December 2019.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group is principally engaged in the following business segments:

- (a) **Premium Concrete Pte. Ltd. (“PC”)**  
(f.k.a. W&P Corporation Pte. Ltd)  
Supply and manufacturing of ready-mix concrete;
- (b) **W&P Precast Pte. Ltd. (“WPP”)**  
Supply of precast concrete products;
- (c) **Engineering Manufacturing Services Pte. Ltd. (“EMS”)**  
Providing one-stop high value-added general warehousing and logistics services, industrial, office space for engineering, manufacturing, industrial training and workers’ dormitory facilities; and
- (d) **Poh Huat Heng Corporation Pte. Ltd. (“PHH”)**  
Providing underground cable installation and road reinstatement services.

### **Statement of Comprehensive Income**

#### **Revenue**

During the financial year ended 31 December 2020 (“FY2020”), the revenue has decreased significantly by 49.18% or S\$11.76 million from S\$23.90 million in the financial year ended 31 December 2019 (“FY2019”) to S\$12.15 million in FY2020. The decrease was due to the COVID-19 pandemic which has significantly affected the operation of supply and manufacturing of ready-mix concrete and provision of underground cable installation and road reinstatement services. During the year, PC has also undergone the change in management which affected the operation severely.

Revenue from PC, PHH and WPP were reduced by approximately S\$6.84 million, S\$3.81 million and S\$1.20 million respectively.

#### **Cost of Sales**

In FY2020, cost of sales was reduced by 42.59% or S\$6.34 million from S\$14.89 million to approximately S\$8.55 million. The decrease was in tandem with the decreased in revenue which was due to the impact of COVID-19 pandemic that has disrupted the operation in the supply and manufacturing activities.

#### **Gross Profit**

Gross profit in FY2020 amounted to approximately S\$3.60 million; a decrease of S\$5.41 million or 60.08% as compared to FY2019. This was mainly attributable to the lower revenue recorded from (i) Manufacturing of precast concrete products, (ii) Supply and manufacturing of read-mix concrete products, and (iii) Provision of underground cable installation and road reinstatement due to the impact of COVID-19.

#### **Other Income**

In FY2020, the Group’s other operating income increased considerably by S\$0.89 million. It was mainly due to the contribution from government grants provided as COVID-19 support of approximately S\$0.93million while other miscellaneous income reduced during the year.

#### **Distribution Costs**

The Group’s distribution cost was lowered by S\$0.83 million or 77.40% as compared to FY2019. This was mainly due to lower expenses incurred by PC due to the temporary shutdown of operation as a result of the Circuit Breaker measures as announced by the Singapore Government on 3 April 2020 to minimise the further spread of COVID-19 pandemic (“Circuit Breaker Period”).

#### **Administrative Costs**

Compared to FY2019, the Group’s administrative costs reduced by approximately S\$1.79 million or 24.03%. Similar to distribution costs, the decrease in administrative costs was mainly due to overall decrease in the expenses by all the subsidiaries during the Circuit Breaker Period.

### ***Other expenses***

Compared to FY2019, the Group's other expenses increased by S\$0.81 million. This was contributed by impairment of goodwill of PHH amounting to S\$2.51 million during the year. In last year, the Group has recognised the impairment loss on goodwill of WPC and impairment loss on right-of-use of asset amounting to S\$1.12 million and S\$0.52 million respectively.

### ***Provision of impairment loss on financial assets, net***

The Group's net impairment loss on financial assets decreased from S\$3.98 million to S\$0.39 million. This is due mainly to the impairment of loan provided to Epicentre Pte Ltd and Broadwell Ltd amounting to S\$2.10 million and S\$2.44 million respectively in prior year.

### ***Finance Income and Costs***

The Group's finance income decreased by S\$0.18 million during the year as no interest income was earned by the Group in FY2020. Whilst the Group's finance cost decreased by 45.70% or S\$0.15 million from S\$0.34 million as a result of settlement of borrowings.

### ***Income Tax Expense***

The Group's income tax credit for FY2020 amounted to approximately S\$0.56 million was in relation to the reversal of deferred tax liabilities arising from timing difference between depreciation and tax capital allowance of S\$0.52 million and the income tax expense of S\$0.03 million. The income tax expense was lower due to the loss position of its active subsidiaries except for EMS during the year of which its taxable profit has been offset by losses from other subsidiaries under the Group Relief scheme.

### **Balance Sheet**

#### ***Property, Plant and Equipment***

During the year, the Group transferred the leasehold building of EMS amounting to S\$53.72 million to Investment Properties. The decrease was also due to the depreciation charged during the year as at 31 December 2020. The Group's property, plant and equipment ("PPE") amounted to approximately S\$1.81 million which constituted 3.00% of the Group's non-current assets.

#### ***Investment properties***

The leasehold building of EMS was transferred from PPE as it is mainly served for its general warehousing activities. It was charged with depreciation amounting to S\$2.78 million and it constituted 84.41% of the Group's non-current assets.

#### ***Right-Of-Use Assets***

Right-of-use assets decreased slightly as a result of depreciation charged during the year.

#### ***Intangible Assets***

The Group's intangible assets are in relation to the fair value of the contractual rental agreements entered into with EMS and non-contractual customer relationships with PHH. During the year, PC acquired additional intangible asset amounting to S\$0.04 million.

#### ***Goodwill***

Compared to 31 December 2019, the decrease in the carrying amount of the Group's goodwill was mainly due to an impairment of goodwill of PHH during the year amounting to S\$2.51 million.

#### ***Inventories***

As at 31 December 2020, the inventories increased slightly by S\$0.17 million.

#### ***Trade and other receivables***

Compared to 31 December 2019, trade and other receivables reduced by S\$2.37 million, mainly due to a recovery of the trade balances and impairment loss on financial assets amounting to S\$2.00 million and S\$0.39 million respectively.

#### ***Cash and Bank Balance***

The Group's cash and bank balances remain relatively consistent for both FY2020 and FY2019.

#### ***Trade and other payables***

Trade and other payables amounted to S\$3.56 million which constituted 77.25% of the Group's current liabilities. The decrease was mainly due to the repayments during FY2020.

**Provision for defects liability**

As at 31 December 2020, the Group recognized provision for defects liability for the contracts delivered by PHH.

**Lease Liabilities**

The lease liabilities decreased due to repayment during the year.

**Bank Borrowings**

The Group has drawn down additional borrowing of S\$0.1 million for working capital during FY2020.

**Tax Liabilities**

As at 31 December 2020, the current tax liabilities arose mainly from the net chargeable income generated by EMS for the financial year ended 31 December 2020. It was lower due to the utilization of Group Relief scheme.

**Statement of Cash Flows**

In FY2020, the net increase in the Group's cash and cash equivalents amounted to approximately S\$0.14 million, which was attributable to the followings:

***Net cash generated from operating activities of S\$0.65 million***

The operating cash flows before changes in working capital amounted to S\$2.80 million and the net cash generated from operating activities was mainly due to decrease in trade and other receivables and other current assets as well as decrease in trade and other payables amounting to S\$2.00 million and S\$2.51 million respectively.

***Net cash used in investing activities of S\$0.09 million***

The net cash used in investing activities was mainly due to the purchase of plants and equipment and intangible assets amounting to S\$0.10 million.

***Net cash used in financing activities of S\$0.42 million***

The net cash used in financing activities was mainly due to repayment of lease liabilities amounting to S\$0.49 million and the settlement of finance lease liabilities amounting to S\$0.03 million, partially offset with proceeds from bank borrowings of S\$0.10 million.

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

The Company has not previously disclosed to shareholders any forecast or prospect statement.

**10. A commentary at the date of the announcement of the 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.**

The outbreak of COVID-19 pandemic and related global responses have caused disruptions to businesses around the world, leading to an economic slowdown. This situation has affected the Group's results for FY2020, in particular, ready-mix concrete, precast concrete products and underground cable installation and road reinstatement services had ceased operation since early April 2020 with the closure of workers dormitory island wide and gradually resuming operation from August 2020.

With the global economic slowdown, the Group expects a slow recovery in its business activities. It may take a longer time before operations can be normalised amid the uncertainties ahead. However, the Group expects a consistent flow of revenue contribution from EMS for the next 12 months, mainly arising from contracted leasing/service income.

Initially, the Group is optimistic on the business outlook on the construction market segment. However, the disruptive impact on the demand may negatively affect the prices of the products or services of the Group. The new waves of COVID-19 infections and the uncertainty as to the effectiveness of the vaccines available will add further uncertainty to the recovery, particularly the local economy. The Group is vigilantly monitoring industry recovery and continue to look for the right opportunities to diversify its businesses and revenue streams.

## 11. Dividend

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?  
No dividend is declared for the current financial period reported on.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?  
No dividend is recommended or declared for the corresponding period of the immediately preceding financial year.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

## 12. If no dividend has been declared/recommended, a statement to that effect and the reason for the decision

No dividend has been declared or recommended for the financial year ended 31 December 2020 as the Company is in a net loss position.



**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13. 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.**

**(i) Business segments**

**Group Consolidated Profit and Loss Statement**

Group	Leasing and service income	Manufacturing of precast concrete products	Supply and manufacturing of ready-mix concrete products	Provision of underground cable installation and road reinstatement	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2020</b>						
Revenue						
- Sale of goods	-	2,468	1,935	-	-	4,403
- Service income	740	-	-	-	-	740
- Rental income	8,254	-	-	-	-	8,254
- Contract income	-	-	-	352	-	352
- Inter-segment sales	(901)	(605)	(1)	(97)	-	(1,604)
Sales to external parties	8,093	1,863	1,934	255	-	12,145
Segment results (Gross profit)	2,714	805	239	(162)	-	3,596
Allocated operating expenses – net	(1,887)	(644)	(562)	(2,434)	(2,917)	(8,444)
Finance income	-	-	-	-	-	-
Finance costs	(151)	(19)	(12)	(1)	-	(183)
Loss before income tax	676	142	(335)	(2,597)	(2,917)	(5,031)
Income tax	479	-	-	72	5	556
Loss for the year	1,155	142	(335)	(2,525)	(2,912)	(4,475)
Segment assets	64,867	981	937	2,715	147	69,647
Segment liabilities	17,125	557	168	1,688	61	19,599

Group	Leasing and service income	Manufacturing of precast concrete products	Supply and manufacturing of ready-mix concrete products	Provision of underground cable installation and road reinstatement	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2019</b>						
Revenue						
- Sale of goods	-	3,678	8,849	-	-	12,527
- Service income	4,653	-	87	-	-	4,740
- Rental income	4,488	-	-	-	-	4,488
- Contract income	-	-	-	4,090	-	4,090
- Inter-segment sales	(1,138)	(612)	(165)	(30)	-	(1,945)
Sales to external parties	8,003	3,066	8,771	4,060	-	23,900
Segment results (Gross profit)	3,221	1,060	1,703	3,025	-	9,009
Allocated operating expenses – net	(1,763)	(1,121)	(3,025)	(6,122)	(2,706)	(14,737)
Finance income	-	-	-	96	80	176
Finance costs	(286)	(25)	(25)	(1)	-	(337)
Loss before income tax	1,172	(86)	(1,347)	(3,002)	(2,626)	(5,889)
Income tax	(103)	5	-	72	(15)	(41)
Loss for the year	1,069	(81)	(1,347)	(2,930)	(2,641)	(5,930)
Segment assets	68,231	1,372	1,902	7,038	112	78,655
Segment liabilities	18,775	645	2,458	1,653	603	24,134

## Group Consolidated Balance Sheet

	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
<b>Assets</b>		
Total assets	69,647	78,655
<b>Liabilities</b>		
Total liabilities	19,599	24,134

### (ii) Geographical segment

The Group's continuing operation is primarily carried out in Singapore, no segmented revenue and results for geographical segment is presented.

### 14. 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 Note 8 of this announcement.

### 15. A breakdown of sales as follows:

	Group FY2020 S\$'000	Group FY2019 S\$'000	Increase / (Decrease) %
Sales reported for first half year	6,581	11,458	(42.6%)
Operating loss after tax reported for first half year	(1,001)	(3,800)	(73.7%)
Sales reported for second half year	5,564	12,442	(55.3%)
Operating loss after tax reported for the second half year	(3,474)	(2,130)	63.1%

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

Not applicable.

### 17. 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.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

18. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director 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
Tan Jun Hao	32	Nephew of Executive Director, Tan Poh Guan	<p>Director, Engineering Manufacturing Services (S) Pte. Ltd., January 2019 – Present</p> <p>Director, Poh Huat Heng Corporation Pte. Ltd., August 2014 – Present</p> <p>Director, Premium Concrete Pte. Ltd. Nov 2020 – Present</p>	NA

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual.

The Company hereby confirms that it has procured signed undertakings from all its directors and relevant executive officers in the format as set out in Appendix 7H of the Listing Manual in accordance with Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Tan Poh Guan  
Executive Director and Chief Executive Officer  
26 February 2021