

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

Unaudited Second Quarter Financial Statements Announcement  
For The Period From 1 January 2019 To 30 June 2019

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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			Group		
	01/04/2019- 30/06/2019 (3 Months)	01/04/2018- 30/06/2018 (3 Months)	Increase/ (Decrease)	01/01/2019- 30/06/2019 (6 Months)	01/01/2018- 30/06/2018 (6 Months)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>22,395</b>	25,306	(11.5%)	<b>34,740</b>	43,700	(20.5%)
Cost of sales	<b>(20,337)</b>	(20,626)	(1.4%)	<b>(31,320)</b>	(35,581)	(12.0%)
<b>Gross profit</b>	<b>2,058</b>	4,680	(56.0%)	<b>3,420</b>	8,119	(57.9%)
Other operating income	<b>449</b>	370	21.4%	<b>1,695</b>	1,548	9.5%
Selling expenses	<b>(265)</b>	(449)	(41.0%)	<b>(529)</b>	(844)	(37.3%)
Administrative expenses	<b>(2,656)</b>	(3,012)	(11.8%)	<b>(5,475)</b>	(6,207)	(11.8%)
Other operating expenses	<b>63</b>	(668)	NM	<b>(80)</b>	(681)	(88.3%)
Finance costs	<b>(270)</b>	(510)	(47.1%)	<b>(537)</b>	(1,016)	(47.1%)
<b>(Loss) profit before income tax</b>	<b>(621)</b>	411	NM	<b>(1,506)</b>	919	NM
Income tax expenses	<b>(111)</b>	(309)	NM	<b>(187)</b>	(524)	(64.3%)
<b>(Loss) profit for the period</b>	<b>(732)</b>	102	NM	<b>(1,693)</b>	395	NM
<b>Total (loss) profit attributable to:</b>						
Owners of the Company	<b>(732)</b>	(13)	5530.8%	<b>(1,693)</b>	174	NM
Non-controlling interests	-	115	(100.0%)	-	221	(100.0%)
	<b>(732)</b>	102	NM	<b>(1,693)</b>	395	NM
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences gain on translation of foreign operations	<b>(581)</b>	(35)	1560.0%	<b>(390)</b>	851	NM
<b>Total other comprehensive income, net of tax</b>	<b>(581)</b>	(35)	1560.0%	<b>(390)</b>	851	NM
<b>Total comprehensive (loss) income for the period</b>	<b>(1,313)</b>	67	NM	<b>(2,083)</b>	1,246	NM
<b>Total comprehensive (loss) income attributable to:</b>						
Owners of the Company	<b>(1,313)</b>	(24)	5370.8%	<b>(2,083)</b>	912	NM
Non-controlling interests	-	91	(100.0%)	-	334	(100.0%)
	<b>(1,313)</b>	67	NM	<b>(2,083)</b>	1,246	NM

1(a)(ii) Notes to consolidated statement of comprehensive income

(Loss) profit after tax was stated after  
(charging)/ crediting :-

	Group			Group		
	01/04/2019- 30/06/2019 (3 Months)	01/04/2018- 30/06/2018 (3 Months)	Increase/ (Decrease)	01/01/2019- 30/06/2019 (6 Months)	01/01/2018- 30/06/2018 (6 Months)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(2,775)	(3,286)	(15.6%)	(5,722)	(6,617)	(13.5%)
Depreciation of right-of-use assets	(45)	-	NM	(89)	-	NM
Allowance for doubtful debts	-	(524)	(100.0%)	-	(524)	(100.0%)
Allowance for doubtful debts written back	164	-	NM	190	-	NM
Currency exchange gain- net	227	113	100.9%	244	716	(65.9%)
Gain on disposal of property, plant and equipment	28	15	86.7%	60	24	150.0%
Net gain (loss) arising on financial assets designated as at FVTPL	20	(72)	(127.8%)	67	(46)	(245.7%)
Property, plant and equipment written off	(34)	-	NM	(34)	-	NM
Interest income	57	54	5.6%	111	114	(2.6%)
Interest expenses	(270)	(510)	(47.1%)	(538)	(1,016)	(47.0%)
Unrealised fair value gain (loss) from derivative financial instruments	68	(35)	NM	(64)	177	NM
Loss on disposal of investment	-	(32)	(100.0%)	-	(32)	NM

Denotes: NM - not meaningful

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

#### STATEMENT OF FINANCIAL POSITION

	The Group			The Company		
	As at	As at	As at	As at	As at	As at
	30/06/2019	31/12/2018	31/12/2017	30/06/2019	31/12/2018	31/12/2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>						
Cash and bank balances	19,666	21,171	27,349	6,111	5,522	13,065
Trade receivables	23,962	17,930	24,513	28,158	25,296	36,914
Other receivables	2,205	1,129	2,794	6,991	6,739	11,740
Bill receivables	-	434	-	-	147	-
Derivative financial instruments	-	61	-	-	61	-
Inventories	8,002	3,761	4,395	7,136	3,331	369
<b>Total current assets</b>	<b>53,835</b>	<b>44,486</b>	<b>59,051</b>	<b>48,396</b>	<b>41,096</b>	<b>62,088</b>
<b>Non-current assets</b>						
Property, plant and equipment	93,499	106,571	133,205	35,426	37,601	42,361
Right-of-use assets	1,158	-	-	1,158	-	-
Investment in subsidiaries	-	-	-	29,385	29,385	26,942
Available-for-sale investments	479	412	643	479	412	643
Other assets	10	10	10	10	10	10
<b>Total non-current assets</b>	<b>95,146</b>	<b>106,993</b>	<b>133,858</b>	<b>66,458</b>	<b>67,408</b>	<b>69,956</b>
<b>Total assets</b>	<b>148,981</b>	<b>151,479</b>	<b>192,909</b>	<b>114,854</b>	<b>108,504</b>	<b>132,044</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Bills payable	7,882	5,272	8,911	7,882	5,272	8,911
Derivative financial instruments	4	-	113	4	-	113
Current portion of bank loans	3,000	833	9,667	3,000	833	9,667
Trade payables	1,098	1,501	2,386	1,913	815	1,672
Other payables	2,825	3,628	3,989	4,285	2,607	2,913
Current portion of finance leases	6,181	7,142	11,140	3,866	4,469	4,917
Current portion of lease liabilities	163	-	-	163	-	-
Income tax payable	1,740	1,647	277	-	-	-
<b>Total current liabilities</b>	<b>22,893</b>	<b>20,023</b>	<b>36,483</b>	<b>21,113</b>	<b>13,996</b>	<b>28,193</b>
<b>Non-current liabilities</b>						
Bank loans	-	-	833	-	-	833
Lease liabilities	1,003	-	-	1,003	-	-
Finance leases	7,385	11,524	24,973	2,378	4,103	8,668
Deferred tax liabilities	6,861	7,010	9,050	3,363	2,723	3,250
<b>Total non-current liabilities</b>	<b>15,249</b>	<b>18,534</b>	<b>34,856</b>	<b>6,744</b>	<b>6,826</b>	<b>12,751</b>
<b>Total liabilities</b>	<b>38,142</b>	<b>38,557</b>	<b>71,339</b>	<b>27,857</b>	<b>20,822</b>	<b>40,944</b>
<b>NET ASSETS</b>	<b>110,839</b>	<b>112,922</b>	<b>121,570</b>	<b>86,997</b>	<b>87,682</b>	<b>91,100</b>
<b>Capital and reserves</b>						
Share capital	41,846	41,846	41,846	41,846	41,846	41,846
Treasury shares	(355)	(355)	(355)	(355)	(355)	(355)
Retained earnings	75,128	76,821	83,303	45,506	46,191	49,633
Translation reserves	(4,857)	(4,467)	(4,517)	-	-	-
Fair value reserve	-	-	-	-	-	(24)
Capital reserve	(923)	(923)	(711)	-	-	-
<b>Total equity attributable to owners of the Company</b>	<b>110,839</b>	<b>112,922</b>	<b>119,566</b>	<b>86,997</b>	<b>87,682</b>	<b>91,100</b>
Non-controlling interests	-	-	2,004	-	-	-
<b>Total Equity</b>	<b>110,839</b>	<b>112,922</b>	<b>121,570</b>	<b>86,997</b>	<b>87,682</b>	<b>91,100</b>
<b>Total liabilities and equity</b>	<b>148,981</b>	<b>151,479</b>	<b>192,909</b>	<b>114,854</b>	<b>108,504</b>	<b>132,044</b>

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

	As at 30/06/2019		As at 31/12/2018	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	6,344	3,000	7,142	833
Amount repayable after one year	8,388	-	11,524	-

Included in the secured borrowings are current lease liabilities of S\$163,000 and non-current lease liabilities of S\$1,003,000 which are secured over the right-of-use assets of S\$1,158,000.

As at 30 June 2019, the Group's finance leases of S\$13.6m are secured over plant and equipment of the Group with carrying value of S\$32.0m.

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.

**Operating activities**

(Loss) profit before income tax	(621)	411	(1,506)	919
Adjustments for:				
Unrealised fair value (loss) gain from derivative financial instruments	(68)	35	64	(177)
Depreciation of Right-of-use assets	45	-	89	-
Depreciation of property, plant & equipment	2,775	3,286	5,722	6,617
Allowance for doubtful debts written back	(164)	-	(190)	-
Interest expenses	270	510	538	1,016
Interest income	(57)	(54)	(111)	(114)
Net unrealised foreign exchange adjustments	20	44	21	(148)
Allowance for doubtful debts	-	524	-	524
(Loss) gain arising on financial assets designated as at FVTPL	(20)	72	(67)	46
Gain on disposal of property, plant and equipment	(28)	(15)	(60)	(24)
Loss on disposal of available-for-sale investment	-	32	-	32
Property, plant and equipment written off	34	-	34	-
Operating cash flows before movements in working capital	2,186	4,845	4,534	8,691
Trade receivables	(8,416)	(3,065)	(5,640)	(3,280)
Other receivables	(202)	(984)	(955)	(1,048)
Inventories	3,955	1,739	3,150	3,433
Trade payables	101	(738)	(300)	(736)
Other payables	(353)	(469)	(838)	(1,163)
Cash generated from operations	(2,729)	1,328	(49)	5,897
Income tax paid	(141)	(464)	(201)	(513)
<b>Net cash (used in) generated from operating activities</b>	<b>(2,870)</b>	<b>864</b>	<b>(250)</b>	<b>5,384</b>

**Investing activities**

Proceeds from disposal of available-for-sale investment	-	11	-	11
Interest received	57	54	111	114
Purchase of property, plant and equipment	(511)	(18)	(558)	(947)
Proceeds from disposal of property, plant and equipment	43	41	75	64
<b>Net cash (used in) generated from investing activities</b>	<b>(411)</b>	<b>88</b>	<b>(372)</b>	<b>(758)</b>

**Financing activities**

Bills payable	3,812	2,991	2,610	3,414
Interest paid	(270)	(510)	(538)	(1,016)
Repayment of obligations under finance leases	(3,214)	(3,124)	(5,032)	(7,457)
Proceeds from finance leases	-	-	-	2,913
Repayment of bank loans	(1,517)	(416)	(1,933)	(833)
Principal element of lease payments	(41)	-	(81)	-
Proceeds from bank loans	4,100	-	4,100	-
<b>Net cash generated from (used in) financing activities</b>	<b>2,870</b>	<b>(1,059)</b>	<b>(874)</b>	<b>(2,979)</b>
Net (decrease) increase in cash and cash equivalents	(411)	(107)	(1,496)	1,647
Cash and cash equivalents at beginning of the period	20,098	29,153	21,171	27,349
Effect of exchange rate changes on the balance of cash held in foreign currencies	(21)	(10)	(9)	40
<b>Cash and cash equivalents at end of the period</b>	<b>19,666</b>	<b>29,036</b>	<b>19,666</b>	<b>29,036</b>

	Group		Group	
	01/04/2019-30/06/2019 (3 Months)	01/04/2018-30/06/2018 (3 Months)	01/01/2019-30/06/2019 (6 Months)	01/01/2018-30/06/2018 (6 Months)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
(Loss) profit before income tax	(621)	411	(1,506)	919
Adjustments for:				
Unrealised fair value (loss) gain from derivative financial instruments	(68)	35	64	(177)
Depreciation of Right-of-use assets	45	-	89	-
Depreciation of property, plant & equipment	2,775	3,286	5,722	6,617
Allowance for doubtful debts written back	(164)	-	(190)	-
Interest expenses	270	510	538	1,016
Interest income	(57)	(54)	(111)	(114)
Net unrealised foreign exchange adjustments	20	44	21	(148)
Allowance for doubtful debts	-	524	-	524
(Loss) gain arising on financial assets designated as at FVTPL	(20)	72	(67)	46
Gain on disposal of property, plant and equipment	(28)	(15)	(60)	(24)
Loss on disposal of available-for-sale investment	-	32	-	32
Property, plant and equipment written off	34	-	34	-
Operating cash flows before movements in working capital	2,186	4,845	4,534	8,691
Trade receivables	(8,416)	(3,065)	(5,640)	(3,280)
Other receivables	(202)	(984)	(955)	(1,048)
Inventories	3,955	1,739	3,150	3,433
Trade payables	101	(738)	(300)	(736)
Other payables	(353)	(469)	(838)	(1,163)
Cash generated from operations	(2,729)	1,328	(49)	5,897
Income tax paid	(141)	(464)	(201)	(513)
<b>Net cash (used in) generated from operating activities</b>	<b>(2,870)</b>	<b>864</b>	<b>(250)</b>	<b>5,384</b>
<b>Investing activities</b>				
Proceeds from disposal of available-for-sale investment	-	11	-	11
Interest received	57	54	111	114
Purchase of property, plant and equipment	(511)	(18)	(558)	(947)
Proceeds from disposal of property, plant and equipment	43	41	75	64
<b>Net cash (used in) generated from investing activities</b>	<b>(411)</b>	<b>88</b>	<b>(372)</b>	<b>(758)</b>
<b>Financing activities</b>				
Bills payable	3,812	2,991	2,610	3,414
Interest paid	(270)	(510)	(538)	(1,016)
Repayment of obligations under finance leases	(3,214)	(3,124)	(5,032)	(7,457)
Proceeds from finance leases	-	-	-	2,913
Repayment of bank loans	(1,517)	(416)	(1,933)	(833)
Principal element of lease payments	(41)	-	(81)	-
Proceeds from bank loans	4,100	-	4,100	-
<b>Net cash generated from (used in) financing activities</b>	<b>2,870</b>	<b>(1,059)</b>	<b>(874)</b>	<b>(2,979)</b>
Net (decrease) increase in cash and cash equivalents	(411)	(107)	(1,496)	1,647
Cash and cash equivalents at beginning of the period	20,098	29,153	21,171	27,349
Effect of exchange rate changes on the balance of cash held in foreign currencies	(21)	(10)	(9)	40
<b>Cash and cash equivalents at end of the period</b>	<b>19,666</b>	<b>29,036</b>	<b>19,666</b>	<b>29,036</b>

1(d)(i) A statement (for the issuer and the 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.

The Group	Attributable to equity holders of the Company								
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Translation reserves	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2019	41,846	(355)	(923)	-	(4,467)	76,821	112,922	-	112,922
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(961)	(961)	-	(961)
Other comprehensive income	-	-	-	-	191	-	191	-	191
<b>Balance at 31 March 2019</b>	<b>41,846</b>	<b>(355)</b>	<b>(923)</b>	<b>-</b>	<b>(4,276)</b>	<b>75,860</b>	<b>112,152</b>	<b>-</b>	<b>112,152</b>
Balance at 1 April 2019	41,846	(355)	(923)	-	(4,276)	75,860	112,152	-	112,152
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(732)	(732)	-	(732)
Other comprehensive income	-	-	-	-	(581)	-	(581)	-	(581)
<b>Balance at 30 June 2019</b>	<b>41,846</b>	<b>(355)</b>	<b>(923)</b>	<b>-</b>	<b>(4,857)</b>	<b>75,128</b>	<b>110,839</b>	<b>-</b>	<b>110,839</b>
Balance at 1 January 2018 (as restated)	41,846	(355)	(711)	-	(4,517)	83,303	119,566	2,004	121,570
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	161	161	106	267
Other comprehensive income	-	-	-	26	749	-	775	137	912
Effect of adopting amendments to SFRS (I)9	-	-	-	(26)	-	26	-	-	-
<b>Balance at 31 March 2018</b>	<b>41,846</b>	<b>(355)</b>	<b>(711)</b>	<b>-</b>	<b>(3,768)</b>	<b>83,490</b>	<b>120,502</b>	<b>2,247</b>	<b>122,749</b>
Balance at 1 April 2018 (as restated)	41,846	(355)	(711)	-	(3,768)	83,490	120,502	2,247	122,749
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	59	59	115	174
Other comprehensive income	-	-	-	(72)	(11)	-	(83)	(24)	(107)
Effect of adopting amendments to SFRS(I)9	-	-	-	72	-	(72)	-	-	-
<b>Balance at 30 June 2018</b>	<b>41,846</b>	<b>(355)</b>	<b>(711)</b>	<b>-</b>	<b>(3,779)</b>	<b>83,477</b>	<b>120,478</b>	<b>2,338</b>	<b>122,816</b>

The Company

	Share capital S\$'000	Treasury shares S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 January 2019	41,846	(355)	-	46,191	87,682
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	20	20
Other comprehensive income	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>41,846</b>	<b>(355)</b>	<b>-</b>	<b>46,211</b>	<b>87,702</b>
Balance at 1 April 2019	41,846	(355)	-	46,211	87,702
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(705)	(705)
Other comprehensive income	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>41,846</b>	<b>(355)</b>	<b>-</b>	<b>45,506</b>	<b>86,997</b>
Balance at 1 January 2018 (as restated)	41,846	(355)	-	49,609	91,100
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(335)	(335)
Other comprehensive income	-	-	26	-	26
Effect of adopting amendments to SFRS (I)9	-	-	(26)	26	-
<b>Balance at 31 March 2018</b>	<b>41,846</b>	<b>(355)</b>	<b>-</b>	<b>49,300</b>	<b>90,791</b>
Balance at 1 April 2018 (as restated)	41,846	(355)	-	49,300	90,791
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(635)	(635)
Other comprehensive income	-	-	(72)	-	(72)
Effect of adopting amendments to SFRS (I)9	-	-	72	(72)	-
<b>Balance at 30 June 2018</b>	<b>41,846</b>	<b>(355)</b>	<b>-</b>	<b>48,593</b>	<b>90,084</b>

- 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 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 the number of 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.**

As at 30 June 2019, the total number of issued shares excluding treasury shares was 114,013,000 (31 December 2018: 114,013,000). As at 30 June 2019, the total number of treasury shares was 875,980 (31 December 2018: 875,980) The Company did not have any convertibles as at 30 June 2019 and 31 December 2018.

Save as disclosed above, there have been no bonus or other issues of shares during the period.

- 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.**

Total number of issued ordinary shares  
Less: Treasury shares  
Total number of issued shares excluding treasury shares

30/06/2019	31/12/2018
114,888,980	114,888,980
(875,980)	(875,980)
114,013,000	114,013,000

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

No treasury shares were sold, transferred, disposed, cancelled and/or used as at the end of the current financial period reported on.

- 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.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

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

The figures presented are not audited or reviewed by the Company's Auditor.

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

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period as that of the audited financial statements for the financial year ended 31 December 2018.

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

The Group adopted various new standards, amendments to standards and interpretations that are effective for the financial period beginning on 1 January 2019.

#### **IFRS 16 Leases**

SFRS(I) 16 Leases is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

SFRS(I) 16 has resulted in most of the leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, it requires a lessee to recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The differences from the balance sheet as previously reported at 31 December 2018 are as follows:

#### **Group Balance Sheets**

	<b>30/06/2019</b>
	\$'000
Increase in ROU	1,158
Increase in lease liabilities	(1,166)
Decrease in net assets	<u>(8)</u>
Decrease in retained earnings	<u>8</u>



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

	Group		Group	
	3 Months		Year to date	
	01/04/2019- 30/06/2019 (3 Months)	01/04/2018- 30/06/2018 (3 Months)	01/01/2019- 30/06/2019 (6 Months)	01/01/2018- 30/06/2018 (6 Months)
(a) EPS based on weighted average number of ordinary shares on issue (cents)	<b>(0.64)</b>	(0.01)	<b>(1.48)</b>	0.15
(b) On a fully diluted basis (cents)	<b>(0.64)</b>	(0.01)	<b>(1.48)</b>	0.15
Weighted average number of ordinary shares in issue	<b>114,013,000</b>	114,013,000	<b>114,013,000</b>	114,013,000

There were no potential dilutive ordinary shares in existence for the period from 1 January 2019 to 30 June 2019 and period from 1 January 2018 to 30 June 2018.

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.

	The Group		The Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Net asset value per ordinary share (cents)	<b>97.22</b>	99.04	<b>76.30</b>	76.91
Ordinary shares at the end of the current financial period and immediately preceding financial year	<b>114,013,000</b>	114,013,000	<b>114,013,000</b>	114,013,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current 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

##### Revenue

	Group			Group		
	3 months			Year to Date		
	01/04/2019- 30/06/2019 (3 Months)	01/04/2018- 30/06/2018 (3 Months)	% Change	01/01/2019- 30/06/2019 (6 Months)	01/01/2018- 30/06/2018 (6 Months)	% Change
S\$'000	S\$'000		S\$'000	S\$'000		
Equipment rental business	7,676	10,798	(28.9%)	14,804	21,635	(31.6%)
Trading business	14,719	14,508	1.5%	19,936	22,065	(9.6%)
<b>Total</b>	<b>22,395</b>	<b>25,306</b>	<b>(11.5%)</b>	<b>34,740</b>	<b>43,700</b>	<b>(20.5%)</b>

The Group registered total revenue of S\$22.4m for 2nd Quarter ended 30 June 2019 ("2Q FY2019") which was 11.5% lower than that of 2nd Quarter ended 30 June 2018 ("2Q FY2018"). Total revenue of S\$34.7m for 1H FY2019 was 20.5% lower as compared to 1H FY2018, mainly due to lower trading and rental revenue.

Revenue from Equipment Rental business decreased by 28.9% to S\$7.7m in 2Q FY2019 and 31.6% to S\$14.8m in 1H FY2019 as compared to the corresponding periods in FY2018 respectively, mainly due to decrease in rental revenue and rental rates.

Revenue from Trading business increased by 1.5% to S\$14.7m in 2Q FY2019 but decreased by 9.6% to S\$19.9m in 1H FY2019 as compared to the corresponding periods in FY2018 respectively, mainly due to decrease in number of cranes delivered in 1H FY2019.

##### Gross Profit

	Group			Group		
	3 months			Year to Date		
	01/04/2019- 30/06/2019 (3 Months)	01/04/2018- 30/06/2018 (3 Months)	% Change	01/01/2019- 30/06/2019 (6 Months)	01/01/2018- 30/06/2018 (6 Months)	% Change
S\$'000	S\$'000		S\$'000	S\$'000		
Equipment rental business	1,003	3,459	(71.0%)	1,788	6,116	(70.8%)
Trading business	1,055	1,221	(13.6%)	1,632	2,003	(18.5%)
<b>Total</b>	<b>2,058</b>	<b>4,680</b>	<b>(56.0%)</b>	<b>3,420</b>	<b>8,119</b>	<b>(57.9%)</b>

The Group registered total gross profit of S\$2.1m in 2Q FY2019, which was 56.0% lower than 2Q FY2018. Total gross profit for 1H FY2019 was S\$3.4m and 57.9% lower as compared to 1H FY2018.

Gross profit from Equipment Rental business decreased by 71.0% to S\$1.0m in 2Q FY2019 and 70.8% to S\$1.8m in 1H FY2019 as compared to the corresponding periods in FY2018. This is in line with the lower rental revenue generated.

Gross profit from Trading business decreased by 13.6% to S\$1.1m in 2Q FY2019 and decreased by 18.5% to S\$1.6m in 1H FY2019 as compared to the corresponding periods in FY2018, mainly due to a decrease in number of cranes delivered during the periods.

##### Net Profit / (Loss)

The Group registered net loss of S\$1.7m for 1H FY2019. This was mainly due to the net impact of the following:

- (a) lower revenue and gross profit generated from both equipment rental and trading businesses;
- (b) partially offset by medical insurance claims received in 1Q FY2019;
- (c) lower selling and administrative expenses ;
- (d) lower financing costs;

## **STATEMENT OF FINANCIAL POSITION**

### **Current assets**

As at 30 June 2019, current assets amounted to S\$53.8m or 36.1% of total assets. Current assets comprised mainly cash and bank balances, trade and other receivables and inventories. Total current assets increased by S\$9.3m as compared to 31 December 2018 mainly due to increase in trade and other receivables and inventories.

### **Non-current assets**

As at 30 June 2019, non-current assets amounted to S\$95.1m or 63.9% of total assets. Non-current assets comprised mainly property, plant and equipment and right-of-use assets following the adoption of SFRS(1)16. Total non-current assets decreased by S\$11.8m mainly due to decrease in rental fleet and depreciation charged for the period.

### **Current liabilities**

As at 30 June 2019, current liabilities amounted to S\$22.9m or 60.0% of total liabilities. Current liabilities comprised mainly bills payable, trade and other payables, current portion of bank loans, lease liabilities and finance leases. Total current liabilities increased by S\$2.9m as compared to 31 December 2018, mainly due to increase in bank loans.

### **Non-current liabilities**

As at 30 June 2019, non-current liabilities amounted to approximately S\$15.2m or 40.0% of total liabilities. Non-current liabilities comprised mainly non-current portion of lease liabilities, finance leases and deferred tax. Total non-current liabilities decreased by S\$3.3m as compared to 31 December 2018, mainly due to repayment of finance leases.

### **Working Capital**

As at 30 June 2019, the Group registered a positive working capital of S\$30.9m as compared to that of S\$24.5m as at 31 December 2018.

### **Equity**

As at 30 June 2019, the Group's equity was lower at S\$110.8m as compared to S\$112.9m as at 31 December 2018, mainly due to loss recorded for 1HFY2019.

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

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

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.**

The Group expects the business environment to remain highly competitive and continue to actively lower the costs of operations.

11. **If a decision regarding dividend has been made:-**

(a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

Nil

(i) **Amount per share (cents)**

Nil

(ii) **Previous corresponding period (cents)**

Nil

(b) **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.**

Not applicable.

(c) **The date the dividend is payable.**

Not applicable.

(d) **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 and the reason(s) for the decision.**

No dividend has been declared and recommended for the quarter ended 30 June 2019 as a result of loss for the period and the Company's need for working capital.

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.**

<b>Name of Interested Person</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than \$100,000)</b>
	Nil	Nil

There were no interested person transactions with aggregate value of S\$100,000 or more conducted pursuant to the general mandate for interested person transactions during the financial period.

14. **CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company hereby confirms that undertakings from all directors and executive officers as required in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

15. **NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the six-month ended 30 June 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ah Lye  
Executive Director and CEO  
6 August 2019