

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

**Unaudited Full Year Financial Statements Announcement
For The Period From 1 January 2019 To 31 December 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		
	01/10/2019- 31/12/2019 (3 Months)	01/10/2018- 31/12/2018 (3 Months)	Increase/ (Decrease)	01/01/2019- 31/12/2019 (12 Months)	01/01/2018- 31/12/2018 (12 Months)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	14,662	20,213	(27.5%)	73,790	86,678	(14.9%)
Cost of sales	(12,285)	(18,131)	(32.2%)	(63,747)	(73,222)	(12.9%)
Gross profit	2,377	2,082	14.2%	10,043	13,456	(25.4%)
Other operating income	774	159	386.8%	2,806	919	205.3%
Selling expenses	(226)	(268)	(15.7%)	(1,107)	(1,505)	(26.4%)
Administrative expenses	(2,568)	(2,988)	(14.1%)	(10,657)	(12,103)	(11.9%)
Other operating expenses	(658)	(2,107)	(68.8%)	(2,119)	(4,646)	(54.4%)
Finance costs	(195)	(440)	(55.7%)	(985)	(1,944)	(49.3%)
Loss before income tax	(496)	(3,562)	(86.1%)	(2,019)	(5,823)	(65.3%)
Income tax benefits (expenses)	608	123	394.3%	740	(373)	NM
Profit (loss) for the period	112	(3,439)	NM	(1,279)	(6,196)	(79.4%)
Total loss attributable to:						
Owners of the Company	112	(3,466)	NM	(1,279)	(6,482)	(80.3%)
Non-controlling interests	-	27	(100.0%)	-	286	(100.0%)
	112	(3,439)	NM	(1,279)	(6,196)	(79.4%)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences loss on translation of foreign operations	(187)	(331)	(43.5%)	(188)	(236)	(20.3%)
Total other comprehensive loss, net of tax	(187)	(331)	(43.5%)	(188)	(236)	(20.3%)
Total comprehensive loss for the period	(75)	(3,770)	(98.0%)	(1,467)	(6,432)	(77.2%)
Total comprehensive loss attributable to:						
Owners of the Company	(75)	(3,506)	(97.9%)	(1,467)	(6,671)	(78.0%)
Non-controlling interests	-	(264)	(100.0%)	-	239	(100.0%)
	(75)	(3,770)	(98.0%)	(1,467)	(6,432)	(77.2%)

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

Profit (loss) after tax was stated after
(charging)/ crediting :-

	Group			Group		
	01/10/2019- 31/12/2019 (3 Months)	01/10/2018- 31/12/2018 (3 Months)	Increase/ (Decrease)	01/01/2019- 31/12/2019 (12 Months)	01/01/2018- 31/12/2018 (12 Months)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(2,334)	(3,312)	(29.5%)	(10,662)	(13,125)	(18.8%)
Depreciation of right-of-use assets	(125)	-	NM	(259)	-	NM
Impairment of property, plant and equipment	(514)	(1,821)	(71.8%)	(514)	(1,821)	(71.8%)
Provision for inventory obsolescence	-	(78)	(100.0%)	-	(78)	(100.0%)
Allowance for doubtful debts	(137)	(240)	(42.9%)	(1,313)	(1,729)	(24.1%)
Allowance for doubtful debts written back	40	-	NM	258	-	NM
Interest expenses	(195)	(440)	(55.7%)	(987)	(1,944)	(49.2%)
Interest income	515	85	505.9%	711	255	178.8%
Bad debts recovered (written off)	64	(49)	NM	(65)	(78)	(16.7%)
Inventory written off	-	-	NM	-	(370)	(100.0%)
Property, plant and equipment written off	(3)	-	NM	(37)	(341)	(89.1%)
Net gain (loss) arising on financial assets designated as at FVTPL	57	(188)	NM	141	(188)	NM
Gain on disposal of property, plant and equipment	13	25	(48.0%)	75	47	59.6%
Loss on disposal of investment	-	-	NM	-	(32)	(100.0%)
Currency exchange gain (loss)- net	152	368	(58.7%)	468	(262)	NM
Unrealised fair value (loss) gain from derivative financial instruments	(40)	48	NM	(101)	174	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
	31/12/2019	31/12/2018	31/12/2017	31/12/2019	31/12/2018	31/12/2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets			Restated			Restated
Cash and bank balances	25,078	21,171	27,349	10,308	5,522	13,065
Trade receivables	23,067	17,930	24,513	28,407	25,296	36,914
Other receivables	1,710	1,129	2,794	5,389	6,739	11,740
Lease receivables	-	-	-	96	-	-
Bill receivables	-	434	-	-	147	-
Derivative financial instruments	-	61	-	-	61	-
Inventories	3,938	3,761	4,395	1,094	3,331	369
Total current assets	53,793	44,486	59,051	45,294	41,096	62,088
Non-current assets						
Property, plant and equipment	79,140	106,571	133,205	33,958	37,601	42,361
Right-of-use assets	1,135	-	-	628	-	-
Lease receivables	-	-	-	464	-	-
Investment in subsidiaries	-	-	-	29,385	29,385	26,942
Financial assets at fair value through profit or loss	553	412	643	553	412	643
Other assets	10	10	10	10	10	10
Total non-current assets	80,838	106,993	133,858	64,998	67,408	69,956
Total assets	134,631	151,479	192,909	110,292	108,504	132,044
LIABILITIES AND EQUITY						
Current liabilities						
Bills payable	-	5,272	8,911	-	5,272	8,911
Derivative financial instruments	40	-	113	40	-	113
Current portion of bank loans	-	833	9,667	-	833	9,667
Trade payables	1,318	1,501	2,386	3,086	815	1,672
Other payables	2,878	3,628	3,989	9,280	2,607	2,913
Unearned interest	-	-	-	14	-	-
Current portion of finance leases	4,621	7,142	11,140	2,769	4,469	4,917
Current portion of lease liabilities	249	-	-	249	-	-
Income tax payable	866	1,647	277	-	-	-
Total current liabilities	9,972	20,023	36,483	15,438	13,996	28,193
Non-current liabilities						
Bank loans	-	-	833	-	-	833
Lease liabilities	902	-	-	902	-	-
Unearned interest	-	-	-	32	-	-
Finance leases	5,815	11,524	24,973	2,447	4,103	8,668
Deferred tax liabilities	6,486	7,010	9,050	3,209	2,723	3,250
Total non-current liabilities	13,203	18,534	34,856	6,590	6,826	12,751
Total liabilities	23,175	38,557	71,339	22,028	20,822	40,944
NET ASSETS	111,456	112,922	121,570	88,264	87,682	91,100
Capital and reserves						
Share capital	41,846	41,846	41,846	41,846	41,846	41,846
Treasury shares	(355)	(355)	(355)	(355)	(355)	(355)
Retained earnings	75,543	76,821	83,303	46,773	46,191	49,609
Translation reserves	(4,655)	(4,467)	(4,517)	-	-	-
Capital reserve	(923)	(923)	(711)	-	-	-
Total equity attributable to owners of the Company	111,456	112,922	119,566	88,264	87,682	91,100
Non-controlling interests	-	-	2,004	-	-	-
Total Equity	111,456	112,922	121,570	88,264	87,682	91,100
Total liabilities and equity	134,631	151,479	192,909	110,292	108,504	132,044

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

	As at 31/12/2019		As at 31/12/2018	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	4,870	-	7,142	833
Amount repayable after one year	6,717	-	11,524	-

Included in the secured borrowings are current lease liabilities of S\$249,000 and non-current lease liabilities of S\$902,000 which are secured over the right-of-use assets of S\$1,135,000.

As at 31 December 2019, the Group's finance leases of S\$10.4m are secured over plant and equipment of the Group with carrying value of S\$24.7m.

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		Group	
	01/10/2019- 31/12/2019 (3 Months)	01/10/2018- 31/12/2018 (3 Months)	01/01/2019- 31/12/2019 (12 Months)	01/01/2018- 31/12/2018 (12 Months)
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Operating activities</u>				
Loss before income tax	(496)	(3,562)	(2,019)	(5,823)
Adjustments for:				
Unrealised fair value (loss) gain from derivative financial instruments	40	(48)	101	(174)
Depreciation of property, plant & equipment	2,334	3,312	10,662	13,125
Depreciation of Right-of-use assets	125	-	259	-
Impairment of property, plant & equipment	514	1,821	514	1,821
Provision for inventory obsolescence	-	78	-	78
Allowance for doubtful debts	137	240	1,313	1,729
Allowance for doubtful debts written back	(40)	-	(258)	-
Interest expenses	195	440	987	1,944
Interest income	(515)	(85)	(711)	(255)
Bad debts (recovered) written off	(64)	49	65	78
Inventory written off	-	-	-	370
Property, plant and equipment written off	3	-	37	341
(Gain) loss arising on financial assets designated as at FVTPL	(57)	188	(141)	188
Gain on disposal of property, plant and equipment	(13)	(25)	(75)	(47)
Loss on disposal of available-for-sale investment	-	-	-	32
Net unrealised foreign exchange adjustments	(423)	121	-	149
Operating cash flows before movements in working capital	1,740	2,529	10,734	13,556
Trade receivables	5,508	6,515	(5,979)	4,428
Other receivables	29	3,317	(442)	1,428
Inventories	2,947	9,650	17,477	14,776
Trade payables	233	(388)	(140)	(976)
Other payables	201	(2,675)	(1,037)	(1,641)
Cash generated from operations	10,658	18,948	20,613	31,571
Income tax paid	(131)	(55)	(546)	(1,033)
Net cash generated from operating activities	10,527	18,893	20,067	30,538
<u>Investing activities</u>				
Proceeds from disposal of available-for-sale investment	-	-	-	11
Interest received	515	85	711	255
Purchase of property, plant and equipment	(590)	(3,116)	(2,160)	(4,106)
Proceeds from disposal of property, plant and equipment	681	70	821	135
Net cash (used in) generated from investing activities	606	(2,961)	(628)	(3,705)
<u>Financing activities</u>				
Bills payable	(3,367)	(6,319)	(5,272)	(3,639)
Interest paid	(195)	(440)	(987)	(1,944)
Repayment of obligations under finance leases	(2,648)	(8,940)	(9,395)	(20,511)
Proceeds from finance leases	1,193	-	1,193	2,913
Repayment of bank loans	(2,200)	(6,417)	(4,933)	(9,667)
Principal element of lease payments	(124)	-	(246)	-
Proceeds from bank loans	-	-	4,100	-
Net cash used in financing activities	(7,341)	(22,116)	(15,540)	(32,848)
Net increase (decrease) in cash and cash equivalents	3,792	(6,184)	3,899	(6,015)
Cash and cash equivalents at beginning of the period	21,296	27,246	21,171	27,349
Effect of exchange rate changes on the balance of cash held in foreign currencies	(10)	109	8	(163)
Cash and cash equivalents at end of the period	25,078	21,171	25,078	21,171

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	-	-	-	-	-	(1,391)	(1,391)	-	(1,391)
Other comprehensive loss	-	-	-	-	(1)	-	(1)	-	(1)
Balance at 30 September 2019	41,846	(355)	(923)	-	(4,468)	75,430	111,530	-	111,530
Balance at 1 October 2019	41,846	(355)	(923)	-	(4,468)	75,430	111,530	-	111,530
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	112	112	-	112
Other comprehensive loss	-	-	-	-	(187)	-	(187)	-	(187)
Balance at 31 December 2019	41,846	(355)	(923)	-	(4,655)	75,542	111,455	-	111,455
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	-	-	-	-	-	(3,016)	(3,016)	259	(2,757)
Other comprehensive income	-	-	-	(138)	90	-	(48)	5	(43)
Effect of adopting amendments to SFRS (I)9	-	-	-	138	-	(138)	-	-	-
Balance at 30 September 2018	41,846	(355)	(711)	-	(4,427)	80,149	116,502	2,268	118,770
Balance at 1 October 2018 (as restated)	41,846	(355)	(711)	-	(4,427)	80,149	116,502	2,268	118,770
<i>Total comprehensive (loss) income for the period</i>									
Effect of acquiring non-controlling interest in subsidiary	-	-	(212)	-	-	-	(212)	(2,004)	(2,216)
(Loss) profit for the period	-	-	-	-	-	(3,466)	(3,466)	27	(3,439)
Other comprehensive loss	-	-	-	138	(40)	-	98	(291)	(193)
Effect of adopting amendments to SFRS(I)9	-	-	-	(138)	-	138	-	-	-
Balance at 31 December 2018	41,846	(355)	(923)	-	(4,467)	76,821	112,922	-	112,922

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 loss for the period</i>					
Profit for the period	-	-	-	54	54
Balance at 30 September 2019	41,846	(355)	-	46,245	87,736
Balance at 1 October 2019	41,846	(355)	-	46,245	87,736
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	528	528
Balance at 31 December 2019	41,846	(355)	-	46,773	88,264

Balance at 1 January 2018 (as restated)	41,846	(355)	-	49,609	91,100
<i>Total comprehensive loss for the period</i>					
Loss for the period	-	-	-	(2,402)	(2,402)
Other comprehensive loss	-	-	(138)	-	(138)
Effect of adopting amendments to SFRS (I)9	-	-	138	(138)	-
Balance at 30 September 2018	41,846	(355)	-	47,069	88,560

Balance at 1 October 2018 (as restated)	41,846	(355)	-	47,069	88,560
<i>Total comprehensive loss for the period</i>					
Loss for the period	-	-	-	(1,016)	(1,016)
Other comprehensive loss	-	-	138	-	138
Effect of adopting amendments to SFRS (I)9	-	-	(138)	138	-
Balance at 31 December 2018	41,846	(355)	-	46,191	87,682

- 1(d)(ii) Details of any changes in the company's share capital arising from right 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 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 31 December 2019, the total number of issued shares excluding treasury shares was 114,013,000 (31 December 2018: 114,013,000). As at 31 December 2019, the total number of treasury shares was 875,980 (31 December 2018: 875,980). The Company did not have any convertibles as at 31 December 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

31/12/2019	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

Not applicable.

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

a) Update on the efforts taken to resolve each outstanding audit issues.

b) Confirmation from the Board that the impact of all outstanding audit issue on the financial statements have been adequately disclosed.

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

	31/12/2019
	\$'000
Increase in ROU	1,135
Increase in lease liabilities	(1,151)
Decrease in net assets	(16)
Decrease in retained earnings	16

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	
	01/10/2019- 31/12/2019 (3 Months)	01/10/2018- 31/12/2018 (3 Months)	01/01/2019- 31/12/2019 (12 Months)	01/01/2018- 31/12/2018 (12 Months)
(a) EPS based on weighted average number of ordinary shares on issue (cents)	0.10	(3.04)	(1.12)	(5.69)
(b) On a fully diluted basis (cents)	0.10	(3.04)	(1.12)	(5.69)
Weighted average number of ordinary shares in issue	114,013,000	114,013,000	114,013,000	114,013,000

There were no potential dilutive ordinary shares in existence for the period from 1 January 2019 to 31 December 2019 and period from 1 January 2018 to 31 December 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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per ordinary share (cents)	97.76	99.04	77.42	76.91
Ordinary shares at the end of the current financial period and immediately preceding financial year	114,013,000	114,013,000	114,013,000	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		
	01/10/2019- 31/12/2019 (3 Months)	01/10/2018- 31/12/2018 (3 Months)	% Change	01/01/2019- 31/12/2019 (12 Months)	01/01/2018- 31/12/2018 (12 Months)	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment rental business	7,950	10,129	(21.5%)	30,890	41,427	(25.4%)
Trading business	6,712	10,084	(33.4%)	42,900	45,251	(5.2%)
Total	14,662	20,213	(27.5%)	73,790	86,678	(14.9%)

The Group registered total revenue of S\$14.7m for 4th Quarter ended 31 December 2019 ("4Q FY2019") which was 27.5% lower than that of 4th Quarter ended 31 December 2018 ("4Q FY2018"). Total revenue of S\$73.8m for YTD 31 December 2019 was 14.9% lower as compared to YTD 31 December 2018, mainly due to lower rental revenue.

Revenue from Equipment Rental business decreased by 21.5% to S\$8.0m in 4Q FY2019 and 25.4% to S\$30.9m in YTD 31 December 2019 as compared to the corresponding periods in FY2018 respectively, mainly due to drop in number of units of machinery rented out, lower utilisation and drop in rental rates.

Revenue from Trading business decreased by 33.4% to S\$6.7m in 4Q FY2019 and decreased by 5.2% to S\$42.9m in YTD 31 December 2019 as compared to the corresponding periods in FY2018 respectively, mainly due to favourable product mix sold during the periods.

Gross Profit

	Group			Group		
	3 months			Year to Date		
	01/10/2019- 31/12/2019 (3 Months)	01/10/2018- 31/12/2018 (3 Months)	% Change	01/01/2019- 31/12/2019 (12 Months)	01/01/2018- 31/12/2018 (12 Months)	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment rental business	1,633	1,158	41.0%	5,212	9,638	(45.9%)
Trading business	744	924	(19.5%)	4,831	3,818	26.5%
Total	2,377	2,082	14.2%	10,043	13,456	(25.4%)

The Group registered total gross profit of S\$2.4m in 4Q FY2019, which was 14.2% higher than 4Q FY2018. Total gross profit for YTD 31 December 2019 was S\$10.0m and 25.4% lower as compared to YTD 31 December 2018 mainly due to lower revenue in FY2019.

Gross profit from Equipment Rental business increased by 41.0% to S\$1.6m in 4Q FY2019 and decreased by 45.9% to S\$5.2m in YTD 31 December 2019 as compared to the corresponding periods in FY2018 respectively. For the full year this was mainly due to lower rental revenue and depreciation of rental fleet.

Gross profit from Trading business decreased by 19.5% to S\$0.7m in 4Q FY2019 due to fewer cranes sold. However, for the full year, favourable product mix sold resulted in the gross profit's increase by 26.5% to S\$4.8m in YTD 31 December 2019 as compared to the corresponding periods in FY2018 respectively.

Net Loss

The Group registered net loss of S\$1.3M for the year ended 31 December 2019. This was mainly due to the net impact of the following:

- lower revenue and gross profit from equipment rental business;
- lower revenue and higher gross profit from trading business;
- allowance for doubtful debts made;
- impairment of property, plant and equipment;
- partially offset by medical insurance claims received in 1Q FY2019;
- partially offset by lower selling and administrative expenses ;
- partially offset by lower financing costs;
- the income tax credit from tax adjustments;

STATEMENT OF FINANCIAL POSITION

Current assets

As at 31 December 2019, current assets amounted to S\$53.8m or 40.0% 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 cash and bank balances.

Non-current assets

As at 31 December 2019, non-current assets amounted to S\$80.8m or 60.0% of total assets. Non-current assets comprised mainly property, plant and equipment and right-of-use assets following the adoption of SFRS(I)16. Total non-current assets decreased by S\$26.2m mainly due to decrease in rental fleet and depreciation charged for the year.

Current liabilities

As at 31 December 2019, current liabilities amounted to S\$10.0m or 43.0% of total liabilities. Current liabilities comprised mainly bills payable, trade and other payables, current portion of lease liabilities and finance leases. Total current liabilities decreased by S\$10.1m as compared to 31 December 2018, mainly due to decrease in bill payables, finance leases and bank loans.

Non-current liabilities

As at 31 December 2019, non-current liabilities amounted to approximately S\$13.2m or 57.0% 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\$5.3m as compared to 31 December 2018, mainly due to repayment of finance leases.

Working Capital

As at 31 December 2019, the Group registered a positive working capital of S\$43.8m as compared to that of S\$24.5m as at 31 December 2018.

Equity

As at 31 December 2019, the Group's equity was lower at S\$111.5m as compared to S\$112.9m as at 31 December 2018, mainly due to loss recorded for the year ended 31 December 2019.

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

There was no forecast, or 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

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

Nil

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

Nil

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.**

Not applicable.

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

Not applicable.

(e) **The date on which Registrable Transfers received by the Company (up to 5:00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared and recommended for the quarter ended 31 December 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.**

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

Part II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to 1Q, 2Q, 3Q or Half Year Results)

14. 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.

(a) Business segments

<u>1/1/2019- 31/12/2019 (12 Months)</u>	<u>Equipment Rental</u> S\$'000	<u>Trading</u> S\$'000	<u>Total</u> S\$'000
Revenue			
Segment revenue	<u>30,890</u>	<u>42,900</u>	<u>73,790</u>
Results			
Segment results	5,212	4,831	10,043
Selling expenses	(463)	(644)	(1,107)
Other operating income			2,806
Administrative expenses			(10,657)
Other operating expenses			(2,119)
Finance costs	(828)	(157)	(985)
Share of results of associate			-
Profit before tax			<u>(2,019)</u>
Income tax expense			740
Reportable segment net profit for the year			<u>(1,279)</u>
Other information			
Capital expenditure	1,478	682	2,160
Depreciation	10,316	605	10,921
Gain on disposal of property, plant and equipment	(75)	-	(75)
Property, plant and equipment written off	37	-	37
Assets and liabilities			
Segment assets	91,640	6,135	97,775
Unallocated corporate assets			<u>36,856</u>
Total assets			<u>134,631</u>
Segment liabilities	12,330	940	13,270
Unallocated corporate liabilities			<u>9,905</u>
Total liabilities			<u>23,175</u>
1/1/2018- 31/12/2018 (12 Months)			
Revenue			
Segment revenue	<u>41,427</u>	<u>45,251</u>	<u>86,678</u>
Results			
Segment results	9,638	3,818	13,456
Selling expenses	(719)	(786)	(1,505)
Other operating income			919
Administrative expenses			(12,103)
Other operating expenses			(4,646)
Finance costs	(1,670)	(274)	(1,944)
Share of results of associates			-
Loss before tax			<u>(5,823)</u>
Income tax expense			<u>(373)</u>
Loss for the year			<u>(6,196)</u>

Other information			
Capital expenditure	2,665	1,441	<u>4,106</u>
Depreciation expenses	12,581	544	<u>13,125</u>
Gain on disposal of property, plant and equipment	(47)	-	<u>(47)</u>
Property, plant and equipment written off	341	-	<u>341</u>
Assets and liabilities			
Segment assets	107,987	10,012	<u>117,999</u>
Unallocated corporate assets			<u>33,480</u>
Total assets			<u>151,479</u>
Segment liabilities	19,972	6,323	<u>26,295</u>
Unallocated corporate liabilities			<u>12,262</u>
Total liabilities			<u>38,557</u>

(b) Geographical segments

The following table provide details on the Group's revenue by location of customers by geographical area:

	Singapore	Indonesia	Malaysia	Vietnam	Myanmar	Brunei	Thailand	Others	Total
<u>2019 (12 Months)</u>									
Revenue from external customers	<u>27,408</u>	<u>26,076</u>	<u>12,256</u>	<u>1,876</u>	<u>1,712</u>	<u>367</u>	<u>52</u>	<u>4,043</u>	<u>73,790</u>
<u>2018 (12 Months)</u>									
Revenue from external customers	<u>36,697</u>	<u>11,851</u>	<u>25,073</u>	<u>1,734</u>	<u>3,363</u>	<u>1,240</u>	<u>3,957</u>	<u>2,763</u>	<u>86,678</u>

Major customers information

For FY2019, revenue from 1 customer amounted to more than 10% of the Group's revenue (FY2018: Nil).

15. In the view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments
Not applicable.

16. A breakdown of sales:-

(S\$'000)	The Group		Increase /(Decrease) %
	31/12/2019 (12 Months)	31/12/2018 (12 Months)	
(a) Revenue report for the period of 1/1/2019-30/6/2019 and 1/1/2018-30/06/2018	34,740	43,700	(20.5%)
(b) Operating (loss)profit after tax before deducting non-controlling interest reported for the period of 1/1/2019-30/6/2019 and 1/1/2018-30/06/2018	(1,693)	441	(483.9%)
(c) Revenue report for the period of 1/7/2019-31/12/2019 and 1/7/2018-31/12/2018	39,050	42,978	(9.1%)
(d) Operating profit (loss) after tax before deducting non-controlling interest reported for the period of 1/7/2019-31/12/2019 and 1/7/2018-31/12/2018	414	(6,637)	106.2%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previously full year as follows:-

(S\$'000)	Latest Full Year	Previous Full Year
Total annual dividend	-	-
a) Ordinary	-	-
b) Preference	-	-
c) Total:	<u>-</u>	<u>-</u>

18. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officers or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statements.

Name	Age	Family relationship with any director and/or substantial	Current position and duties, and the year the position was	Details of changes in duties and position
Tan Cheng Soon, Don	50	Son of Executive Director & CEO Mr Tan Ah Lye and brother of Executive Directors Mr Tan Cheng Guan and Mr Tan Cheng Kwong (Chen Qingguang)	<p>Director of Operations in charge of the Singapore rental division (with effect from 01/07/2016)</p> <p>Director of SH Equipment Pte. Ltd. (with effect from 14/03/2012)</p> <p>Director of SH Equipment (Myanmar) Co. Ltd. (with effect from 25/10/2012)</p> <p>Director of SH Equipment (HK) Limited (with effect from 24/3/2015)</p> <p>Director of Sin Heng Aerial Lifts Pte. Ltd. (with effect from 29/11/1994)</p> <p>Director of Sin Heng Vina Company Limited (with effect from 19/5/2009)</p>	N.A.

19. 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.

BY ORDER OF THE BOARD

Tan Ah Lye
 Executive Director and CEO
 28 February 2020