

Unaudited First Half Financial Statements Announcement
For The Period From 1 January 2020 To 30 June 2020

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		
	1H FY2020	1H FY2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	31,316	34,740	(9.9%)
Cost of sales	(28,802)	(31,320)	(8.0%)
Gross profit	2,514	3,420	(26.5%)
Other operating income	3,146	1,695	85.6%
Selling expenses	(311)	(529)	(41.2%)
Administrative expenses	(4,580)	(5,475)	(16.3%)
Other operating expenses	(324)	(80)	305.0%
Finance costs	(249)	(537)	(53.6%)
Profit (loss) before income tax	196	(1,506)	NM
Income tax expenses	56	(187)	NM
Profit (loss) for the period	252	(1,693)	NM
Total profit (loss) attributable to:			
Owners of the Company	252	(1,693)	NM
Non-controlling interests	-	-	NM
	252	(1,693)	NM
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences gain on translation of foreign operations	(322)	(390)	(17.4%)
Total other comprehensive loss, net of tax	(322)	(390)	(17.4%)
Total comprehensive loss for the period	(70)	(2,083)	(96.6%)
Total comprehensive loss attributable to:			
Owners of the Company	(70)	(2,083)	(96.6%)
Non-controlling interests	-	-	-
	(70)	(2,083)	(96.6%)

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

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

	Group		
	1H FY2020	1H FY2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(4,166)	(5,722)	(27.2%)
Depreciation of right-of-use assets	(129)	(89)	(27.2%)
Allowance for doubtful debts	(55)	-	NM
Allowance for doubtful debts written back	123	190	(35.3%)
Currency exchange gain- net	1,379	244	465.2%
Gain on disposal of property, plant and equipment	10	60	(83.3%)
Net (loss) gain arising on financial assets designated as at FVTPL	(127)	67	NM
Property, plant and equipment written off	-	(34)	(100.0%)
Interest income	186	111	67.6%
Interest expenses	(249)	(537)	(53.6%)
Unrealised fair value gain (loss) from derivative financial instruments	113	(64)	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 30/6/2020 S\$'000	As at 31/12/2019 S\$'000	As at 30/6/2020 S\$'000	As at 31/12/2019 S\$'000
Assets				
Cash and bank balances	34,572	25,078	18,229	10,308
Trade receivables	17,467	23,067	21,219	28,407
Other receivables and prepayments	1,985	1,709	4,974	5,389
Lease receivables	-	-	82	82
Derivative financial instruments	73	-	73	-
Inventories	8,147	3,938	6,593	1,094
Total current assets	62,244	53,792	51,170	45,280
Non-current assets				
Property, plant and equipment	66,367	79,140	31,274	33,958
Right-of-use assets	1,006	1,135	542	628
Lease receivables	-	-	430	432
Investment in subsidiaries	-	-	29,385	29,385
Financial assets at fair value through profit or loss	426	553	426	553
Other assets	10	10	10	10
Total non-current assets	67,809	80,838	62,067	64,966
Total assets	130,053	134,630	113,237	110,246
LIABILITIES AND EQUITY				
Current liabilities				
Bills payable	1,455	-	1,455	-
Derivative financial instruments	-	40	-	40
Trade payables	580	1,318	6,601	3,086
Other payables	1,536	2,878	10,078	9,280
Lease liabilities	4,553	4,870	2,977	3,018
Income tax payable	377	866	-	-
Total current liabilities	8,501	9,972	21,111	15,424
Non-current liabilities				
Lease liabilities	3,845	6,717	1,768	3,349
Deferred tax liabilities	6,322	6,486	3,154	3,209
Total non-current liabilities	10,167	13,203	4,922	6,558
Total liabilities	18,668	23,175	26,033	21,982
Net Assets				
Capital and reserves				
Share capital	41,846	41,846	41,846	41,846
Treasury shares	(355)	(355)	(355)	(355)
Retained earnings	75,794	75,542	45,713	46,773
Translation reserves	(4,977)	(4,655)	-	-
Capital reserve	(923)	(923)	-	-
Total equity attributable to owners of the Company	111,385	111,455	87,204	88,264
Non-controlling interest	-	-	-	-
Total Equity	111,385	111,455	87,204	88,264
Total liabilities and equity	130,053	134,630	113,237	110,246

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

	As at 30/06/2020		As at 31/12/2019	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	4,553	-	4,870	-
Amount repayable after one year	3,845	-	6,717	-

Included in the secured borrowings are current lease liabilities of S\$0.3M and non-current lease liabilities of S\$0.7M which are secured over the right-of-use assets of S\$1.0M.

As at 30 June 2020, the Group's lease liabilities of S\$7.4m are secured over plant and equipment of the Group with carrying value of S\$19.6m.

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	
	1H FY2020	1H FY2019
	S\$'000	S\$'000
<u>Operating activities</u>		
Profit (loss) before income tax	196	(1,506)
Adjustments for:		
Unrealised fair value (gain) loss from derivative financial instruments	(113)	64
Depreciation of right-of-use assets	129	89
Depreciation of property, plant & equipment	4,166	5,722
Allowance for doubtful debts written back	(123)	(190)
Interest expenses	249	537
Interest income	(186)	(111)
Net unrealised foreign exchange adjustments	(1,036)	21
Allowance for doubtful debts	55	-
Loss (gain) arising on financial assets designated as at FVTPL	127	(67)
Gain on disposal of property, plant and equipment	(10)	(60)
Property, plant and equipment written off	-	34
Operating cash flows before movements in working capital	3,454	4,533
Trade receivables	5,653	(5,640)
Other receivables	(328)	(955)
Inventories	5,656	3,150
Trade payables	(820)	(300)
Other payables	(1,320)	(838)
Cash generated from (used in) operations	12,295	(50)
Income tax paid	(598)	(201)
Net cash generated from (used in) operating activities	11,697	(251)
<u>Investing activities</u>		
Interest received	186	111
Purchase of property, plant and equipment	(629)	(558)
Proceeds from disposal of property, plant and equipment	125	75
Net cash used in investing activities	(318)	(372)
<u>Financing activities</u>		
Bills payable	1,455	2,610
Interest paid	(249)	(537)
Repayment of lease liabilities	(3,154)	(5,113)
Repayment of bank loans	-	(1,933)
Proceeds from bank loans	-	4,100
Net cash used in financing activities	(1,948)	(873)
Net increase (decrease) in cash and cash equivalents	9,431	(1,496)
Cash and cash equivalents at beginning of the period	25,078	21,171
Effect of exchange rate changes on the balance of cash held in foreign currencies	63	(9)
Cash and cash equivalents at end of the period	34,572	19,666

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	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
Balance at 1 January 2020	41,846	(355)	(923)	(4,655)	75,542	111,455	-	111,455
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	252	252	-	252
Other comprehensive income	-	-	-	(322)	-	(322)	-	(322)
Balance at 30 June 2020	41,846	(355)	(923)	(4,977)	75,794	111,385	-	111,385
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	-	-	-	-	(1,693)	(1,693)	-	(1,693)
Other comprehensive income	-	-	-	(390)	-	(390)	-	(390)
Balance at 30 June 2019	41,846	(355)	(923)	(4,857)	75,128	110,839	-	110,839

The Company

	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 January 2020	41,846	(355)	46,773	88,264
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(1,060)	(1,060)
Other comprehensive income	-	-	-	-
Balance at 30 June 2020	41,846	(355)	45,713	87,204

Balance at 1 January 2019	41,846	(355)	46,191	87,682
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(685)	(685)
Other comprehensive income	-	-	-	-
Balance at 30 June 2019	41,846	(355)	45,506	86,997

- 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 30 June 2020, the total number of issued shares excluding treasury shares was 114,013,000 (31 December 2019: 114,013,000). As at 30 June 2020, the total number of treasury shares was 875,980 (31 December 2019: 875,980) The Company did not have any convertibles as at 30 June 2020 and 31 December 2019.

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

30/06/2020	31/12/2019
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 Independent Auditor.

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

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.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period as that of the audited financial statements for the financial year ended 31 December 2019.

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

There are no changes to the Group's accounting policies and the adoption of FRS and INT FRS that become effective in the financial period beginning on or after 1 January 2020 has no significant impact on the financial statements.

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	
Year to date	
1H FY2020	1H FY2019
0.22	(1.48)
0.22	(1.48)
114,013,000	114,013,000

(a) EPS based on weighted average number of ordinary shares on issue (cents)

(b) On a fully diluted basis (cents)

Weighted average number of ordinary shares in issue

There were no potential dilutive ordinary shares in existence for the period from 1 January 2020 to 30 June 2020 and period from 1 January 2019 to 30 June 2019.

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	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Net asset value per ordinary share (cents)	97.69	97.76	76.49	77.42
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

Net asset value per ordinary share (cents)

Ordinary shares at the end of the current financial period and immediately preceding financial year

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		
	Year to Date		
	1H FY2020	1H FY2019	% Change
	S\$'000	S\$'000	
Equipment rental business	9,562	14,804	(35.4%)
Trading business	21,754	19,936	9.1%
Total	31,316	34,740	(9.9%)

The Group registered a total revenue of S\$31.3m in 1H FY2020, which was 9.9% lower than 1H FY2019. The decrease was mainly due to lower rental revenue, partially offset by higher trading revenue.

Revenue from Equipment Rental business decreased by 35.4% to S\$9.6m in 1H FY2020 as compared to 1H FY2019. The decrease was mainly due to the loss of rental income during the lockdown periods imposed in Singapore and Malaysia due to the Covid-19 Pandemic.

Revenue from Trading business increased by 9.1% to S\$21.8m in 1H FY2020 as compared to 1H FY2019. The increase was mainly due to higher tonnage of cranes delivered in 1H FY2020.

Gross Profit

	Group		
	Year to Date		
	1H FY2020	1H FY2019	% Change
	S\$'000	S\$'000	
Equipment rental business	(146)	1,788	(108.2%)
Trading business	2,660	1,632	63.0%
Total	2,514	3,420	(26.5%)

The Group registered a total gross profit of S\$2.5m in 1H FY2020 which was 26.5% lower than 1H FY2019. The decrease was mainly due to gross loss from Equipment Rental business.

The Group registered a gross loss of S\$0.1M from Equipment Rental business in 1H FY2020 as compared to a gross profit of S\$1.8m in 1H FY2019, mainly due to the significant decreased in rental revenue during the lockdown periods.

Gross profit from Trading business increased by 63.0% to S\$2.7m in 1H FY2020 as compared S\$1.6m in FY2019, mainly due to better margin trading transactions.

Other Operating Income

Other operating income increased by S\$1.5m as compared to 1H FY2019. The increase was mainly due to increase in foreign exchange gain and government grant received, which was partially offset by lower insurance claimed received.

Selling Expenses

Selling expenses decreased by S\$0.2m as compared to 1H FY2019. The decrease was mainly due to lower selling expenses incurred as a result of the lockdowns.

Administrative Expenses

Administrative expenses decreased by S\$0.9m as compared to 1H FY2019. The decrease was mainly due to lower staff & related expenses, depreciation expenses and other administrative expenses.

Other Operating Expenses

Other operating expenses increased by S\$0.2m as compared to 1H FY2019. The increase was mainly due to net loss arising on financial assets designated as FVTPL.

Finance Costs

Finance costs decreased by S\$0.3m as compared to 1H FY2019. The decrease was mainly due to lower lease liabilities interests as a result of lower outstanding lease liabilities.

Income Tax Expenses

The Group recorded an income tax income in 1H FY2020, mainly due to some reversal of deferred tax liabilities.

STATEMENT OF FINANCIAL POSITION

Current assets

As at 30 June 2020, current assets amounted to S\$62.2m or 47.9% of total assets. Current assets comprised mainly cash and bank balances, trade and other receivables and inventories. Total current assets increased by S\$8.5m as compared to 31 December 2019 mainly due to increase in cash and bank balances and inventories, partially offset by decreased in trade receivables.

Non-current assets

As at 30 June 2020, non-current assets amounted to S\$67.8m or 52.1% 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\$13.0m mainly due to decrease in rental fleet and depreciation charged for the period.

Current liabilities

As at 30 June 2020, current liabilities amounted to S\$8.5m or 45.5% of total liabilities. Current liabilities comprised mainly bills payable, trade and other payables and lease liabilities. Total current liabilities decreased by S\$1.5m as compared to 31 December 2019, mainly due to repayment of lease liabilities and the trade and other payables, partially offset by an increase in bill payables.

Non-current liabilities

As at 30 June 2020, non-current liabilities amounted to approximately S\$10.2m or 54.5% of total liabilities. Non-current liabilities comprised mainly non-current portion of lease liabilities and deferred tax. Total non-current liabilities decreased by S\$3.0m as compared to 31 December 2019, mainly due to repayment of lease liabilities.

Working Capital

As at 30 June 2020, the Group registered a positive working capital of S\$53.7m as compared to that of S\$43.8m as at 31 December 2019.

Equity

As at 30 June 2020, the Group's total equity at S\$111.4m is about the same at S\$111.5m as at 31 December 2019.

STATEMENT OF CASH FLOWS

The Group's net cash generated from operating activities in 1H FY2020 was S\$11.7m. This comprised positive operating cash flows before changes in working capital of S\$3.5m, adjusted by an increase in net working capital flow of S\$8.8m and income tax paid of S\$0.6m.

Net cash used in investing activities was S\$0.3m in 1H FY2020. This was mainly due to the cash outlay for the purchase of property, plant and equipment of S\$0.6m, offset with the proceeds from disposal of property, plant and equipment of S\$0.1m and interest received of S\$0.2m.

Net cash used in financing activities was S\$1.9m in 1H FY2020. This was mainly due to the payment of lease liabilities of S\$3.1m and interest expenses of S\$0.2m, which was offset by the increase in bills payable of S\$1.4m.

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 circuit breaker ("CB") period which commenced on 7 April 2020 in Singapore and the movement control order ("MCO") that commenced on 18 March 2020 in Malaysia led to the disruption of the business activities where our Group operates in. The suspension of our customer's business activities, in particular to the construction sectors had an adverse impact to the Group's business activities. However, with the gradual easing of the CB and MCO in the respective countries, our Group expects the business activities to resume gradually in the coming months. For the Group's operation in Myanmar, there is no significant impact due to the Covid-19 pandemic.

Barring any unforeseen circumstances as the Covid-19 situation is still fluid, the Board is cautiously optimistic with our liquidity position.

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 half year ended 30 June 2020 as the Board adopted a prudent approach to conserve cash amidst the current challenging business environment.

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

The Company does not have a general mandate from shareholders for interested person transactions. There are no interested person transactions exceeding S\$100,000 during the period under review.

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 2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ah Lye
Executive Director and CEO
12 August 2020