



**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 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		Increase/ (Decrease) %
	Six months ended 31 March 2020 S\$'000	2019 S\$'000	
<b>Revenue</b>	9,626	5,936	62.2%
Cost of sales	(5,775)	(4,164)	38.7%
Gross profit	3,851	1,772	117.3%
Other operating income	103	112	(8.0%)
Marketing and distribution expenses	(195)	(222)	(12.2%)
Administrative expenses	(2,616)	(2,610)	0.2%
Other operating expenses	(169)	(186)	(9.1%)
Investment revenue	13	16	(18.8%)
Other gains and losses	27	(42)	n.m <sup>(1)</sup>
Finance costs	(130)	-	n.m <sup>(1)</sup>
<b>Profit (loss) before tax</b>	884	(1,160)	n.m <sup>(1)</sup>
Income tax expense	(64)	(22)	190.9%
<b>Profit (loss) for the period</b>	820	(1,182)	n.m <sup>(1)</sup>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations	(46)	12	n.m <sup>(1)</sup>
<b>Other comprehensive income for the year, net of tax</b>	(46)	12	n.m <sup>(1)</sup>
<b>Total comprehensive income (loss) for the year</b>	774	(1,170)	n.m <sup>(1)</sup>
<b>Profit (loss) attributable to:</b>			
Owners of the Company	620	(1,355)	n.m <sup>(1)</sup>
Non-controlling interests	200	173	15.6%
	820	(1,182)	n.m <sup>(1)</sup>
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Company	574	(1,343)	n.m <sup>(1)</sup>
Non-controlling interests	200	173	15.6%
	774	(1,170)	n.m <sup>(1)</sup>

**Note:**

- (1) n.m. denotes not meaningful.

**1(a)(ii) Notes to consolidated statement of profit or loss and other comprehensive income**

Profit (loss) for the period has been arrived at after crediting (charging):

	<b>Group</b>		
	<b>Six months ended 31 March</b>	<b>2019</b>	<b>Increase/</b>
	<b>2020</b>	<b>2019</b>	<b>(Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Other operating income:			
Rental income	-	5	n.m <sup>(1)</sup>
Sundry income	103	107	(3.7%)
	<u>103</u>	<u>112</u>	<u>(8.0%)</u>
Investment revenue:			
Interest income from bank deposits	13	16	(18.8%)
Finance costs	(130)	-	n.m <sup>(1)</sup>
Depreciation of property, plant and equipment	(281)	(290)	(3.1%)
Depreciation of right-of-use assets	(695)	-	n.m <sup>(1)</sup>
Amortisation of intangible asset	(119)	(119)	-
Net foreign exchange gain (loss)	73	(31)	n.m <sup>(1)</sup>
Loss on disposal of property, plant and equipment	(46)	(11)	318.2%
Loss allowance on trade receivables and contract assets, net	-	(3)	n.m <sup>(1)</sup>
	<u>-</u>	<u>(3)</u>	<u>n.m <sup>(1)</sup></u>

**Note:**

(1) n.m. denotes not meaningful.

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

**Statements of Financial Position**

	Group		Company	
	As at		As at	
	31.03.20	30.09.19	31.03.20	30.09.19
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	10,280	8,314	4,161	4,455
Trade and other receivables	3,194	2,370	977	623
Contract assets	842	1,840	-	-
Inventories	2,498	2,743	-	-
Total current assets	16,814	15,267	5,138	5,078
<b>Non-current assets</b>				
Property, plant and equipment	3,056	3,355	-	-
Right-of-use assets	10,890	-	-	-
Intangible assets	1,821	1,940	-	-
Subsidiaries	-	-	4,040	4,040
Total non-current assets	15,767	5,295	4,040	4,040
<b>Total assets</b>	32,581	20,562	9,178	9,118
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	1,525	1,486	239	216
Contract liabilities	1,171	262	-	-
Lease liabilities	1,206	-	-	-
Income tax payable	174	192	9	11
Total current liabilities	4,076	1,940	248	227
<b>Non-current liabilities</b>				
Deferred tax liabilities	204	217	-	-
Lease liabilities	10,080	-	-	-
Other payables	361	412	-	-
Total non-current liabilities	10,645	629	-	-
<b>Total liabilities</b>	14,721	2,569	248	227
<b>Capital, reserves and non-controlling interests</b>				
Share capital	5,245	5,245	5,245	5,245
Reserves	11,257	11,039	3,685	3,646
Equity attributable to owners of the				
Company	16,502	16,284	8,930	8,891
Non-controlling interests	1,358	1,709	-	-
<b>Total equity</b>	17,860	17,993	8,930	8,891
<b>Total liabilities and equity</b>	32,581	20,562	9,178	9,118

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

	As at 31.03.20		As at 30.09.19	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

**Details of any collateral**

Not applicable

- 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.

**Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit (loss) before income tax	884	(1,160)
Adjustments for:		
Interest income	(13)	(16)
Finance costs	130	-
Depreciation of property, plant and equipment	281	290
Depreciation of right-of-use assets	695	-
Amortisation of intangible assets	119	119
Loss allowance on trade receivables and contract assets, net	-	3
Net foreign exchange (gain) loss	(48)	18
Loss on disposal of property, plant and equipment	46	11
Amortisation of deferred grant income	(54)	(28)
Operating cash flows before movements in working capital	2,040	(763)
Inventories	245	(196)
Trade and other receivables	(824)	1,195
Contract assets	998	688
Trade and other payables	(4)	(731)
Contract liabilities	909	(51)
Cash flows generated from operations	3,364	142
Income tax paid	(93)	(56)
Net cash from operating activities	3,271	86
<b>Investing activities</b>		
Purchase of property, plant and equipment	(95)	(13)
Interest received	13	16
Proceeds from disposal of property, plant and equipment	67	1
Net cash (used in) generated from investing activities	(15)	4
<b>Financing activities</b>		
Dividends paid by the Company	(336)	(560)
Dividends paid to non-controlling shareholders by subsidiary	(294)	(294)
Repayment of lease liabilities	(707)	-
Net cash used in financing activities	(1,337)	(854)
Net increase (decrease) in cash and cash equivalents	1,919	(764)
Cash and cash equivalents at beginning of period	8,314	10,162
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	47	(18)
Cash and cash equivalents at end of period	10,280	9,380

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

Statements of Changes in Equity

The Group	Share capital S\$'000	Translation reserve S\$'000	Capital reserves S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
<b>Balance at 1 October 2019</b>	5,245	(72)	277	19	11,072	16,541	1,452	17,993
Adjustment on initial application of SFRS(I) 16	-	-	-	-	(277)	(277)	-	(277)
<b>Adjusted balance at 1 October 2019</b>	5,245	(72)	277	19	10,795	16,264	1,452	17,716
<b>Total comprehensive income (loss) for the period</b>								
Profit for the period	-	-	-	-	620	620	200	820
Other comprehensive loss for the period	-	(46)	-	-	-	(46)	-	(46)
<b>Total</b>	-	(46)	-	-	620	574	200	774
<b>Transactions with owners, recognised directly in equity</b>								
Dividends	-	-	-	-	(336)	(336)	-	(336)
Dividends paid to non-controlling shareholders by subsidiary	-	-	-	-	-	-	(294)	(294)
<b>Total</b>	-	-	-	-	(336)	(336)	(294)	(630)
<b>Balance at 31 March 2020</b>	5,245	(118)	277	19	11,079	16,502	1,358	17,860
<b>Balance at 1 October 2018</b>	5,245	(57)	277	19	13,518	19,002	1,624	20,626
<b>Total comprehensive income (loss) for the period</b>								
Profit (loss) for the period	-	-	-	-	(1,355)	(1,355)	173	(1,182)
Other comprehensive income for the period	-	12	-	-	-	12	-	12
<b>Total</b>	-	12	-	-	(1,355)	(1,343)	173	(1,170)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends	-	-	-	-	(560)	(560)	-	(560)
Dividends paid to non-controlling shareholders by subsidiary	-	-	-	-	-	-	(294)	(294)
<b>Total</b>	-	-	-	-	(560)	(560)	(294)	(854)
<b>Balance at 31 March 2019</b>	5,245	(45)	277	19	11,603	17,099	1,503	18,602

The Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 October 2019</b>	5,245	3,646	8,891
<b>Profit for the period, representing total comprehensive income for the period</b>			
<b>Transactions with owners, recognised directly in equity</b>	-	375	375
Dividends	-	(336)	(336)
<b>Balance at 31 March 2020</b>	<u>5,245</u>	<u>3,685</u>	<u>8,930</u>
<b>Balance at 1 October 2018</b>	5,245	3,777	9,022
<b>Profit for the period, representing total comprehensive income for the period</b>	-	375	375
<b>Transactions with owners, recognised directly in equity</b>	-	(560)	(560)
Dividends	-	(560)	(560)
<b>Balance at 31 March 2019</b>	<u>5,245</u>	<u>3,592</u>	<u>8,837</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights 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.

There were no changes in the Company's share capital since the end of the previous period reported on, being the period between 30 September 2019 and 31 March 2020.

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 March 2020 and 31 March 2019.

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.

	No of ordinary shares	
	As at 31.03.20	As at 30.09.19
Total number of issued shares excluding treasury shares	<u>112,000,000</u>	<u>112,000,000</u>

There were no treasury shares as at 31 March 2020 and 30 September 2019.

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 did not have any treasury shares.

- 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 did not have any subsidiary holdings.

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

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

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

Not applicable as the figures have not been audited or reviewed.

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

(a) **Updates on effort taken to resolve each outstanding audit issue.**

(b) **Confirmation from the Board that the impact of all outstanding audit issues on 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 as the Company's financial statements are not subject to any 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.**

Save as disclosed in section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial period ended 31 March 2020 as its most recently audited financial statements for the financial year ended 30 September 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.**

The Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are relevant to the Group and effective for the financial period beginning on 1 October 2019. The adoption of these new and revised SFRS(I) and INT SFRS(I) do not result in changes to the Group's accounting policies and have no material effect on the amounts reported for the current or prior periods.

*Adoption of SFRS(I) 16 Leases*

SFRS(I) 16 *Leases* requires lessee to recognize qualifying leases on balance sheet. On adoption of SFRS(I) 16, *Leases*, the Group has recognised an asset being the right to use the leased item (i.e. the right-of-use (ROU) assets) and recognised a lease liability representing the liability to make rental payments.

Qualifying rental payments were no longer taken to expenses. The future rental payments are discounted using the incremental borrowing rate and recognize as lease liabilities. The lease liabilities are allocated between rental payment and interest expense where the rental payment is presented as part of financing activities. The corresponding right-of-use assets are depreciated over the term of the lease.

In adopting SFRS(I) 16 *Leases*, the Group has used the modified retrospective approach whereby the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings as at 1 October 2019, with no restatement of comparative information.

The adoption of SFRS(I) 16 *Leases* resulted adjustments to the statement of financial position of the Group as at 1 October 2019. The impact to the statement of financial position as previously reported as at 30 September 2019 are as follows:

Statement of Financial Position - Consolidated	As at 1 October 2019
	Increase / (Decrease)
	S\$'000
Right-of-use assets	11,585
<b>Total assets</b>	<b>11,585</b>
Lease liabilities	11,862
<b>Total liabilities</b>	<b>11,862</b>
Retained earnings	(277)
Non-controlling interests	-
<b>Total equity and liabilities</b>	<b>11,585</b>

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:**
- (a) based on the weighted average number of ordinary shares on issue; and  
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

**Earnings (loss) per Share ("EPS" "(LPS)")**

	Group	
	Six months ended 31 March 2020	2019
Profit loss attributable to owners of the Company (S\$'000)	620	(1,355)
Weighted average number of ordinary shares ('000)	112,000	112,000
EPS (LPS) - Basic and diluted (cents)	<u>0.55</u>	<u>(1.21)</u>

EPS (LPS) is calculated based on profit (loss) attributable to owners of the Company divided by the weighted average number of ordinary shares in issue. There were no dilutive equity instruments for the financial periods ended 31 March 2020 and 31 March 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:**
- current financial period reported on; and
  - immediately preceding financial year.

**Net Asset Value (“NAV”)**

	Group		Company	
	As at		As at	
	31.03.20	30.09.19	31.03.20	30.09.19
NAV per ordinary share (cents)	14.74	14.54	7.97	7.94
Number of ordinary shares used in computation of NAV per ordinary share ('000)	112,000	112,000	112,000	112,000

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:**
- 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
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Review of the Group’s Financial Performance**

**Revenue**

The Group typically experiences a fluctuation in revenue contribution from its customers from period to period due to the project-based nature of its business. The Group’s projects differ in their scope and size and are typically non-recurring.

The Group’s revenue for the six-month period ended 31 March 2020 (“1H2020”) was S\$9.63 million, an increase of S\$3.69 million or 62.2% as compared to S\$5.94 million for the corresponding six-month period ended 31 March 2019 (“1H2019”).

The increase in revenue of S\$3.69 million was mainly due to:

- increase in sales of door and shutter systems of S\$3.30 million;
- increase in provision of service and maintenance work of S\$0.34 million; and
- increase in sales of production components of S\$0.05 million.

The increase in sales of door and shutter systems was mainly attributable to the increase in sales of manufactured products of S\$3.31 million, partially offset by the decrease in distributed products of \$0.01 million.

The higher revenue recorded in 1H2020 was mainly due to substantial completion on the installation of the doors and shutter systems of some projects during 1H2020 and included projects which were spilled over and recognised in 1H2020.

**Cost of sales**

Cost of sales increased by S\$1.62 million or 38.7% from S\$4.16 million in 1H2019 to S\$5.78 million in 1H2020 mainly due to higher material costs of S\$1.55 million and manufacturing overhead cost of S\$0.67 million, in line with the increase in revenue. This was partially offset by the decrease in rental expenses of \$0.56 million on the adoption of SFRS(I) 16 Leases.

**Gross profit**

Gross profit increased by S\$2.08 million from S\$1.77 million in 1H2019 to S\$3.85 million in 1H2020. Gross profit margin increased from 29.9% in 1H2019 to 40.0% in 1H2020. The higher gross profit margin in 1H2020 was mainly due to higher revenue generated from the sales of manufactured products.

**Other operating income**

Other operating income decreased by S\$0.01 million or 8.0% from S\$0.11 million in 1H2019 to S\$0.10 million in 1H2020. The decrease in other operating income was mainly attributable to lower scrap sales income and lower income from government incentive scheme, partially offset by higher deferred income amortization upon asset disposal and insurance claim income.

**Marketing and distribution expenses**

Marketing and distribution expenses decreased by S\$0.02 million or 12.2% from S\$0.22 million in 1H2019 to S\$0.20 million in 1H2020. The decrease in marketing and distribution expenses was mainly due to lower car rental expense of S\$0.02 million, on the adoption of SFRS(I) 16 *Leases* and a decrease in freight charges of S\$0.01 million which were partially offset by an increase in travelling and entertainment expenses of S\$0.01 million.

**Administrative expenses**

Administrative expenses increased slightly by S\$6,000 or 0.2% from S\$2.61 million in 1H2019 to S\$2.62 million in 1H2020. The increase in administrative expenses was due to depreciation on right-of-use assets of S\$0.15 million on the adoption of SFRS(I) 16 *Leases*, partially offset by a decrease in rental expenses of S\$0.13 million and a decrease in professional fees, depreciation expenses and courses and training expenses of S\$0.02 million in aggregate.

**Other operating expenses**

Other operating expenses decreased by S\$0.02 million or 9.1% from S\$0.19 million in 1H2019 to S\$0.17 million in 1H2020. The decrease in other operating expenses was mainly due to a decrease in research and development expenses of S\$0.04 million which was partially offset by an increase in repair and maintenance expenses of S\$0.03 million.

**Investment revenue**

Investment revenue, comprising interest income, decreased from S\$16,000 in 1H2019 to S\$13,000 in 1H2020. The decrease in interest income was mainly due to lower bank deposits placed with financial institution in 1H2020 as compared to 1H2019.

**Other gains and losses**

Other gains and losses increased from a loss of S\$0.04 million in 1H2019 to a gain of S\$0.03 million in 1H2020. The increase in other gains and losses was mainly due to an increase in net foreign exchange gain of S\$0.10 million arising from the translation of trade receivables and bank balances denominated in US\$ during 1H2020, which was partially offset by an increase in loss on disposal of property, plant and equipment of S\$0.03 million.

**Finance costs**

Finance costs was S\$0.13 million in 1H2020 as compared to nil finance costs recorded in 1H2019. The increase in finance costs relates to lease liabilities arising from the adoption of SFRS(I) 16 *Leases*.

**Income tax expense**

The Group reported an income tax expense of S\$0.06 million in 1H2020 as compared to S\$0.02 million in 1H2019. The increase in income tax expense was due to higher taxable profit and additional tax incurred for prior year.

**Profit (loss) for the year**

As a result of the above, the Group reported a profit of S\$0.82 million for 1H2020, as compared to a loss of S\$1.18 million for 1H2019.

### **Review of the Group's Financial Position**

#### **Current assets**

Current assets increased by S\$1.54 million from S\$15.27 million as at 30 September 2019 to S\$16.81 million as at 31 March 2020. The increase in current assets was mainly due to:

- (i) an increase in cash and cash equivalents of S\$1.97 million; and
- (ii) an increase in trade and other receivables of S\$0.82 million,

which were partially offset by:

- (iii) a decrease in contract assets of S\$1.0 million; and
- (iv) a decrease in inventories of S\$0.25 million.

#### **Non-current assets**

Non-current assets increased by S\$10.47 million from S\$5.30 million as at 30 September 2019 to S\$15.77 million as at 31 March 2020. The increase in non-current assets was mainly due to the adoption of SFRS(I) 16 *Leases* where right-of-use assets of \$10.89 million was recognised. The increase was partially offset by lower net book value in property, plant and equipment and intangible assets arising from depreciation and amortization charges.

#### **Current liabilities**

Current liabilities increased by S\$2.14 million from S\$1.94 million as at 30 September 2019 to S\$4.08 million as at 31 March 2020. The increase in current liabilities was mainly due to (i) an increase in lease liabilities of S\$1.21 million arising from the adoption of SFRS(I) 16 *Leases*; and (ii) an increase in contract liabilities of S\$0.91 million

#### **Non-current liabilities**

Non-current liabilities increased by S\$10.01 million from S\$0.63 million as at 30 September 2019 to S\$10.64 million as at 31 March 2020. The increase in non-current liabilities was mainly due to an increase in lease liabilities of S\$10.08 million arising from the adoption of SFRS(I) 16 *Leases*.

#### **Capital, reserves and non-controlling interests**

Total equity decreased by S\$0.13 million from S\$17.99 million as at 30 September 2019 to S\$17.86 million as at 31 March 2020.

### **Review of the Group's Cash Flows**

#### **Net cash from operating activities**

In 1H2020, the Group generated cash from operating activities before changes in working capital of S\$2.04 million. The Group's net working capital inflow amounted to S\$1.32 million and was mainly due to the decrease in contract assets of S\$1.0 million, increase in contract liabilities of S\$0.91 million, decrease in inventories of S\$0.25 million, partially offset by an increase in trade and other receivables of S\$0.82 million.

#### **Net cash used in investing activities**

Net cash used in investing activities amounted to S\$0.02 million, mainly due to purchase of property, plant and equipment of S\$0.1 million which was partially offset by proceeds from disposal of property, plant and equipment of S\$0.07 million.

#### **Net cash used in financing activities**

Net cash used in financing activities was S\$1.34 million due to repayment of lease liabilities of S\$0.71 million and payment of dividends of S\$0.63 million.

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

The Group's financial results for 1H2020 are in line with the Company's profit guidance announcement dated 30 April 2020.

**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 door and shutter solutions industry has been challenging and competitive. The Group has been focusing on innovations and production efficiency to stay competitive. Amidst the weak conditions in the construction industry, the Group has been cautious with the credit risk of potential customers, especially during the bidding process of new projects.

In addition to the continuing weak conditions in the construction industry, the Covid-19 pandemic has impacted the Group's business and operations. In line with the Singapore Government's directives in relation to the Circuit Breaker measures which took effect on 7 April 2020, the Group has temporarily suspended most of its operations comprising the manufacturing facility of the door and shutter systems, routine repair and maintenance services for companies which are in non-essential sectors and trading of production components. During the period of the Circuit Breaker measures, the Group is however permitted to provide emergency repair and maintenance services to essential sectors. The period of the Circuit Breaker measures has been extended to 1 June 2020.

Since the Circuit Breaker measures took effect on 7 April 2020, scheduled installation of door and shutter systems as well as service works for non-essential sectors have all been halted resulting in minimal revenue expected for the Group in the months of April and May 2020. In addition, the Group's door and shutter systems for projects, where it acts as one of the end-process contractors in a construction project, are likely to encounter delays in scheduled installation work as the Covid-19 pandemic is expected to impede on the progress of construction projects. The recovery speed of the construction industry from the Covid-19 pandemic will have a direct impact on the Group's door and shutter systems delivery and installation.

The circumstances arising from the Covid-19 pandemic are evolving and remain fluid. Considering the impact of the measures on the Group thus far and potential delays in ongoing and pipeline projects for the remaining months in the current financial year ending 30 September 2020 ("FY2020"), the Board currently expects the Group's financial performance in the second half of FY2020 to be weaker than that recorded in 1H2020.

The Group is continuing its efforts in exploring technology solutions to enhance its distribution channels as well as research and development in new shutter products. However, the Covid-19 pandemic has caused some disruptions in the progress of these efforts. The Group has successfully launched the second-generation Insulated Fire Roller Shutters during FY2019 and has commenced the sales of these products to Hong Kong. However, the Group expects the Covid-19 pandemic to delay the sales and marketing of this product in other markets outside Singapore.

**11. Dividend**

**(a) Dividend declared (recommended) for the current financial period reported on**

None.

**(b) Dividend declared (recommended) for the corresponding period of the immediately preceding financial year**

None.

**(c) Whether the dividend is before tax, net of tax, or tax exempt.**

Not applicable.

**(d) Date payable**

Not applicable.

(e) Books closure date

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 / recommended for the current financial period reported on, as it is the Company's practice to consider dividend declaration / recommendation (if any) during the full year financial period.

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.

The Company has not obtained a general mandate from shareholders for IPTs.

14. Negative confirmation pursuant to Rule 705(5)

We confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results of the Group for the six months ended 31 March 2020 to be false or misleading in any material respect.

On behalf of the Board

**Wong Lok Yung**  
Chairman and Chief Executive Officer

**Wu Chiaw Ching**  
Lead Independent Director

15. 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)

The Company confirms that it has already procured signed undertakings from all its directors and relevant executive officers in the format as set out in Appendix 7H of the SGX-ST Listing Manual Section B: Rules of Catalyst ("Catalist Rules") in accordance with Rule 720(1) of the Catalist Rules.

**BY ORDER OF THE BOARD**  
**Wong Lok Yung**  
Chairman and Chief Executive Officer  
8 May 2020

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*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Catalist Rules. This announcement has not been examined or approved by 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. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*