



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement

for the First Quarter Ended 30 June 2017

(For the Financial Year Ending 31 March 2018)

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Operating Expenses

	1QFY18 \$'000	4QFY17 \$'000	Change %	1QFY18 \$'000	1QFY17 \$'000	Change %
Other Operating Expenses	6,658	6,451	3.2	6,658	6,621	0.6
Impairment Losses (Reversed)/ Recognised on Trade and Other Receivables	(509)	1,779	N.M.	(509)	(41)	N.M.
Exchange (Gain)/Loss	(317)	812	N.M.	(317)	(5)	N.M.
	5,832	9,042	(35.5)	5,832	6,575	(11.3)
Write-Down of Plant and Equipment	-	1,007	N.A.	-	-	N.A.
Net Operating Expenses	5,832	10,049	(42.0)	5,832	6,575	(11.3)
Other Operating Expenses /Revenue	8.6%	9.9%		8.6%	9.6%	

Other operating expenses for 1QFY18 was largely similar to 1QFY17 and 4QFY17.

Other operating expenses to revenue ratio improved slightly to 8.6% for 1QFY18 compared to 1QFY17 (9.6%) and 4QFY17 (9.9%), in line with the higher revenue recorded for the period under review.

Net Finance Expenses

	1QFY18 \$'000	4QFY17 \$'000	Change %	1QFY18 \$'000	1QFY17 \$'000	Change %
Interest Income	62	57	8.8	62	68	(8.8)
Interest Expenses	(760)	(853)	(10.9)	(760)	(794)	(4.3)
Net Interest Expenses	(698)	(796)	(12.3)	(698)	(726)	(3.9)
Imputed Interest on Non- Current Assets	(334)	(531)	(37.1)	(334)	(211)	58.3
Net Finance Expenses	(1,032)	(1,327)	(22.2)	(1,032)	(937)	10.1

Net interest expenses for 1QFY18 was lower compared to 1QFY17 and 4QFY17. This was in view of lower borrowings recorded, as the Group made a net repayment of debt in 1QFY18.

Loss for the period

Taking into account the above factors, the Group recorded a lower net loss of \$2.9 million for 1QFY18 (1QFY17: \$4.7 million; 4QFY17: \$6.8 million).

Earnings before interest, tax, depreciation and amortization (EBITDA) for 1QFY18 was positive at \$4.7 million (1QFY17: \$3.6 million; 4QFY17: \$1.3 million).

Loss per share for 1QFY18 was 0.14 cent (1QFY17: 0.22 cent; 4QFY17: 0.27 cent).

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

Net book value of property, plant and equipment as at 30 June 2017 was \$159.1 million (31 March 2017: \$164.9 million). In 1QFY18, the Group acquired \$1.2 million worth of new plant and equipment to replace older equipment. The Group disposed of plant and equipment with carrying values of \$0.5 million and recorded a \$0.1 million gain on the disposal. Depreciation charge for 1QFY18 was \$6.5 million (1QFY17: \$6.8 million).

Net Current Assets

As at 30 June 2017, net current assets of the Group was \$14.6 million (31 March 2017: \$14.5 million). Current ratio (current assets / current liabilities) was 1.08 (31 March 2017: 1.09).

The Group recorded inventories of \$26.1 million as at 30 June 2017 (31 March 2017: \$25.3 million).

Trade and other receivables were \$144.6 million (31 March 2017: \$137.3 million) while trade and other payables were \$97.6 million (31 March 2017: \$85.0 million), in line with the higher level of business activity.

Borrowings

As at 30 June 2017, total borrowings of the Group was \$84.6 million (31 March 2017: \$85.7 million) due to the net repayment of debts.

Debt to equity ratio as at 30 June 2017 was 0.50 (31 March 2017: 0.50).

Equity and Net Asset Value

As at 30 June 2017, the Group's equity was \$168.4 million (31 March 2017: \$170.8 million), while net asset value per ordinary share was 7.7 cents (31 March 2017: 7.8 cents).

CASH FLOW

	1QFY18 \$'000	4QFY17 \$'000	Change %	1QFY18 \$'000	1QFY17 \$'000	Change %
Cash Flow from Operating Activities	6,541	7,015	6.8	6,541	(7,661)	N.M.
Cash Flow from Investing Activities	510	(477)	N.M.	510	(1,555)	N.M.
Cash Flow from Financing Activities	(978)	(7,133)	86.3	(978)	(86)	N.M.
Cash and Cash Equivalents	19,299	13,090	(47.4)	19,299	16,413	17.6

Cash Flow from Operating Activities

Net cash inflow from operating activities was \$6.5 million for 1QFY18, compared to a net cash outflow of \$7.7 million a year ago, when there was a temporary increase in net working capital required in inventories and trade and other receivables.

Quarter-on-quarter, net cash inflow for 1QFY18 was largely similar to the \$7.0 million recorded in 4QFY17.

Cash Flow from Investing Activities

The Group recorded a net cash inflow from investing activities of \$0.5 million for 1QFY18 compared to a net cash outflow of \$1.6 million and \$0.5 million for 1QFY17 and 4QFY17 respectively, taking into account the lower net investment in capital expenditure for its operations.

In addition, the Group had incurred a \$0.7 million investment cost for the development of commercial properties in Seremban, Negeri Sembilan, Malaysia in 1QFY17.

Cash Flow from Financing Activities

The Group's net cash outflow from financing activities was \$1.0 million for 1QFY18 (1QFY17: \$0.1 million; 4QFY17: \$7.1 million), following the net repayment of bank borrowings during the period under review.

Cash and Cash Equivalents

Taking into consideration the abovementioned factors, the Group's cash and cash equivalents stood at \$19.3 million as at 30 June 2017 (31 March 2017: \$13.1 million; 30 June 2016: \$16.4 million).

Outlook

The Group continues to adopt a cautious stance towards the outlook for the current financial year. Amid uncertainties in the economic environment, demand for construction services in Singapore is expected to be relatively muted, with any upside being driven by public sector projects.

As at 4 August 2017, the Group's order book was approximately \$250 million (22 May 2017: \$220 million), with the bulk of the contracts to be delivered within the next 9 months. The Group will continue to manage and adjust its resources in tandem with future market demand.

Consolidated Statement of Profit or Loss for the 3 Months ended 30 June 2017

	Note	Group		Change
		3 months ended		
		30-Jun-17	30-Jun-16	
		\$'000	\$'000	%
Revenue		77,471	69,109	12.1
Cost of sales	A	(73,867)	(67,107)	10.1
Gross profit		3,604	2,002	80.0
Other income	B	344	1,332	(74.2)
Distribution expenses		(181)	(147)	23.1
Administrative expenses	C	(6,100)	(6,442)	(5.3)
Other operating income	D	449	14	N.M.
Results from operating activities		(1,884)	(3,241)	(41.9)
Finance income		62	68	(8.8)
Finance expenses		(1,094)	(1,005)	8.9
Net finance expenses		(1,032)	(937)	10.1
Share of profit of a joint venture (net of tax)		1	36	(97.2)
Loss before tax		(2,915)	(4,142)	(29.6)
Tax expense	E	(23)	(582)	(96.0)
Loss for the period		(2,938)	(4,724)	(37.8)
Attributable to:				
Owners of the Company		(3,140)	(4,872)	(35.6)
Non-controlling interests		202	148	36.5
Loss for the period		(2,938)	(4,724)	(37.8)

Gross profit margin

4.7%

2.9%

Consolidated Statement of Comprehensive Income for the 3 Months ended 30 June 2017

	Group		
	3 months ended		Change
	30-Jun-17	30-Jun-16	
	\$'000	\$'000	%
Loss for the period	(2,938)	(4,724)	(37.8)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations	450	(811)	N.M.
Other comprehensive income for the period, net of tax	450	(811)	N.M.
Total comprehensive income for the period	(2,488)	(5,535)	(55.0)
Attributable to:			
Owners of the Company	(2,733)	(5,635)	(51.5)
Non-controlling interests	245	100	N.M.
Total comprehensive income for the period	(2,488)	(5,535)	(55.0)

Statement of Financial Position as at 30 June 2017

DESCRIPTION	Note	Group		Company	
		30-Jun-17	31-Mar-17	30-Jun-17	31-Mar-17
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	159,126	164,929	29	31
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	114,592	114,592
- an associate		904	904	-	-
- a joint venture		727	704	-	-
Other investment		748	879	-	-
Trade and other receivables		12,846	10,544	-	-
Deferred tax assets		279	252	19	19
		176,082	179,664	114,640	114,642
Current assets					
Inventories	2	26,149	25,257	-	-
Trade and other receivables		144,642	137,287	25,890	26,485
Cash and cash equivalents		22,228	18,532	746	1,398
		193,019	181,076	26,636	27,883
Total assets		369,101	360,740	141,276	142,525

Statement of Financial Position as at 30 June 2017 (cont'd)

DESCRIPTION	Note	Group		Company	
		30-Jun-17	31-Mar-17	30-Jun-17	31-Mar-17
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		80,292	80,292	80,292	80,292
Reserves		61,919	64,652	49,449	49,403
		142,211	144,944	129,741	129,695
Non-controlling interests		26,145	25,900	-	-
Total equity		168,356	170,844	129,741	129,695
Non-current liabilities					
Loans and borrowings		20,872	21,632	23	26
Deferred tax liabilities		1,462	1,726	-	-
		22,334	23,358	23	26
Current liabilities					
Loans and borrowings		63,773	64,050	10	10
Trade and other payables		97,561	84,960	11,457	12,753
Excess of progress billings over construction work-in-progress	3	371	186	-	-
Provisions		15,289	15,917	-	-
Current tax payable		1,417	1,425	45	41
		178,411	166,538	11,512	12,804
Total liabilities		200,745	189,896	11,535	12,830
Total equity and liabilities		369,101	360,740	141,276	142,525

Consolidated Statement of Cash Flows for the 3 Months ended 30 June 2017

	3 months ended	
	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$'000	\$'000
Cash flows from operating activities		
Loss for the period	(2,938)	(4,724)
Adjustments for:		
Allowance for foreseeable losses on construction work-in-progress	185	-
Depreciation of property, plant and equipment	6,544	6,766
Gain on disposal of property, plant and equipment	(113)	(847)
Impairment losses reversed on trade and other receivables	(509)	(41)
Net finance expenses	1,032	937
Provision reversed for liquidated damages	(138)	(149)
Provision for rectification costs	471	22
Share of profit of a joint venture (net of tax)	(1)	(36)
Tax expense	23	582
Operating activities before working capital changes	4,556	2,510
Changes in working capital:		
Inventories	(236)	(3,944)
Trade and other receivables	(10,129)	(5,185)
Trade and other payables	12,632	(822)
Cash generated from/(used in) operations	6,823	(7,441)
Taxes paid	(344)	(288)
Interest received	62	68
Net cash generated from/(used in) operating activities	6,541	(7,661)

**Consolidated Statement of Cash Flows for the 3 Months ended 30 June 2017
(cont'd)**

	3 months ended	
	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$'000	\$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,804)	(2,950)
Proceeds from disposal of:		
- property, plant and equipment	1,895	2,144
- a joint venture in previous year	419	-
Investment in a joint venture	-	(749)
Net cash generated from/(used in) investing activities	<u>510</u>	<u>(1,555)</u>
Cash flows from financing activities		
Interest paid	(756)	(789)
Proceeds from:		
- bank loans	975	11,445
- bills payable	9,492	9,572
Repayment of:		
- bank loans	(2,597)	(2,909)
- bills payable	(5,607)	(11,840)
- finance lease liabilities	(3,485)	(4,565)
Decrease/(Increase) in fixed deposits pledged	1,000	(1,000)
Net cash used in financing activities	<u>(978)</u>	<u>(86)</u>
Net increase/(decrease) in cash and cash equivalents	6,073	(9,302)
Cash and cash equivalents at 1 April	13,090	25,935
Effect of exchange rate changes on balances held in foreign currencies	136	(220)
Cash and cash equivalents at 30 June	<u>19,299</u>	<u>16,413</u>
Comprising:		
Cash and cash equivalents	22,228	29,450
Bank overdrafts	(2,929)	(12,037)
	<u>19,299</u>	<u>17,413</u>
Less:		
Fixed deposits pledged as security for bank facilities	-	(1,000)
Cash and cash equivalents in the consolidated cash flow statement	<u>19,299</u>	<u>16,413</u>

Statements of Changes in Equity for the 3 Months ended 30 June 2017

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2016	80,289	17,798	(2,354)	116	(5,885)	-	(881)	70,801	159,884	25,454	185,338
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	(4,872)	(4,872)	148	(4,724)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	(763)	-	-	-	(763)	(48)	(811)
Total other comprehensive income	-	-	-	-	(763)	-	-	-	(763)	(48)	(811)
Total comprehensive income for the period	-	-	-	-	(763)	-	-	(4,872)	(5,635)	100	(5,535)
Transactions with owners of the Company, recorded directly in equity											
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2016	80,289	17,798	(2,354)	116	(6,648)	-	(881)	65,929	154,249	25,554	179,803
At 1 April 2017	80,292	17,798	(2,354)	116	(7,374)	11,828	(881)	45,519	144,944	25,900	170,844
Total comprehensive income for the period											
Profit or loss	-	-	-	-	-	-	-	(3,140)	(3,140)	202	(2,938)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	407	-	-	-	407	43	450
Transfer of revaluation surplus	-	-	-	-	-	(163)	-	163	-	-	-
Total other comprehensive income	-	-	-	-	407	(163)	-	163	407	43	450
Total comprehensive income for the period	-	-	-	-	407	(163)	-	(2,977)	(2,733)	245	(2,488)
Transactions with owners of the Company, recorded directly in equity											
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2017	80,292	17,798	(2,354)	116	(6,967)	11,665	(881)	42,542	142,211	26,145	168,356

Statements of Changes in Equity for the 3 Months ended 30 June 2017 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2016	80,289	17,798	(2,354)	32,072	127,805
Total comprehensive income for the period	-	-	-	187	187
Transactions with owners of the Company, recorded directly in equity					
Total transactions with owners	-	-	-	-	-
At 30 June 2016	80,289	17,798	(2,354)	32,259	127,992
At 1 April 2017	80,292	17,798	(2,354)	33,959	129,695
Total comprehensive income for the period	-	-	-	46	46
Transactions with owners of the Company, recorded directly in equity					
Total transactions with owners	-	-	-	-	-
At 30 June 2017	80,292	17,798	(2,354)	34,005	129,741

Note:

Capital reserve

	<u>Group</u>	<u>Company</u>
	\$'000	\$'000
Capital Reduction Reserve	17,798	17,798

The Capital Reduction Reserve shall not be treated or used by the Company as a distributable reserve for dividend purposes in accordance with Article 142 of the Articles of Association of the Company and the Companies Act, Chapter 50 of Singapore.

Notes to the Financial Statements

Notes to the Consolidated Statement of Profit or Loss

The Group is reporting its first quarter results for the period from 1 April 2017 to 30 June 2017 ("1QFY18") with comparative figures for the 3 months period from 1 April 2016 to 30 June 2016.

A Cost of sales

Group	
3 months ended	
30/06/2017	30/06/2016
\$'000	\$'000

Cost of sales includes the following items:

Allowance for foreseeable losses on construction work-in-progress	185	-
Depreciation of property, plant and equipment	6,181	6,564
Provision reversed for liquidated damages	(138)	(149)
Provision for rectification costs	471	22

B Other income

Group	
3 months ended	
30/06/2017	30/06/2016
\$'000	\$'000

Other income includes the following item:

Gain on disposal of property, plant and equipment	113	847
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C Administrative expenses

Group	
3 months ended	
30/06/2017	30/06/2016
\$'000	\$'000

Administrative expenses includes the following items:

Depreciation for property, plant and equipment	363	202
Exchange gain	(317)	(5)

Notes to the Consolidated Statement of Profit or Loss (cont'd)

D Other operating income

	Group 3 months ended	
	30/06/2017	30/06/2016
	\$'000	\$'000
Other operating income includes the following item:		
Impairment losses reversed on trade and other receivables ⁽¹⁾	(509)	(41)

⁽¹⁾ The Group's accounts receivables position is reviewed on a periodic basis. Impairment losses are made where required, after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers. Amounts written back are cash recovered from receivables previously impaired.

E Tax expense

	Group 3 months ended	
	30/06/2017	30/06/2016
	\$'000	\$'000
Current tax expense		
- current period	266	494
- under/(over) provided in prior years	47	(188)
	<u>313</u>	<u>306</u>
Deferred tax (credit)/expense		
- current period	120	(23)
- (over)/under provided in prior years	(410)	299
	<u>(290)</u>	<u>276</u>
	<u>23</u>	<u>582</u>

Notes to the Consolidated Statement of Profit or Loss (cont'd)

F Interested person transactions

The Company had not obtained a shareholders' mandate for interested person transactions under Chapter 9 of the Listing Manual.

Interested person transactions carried out during the 3 months ended 30 June 2017 under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the 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 transactions less than \$100,000)
	3 months ended 30/06/2017 \$'000	3 months ended 30/06/2017 \$'000
Tat Hong HeavyEquipment (Pte.) Ltd ⁽¹⁾	618	Nil
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	399	Nil
THAB Development Sdn Bhd ⁽²⁾	322	Nil

Note:

⁽¹⁾ Tat Hong HeavyEquipment (Pte.) Ltd. and Tat Hong Plant Leasing Pte Ltd are related corporations of TH Investments Pte Ltd, a substantial shareholder of the Company.

⁽²⁾ With reference to the Group's announcement on 25 October 2013, the Group entered into a Shareholders' Agreement ("SHA") with Tat Hong International Pte Ltd, AME Land Sdn Bhd and BP Lands Sdn Bhd in relation to THAB Development Sdn Bhd ("THAB"), to jointly undertake mixed property development in Iskandar Malaysia.

Pursuant to the SHA, the Group subscribed for shares equivalent to 5% of the enlarged share capital of THAB for RM0.5 million (equivalent to \$0.2 million) and granted a shareholder's loan of RM4.4 million (equivalent to \$1.7 million) to THAB in October 2013.

In 1QFY18, the Group had granted additional shareholder's loan of RM1.0 million (equivalent to \$0.3 million) to THAB for financing of property development.

Notes to the Statement of Financial Position

1 Property, plant and equipment

The movement in property, plant and equipment is as follows:

	Group	
	As at 30/06/2017 \$'000	As at 31/03/2017 \$'000
<u>Cost/Valuation</u>		
Opening balance	377,544	369,373
Additions	1,195	16,924
Reclassification from inventories	137	2,260
Revaluation	-	11,828
Elimination of accumulated depreciation against cost on revaluation	-	(2,983)
Transfer to inventories	(874)	(7,421)
Disposals/Write-offs	(4,921)	(9,679)
Translation differences on consolidation	1,087	(2,758)
Closing balance	<u>374,168</u>	<u>377,544</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	212,615	201,461
Depreciation charge	6,544	26,941
Impairment loss	-	98
Elimination of accumulated depreciation against cost on revaluation	-	(2,983)
Transfer to inventories	(313)	(5,400)
Disposals/Write-offs	(4,415)	(5,755)
Translation differences on consolidation	611	(1,747)
Closing balance	<u>215,042</u>	<u>212,615</u>
Carrying amount	<u>159,126</u>	<u>164,929</u>

2 Inventories

	Group	
	As at 30/06/2017 \$'000	As at 31/03/2017 \$'000
Equipment and machinery held for sale	13,831	13,783
Spare parts	10,255	9,983
Construction materials on sites	2,063	1,491
	<u>26,149</u>	<u>25,257</u>
Allowance for inventory obsolescence	-	-
	<u>26,149</u>	<u>25,257</u>

Notes to the Statement of Financial Position (cont'd)

3 Excess of progress billings over construction work-in-progress

	Group	
	As at 30/06/2017 \$'000	As at 31/03/2017 \$'000
Costs incurred and attributable profits	383,849	391,411
Progress billings	(276,742)	(289,141)
	<u>107,107</u>	<u>102,270</u>
Progress billings in excess of construction work-in-progress	(371)	(186)
Amount due from customers for contract works ⁽¹⁾	107,478	102,456
	<u>107,107</u>	<u>102,270</u>

⁽¹⁾ Included in trade and other receivables under current assets of statement of financial position.

4 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/06/2017	
Secured	Unsecured
\$'000	\$'000
12,638	51,135

As at 31/03/2017	
Secured	Unsecured
\$'000	\$'000
13,697	50,353

Amount repayable after one year

As at 30/06/2017	
Secured	Unsecured
\$'000	\$'000
20,555	317

As at 31/03/2017	
Secured	Unsecured
\$'000	\$'000
21,124	508

Details of any collateral

The Group's total borrowings were \$84.6 million (31 March 2017: \$85.7 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$9.2 million (31 March 2017: \$5.3 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company. Out of which \$8,654,000 (31 March 2017: \$9,828,000) are also guaranteed by a related corporation:

- a) \$18,991,000 (31 March 2017: \$20,779,000) in respect of plant and machinery acquired under finance leases. Out of which \$Nil (31 March 2017: \$1,991,000) are also secured by a charge over the fixed deposits of the Company;
- b) \$13,632,000 (31 March 2017: \$13,407,000) which are secured by a charge over the leasehold land and properties; and
- c) \$570,000 (31 March 2017: \$635,000) which are secured by a mortgage over the plant and machinery.

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

As at 30 June 2017, the issued and fully paid-up share capital of the Company was 2,208,589,581 (31 March 2017: 2,208,589,581) ordinary shares.

The total number of ordinary shares issued (excluding treasury shares) as at 30 June 2017 was 2,188,069,581 (31 March 2017: 2,188,069,581) ordinary shares.

As at 30 June 2017, there were outstanding warrants of 1,441,101,590 (30 June 2016: 1,441,396,590) for conversion into ordinary shares, representing 65.9% (30 June 2016: 65.9%) of the total number of ordinary shares issued (excluding treasury shares).

There were no share buybacks for the 3 months ended 30 June 2017. There were 20,520,000 shares held as treasury shares as at 30 June 2017 (30 June 2016: 20,520,000 shares), representing 0.9% (30 June 2016: 0.9%) of the total number of ordinary shares issued (excluding treasury shares). There were no sales, transfers, cancellation and/or use of treasury shares as at 30 June 2017.

There were no subsidiary holdings in the Company as at 30 June 2017. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2017.

Audit

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

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2017.

Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning 1 April 2017 are as follows:

Amendments to FRS 7 *Statement of Cash Flows*

Amendments to FRS 12 *Income Taxes*

Amendments to FRS 112 *Disclosure of Interests in Other Entities*

The adoption of the above amendments to FRS does not expect any significant impact on the Group's financial position or performance.

Loss Per Share

(a) Basic loss per ordinary share

	3 months ended	
	30/06/2017	30/06/2016
Based on the weighted average number of ordinary shares on issue	(0.14) cents	(0.22) cents

	3 months ended	
	30/06/2017	30/06/2016
	\$'000	\$'000
Basic loss per ordinary share is based on: Net loss attributable to ordinary shareholders	<u>(3,140)</u>	<u>(4,872)</u>

	3 months ended	
	30/06/2017	30/06/2016
Weighted average number of: Issued ordinary shares at beginning of the period	2,208,589,581	2,208,294,581
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of ordinary shares used to compute loss per ordinary share	<u>2,188,069,581</u>	<u>2,187,774,581</u>

(b) Diluted loss per ordinary share

	3 months ended	
	30/06/2017	30/06/2016
On a fully diluted basis	(0.14) cents	(0.22) cents

	3 months ended	
	30/06/2017	30/06/2016
	\$'000	\$'000
Diluted loss per ordinary share is based on: Net loss attributable to ordinary shareholders	<u>(3,140)</u>	<u>(4,872)</u>

For the purpose of calculating the diluted loss per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive warrants with the potential ordinary shares weighted for the period outstanding.

Loss Per Share (cont'd)

(b) Diluted loss per ordinary share (cont'd)

The weighted average number of ordinary shares in issue is as follows:

	3 months ended	
	30/06/2017	30/06/2016
Weighted average number of: Ordinary shares used in the calculation of basic loss per ordinary share	2,188,069,581	2,187,774,581
Potential ordinary shares issuable under exercise of warrants	*	*
Weighted average number of ordinary shares issued and potential shares assuming full conversion	2,188,069,581	2,187,774,581

* The Group was in a loss position for the periods under review, the warrants were not included in the computation of diluted loss per ordinary share as these potential ordinary shares were anti-dilutive.

Net Asset Value

	As at 30/06/2017	As at 31/03/2017
Group		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	7.7 cents	7.8 cents
Company		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	5.9 cents	5.9 cents

The net asset value per ordinary share is calculated based on net asset value of \$168.4 million (31 March 2017: \$170.8 million) over the total number of ordinary shares issued (excluding treasury shares) as at 30 June 2017 of 2,188,069,581 (31 March 2017: 2,188,069,581) ordinary shares.

Variance from Prospect Statement

No forecast or prospect statement has been disclosed to shareholders.

Dividend

No dividend has been declared/recommended in the current financial period and the corresponding period of the immediately preceding financial year.

Confirmation

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the period under review to be false or misleading in any material respect.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Whitewash Waiver in relation to Rights Cum Warrants Issue

Capitalised terms used below, unless otherwise defined, shall have the same meanings as defined in the circular to shareholders of the Company dated 12 November 2015.

In connection with the Rights cum Warrants Issue that was undertaken by the Company, a Whitewash Waiver was granted on 12 October 2015 by the Securities Industry Council of Singapore whereby TH Investments Pte Ltd and its Concert Parties (comprising Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Mr Ng Chwee Cheng, Chwee Cheng Trust, Mr Ng San Tiong Roland, Mr Ng Sun Ho Tony, Mr Ng San Wee David and Mr Ng Sun Giam Roger) ("Concert Party Group") are waived from the requirement to make a general offer made pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers (the "Code") as a result of the subscription for their pro-rate entitlement of the Rights Shares and Warrants Shares arising from the exercise of pro-rata entitlement of the Warrants under the Rights cum Warrants Issue.

The following disclosure note is provided in connection with the requirements of Note 2 on Section 2 of Appendix 1 of the Code.

- (a) In the Extraordinary General Meeting held on 27 November 2015, the Independent Shareholders of the Company approved the Whitewash Resolution waiving their rights to receive a mandatory general offer from the Concert Party Group, for all the issued shares in the capital of the Company not already owned or controlled by them, as a result of the Concert Party Group's subscription of the Rights Shares and Warrants Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue. The Whitewash Resolution is subject to the acquisition of the Warrant Shares by the Concert Party Group upon the exercise of the Warrants being completed by 29 December 2020 (inclusive), which is within five (5) years of the date of issue of the Warrants;
- (b) As at the latest practicable date, 2 August 2017, the Concert Party Group holds in aggregate:
 - (i) 1,155,618,407 Shares, representing approximately 52.81% of the voting rights in the Company; and
 - (ii) 276,232,590 Warrants, out of which 113,942,490 Warrants were pursuant to the Whitewash Waiver;
- (c) The maximum potential voting rights of the Concert Party Group in the Company, assuming that only the Concert Party Group (but not other shareholders) converts their Warrants in full is approximately 58.10% (based on the enlarged share capital of the Company of 2,464,302,171 Shares (excluding treasury shares) immediately following the allotment and issue of 276,232,590 Warrant Shares to the Concert Party Group);

Whitewash Waiver in relation to Rights Cum Warrants Issue (cont'd)

- (d) Having approved the Whitewash Resolution on 27 November 2015, Shareholders have waived their rights to receive a general offer from Concert Party Group at the highest price paid by the Concert Party Group for the Shares in the past 6 months preceding the date of the acquisition of the Warrant Shares; and
- (e) Having approved the Whitewash Resolution on 27 November 2015, Shareholders could be foregoing an opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
7 August 2017