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PTERIS GLOBAL LIMITED

UNAUDITED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

This announcement has been prepared by Pteris Global Limited ("PGL" or the "Company") and its contents have been reviewed by the Company's Sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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.

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INTRODUCTION

PGL had on 19 August 2014 completed the acquisition ("RTO" or the "**Acquisition**") of Shenzhen CIMC-Tianda Airport Support Ltd and its subsidiaries (the "CIMC-TD Group").

Following the completion of the RTO, the principal business of the Enlarged Group is that of the Pteris Group and the CIMC-TD Group.

The Pteris Group is engaged in the business of (i) provision of engineering and computer software solutions for airport logistics and computer software solutions for airport logistics and materials, such as baggage and air cargo handling systems; and (ii) the manufacture and repair of airport ground support equipment, including aircraft catering vehicles and other service vehicles.

The CIMC-TD Group is principally involved in the manufacture and sale of (i) airport equipment which comprises mainly passenger boarding bridges and ground support equipment such as airport apron buses, aircraft catering vehicles and other specialized vehicles; (ii) baggage and materials handling systems, which comprises systems for the sorting, handling and transportation of different types of baggage and cargo; and (iii) automated parking systems.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

At Group Level

The Acquisition has been accounted for as a reverse acquisition in accordance to FRS103, and CIMC-TD Group was deemed to be the accounting acquirer for accounting purpose. Accordingly, the consolidated income statement, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cashflow statement of the Enlarged Group (comprising the Company and CIMC-TD Group) for the nine months ended 30 September 2014 has been presented as a continuation of CIMC-TD Group's financial results and operations.

Such consolidated financial statement represented a continuation of the financial statement of CIMC-TD Group and reflects the followings: -

(a) the assets and liabilities of the CIMC-TD Group were recognised and measured in the consolidated statement of financial position at their carrying amount before the Acquisition;

(b) the assets and liabilities of PGL were recognised and measured in the consolidated statement of financial position at their acquisition date values;

(c) the retained earnings and other equity balances of CIMC-TD Group before the Acquisition;

(d) the amount recognised as issued equity interest in the consolidated financial statements were determined by adding the issued equity of CIMC-TD immediately before the business combination to the fair value of PGL. However, the equity structure appearing in the consolidated financial statement (i.e. the number and type of instrument issued) shall reflect the equity structure of legal parent (i.e. the Company), including the equity instruments issued by the legal parent (i.e. the Company) to effect the Acquisition;

(e) the consolidated income statement for the current period reflects that of the CIMC-TD Group for the full period together with the post-acquisition results of PGL; and

(f) the comparative figures presented in these consolidated financial statements were that of the financial statements of the CIMC-TD Group.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent (i.e. the acquiree for accounting purpose). Therefore, the cost of the business combination for the Acquisition was allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair value at the completion of the Acquisition.

The total purchase price allocation of the Acquisition and the allocation of goodwill to the cash-generating units are currently being assessed and is expected to be finalised within 12 months from the date of Acquisition.

At Company Level

Reverse acquisition accounting applied only at the consolidated financial statements at the Enlarged Group level. Therefore, in the Company's financial statements, the investment in legal subsidiaries (CIMC-TD Group) is accounted for at cost.

Notes

(a) The consolidated income statement of the Group for the nine months ended 30 September 2014 referred to the Enlarged Group, which included the results of CIMC-TD Group from 1 January to 30 September 2014 and the results of PGL from 1 September to 30 September 2014.

(b) The consolidated statement of financial position of the Group as at 30 September 2014 referred to the Enlarged Group, which included the assets and liabilities of CIMC-TD Group and PGL as at 30 September 2014.

(c) The consolidated cash flow statement of the Group for the nine months ended 30 September 2014 referred to the Enlarged Group, which included the cashflows of CIMC-TD Group for the period from 1 January to 30 September 2014 and PGL for the period from 1 September to 30 September 2014.

(d) The consolidated income statement of the Group for the nine months ended 30 September 2013 referred to CIMC-TD Group's income statement for the period from 1 January to 30 September 2013.

(e) The consolidated statement of financial position of the Group as at 30 September 2013 referred to the statement of financial position of CIMC-TD Group as at 30 September 2013.

(f) The statement of financial position of the Company as at 30 September 2014 and 31 December 2013 referred to that of PGL.

(g) The consolidated cash flow statement of the Group for the nine months ended 30 September 2013 referred to that of CIMC-TD Group.

1(a)(i) Consolidated Income Statement

GROUP	Third Quarter			9 months ended 30 Sep		
	2014 $'000	2013 $'000	Change %	2014 $'000	2013 $'000	Change %
Revenue	**51,734**	**25,322**	**n m**	**83,972**	**70,314**	**↑ 19**
Other income	692	275	n m	1,491	1,433	↑ 4
Materials, subcontract and other direct cost	(29,561)	(16,767)	↑ 76	(48,163)	(47,683)	↑ 1
Staff costs	(10,327)	(4,328)	n m	(17,914)	(12,937)	↑ 38
Depreciation	(504)	(123)	n m	(716)	(358)	n m
Foreign exchange differences and net hedging cost	952	487	↑ 95	1,362	(42)	n m
Other operating expenses	(6,645)	(4,997)	↑ 33	(14,044)	(14,385)	↓ 2
Finance expense	(241)	(180)	↑ 34	(508)	(840)	↓ 40
Profit / (Loss) before tax	**6,100**	**(311)**	**n m**	**5,480**	**(4,498)**	n m
Tax (expense) / credit	(1,400)	(444)	n m	(1,592)	322	n m
Profit / (Loss) after tax	**4,700**	**(755)**	**n m**	**3,888**	**(4,176)**	n m
Profit / (Loss) attributable to						
- Owners of the Company	4,607	(858)	n m	3,632	(4,380)	n m
- Non-controlling interests	93	103	↓ 10	256	204	↑ 25
	4,700	**(755)**	n m	**3,888**	**(4,176)**	n m

1(a)(ii) Disclosures to the Consolidated Income Statement

GROUP	Third Quarter			9 months ended 30 Sep		
	2014 $'000	2013 $'000	Change %	2014 $'000	2013 $'000	Change %
This is arrived at (charging) / crediting:						
Other income includes:						
Interest income	107	13	n m	417	52	n m
Rental income	242	-	n m	242	-	n m
Materials, subcontract and other direct cost includes:						
Provisions for warranty, net	(1,686)	(589)	n m	(2,810)	(1,565)	↑ 80
Other operating expenses includes:						
Amortisation of intangible assets	(80)	(84)	↓ 5	(248)	(254)	↓ 2
Amortisation of long term prepaid expenses	(8)	(8)	n m	(23)	(10)	n m
Foreign exchange differences and net hedging cost comprises:						
Net foreign exchange gain / (loss)	952	487	↑ 95	1,362	(42)	n m

↑ means increase
↓ means decrease
nm means "Not Meaningful"

1(b)(i) Statements of Financial Position

	GROUP		COMPANY	
	30 Sep 2014 $'000	31 Dec 2013 $'000	30 Sep 2014 $'000	31 Dec 2013 $'000
Non-Current Assets				
Property, plant and equipment	99,295	25,006	20,310	16,564
Subsidiaries	-	-	133,186	17,497
Intangible assets	26,363	2,358	-	-
Deposit for land use rights	1,739	1,742	-	-
Land use rights	12,121	12,354	-	-
Other financial assets	72	-	72	160
Deferred tax assets	2,763	2,626	393	393
Long term prepaid expenses	5	28	-	-
Derivatives[1]	38,042	-	-	-
	180,400	**44,114**	**153,961**	**34,614**
Current Assets				
Inventories	91,294	44,397	218	56
Contract work-in-progress	15,567	-	11,556	29,108
Trade and other receivables	127,430	119,362	43,218	37,912
Other financial assets	425	630	-	-
Cash and cash equivalents	47,558	7,940	9,090	16,308
	282,274	**172,329**	**64,082**	**83,384**
Total Assets	**462,674**	**216,443**	**218,043**	**117,998**
Equity				
Share capital	96,806	21,504	140,463	65,161
Reserves	98,605	57,233	(45,830)	(30,645)
Equity attributable to owners of the Company	**195,411**	**78,737**	**94,633**	**34,516**
Non-controlling interest	1,765	1,932	-	-
Total equity	**197,176**	**80,669**	**94,633**	**34,516**
Non-Current Liabilities				
Deferred tax liabilities	366	-	-	-
Loans and borrowings	10	-	10	61
Deferred income	8,443	6,346	-	-
Derivatives	-	-	38,042	-
	8,819	**6,346**	**38,052**	**61**
Current Liabilities				
Trade and other payables	156,185	100,932	27,804	23,421
Excess of progress billings over contract work-in-progress	4,063	-	2,448	4,113
Loans and borrowings	82,458	17,705	52,441	52,142
Provisions	12,190	7,900	2,665	3,745
Provision for taxation	1,783	2,891	-	-
	256,679	**129,428**	**85,358**	**83,421**
Total Liabilities	**265,498**	**135,774**	**123,410**	**83,482**
Total Equity and Liabilities	**462,674**	**216,443**	**218,043**	**117,998**

Note

1 Derivatives relate to the fair valuation of the shares (comprising Deferred Consideration Tranche 2 Shares Amount, Crisplant Arbitration Amount and Prolongation Claims Payment Amount) to be issued at a later date resulting from the reverse acquisition.

1(b)(ii) Borrowings and Debt Securities

GROUP	As at 30 Sep 2014			As at 31 Dec 2013		
	Secured $'000	Unsecured $'000	Total $'000	Secured $'000	Unsecured $'000	Total $'000
Amount repayable in one year or less, or on demand	52,441	30,017	**82,458**	13,142	4,563	**17,705**
Amount repayable after one year	10	-	**10**	-	-	**-**
	52,451	**30,017**	**82,468**	**13,142**	**4,563**	**17,705**

Details of any collateral

The Group's secured borrowings include bank borrowings and finance lease liabilities. The borrowings are secured by a debenture over the PGL Group's assets and a mortgage against a leasehold building in Singapore.

1(b)(iii) Consolidated Statement of Comprehensive Income

GROUP	Third Quarter			9 months ended 30 Sep		
	2014 $'000	2013 $'000	Change %	2014 $'000	2013 $'000	Change %
Profit / (Loss) after tax	**4,700**	**(755)**	**n m**	**3,888**	**(4,176)**	**n m**
Translation differences relating to financial statements of foreign subsidiaries	(302)	(14)	n m	(302)	(14)	n m
Other comprehensive loss, net of tax	**(302)**	**(14)**	**n m**	**(302)**	**(14)**	**n m**
Total comprehensive income / (loss)	**4,398**	**(769)**	**n m**	**3,586**	**(4,190)**	**n m**

1(c) Consolidated Statement of Cash Flows

	Third Quarter		9 months ended 30 Sep	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Operating activities				
Profit/ (Loss) before tax	**6,100**	**(311)**	**5,480**	**(4,498)**
Adjustments for:				
Depreciation of property, plant and equipment	504	123	716	358
Net gain on disposal of property, plant and equipment	-	-	-	(11)
Provisions for warranty, net	1,686	589	2,810	1,565
Interest income	(107)	(13)	(417)	(52)
Rental income	(242)	-	(242)	-
Interest expense	106	53	262	316
Amortisation of intangible assets	80	84	248	254
Amortisation of long term prepaid expenses	8	8	23	10
Loss/(gain) in fair value of financial asset at fair value through profit or loss	(63)	-	271	(566)
Operating profit/(loss) before working capital changes	**8,072**	**533**	**9,151**	**(2,624)**
Changes in working capital:				
Trade and other receivables	(10,341)	(7,375)	17,376	5,075
Inventories and contract work-in-progress	(10,450)	(4,731)	(44,108)	(17,789)
Trade and other payables	14,996	6,882	35,923	23,563
Provisions	(376)	(471)	(1,659)	(1,089)
Taxes paid	(189)	(21)	(2,808)	(2,232)
Net cash flows from / (used in) operating activities	**1,712**	**(5,183)**	**13,875**	**4,904**
Investing activities				
Proceeds from sale of property, plant and equipment	3	5	5	11
Purchase of property, plant and equipment	(3,289)	(2,954)	(8,958)	(10,600)
Interest received	107	13	417	52
Rental income received	242	-	242	-
Net cash flows used in investing activities	**(2,937)**	**(2,936)**	**(8,294)**	**(10,537)**
Financing activities				
Repayment of loans from related companies	(10,135)	-	(48,717)	(20,465)
Proceeds of new loans from related companies	-	12,196	42,565	28,734
Proceeds of new loans from banks	10,135	-	18,242	-
Interest paid	(246)	(393)	(878)	(812)
Net cash flows (used in) / from financing activities	**(246)**	**11,803**	**11,212**	**7,457**
Net (decrease) / increase in cash and cash equivalents	**(1,471)**	**3,684**	**16,793**	**1,824**
Cash and cash equivalents at beginning of period	46,567	5,193	28,431	7,140
Effects of exchange rate fluctuations	250	123	122	36
Cash and cash equivalents at end of period	**45,346**	**9,000**	**45,346**	**9,000**
Comprising:				
Cash and bank balances per Statement of Financial Position	47,558	9,000	47,558	9,000
Less : Cash and deposits pledged	(2,212)	-	(2,212)	-
Per Consolidated Statement of Cash Flows	**45,346**	**9,000**	**45,346**	**9,000**

1(d)(i) Statements of Changes in Equity

GROUP	Share Capital $'000	Foreign Currency Translation Reserve $'000	Capital Reserve $'000	Surplus Reserve $'000	Accumulated Profits $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 01 Jan 2014	**21,504**	**77**	**(3,048)**	**1,945**	**58,259**	**1,932**	**80,669**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	3,632	256	**3,888**
Other comprehensive income							
Translation differences relating to financial statements of foreign subsidiaries	-	(302)	-	-	-	-	**(302)**
Total comprehensive income/ (loss) for the period	-	(302)	-	-	3,632	256	**3,586**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issuance of shares pursuant to reverse acquisition	76,788	-	-	-	-	-	**76,788**
Issuance of shares as part payment of professional fees for the reverse acquisition	550	-	-	-	-	-	**550**
Issuance of Advanced Monies shares for the reverse acquisition	1,200	-	-	-	-	-	**1,200**
Share issuance expense	(3,236)	-	-				**(3,236)**
Other reserves	-	-	38,042	-	-	(423)	**37,619**
Total transactions with owners	75,302	-	38,042	-	-	(423)	**112,921**
Balance as at 30 Sep 2014	**96,806**	**(225)**	**34,994**	**1,945**	**61,891**	**1,765**	**197,176**

1(d)(i) Statements of Changes in Equity

GROUP	Share Capital $'000	Foreign Currency Translation Reserve $'000	Capital Reserve $'000	Surplus Reserve $'000	Accumulated Profits / (Losses) $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 01 Jan 2013	**21,504**	**-**	**(3,048)**	**1,945**	**56,067**	**1,563**	**78,031**
Total comprehensive income for the period							
Profit / (Loss) for the period	-	-	-	-	(4,380)	204	**(4,176)**
Other comprehensive income							
Translation differences relating to financial statements of foreign subsidiaries	-	(14)	-	-	-	-	**(14)**
Total comprehensive income / (loss) for the period	-	(14)	-	-	(4,380)	204	**(4,190)**
Balance as at 30 Sep 2013	**21,504**	**(14)**	**(3,048)**	**1,945**	**51,687**	**1,767**	**73,841**

1(d)(i) Statements of Changes in Equity

COMPANY	Share Capital $'000	Share Option Reserve $'000	Accumulated (Losses) / Profits $'000	Total Equity $'000
Balance as at 01 Jan 2014	**65,161**	**216**	**(30,861)**	**34,516**
Total comprehensive income for the period				
Loss for the period	-	-	(15,188)	**(15,188)**
Total comprehensive loss for the period	**-**	**-**	(15,188)	**(15,188)**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Transfer arising from share options forfeited / lapsed	-	(216)	216	**-**
Issuance of shares pursuant to reverse acquisition	76,788	-	-	**76,788**
Issuance of shares as part payment of professional fees for the reverse acquisition	550	-	-	**550**
Issuance of Advanced Monies shares for the reverse acquisition	1,200	-	-	**1,200**
Share issuance expense	(3,236)	-		**(3,236)**
Unclaimed dividends	-	-	3	**3**
Total transactions with owners	75,302	(216)	219	**75,305**
Balance as at 30 Sep 2014	**140,463**	**-**	**(45,830)**	**94,633**

1(d)(i) Statements of Changes in Equity

COMPANY	Share Capital $'000	Share Option Reserve $'000	Accumulated (Losses) / Profits $'000	Total Equity $'000
Balance as at 01 Jan 2013	**65,161**	**369**	**(6,771)**	**58,759**
Total comprehensive income for the period				
Loss for the period	-	-	(10,787)	**(10,787)**
Total comprehensive loss for the period	-	-	(10,787)	**(10,787)**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Transfer arising from share options forfeited / lapsed	-	(153)	153	**-**
Total transactions with owners	-	(153)	153	**-**
Balance as at 30 Sep 2013	**65,161**	**216**	**(17,405)**	**47,972**

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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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

ORDINARY SHARES

COMPANY	2014		2013	
	No. of shares	Capital S$'000	No. of shares	Capital S$'000
At 1 January	**548,488,257**	**65,161**	**548,488,257**	**65,161**
Share consolidation	109,697,651	65,161	-	-
Issue of shares pursuant to reverse acquisition	210,617,123	76,788	-	-
Issue of shares as part payment of professional fees for the reverse acquisition	786,225	550	-	-
Issue of Advanced Monies shares for the reverse acquisition	1,846,153	1,200	-	-
Share issue expenses	-	(3,236)	-	-
At 30 September	**322,947,152**	**140,463**	**548,488,257**	**65,161**

EMPLOYEES' SHARE OPTIONS

COMPANY	No of options	Weighted Average Price	Options Exercise Price Range (if applicable)
As at 01 Jan 2014	**1,520,479**	**$0.509**	**Between S$0.156 and S$0.773**
Share options forfeited	**(1,520,479)**	**$0.509**	**Between S$0.156 and S$0.773**
As at 30 Sep 2014	**-**	**-**	**-**

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

COMPANY	30 Sep 2014	31 Dec 2013
Number of ordinary shares on issue	**322,947,152**	**548,488,257**

There were no treasury shares held as at 30 September 2014 and 31 December 2013.

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

None.

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 Company's auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5, the Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2013.

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 following new/amended FRSs have become effective from 1 January 2014:
Revised FRS 27 Separate Financial Statements
FRS 110 Consolidated Financial Statements
FRS 111 Joint Arrangements
FRS 112 Disclosure of Interests in Other Entities
Amendments to FRS 32 Offsetting of Financial Assets and and Financial Liabilities

The adoption of the above new/revised FRSs does not have a material impact on the financial statements for the period under review.

6. Earnings Per Share

	9 months ended 30 Sep	
	2014	2013
Basic earnings per share	**2.72 cents**	**-**
Weighted average number of shares for the purpose of computing basic earnings per share	133,392,040	N.A.
Fully diluted earnings per share	**2.72 cents**	**-**
Weighted average number of shares for the purpose of computing fully diluted earnings per share	133,392,040	N.A.

It is not meaningful for comparatives for the nine months ended 30 September 2013 to be set out as the reverse acquisition was only effected on 19 August 2014.

N.A. means not applicable

7. Net Asset Value Per Share

	30 Sep 2014	31 Dec 2013
Group net asset value per ordinary share	**60.5 cents**	**-**
Number of ordinary shares in issue	322,947,152	N.A.
Company net asset value per ordinary share	**29.3 cents**	**6.3 cents**
Number of ordinary shares in issue	322,947,152	548,488,257

It is not meaningful for Group's comparatives for the financial year ended 31 December 2013 to be set out as the reverse acquisition was only effected on 19 August 2014.

N.A. means not applicable

8. Financial Performance

Due to the CIMC-TD acquisition being accounted for as a reverse acquisition in accordance to FRS103, the shareholders of CIMC-TD become the majority shareholders in the Enlarged Group. The legal subsidiary (i.e. CIMC-TD) is therefore the acquirer for accounting purpose.

As a result, the Group's consolidated financial statements for the financial period ended 30 September 2014 were prepared as a continuation of CIMC-TD Group's financial statements and that CIMC-TD Group had acquired PGL Group with effect from 1 September 2014. Accordingly, 3QFY14 financial results would comprise 3 months financial results of CIMC-TD Group and 1 month financial results of PGL. Comparatively, 3QFY13 will only include the financial results of CIMC-TD Group.

The changes in revenue and expenses between the third quarter ended 30 September 2014 ("3QFY14") and the third quarter ended 30 September 2013 ("3QFY13") were not comparable.

Revenue

Revenue for 3QFY14 increased by S$26.4 million to S$51.7 million, from S$25.3 million for 3QFY13. This was due mainly to the completion of more passenger boarding bridges projects in both China and internationally.

Revenue for the nine months ended 30 September 2014 ("9MFY14") increased by S$13.7 million to S$84.0 million, from S$70.3 million for the nine months ended 30 September 2013 ("9MFY13"). The increase was attributed to higher revenue contribution from all business segments.

Materials, Subcontract and Other Direct Cost ("MSO")

MSO increased from S$16.8 million for 3QFY13 to S$29.6 million for 3QFY14.

MSO increased marginally from S$47.7 million for 9MFY13 to S$48.2 million for 9MFY14. This translated to higher margins resulting from cost control and higher margin for completed passenger boarding bridges projects.

Other Income

Other income increased marginally for 3QFY14 to S$0.7 million, from S$0.3 million for 3QFY13. The increase was mainly attributed to rental income and interest income earned during the quarter under review.

Staff Costs

Staff costs for 3QFY14 increased by S$6.0 million from S$4.3 million for 3QFY13 to S$10.3 million for 3QFY14. Staff cost of S$17.9 million for 9MFY14 increased by S$5.0 million from S$12.9 million for 9MFY13.

The increase was largely due to the increase in staff headcount resulting from the increase in the size of business operations and general increase in labour cost of the Chinese workforce.

Depreciation

Depreciation for 3QFY14 increased by S$0.4 million to S$0.5 million, from S$0.1 million for 3QFY13.

Depreciation of S$0.7 million for 9MFY14 increased by S$0.3 million from S$0.4 million for 9MFY13. The increase in depreciation expense was mainly attributed to the higher depreciation charge resulting from the fair valuation of the Group's leasehold building in Singapore and additional machinery and other equipment acquired during the quarter and period under review.

Other Operating Expenses

Other operating expenses increased by S$1.6 million to S$6.6 million for 3QFY14, from S$5.0 million for 3QFY13. The increase was in line with the increase in business activities undertaken by the Group.

Finance Expense

Finance expense increased by S$0.1 million from S$0.2 million in 3QFY13 to S$0.3 million in 3QFY14. The increase was mainly attributed to the financing cost resulting from the inclusion of borrowings incurred by PGL Group.

Finance expenses decreased by S$0.3 million from S$0.8 million for 9MFY13 to S$0.5 million for 9MFY14 mainly due to the reduction in interest expense resulting from the lower average borrowings for 9MFY14.

Profit/ (Loss) After Tax

As a result of the above, the Group reported a profit after tax of S$4.7 million for 3QFY14, compared to a loss after tax of S$0.8 million for 3QFY13. Group profit attributable to owners of the Company of $4.6 million for 3QFY14 was S$5.5 million higher than the loss of S$0.9 million for 3QFY13.

Statement of Financial Position

Non-current assets increased S$136.3 million from S$44.1 million as at 31 December 2013 to S$180.4 million as at 30 September 2014. The increase was mainly due to (1) purchase of property, plant and equipment, financial assets, intangible assets and derivatives amounting to S$127.1 million as a result of the reverse acquisition and (2) additional investment in the construction of the new factory at Baoan District, China amounting to S$9.0 million.

Current assets increased by S$110.0 million from S$172.3 million as at 31 December 2013 to S$282.3 million as at 30 September 2014. The increase was mainly due to the reverse acquisition, an increase in cash and cash equivalents and an increase in inventory holding resulting from the higher level of business activities.

Non-current liabilities amounted to S$8.8 million as at 30 September 2014 as compared to S$6.3 million as at 31 December 2013. The increase was largely due to the increase in deferred income. Deferred income relates to grants and special funds from the PRC government, which are recognised initially as deferred income upon receipt and when there is reasonable assurance that the conditions associated with the grant or fund can be complied with, they are then recognised as other income over the useful life of the related asset.

Current liabilities amounted to S$256.7 million as at 30 September 2014 as compared to S$129.4 million as at 31 December 2013. The increase was largely due to the reverse acquisition which resulted in the increase in trade and other payables, the increase in borrowings for working capital and the increase in advanced payments received from the customers.

8. Financial Performance (Continued)

Cash Flow, Bank Borrowings and Net Gearing

GROUP	Sep 2014 $'000	Dec 2013 $'000	Change %
Net assets	197,176	80,669	n m
Net current assets	25,595	42,901	↓ 40
Total borrowings	82,468	17,705	n m
Gearing ratio	**41.8%**	**21.9%**	
Cash and cash equivalents	47,558	7,940	n m
Net borrowings	34,910	9,765	n m
Net gearing ratio	**17.7%**	**12.1%**	

The Group's cash and cash equivalents as at 30 September 2014 were S$47.6 million, compared to S$7.9 million as at 31 December 2013. Bank borrowings increased from S$17.7 million as at 31 December 2013 to S$82.5 million as at 30 September 2014. The Group's net gearing ratio increased to 17.7% as at 30 September 2014, from 12.1% as at 31 December 2013.

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

No quarterly forecast was previously given.

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 global airlines industry is expected to grow at a compounded annual growth rate ("CAGR") of 6.4% between 2013 and 2017, according to a report by International Airport Transport Association released in March 2014. The number of airports in the People's Republic of China is also expected to increase from 175 in 2010 to more than 230 by 2015, according to the Civil Aviation Industry Development Plan.

Concurrently, with airports undergoing large-scale upgrading and expansion, the Group believes that there will be increased demand for new passenger boarding bridges and other airport facility equipment. The Group believes there will also be continued demand for passenger boarding bridges owing to the fact that the first batch of passenger boarding bridges requires upgrading and refurbishment in the next five years. With the construction of new airports and expansion of existing ones, demand for airport facility equipments including BHS is expected to increase.

Barring any unforeseen circumstances, the Group believes that the global market for airport facility equipment will continue to grow in FY2014 and are optimistic about seeing growth in sales across its business segments in FY2014.

To meet the potential demand for our products and services, CIMC-TD is building a new office and production facility, which is expected to double its production capacity with the completion of its first phase by end 2014.

Following the completion of the RTO in August 2014, the Group is working to integrate PGL's operations and harness synergies to achieve greater economies of scale, cost savings and market penetration across global markets. By leveraging on the financial and operational resources of the Group and its global network, the Group aims to enable PGL to better compete in the global business environment and benefit from the economies of scale of its operations. The Group can also tap on PGL's strong brand name and market reputation and incorporate PGL's product offerings to expand its business footprint.

The Group aims to strengthen its market position as a leading manufacturer and supplier of airport facility equipments (passenger boarding bridges and ground support equipments, including BHS), and to continue expanding its materials handling systems and automated parking systems.

As at 30 September 2014, the Group's order book stands at S$425 million.

11. Dividends

(a) Current Financial Period Reported On, any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year, any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend is recommended.

13. If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (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[1]	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transaction less than $100,000)
	S$'000	S$'000
China International Marine Containers (Group) Ltd ("CIMC") and China International Marine Containers (Hong Kong) Ltd ("CIMC-HK")[2]	84,000	-
CIMC[3]		
- Total amounts due from CIMC	4,554	-
- Interest income on amounts due from CIMC	236	-
- Interest expense on amounts due to CIMC	285	-
CIMC Finance Company Ltd ("CIMC Finance")		
- Cash deposits placed with CIMC Finance[4]	-	20,701
- Loans from CIMC Finance and interest expense paid and payable to CIMC Finance	22,189	-
Shenzhen Southern CIMC Containers Manufacture Co., Ltd	577	-
Shenzhen Southern CIMC Containers Services Co.,Ltd	338	-
China Merchants Shekou Industrial Zone., Ltd	246	-

13. If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (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 (continued)

Notes

1. These companies are considered the "same interested person" for the purposes of Chapter 9 of the Catalist Rules.

2. As at 30 September 2014, CIMC and CIMC-HK have collectively provided letters of comfort in connection with the Revolving Credit Facility and Trade Facility extended to the PGL Group by a consortium of banks.

As at 30 September 2014, the aggregate amount in respect of the letter of comfort in relation to the Revolvng Credit Facility was S$52.0 million and the aggregate amount in respect of the letter of comfort in relation to the Trade Facility was S$32.0 million.

3. These transactions have ceased upon completion of the RTO.

4. This includes cash deposits placed with CIMC Finance from 1 January to 18 August 2014 which has been carried forward to the period after completion of the RTO.

14. Negative Assurance

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Group and the Company for the nine months ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board

Dr Li Yinhui
Chairman

Zheng Zuhua
CEO/Executive Director

BY ORDER OF THE BOARD
Tan Swee Gek
Company Secretary
14 Nov 2014