TAT HONG HOLDINGS LTD

Registration Number: 199105392H

Unaudited Second Quarter Financial Statements Announcement
For The Period Ended 30 September 2014

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Second Quarter)			Group (Half Year)		
	3 months ended			6 months ended		
	30 September 2014	30 September 2013	% Change	30 September 2014	30 September 2013	% Change
	S$'000	S$'000		S$'000	S$'000	
Revenue	152,844	185,299	(18)	317,015	360,803	(12)
Cost of sales	(96,551)	(117,163)	(18)	(200,912)	(228,789)	(12)
Gross profit	56,293	68,136	(17)	116,103	132,014	(12)
Other operating income including interest income	10,114	2,921	246	14,297	8,161	75
Distribution expenses	(7,459)	(6,139)	22	(14,822)	(13,612)	9
Administrative expenses	(16,180)	(13,936)	16	(28,105)	(27,536)	2
Other operating expenses	(22,916)	(32,369)	(29)	(52,010)	(63,676)	(18)
Finance costs	(6,289)	(6,543)	(4)	(12,972)	(12,435)	4
Share of profits of associates (net of tax)	2,845	1,157	146	4,239	2,262	87
Share of profits of joint ventures (net of tax)	44	428	(90)	8	825	(99)
Profit before income tax	16,452	13,655	20	26,738	26,003	3
Income tax expense	(3,447)	(4,145)	(17)	(7,522)	(7,308)	3
Profit for the period	13,005	9,510	37	19,216	18,695	3
Attributable to:						
Owners of the Company	11,452	8,217	39	17,413	16,459	6
Non-controlling interests	1,553	1,293	20	1,803	2,236	(19)
Profit for the period	13,005	9,510	37	19,216	18,695	3

1(a)(ii) Statement Of Comprehensive Income

	Group (Second Quarter)			Group (Half Year)		
	3 months ended			6 months ended		
	30 September 2014	30 September 2013	% Change	30 September 2014	30 September 2013	% Change
	S$'000	S$'000		S$'000	S$'000	
Profit for the period	13,005	9,510	37	19,216	18,695	3
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Share of other comprehensive income of an associate	-	-	-	-	(47)	NM
Net gain/(loss) on translation of capital reserve	90	(13)	NM	39	67	(42)
Foreign currency translation reclassified to profit or loss on disposal of an associate	-	-	-	1,023	-	NM
Translation adjustments	(5,905)	155	NM	(7,958)	(21,123)	(62)
Other comprehensive (loss)/income for the period	(5,815)	142	NM	(6,896)	(21,103)	(67)
Total comprehensive income/(loss) for the period	7,190	9,652	(26)	12,320	(2,408)	NM
Attributable to:						
Shareholders of the company	5,380	8,586	(37)	11,184	(5,280)	NM
Non-controlling interests	1,810	1,066	70	1,136	2,872	(60)
Total comprehensive income for the period	7,190	9,652	(26)	12,320	(2,408)	NM

NM: Not meaningful

1(a)(iii) Notes to income statement

	Group (Second Quarter)			Group (Half Year)		
	3 months ended			6 months ended		
	30 September 2014	30 September 2013	% Change	30 September 2014	30 September 2013	% Change
	S$'000	S$'000		S$'000	S$'000	
Depreciation of property, plant and equipment	(21,975)	(21,396)	3	(44,610)	(42,917)	4
Gain on disposal of property, plant & equipment	3,714	1,302	185	5,369	5,365	-
Property, plant and equipment written off	(42)	-	NM	(64)	-	NM
Amortisation of intangible assets	(99)	(141)	(30)	(196)	(307)	(36)
Inventories written off	-	-	-	-	(11)	NM
Allowance (recognised)/written back for inventories	(4,337)	921	NM	(4,441)	442	NM
Allowance (recognised)/written back for trade receivables	(399)	840	NM	(1,265)	430	NM
Foreign exchange gain/(loss)	4,531	(6,599)	NM	1,727	(11,150)	NM
Gain on fair value adjustment on derivatives	100	1,420	(93)	425	4,845	(91)
Dividend income from investment in other financial assets	174	-	NM	174	-	NM
Interest income	234	208	13	411	386	6
Share based payment expenses	(30)	(14)	114	(181)	(80)	126
Loss on dilution of interest in an associate	-	-	-	-	(44)	NM
Gain on disposal of an associate	-	-	-	151	-	NM
Gain on disposal of subsidiaries	4,809	-	NM	4,809	-	NM
Under provision of income tax expense	(38)	(108)	(65)	(40)	(35)	14
Cost of long service leave and annual leave	(1,358)	(1,536)	(12)	(2,612)	(2,987)	(13)

NM: 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.

	Group		Company	
	30 September 2014 S$'000	31 March 2014 S$'000	30 September 2014 S$'000	31 March 2014 S$'000
Non-current assets				
Property, plant and equipment	951,450	975,422	550	608
Subsidiaries	-	-	411,216	384,463
Associates	56,350	69,271	11,934	27,486
Joint ventures	4,593	2,579	4,439	2,178
Other financial assets	673	518	589	434
Trade receivables	1,804	2,074	-	-
Deferred tax assets	5,121	5,293	-	-
Intangible assets	43,709	45,230	-	-
	1,063,700	1,100,387	428,728	415,169
Current assets				
Inventories	171,135	186,306	-	-
Trade and other receivables	246,048	228,764	71,587	90,139
Cash and cash equivalents	46,743	58,603	471	178
	463,926	473,673	72,058	90,317
Total assets	1,527,626	1,574,060	500,786	505,486
Equity attributable to owners of the Company				
Share capital	337,321	337,321	337,321	337,321
Reserve for own shares	(1,421)	(1,606)	(1,421)	(1,606)
Share based payment reserve	747	778	747	778
Capital reserves	27,976	29,424	31	28
Currency translation reserve	(26,761)	(20,493)	-	-
Accumulated profits	337,425	330,111	33,149	42,586
	675,287	675,535	369,827	379,107
Non-controlling interests	49,954	52,073	-	-
Total equity	725,241	727,608	369,827	379,107
Non-current liabilities				
Trade and other payables	1,284	1,533	-	-
Financial liabilities	213,545	255,652	6,974	14,975
Notes payable	99,170	99,170	99,170	99,170
Deferred tax liabilities	23,915	28,049	-	-
	337,914	384,404	106,144	114,145
Current liabilities				
Trade and other payables	217,637	238,152	3,046	3,715
Financial liabilities	244,904	223,451	21,750	8,500
Current tax payable	1,930	445	19	19
	464,471	462,048	24,815	12,234
Total liabilities	802,385	846,452	130,959	126,379
Total equity and liabilities	1,527,626	1,574,060	500,786	505,486

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

Amount repayable in one year or less, or on demand

As at 30 September 2014		As at 31 March 2014	
Secured	Unsecured	Secured	Unsecured
S$113,882,000	S$131,022,000	S$106,116,000	S$117,335,000

Amount repayable after one year

As at 30 September 2014		As at 31 March 2014	
Secured	Unsecured	Secured	Unsecured
S$182,516,000	S$31,029,000	S$200,645,000	S$55,007,000

Details of any collateral

Included in the Group's secured borrowings are borrowings of:-

(i) S$7,935,000 (31 March 2014: S$10,273,000) secured by a charge over seven barges and a work boat of a subsidiary with a carrying value of S$31,761,000 (31 March 2014: S$29,179,000);

(ii) S$178,165,000 (31 March 2014: S$192,186,000) in respect of property, plant and equipment acquired under finance leases with a carrying value of S$285,415,000 (31 March 2014: S$303,947,000);

(iii) S$16,848,000 (31 March 2014:S$19,835,000) secured by a charge over the freehold land and building of a subsidiary with a carrying value of S$25,695,000 (31 March 2014: S$27,007,000);

(iv) S$79,591,000 (31 March 2014: S$63,229,000) secured by equipment of a subsidiary with a carrying value of S$115,604,000 (31 March 2014: S$110,101,000); and

(v) S$13,859,0000 (31 March 2014: S$21,238,000) secured by a charge over leasehold land and building of a subsidiary with a carrying value of S$20,451,000 (31 March 2014: S$28,137,000).

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.

	Group (Second Quarter)		Group (Half Year)	
	3 months ended		6 months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Profit for the period	13,005	9,510	19,216	18,695
Adjustments for:				
Inventories written off	-	-	-	11
Depreciation of property, plant and equipment	21,975	21,396	44,610	42,917
Gain on disposal of property, plant and equipment	(3,714)	(1,302)	(5,369)	(5,365)
Gain on fair value adjustment on derivatives	(100)	(1,420)	(425)	(4,845)
Property, plant and equipment written off	42	-	64	-
Amortisation of intangible assets	99	141	196	307
Cost of long service leave and annual leave	1,358	1,536	2,612	2,987
Gain on disposal of subsidiaries	(4,809)	-	(4,809)	-
Gain on disposal of an associate	-	-	(151)	-
Dividend income from investment in other financial assets	(174)	-	(174)	-
Share of profits of associates (net of tax)	(2,845)	(1,157)	(4,239)	(2,262)
Share of profits of joint ventures (net of tax)	(44)	(428)	(8)	(825)
Provisions made	30	7	77	28
Share based payment expenses	30	14	181	80
Loss on dilution of interest in an associate	-	-	-	44
Interest income	(234)	(208)	(411)	(386)
Finance costs	6,289	6,543	12,972	12,435
Income tax expense	3,447	4,145	7,522	7,308
Operating profit before working capital changes	34,355	38,777	71,864	71,129
Changes in working capital:				
Inventories	(6,603)	(9,134)	(9,175)	(18,211)
Trade and other receivables	(6,113)	(2,191)	(20,120)	3,027
Trade and other payables	26,843	(32,781)	22,415	(21,667)
Non-trade balances with related parties	-	22	-	(182)
Cash generated from/(used in) operations	48,482	(5,307)	64,984	34,096
Income taxes paid	(4,032)	(8,506)	(6,222)	(13,616)
Payment for long service leave and annual leave and others	(1,130)	(2,088)	(2,131)	(3,134)
Net cash from/(used in) operating activities	43,320	(15,901)	56,631	17,346
Investing activities:				
Purchase of property, plant and equipment	(14,991)	(40,171)	(32,652)	(78,749)
Purchase of intangible assets	(395)	(8)	(732)	(23)
Proceeds from disposal of property, plant and equipment	1,157	1,756	14,677	11,930
Proceeds from dilution of interest of an associate	-	-	-	383
Acquisition of non-controlling interests	-	-	(11,302)	-
Equity contribution by non-controlling interests	-	-	11,044	-
Net cash inflow on disposal of subsidiaries	10,761	-	10,761	-
Proceeds from disposal of an associate	-	-	17,181	-
Dividends received from associates	532	266	678	412
Dividends received from a joint venture	-	-	-	1,083
Investment in a joint venture	-	(253)	(2,261)	(253)
Investment in other financial assets	(155)	(110)	(155)	(110)
Interest received	234	208	411	403
Net cash (used in)/from investing activities	(2,857)	(38,312)	7,650	(64,924)

	Group (Second Quarter)		Group (Half Year)	
	3 months ended		6 months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	S$'000	S$'000	S$'000	S$'000
Financing activities:				
Proceeds from issuance of shares on exercise of share options	-	-	-	440
Net (repayment of)/proceeds from trust receipts	(11,939)	24,166	(31,576)	20,235
Proceeds from bank loans	19,492	26,475	76,463	74,393
Proceeds from issuance of fixed rate notes	-	100,000	-	100,000
Repayment of bank loans	(43,268)	(42,589)	(68,973)	(76,750)
Proceeds from finance lease obligations	13,723	6,361	16,542	15,958
Repayment of finance lease obligations	(22,318)	(19,142)	(41,954)	(44,157)
Dividends paid	(6,417)	(16,038)	(6,417)	(16,038)
Dividends paid to non-controlling interests	-	(450)	-	(450)
Fixed deposit uplifted for certain banking facilities	-	-	-	1,805
Interest paid	(5,967)	(7,550)	(12,754)	(12,389)
Cash flows (used in)/from financing activities	(56,694)	71,233	(68,669)	63,047
Net (decrease)/increase in cash and cash equivalents during the period	(16,231)	17,020	(4,388)	15,469
Cash and cash equivalents at beginning of the period	64,289	57,697	51,191	60,974
Effect of exchange rate fluctuations on cash held	(1,315)	(236)	(60)	(1,962)
Cash and cash equivalents at end of the period	46,743	74,481	46,743	74,481

	Group	
	30 September 2014	30 September 2013
	S$'000	S$'000
Cash and cash equivalents		
Cash, bank balances and fixed deposits with banks	46,743	74,599
Bank overdrafts	-	(118)
	46,743	74,481

Notes:

During the 6 months ended 30 September 2014, the Group acquired property, plant and equipment with an aggregate cost of S$65,142,000 (30 September 2013: S$95,571,000) of which S$22,141,000 (30 September 2013: S$16,823,000) was acquired by means of finance leases.

In addition, property, plant and equipment of S$21,554,000 (30 September 2013: S$23,083,000) was reclassified from inventories during the 6 months ended 30 September 2014, of which S$16,542,000 (30 September 2013: S$15,958,000) was financed by means of finance leases.

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.

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 April 2013	**336,753**	**(1,693)**	**905**	**24,200**	**4,425**	**325,030**	**689,620**	**49,940**	**739,560**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	8,242	8,242	943	9,185
Other comprehensive income									
Share of other comprehensive loss of an associate	-	-	-	(47)	-	-	(47)	-	(47)
Net gain/(loss) on translation of net investment in foreign entities	-	-	-	80	(22,141)	-	(22,061)	863	(21,198)
Total other comprehensive income	-	-	-	33	(22,141)	-	(22,108)	863	(21,245)
Total comprehensive income for the period	-	-	-	33	(22,141)	8,242	(13,866)	1,806	(12,060)
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Issuance of shares on exercise of share option	568	-	(128)	-	-	-	440	-	440
Value of employee services received for issue of performance shares	-	-	66	-	-	-	66	-	66
Performance shares awarded using treasury shares	-	87	(101)	14	-	-	-	-	-
Total contributions by and distributions to owners of the Company	568	87	(163)	14	-	-	506	-	506
At 30 June 2013	**337,321**	**(1,606)**	**742**	**24,247**	**(17,716)**	**333,272**	**676,260**	**51,746**	**728,006**

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 July 2013	**337,321**	**(1,606)**	**742**	**24,247**	**(17,716)**	**333,272**	**676,260**	**51,746**	**728,006**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	8,217	8,217	1,293	9,510
Other comprehensive income									
Net (loss)/gain on translation of net investment in foreign entities	-	-	-	(13)	382	-	369	(227)	142
Total other comprehensive income	-	-	-	(13)	382	-	369	(227)	142
Total comprehensive income for the period	-	-	-	(13)	382	8,217	8,586	1,066	9,652
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Value of employee services received for issue of performance shares	-	-	14	-	-	-	14	-	14
Bonus shares issued	-	-	-	4,355	-	(4,355)	**-**	**-**	**-**
Dividends paid	-	-	-	-	-	(16,038)	(16,038)	(450)	(16,488)
Total contributions by and distributions to owners of the Company	-	-	14	4,355	-	(20,393)	(16,024)	(450)	(16,474)
At 30 September 2013	**337,321**	**(1,606)**	**756**	**28,589**	**(17,334)**	**321,096**	**668,822**	**52,362**	**721,184**

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 April 2014	**337,321**	**(1,606)**	**778**	**29,424**	**(20,493)**	**330,111**	**675,535**	**52,073**	**727,608**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	5,961	5,961	250	6,211
Other comprehensive income									
Foreign currency translation reclassified to profit or loss on disposal of an associate	-	-	-	-	1,023	-	1,023	-	1,023
Net gain/(loss) on translation of net investment in foreign entities	-	-	-	(51)	(1,129)	-	(1,180)	(924)	(2,104)
Total other comprehensive income	-	-	-	(51)	(106)	-	(157)	(924)	(1,081)
Total comprehensive income for the period	-	-	-	(51)	(106)	5,961	5,804	(674)	5,130
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Value of employee services received for issue of performance shares	-	-	151	-	-	-	151	-	151
Performance shares awarded using treasury shares	-	185	(188)	3	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	185	(37)	3	-	-	151	-	151
Change in ownership interests in subsidiaries									
Acquisition of/Equity contribution by non-controlling interests	-	-	-	(5,196)	-	-	(5,196)	4,938	(258)
Total changes in ownership interests in subsidiaries	-	-	-	(5,196)	-	-	(5,196)	4,938	(258)
At 30 June 2014	**337,321**	**(1,421)**	**741**	**24,180**	**(20,599)**	**336,072**	**676,294**	**56,337**	**732,631**

The Group

	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Currency translation reserve S$'000	Accumulated profits S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 July 2014	**337,321**	**(1,421)**	**741**	**24,180**	**(20,599)**	**336,072**	**676,294**	**56,337**	**732,631**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	11,452	11,452	1,553	13,005
Other comprehensive income									
Net (loss)/gain on translation of net investment in foreign entities	-	-	-	90	(6,162)	-	(6,072)	257	(5,815)
Total other comprehensive income	-	-	-	90	(6,162)	-	(6,072)	257	(5,815)
Total comprehensive income for the period	-	-	-	90	(6,162)	11,452	5,380	1,810	7,190
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Disposal of subsidiaries	-	-	-	-	-	-	-	(7,154)	(7,154)
Value of employee services received for issue of performance shares	-	-	30	-	-	-	30	-	30
Cancellation of share options	-	-	(24)	-	-	24	-	-	-
Bonus shares issued	-	-	-	3,706	-	(3,706)	-	-	-
Dividends paid	-	-	-	-	-	(6,417)	(6,417)	(1,039)	(7,456)
Total contributions by and distributions to owners of the Company	-	-	6	3,706	-	(10,099)	(6,387)	(8,193)	(14,580)
At 30 September 2014	**337,321**	**(1,421)**	**747**	**27,976**	**(26,761)**	**337,425**	**675,287**	**49,954**	**725,241**

The Company	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Accumulated profits S$'000	Total equity S$'000
At 1 April 2013	**336,753**	**(1,693)**	**905**	**14**	**35,717**	**371,696**
Total comprehensive income for the period						
Loss for the period/Total comprehensive income for the period	-	-	-	-	(3,136)	(3,136)
Contributions by and distributions to owners of the Company						
Issuance of shares on exercise of share options	568	-	(128)	-	-	440
Value of employee services received for issue of performance shares	-	-	66	-	-	66
Performance shares awarded using treasury shares	-	87	(101)	14	-	-
Total contributions by and distributions to owners of the Company	568	87	(163)	14	-	506
At 30 June 2013	**337,321**	**(1,606)**	**742**	**28**	**32,581**	**369,066**
At 1 July 2013	**337,321**	**(1,606)**	**742**	**28**	**32,581**	**369,066**
Total comprehensive income for the period						
Profit for the period/Total comprehensive income for the period	-	-	-	-	23,158	23,158
Contributions by and distributions to owners of the Company						
Value of employee services received for issue of performance shares	-	-	14	-	-	14
Dividends paid	-	-	-	-	(16,038)	(16,038)
Total contributions by and distributions to owners of the Company	-	-	14	-	(16,038)	(16,024)
At 30 September 2013	**337,321**	**(1,606)**	**756**	**28**	**39,701**	**376,200**

The Company	Share capital S$'000	Reserve for own shares S$'000	Share based payment reserve S$'000	Capital reserves S$'000	Accumulated profits S$'000	Total equity S$'000
At 1 April 2014	**337,321**	**(1,606)**	**778**	**28**	**42,586**	**379,107**
Total comprehensive income for the period						
Loss for the period/Total comprehensive income for the period	-	-	-	-	(861)	(861)
Contributions by and distributions to owners of the Company						
Value of employee services received for issue of performance shares	-	-	151	-	-	151
Performance shares awarded using treasury shares	-	185	(188)	3	-	-
Total contributions by and distributions to owners of the Company	-	185	(37)	3	-	151
At 30 June 2014	**337,321**	**(1,421)**	**741**	**31**	**41,725**	**378,397**
At 1 July 2014	**337,321**	**(1,421)**	**741**	**31**	**41,725**	**378,397**
Total comprehensive income for the period						
Profit for the period/Total comprehensive income for the period	-	-	-	-	(2,183)	(2,183)
Contributions by and distributions to owners of the Company						
Value of employee services received for issue of performance shares	-	-	30	-	-	30
Cancellation of share options	-	-	(24)	-	24	-
Dividends paid	-	-	-	-	(6,417)	(6,417)
Total contributions by and distributions to owners of the Company	-	-	6	-	(6,393)	(6,387)
At 30 September 2014	**337,321**	**(1,421)**	**747**	**31**	**33,149**	**369,827**

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.

As at 30 September 2014, there were 418,500 (30 September 2013: 192,000) performance shares granted but not vested.

Convertible Redeemable Preference Shares

No convertible redeemable preference shares were converted to ordinary shares during the quarter ended 30 September 2014 (30 September 2013: nil). As at 30 September 2014, there were 11,700,000 (30 September 2013: 11,700,000) outstanding convertible redeemable preference shares available for conversion to 11,700,000 ordinary shares.

Share Option

During the quarter ended 30 September 2014, no share options under the Tat Hong Employee Share Option Scheme 2006 were exercised and settled by way of issued ordinary shares (30 September 2013: nil).

During the quarter ended 30 September 2014, 25,000 share options were cancelled (30 September 2013: nil). As at 30 September 2014, there were 2,034,000 (30 September 2013: 2,134,000) outstanding share options exercisable at the price of S$1.08 per share.

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.

As at 30 September 2014, the Company's issued and paid up capital less treasury shares comprised 630,027,323 ordinary shares (31 March 2014: 629,823,823) and 11,700,000 convertible redeemable preference shares (31 March 2014: 11,700,000).

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.

	FY2015	FY2014
Balance as at 1 April	1,769,000	1,865,000
Performance shares awarded using treasury shares in 1Q	(203,500)	(96,000)
Balance as at 30 September	1,565,500	1,769,000

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.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 below, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period as those applied in the audited financial statements for the year ended 31 March 2014.

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.

In the current financial period, the Group adopted the applicable new and revised Singapore Financial Reporting Standards ("FRSs") and related Interpretations ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group (Second Quarter)		Group (Half Year)	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Net Profit attributable to owners of the Group (S$'000)	11,452	8,217	17,413	16,459
Weighted average ordinary shares ('000) for calculation of:				
- Basic earnings per share	641,727	641,524	641,694	641,443
- Diluted earnings per share	641,727	641,524	641,694	641,443
Earnings per ordinary share ("EPS") (SGD cents) of the Group:				
(a) Based on the weighted average number of ordinary shares on issue	1.78	1.28	2.71	2.57
(b) On a fully diluted basis	1.78	1.28	2.71	2.57

The weighted average number of ordinary shares for "Diluted earnings per share" as at 30 September 2014 and 2013 do not include the outstanding employee share options, granted in September 2009, as the share options were deemed to be anti-dilutive as they were out-of-the-money.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	30 September 2014	31 March 2014	30 September 2014	31 March 2014
Net asset value per ordinary share (S$)	1.05	1.05	0.58	0.59
Net tangible asset per ordinary share (S$)	0.99	0.98	0.58	0.59

Net asset value and net tangible asset per ordinary share as at 30 September 2014 and 31 March 2014 were computed based on 641,727,323 and 641,523,823 shares respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period reported on.

Income statement

The Group's revenue in the second quarter ("2QFY2015") decreased by approximately 18% to S$152.8 million, compared to S$185.3 million posted in 2QFY2014 as shown in the table below:

	Group (Second Quarter)			Group (Half Year)		
Revenue	FY2015	FY2014	Change	FY2015	FY2014	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Distribution	48,719	74,983	(35)	105,799	141,008	(25)
Crane Rental	64,249	70,320	(9)	130,544	139,116	(6)
General Equipment Rental	15,342	17,434	(12)	31,669	37,961	(17)
Tower Crane Rental	24,534	22,562	9	49,003	42,718	15
	152,844	185,299	(18)	317,015	360,803	(12)

Revenue generated by the Distribution division in 2QFY2015 decreased by 35% to S$48.7 million. This was attributable to:

1. Lower equipment sales in Australia due to a slowdown in the general economy.
2. Decline in sales of excavators in Indonesia due to poor market sentiments.
3. Lower sales recorded in Singapore as a result of a decline in demand and increased competition.
4. Decline in sales to overseas markets such as Papua New Guinea, Europe and Malaysia.

Revenue generated by the Crane Rental division in 2QFY2015 decreased by 9% to S$64.2 million. This was due to the disposal of Hup Hin Transport in July 2014, completion of projects and slowdown in the construction industry in Singapore, as well as, reduced rental activity in overseas markets such as Papua New Guinea which was partially mitigated by higher revenue from Malaysia with new projects secured such as Sabah Ammonia Plant, Wheatstone LNG (fabrication of structures and components), Tanjung Bin 4 Power Plant and Connaught Bridge Power Plant. Crane rental revenue from Hong Kong, Thailand, and Australia remained comparable to that in 2QFY2014.

Revenue generated by the General Equipment Rental division in 2QFY2015 decreased by 12% to S$15.3 million due to market competition and lower public spending in Australia.

Revenue generated by the Tower Crane division in 2QFY2015 increased by 9% to S$24.5 million. This was due to a larger fleet size, coupled with improved utilisation rates as a result of continued participation in infrastructure, large commercial and power plant projects in China.

The overall decrease in revenue in 2QFY2015 led to a decline in the Group's gross profit, by 17%, to S$56.3 million (2QFY2014: S$68.1 million), whilst the gross profit margin remained stable at 36.8%.

The Group's other income in 2QFY2015 increased by 248% to S$10.1 million (2QFY2014: S$2.9 million), primarily contributed by the gain on disposal of Hup Hin Transport and higher gain on disposal of property, plant and equipment.

The Group's total operating expenses in 2QFY2015 decreased by 11% to S$46.5 million (2QFY2014: S$52.4 million), mainly due to the foreign exchange gain, including fair value gain on derivatives, in 2QFY2015 of S$4.6 million mainly attributable to the weakening of JPY against SGD and Euro against AUD and stronger USD and RMB against SGD. In comparison, foreign exchange loss, net of fair value gain on derivatives, for 2QFY2014 totalled S$5.2 million, most of which were unrealised losses. This was partially offset by:

1. Allowance of S$0.4million for trade receivables in the current period, compared to a write-back of S$0.8 million in 2QFY2014 from recovery of debts.
2. Higher staff and key management personnel costs of S$1.6 million.
3. Higher depreciation and amortisation charges of S$0.5 million.
4. Higher office expenses of S$0.4 million.

The Group's net profit after tax and minority interests in 2QFY2015 increased by 40.2% to S$11.5 million (2QFY2014: S$8.2million).

Balance Sheet Analysis (as at 30 September 2014 vs 31 March 2014)

- The decline in the Group's net book value of property, plant and equipment of S$24.0 million was mainly attributable to the disposal of Hup Hin Transport, offset by expansion of the crane fleet, and capitalisation of building costs.
- Inventories decreased by approximately S$15.2 million as a result of prudent inventory purchases during the period.
- Trade and other receivables increased by approximately S$17.3 million due to the timing of sales.
- Total financial liabilities fell by approximately S$20.7 million, following the disposal of Hup Hin Transport as well as net repayment of term loans and hire purchase finance.
- Net gearing as at 30 September 2014 was 0.81 times (31 March 2014: 0.87 times).

Cash flow

The net decrease of S$16.2 million in cash and cash equivalents during 2QFY2015 resulted mainly from repayment of term loans, trust receipts and hire purchase finance, interest payments, purchases of property, plant and equipment, partially offset by the operating cash flow surplus and proceeds from the disposal of Hup Hin Transport.

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

The macro environment remains largely similar to that disclosed under Paragraph 10 of the Group's Financial Statements for the First Quarter FY2015 ended 30 June 2014 released via the SGXNET on 14 August 2014.

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.

Demand continues to be relatively robust in the region for the Crane Rental division, however, weakness in the Singapore market, together with no further revenue contribution from Hup Hin Transport, will impact overall performance from this division.

The Tower Crane Rental division is expected to maintain its growth momentum in FY2015 with its strong base of on-going projects and new opportunities in the building, infrastructure, transport and power generation sectors in the People's Republic of China.

Trading conditions for the Distribution division is expected to continue to be challenging in the medium term due to the sluggish Australian economy, coupled with generally weak demand for heavy equipment in the region.

The General Equipment Rental division is expected to remain stable in view of the anticipated recovery in activity levels in the Australian construction sector.

Given that the economic and sector outlooks of the Group's key markets still remain challenging, the Group expects, barring unforeseen circumstances, stable performance for the remainder of FY2015.

11. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Ordinary (One Tier)
Amount per share	0.5 Singapore cent
Tax Rate	-

(b) Corresponding period of the immediately preceding financial year

Any dividend recommended for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Ordinary (One Tier)
Amount per share	1 Singapore cent
Tax Rate	-

(c) Date payable

The interim dividend will be payable on 9 December 2014.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed at 5.00 pm on 1 December 2014 ("Books Closure Date") for the preparation of dividend vouchers. Duly completed and stamped transfers received by the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road #05-01 The Corporate Office, Singapore 068902, up to 5.00 p.m. on the Books Closure Date will be registered to determine shareholders' entitlements to the dividends.

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

Not applicable.

13. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)				Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)			
	Group (Second Quarter) 3 months ended		Group (Half Year) 6 months ended		Group (Second Quarter) 3 months ended		Group (Half Year) 6 months ended	
	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
(A) Sale								
CS Construction & Geotechnic Pte Ltd	-	-	-	-	440	-	440	-
CMC Construction Pte Ltd	-	-	-	-	-	-	1,000	1,480
(B) Purchase								
CMC Construction Pte Ltd	-	-	-	-	-	-	-	250
ICE Far East (HK) Ltd	-	-	-	-	237	-	465	-
CS Bored Pile System Pte Ltd	-	-	-	-	-	120	-	120

By Order of the Board
Lional Tseng
Group Chief Financial Officer / Joint Company Secretary
14 November 2014

STATEMENT PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the financial results of the Group and Company (comprising the statement of financial position, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flow, together with their accompanying notes) as at 30 September 2014 and the results of the business, changes in equity and cash flows of the Group for the 6 months ended on that date, to be false or misleading in any material respect.

ON BEHALF OF THE DIRECTORS

Ng San Tiong
Managing Director

Ng Sun Ho
Executive Director