



SUNLIGHT GROUP HLDG LTD
(Company Registration No.199806046G)
Incorporated in the Republic of Singapore

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Half Year Unaudited Financial Statements for the Period Ended 30 September 2016

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

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

	Note	Group 30.09.2016 S\$'000	Group 30.09.2015 S\$'000	% increase/ (decrease)
Revenue		23,068	21,598	7
Cost of sales		(18,892)	(17,231)	10
Gross profit		4,176	4,367	(4)
Other operating income		165	302	(45)
Distribution expenses		(1,202)	(1,203)	-
Administrative expenses		(2,958)	(3,132)	(6)
Other operating expenses		(67)	(6,467)	(99)
Finance expense		(97)	(77)	26
Share of loss of associate, net of tax		-	(11)	(100)
Profit /(loss) before income tax		17	(6,221)	N.M.
Income tax expense		(195)	(39)	400
Loss for the period	(i)	(178)	(6,260)	(97)
Foreign currency translation differences - foreign operations		51	(16)	N.M.
Total comprehensive expense for the period		(127)	(6,276)	(98)
Loss per share				
Basic and diluted loss per share (cents)		(0.03)	(1.20)	

Notes:

(i) Loss for the year is arrived at after crediting/(charging) the following:

	Group S\$'000	
	30.09.2016	30.09.2015
Advances for exploration and evaluation written off	-	(6,336)
Amortisation of intangible assets	(61)	(67)
Amortisation for lease prepayment	(3)	(3)
Depreciation of property, plant and equipment	(285)	(289)
Foreign exchange gain/(loss)	40	(19)
Allowance for impairment loss on trade receivables	(1)	(119)
Inventories written down	(44)	(22)
Net change in fair value of quoted equity securities, held for trading	-	(4)
(Allowance)/write-back for inventories obsolescence	(97)	10
Write off of property, plant and equipment	-	(2)

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

	Note	Group S\$'000		Company S\$'000	
		30.9.2016	31.3.2016	30.9.2016	31.3.2016
Non-current assets					
Goodwill on consolidation		103	-	-	-
Property, plant and equipment		4,497	4,488	-	-
Lease prepayment		151	152	-	-
Intangible assets		129	190	-	-
Subsidiaries		-	-	4,899	4,236
Other investment		-	108	-	108
Long-term trade receivables		681	440	-	-
Deferred tax assets		44	44	-	-
		5,605	5,422	4,899	4,344
Current assets					
Inventories	1	8,440	6,443	-	-
Trade and other receivables	1	16,326	12,020	13	14
Amounts due from subsidiaries		-	-	6,518	5,518
Other financial assets		2	2	-	-
Cash and cash held with financial institutions		2,146	3,646	16	1,399
		26,914	22,111	6,547	6,931
Total assets		32,519	27,533	11,446	11,275
Equity					
Share capital		19,264	18,709	19,264	18,709
Reserves		(4,800)	(4,673)	(7,885)	(7,678)
Total equity		14,464	14,036	11,379	11,031
Non-current liabilities					
Finance lease liabilities		-	4	-	-
Loans and borrowings		669	846	-	-
		669	850	-	-
Current liabilities					
Trade and other payables	1	11,928	7,893	67	244
Finance lease liabilities		10	11	-	-
Loans and borrowings	1	2,939	2,324	-	-
Bank overdraft		2,206	2,200	-	-
Current tax payable		303	219	-	-
		17,386	12,647	67	244
Total liabilities		18,055	13,497	67	244
Total equity and liabilities		32,519	27,533	11,446	11,275

Note

1. The increases are mainly due to the increase in the Group's revenue during the current period.
2. The Company recorded the advances to Alexander Resources Pte Ltd ("ARPL") for exploration and evaluation activities ("advances") and some professional fees amounting to \$6.3 million as a current asset since FY2014. On 28 August 2015, ARPL informed the Company that it had become technically insolvent and that the advances had been fully utilized. In view of the significant uncertainty over the amount that may be recovered, the Company had written off such advances in 1HFY2016.

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

Amount repayable in one year or less, or on demand

As at 30.9.2016		As at 31.3.2016	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
320,625	4,834,573	298,275	4,236,837

Amount repayable after one year

As at 30.9.2016		As at 31.3.2016	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
668,648	-	850,053	-

Details of any collateral

A 10-year term loan of approximately S\$2.8 million was entered into by a wholly owned subsidiary with UOB Bank. The subsidiary's building with a net carrying amount of S\$2.1 million was charged to UOB Bank and a corporate guarantee was given by the ultimate holding company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group	
		30.9.2016	30.9.2015
	Note	S\$'000	S\$'000
Cash flows from operating activities	(Ref Pg 4)		
Loss for the year		(178)	(6,260)
Adjustments for:			
Allowance/(write-back) for inventories obsolescence		97	(10)
Amortisation for lease prepayment		3	3
Amortisation of intangible assets		61	67
Depreciation of property, plant and equipment		285	289
Allowance for impairment loss on trade receivables		1	119
Advances for exploration and evaluation written off	2	-	6,336
Income tax expense		195	39
Interest expense		97	62
Inventories written down		44	22
Net change in fair value of quoted equity securities, held for trading		-	4
Share of loss of associates, net of tax		-	11
Write off of property, plant and equipment		-	2
		<u>605</u>	<u>684</u>
Change in inventories	1	(1,663)	(970)
Change in trade and other receivables	1	(4,395)	(2,634)
Change in trade and other payables	1	<u>3,625</u>	<u>1,240</u>
Cash used in operations		<u>(1,828)</u>	<u>(1,680)</u>
Income tax paid		<u>(113)</u>	<u>(33)</u>
Net cash used in operating activities		<u>(1,941)</u>	<u>(1,713)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(261)	(41)
Acquisition of subsidiary		<u>124</u>	<u>-</u>
Net cash used in investing activities		<u>(137)</u>	<u>(41)</u>
Cash flows from financing activities			
Fixed deposits with banks pledged as security		(1)	(200)
Payment of finance lease liabilities		(5)	(5)
Proceeds from loans and borrowings	1	2,628	3,134
Repayment of bank borrowings		(2,190)	(1,118)
Interest paid		(97)	(62)
Proceeds from loan from a director		<u>200</u>	<u>-</u>
Net cash generated from financing activities		<u>535</u>	<u>1,749</u>
Net decrease in cash and cash equivalents		<u>(1,543)</u>	<u>(5)</u>
Cash and cash equivalents at beginning of the year		364	2,672
Effect of exchange rate fluctuations on cash held		<u>34</u>	<u>(12)</u>
Cash and cash equivalents at end of the period		<u>(1,145)</u>	<u>2,655</u>

For the purposes of the consolidated cash flow statement, the period end consolidated cash and cash equivalents comprised the following:

	Group	
	30.9.2016	30.9.2015
	S\$'000	S\$'000
Cash and cash equivalents held with financial institutions	2,146	5,467
Bank overdraft	<u>(2,206)</u>	<u>(1,594)</u>
	(60)	3,873
Fixed deposits with banks pledged as security	<u>(1,085)</u>	<u>(1,218)</u>
Cash and cash equivalents at end of the period	<u>(1,145)</u>	<u>2,655</u>

- 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.

Statement of Changes in Equity

Group

	Share capital S\$'000	Translation reserve S\$'000	Accumulated (losses)/profit S\$'000	Total equity S\$'000
At 1 April 2016	18,709	(2,229)	(2,444)	14,036
Total comprehensive income for the year				
Loss for the period	-	-	(178)	(178)
Other comprehensive income				
Foreign currency translation differences	-	51	-	51
Total comprehensive income for the period	-	51	(178)	(127)
Transactions with owners, recognized directly in equity				
Issue of ordinary shares	555	-	-	555
Total contribution by and distributions to owners	555	-	-	555
At 30 September 2016	<u>19,264</u>	<u>(2,178)</u>	<u>(2,622)</u>	<u>14,464</u>

At 1 April 2015	18,709	(2,021)	4,609	21,297
Total comprehensive income for the year				
Loss for the period	-	-	(6,260)	(6,260)
Other comprehensive income				
Foreign currency translation differences	-	(16)	-	(16)
Total comprehensive income for the period	-	(16)	(6,260)	(6,276)
At 30 September 2015	<u>18,709</u>	<u>(2,037)</u>	<u>(1,651)</u>	<u>15,021</u>

Company	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 April 2016	18,709	(7,678)	11,031
Total comprehensive income for the year			
Loss for the period	-	(207)	(207)
Total comprehensive income for the period	-	(207)	(207)
Transactions with owners, recognized directly in equity			
Issue of ordinary shares	555	-	555
Total contribution by and distributions to owners	555	-	555
At 30 September 2016	<u>19,264</u>	<u>(7,885)</u>	<u>11,379</u>
At 1 April 2015	18,709	(959)	17,750
Total comprehensive income for the year			
Loss for the period	-	(6,484)	(6,484)
Total comprehensive income for the period	-	(6,484)	(6,484)
At 30 September 2015	<u>18,709</u>	<u>(7,443)</u>	<u>11,266</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None.

On 22 July 2016, the Company issued 36,277,777 new ordinary shares in the capital of the Company to Tan Ghin Chwee, Ngo Wei-Tze Calvin, Ang Leng Hong and Poo Chooi Yee (the "Vendors") in satisfaction of the purchase consideration for the acquisition by the Company of 81.625% of the issued and paid up share capital of P5 Pte Ltd pursuant to the sale and purchase agreement dated 31 May 2016 entered into between the Company and the Vendors. As a result, the total number of issued shares of the Company increased from 521,246,666 to 557,524,443.

The Company has no outstanding convertibles as at 30 September 2016 (30 September 2015: Nil).

- 1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as the end of the immediately preceding year.**

The number of ordinary shares issued excluding treasury shares as at 30 September 2016 is 557,524,443 (30 September 2015: 521,246,666). The Company has no treasury shares as at 30 September 2016 (30 September 2015: Nil).

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

Not applicable.

- 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 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 for the adoption of the new/revised Financial Reporting Standards (FRSs) that became effective for the financial period beginning 1 April 2016, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the audited financial statements for the year ended 31 March 2016.

- 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.**

Not applicable.

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	
	30.9.2016	30.9.2015
Loss per ordinary share for the period based on net loss attributable to shareholders		
(i) Based on weighted average number of ordinary shares in issue of 535,321,651 and 521,246,666 respectively	(0.03) cents	(1.20) cents
(ii) On a fully diluted basis	(0.03) cents	(1.20) cents

**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	
	30.9.2016	31.3.2016	30.9.2016	31.3.2016
Net asset value per ordinary share based on 557,524,443 and 521,246,666 shares as at 30 September 2016 and 31 March 2016 respectively	2.59 cents	2.69 cents	2.04 cents	2.12 cents

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

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

The turnover of the Group for the 6 months ended 30 September 2016 ("1HFY2017") was S\$23.1 million, which increased approximately 7% compared to the last 6 months ended 30 September 2015 ("1HFY2016"). In 1HFY2016, the major projects undertaken were Afton Chemical Plant, Kingsland Data Center, Media Complex and the supply of large service boards to SP PowerAssets. In 1HFY2017, the major projects undertaken were an integrated regional hospital at Sengkang East Way, SLNG Terminal-Phase 3 Expansion, Jurong Shipyard and Tampines Town Hub.

Despite the slight increase in the Group's turnover, gross margins fell due to intense competition which led to a decrease in the gross profit of \$0.2 million. The Group incurred a lower general and administrative expenses of \$0.2 million but generated lower interest and rental income of \$0.1 million. Overall, the Group managed to breakeven for its profit before tax in 1HFY2017.

On 28 August 2015, Alexander Resources Pte Ltd ("ARPL") informed the Company that it had become technically insolvent and that the Group's advances to ARPL for exploration and evaluation activities ("advances") had been fully utilized. As a result, the Company did not enter into any further extension of the Term Sheet and the Term Sheet expired accordingly. The Company had written off such advances to ARPL and incurred professional fees, which amounted to \$6.3 million in 1HFY2016. As a result, the Group incurred a loss before income tax of approximately S\$6.2 million in 1HFY2016.

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

No forecast has been disclosed.

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 Group is in the midst of executing various major projects in the current financial year ending 31 March 2017 ("FY 2017"). They include an integrated regional hospital at Sengkang East Way, National Centre for Infectious Disease, 3rd Desalination plant, Project Jewel, JTC Space @ Tuas Ave 1 and Keppel T20 Data Center. These projects are currently in the crucial phases of manufacturing, delivery and commissioning and due to complete within the next 6-12 months. To be resilient beyond FY 2017, Sunlight is continuing its efforts to develop new markets and product offers whilst fine-tuning business models to stay competitive and relevant. The Group aspires to foster closer and strategic alliances with key business partners to serve and adapt to an increasingly challenging business environment.

11. **If a decision regarding dividend has been made,**
(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Nil

- (b) (i) Amount per share cents**

Nil

- (ii) Previous corresponding period cents**

Nil

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable

- (d) The date the dividend is payable**

Not applicable.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend had been declared for the half year ended 30 September 2016.

13. ***If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 921(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.***

The Company did not obtain any general mandate from shareholders for interested person transactions.

There were no interested person transactions entered into under shareholders' mandate or otherwise during the financial year under review that were \$100,000 or more pursuant to Rule 921(1)(a)(ii) of the Listing Manual.

14. ***Use of proceeds pursuant to Rule 704(30)***

Please refer to the announcements dated 27 May 2013, 14 October 2013, 30 October 2013, 31 December 2015, 4 March 2016, 29 April 2016, 30 September 2016 and the Annual Report 2016 on the utilization of net proceeds from the Placement and Rights Issue ("Net Proceeds"). As at 30 September 2016, the Company had fully utilized the Net Proceeds.

15. ***Undertakings from Directors and Executive Officers***

Pursuant to amended Listing Rule 720(1) and in the form set out at Appendix 7H, the Company had procured its directors and relevant executive officers' undertakings as at 11 November 2016.

BY ORDER OF THE BOARD

Ong Bee Hoon
Company Secretary
11/11/2016

NEGATIVE ASSURANCE ON INTERIM RESULTS

Confirmation by the Board on announcement of results for the half year ended 30 September 2016

We, Mr Sung Puay Kiang and Mr Tan Boon Seng, being Directors of the **Sunlight Group Hldg Ltd** (the "Company"), do hereby confirm, for and on behalf of the Board of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the financial results for the half year period ended 30 September 2016 to be false or misleading.

On behalf of the Board of Directors

Sung Puay Kiang
Director

Tan Boon Seng
Director

11 November 2016