



Company Registration No. 201414628C
(Incorporated in the Republic of Singapore)

UNAUDITED SIX-MONTH FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2014

MS Holdings Limited (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 7 November 2014. The Sponsor and Issue Manager for the initial public offering (the “IPO”) of the Company was United Overseas Bank Limited (the “Sponsor”).

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor for compliance with the relevant rules of the 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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Background

The Company was incorporated in the Republic of Singapore on 21 May 2014. The Group comprising the Company and its subsidiaries (the “Group”) was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken to streamline and rationalise the Group structure in connection with the IPO. This Restructuring Exercise was completed on 15 October 2014. Please refer to the Company’s offer document dated 29 October 2014 (the “**Offer Document**”) for further details on the Restructuring Exercise.

For the purpose of this announcement, the consolidated financial statements of the Group for the six-month financial period ended 31 October 2014 (“**1H-2015**”), the comparative six-month financial period ended 31 October 2013 (“**1H-2014**”) and the financial year ended 30 April 2014 (“**FY2014**”) have been prepared on the assumption that the Group had been in place since 1 May 2013 by applying the pooling of interest method, as the entities are under common control.

INFORMATION REQUIRED FOR SIX-MONTH AND FULL YEAR ANNOUNCEMENTS

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

	Group		
	Unaudited		
	Six-month Ended		
	31.10.2014	31.10.2013	Change
	S\$'000	S\$'000	%
Revenue	9,037	8,613	4.9
Cost of sales	<u>(5,369)</u>	<u>(4,817)</u>	11.5
Gross profit	3,668	3,796	(3.4)
Other income (<i>Note A</i>)	535	206	159.7
Expenses			
Distribution expenses	(50)	(44)	13.6
General and administrative expenses	(2,417)	(1,542)	56.7
Finance costs	(462)	(361)	28.0
Share of results of an associate	<u>(47)</u>	<u>(13)</u>	261.5
Profit before tax (<i>Note B</i>)	1,227	2,042	(39.9)
Income tax expenses (<i>Note C</i>)	<u>(365)</u>	<u>(356)</u>	2.5
Profit net of tax, representing total comprehensive income for the period attributable to owners of the Company	<u><u>862</u></u>	<u><u>1,686</u></u>	(48.9)

Notes to Consolidated Statements of Comprehensive Income:

- A) Other income

	Group		
	Unaudited		
	Six-month Ended		
	31.10.2014	31.10.2013	Change
	S\$'000	S\$'000	%
Rental income from leasehold properties	305	92	231.5
Rental income from investment properties	54	53	1.9
Gain on disposal of plant and equipment	8	16	(50.0)
Insurance claim	60	5	1,100.0
Interest income	- *	- *	NM
Government grants/incentives	36	13	176.9
Net foreign exchange gain	-	27	(100.0)
Compensation from claims	1	-	NM
Miscellaneous income	<u>71</u>	<u>- *</u>	NM
	<u><u>535</u></u>	<u><u>206</u></u>	159.7

NM: Not meaningful

*: Less than S\$1,000

B) Profit before tax was stated after charging:

	Group		
	Unaudited Six-month Ended		
	31.10.2014	31.10.2013	Change
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	1,347	801	68.2
Depreciation of investment properties	- *	-	NM
Loss on write-off of plant and equipment	-	32	(100.0)
Gain on disposal of plant and equipment	(8)	(16)	(50.0)
Net foreign exchange loss/(gain)	49	(27)	NM
Allowance for impairment of trade and other receivables	15	-	NM
Bad debts written off	-	- *	NM
IPO related expenses	552	-	NM

NM: Not meaningful

*: Less than S\$1,000

C) The major components of income tax expenses were:

	Group		
	Unaudited Six-month Ended		
	31.10.2014	31.10.2013	Change
	S\$'000	S\$'000	%
Current income tax			
- Current income taxation	56	147	(61.9)
Deferred income tax			
- Origination of temporary differences	309	209	47.8
Income tax expenses recognised in profit or loss	<u>365</u>	<u>356</u>	2.5

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	
	Unaudited As at 31.10.2014 S\$'000	Audited As at 30.04.2014 S\$'000	Unaudited As at 31.10.2014 S\$'000	Audited As at 30.04.2014 ⁽¹⁾ S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	57,696	50,681	-	-
Investment in an associate	404	450	-	-
Investment in subsidiaries	-	-	20,928	-
	<u>58,100</u>	<u>51,131</u>	<u>20,928</u>	<u>-</u>
Current assets				
Trade and other receivables	4,982	5,169	242	-
Prepaid operating expenses	209	168	132	-
Cash and bank balances	1,501	3,062	- *	-
	<u>6,692</u>	<u>8,399</u>	<u>374</u>	<u>-</u>
Investment properties classified as held-for-sale ⁽²⁾	<u>5,265</u>	<u>5,266</u>	<u>-</u>	<u>-</u>
	<u>11,957</u>	<u>13,665</u>	<u>374</u>	<u>-</u>
Total assets	<u><u>70,057</u></u>	<u><u>64,796</u></u>	<u><u>21,302</u></u>	<u><u>-</u></u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	2,194	1,216	1,010	-
Accrued operating expenses	781	780	33	-
Due to directors	6,248	6,248	-	-
Obligations under finance leases	5,432	4,388	-	-
Bank borrowings	620	2,171	-	-
Provision for taxation	620	628	-	-
	<u>15,895</u>	<u>15,431</u>	<u>1,043</u>	<u>-</u>
Non-current liabilities				
Obligations under finance leases	18,896	14,960	-	-
Bank borrowings	11,005	11,315	-	-
Deferred tax liabilities	1,771	1,462	-	-
Provision for reinstatement cost	700	700	-	-
	<u>32,372</u>	<u>28,437</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>48,267</u></u>	<u><u>43,868</u></u>	<u><u>1,043</u></u>	<u><u>-</u></u>
Net assets	<u><u>21,790</u></u>	<u><u>20,928</u></u>	<u><u>20,259</u></u>	<u><u>-</u></u>
Equity attributable to owners of the Company				
Share capital	20,928	1,200	20,928	-
Merger reserve	(19,728)	-	-	-
Retained earnings	20,590	19,728	(669)	-
Total equity	<u><u>21,790</u></u>	<u><u>20,928</u></u>	<u><u>20,259</u></u>	<u><u>-</u></u>
Total equity and liabilities	<u><u>70,057</u></u>	<u><u>64,796</u></u>	<u><u>21,302</u></u>	<u><u>-</u></u>

*: Less than S\$1,000

Notes:

- (1) There are no comparative figures for the Company as at the end of the immediately preceding financial year, as the Company was incorporated on 21 May 2014.
- (2) As disclosed in the Offer Document, on 15 September 2014, the Group's wholly owned subsidiaries entered into conditional sales and purchase agreements with YSL Property Pte. Ltd. and NY Property Pte. Ltd. respectively, for the disposal of two investment properties. Accordingly, these investment properties were classified as held-for-sale under current assets as at 31 October 2014. The completion of the disposal of these investment properties took place on 13 November 2014, as disclosed in the Company's announcement dated 13 November 2014.

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

Amount repayable by the Group in one year or less, or on demand

Unaudited As at 31.10.2014		Audited As at 30.04.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,052	—	6,559	—

Amount repayable by the Group after one year

Unaudited As at 31.10.2014		Audited As at 30.04.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
29,901	—	26,275	—

Details of any collaterals

The Group's borrowings comprised (i) bank borrowings to finance the acquisition of a leasehold property and two investment properties; and (ii) obligations under finance leases to fund the purchases of cranes and other equipment.

The above credit facilities are secured by one or several of (i) mortgage over respective plant and equipment financed under hire purchase arrangement; (ii) mortgage over the leasehold properties and investment properties; and (iii) joint and several personal guarantee by the executive directors and a controlling shareholder.

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	
	Unaudited	
	Six-month Ended	
	31.10.2014	31.10.2013
	S\$'000	S\$'000
Operating activities:		
Profit before tax	1,227	2,042
Adjustments for:		
Depreciation of property, plant and equipment	1,347	801
Depreciation of investment properties	-	*
Loss on write-off of plant and equipment	-	32
Gain on disposal of plant and equipment	(8)	(16)
Share of results of an associate	47	13
Allowance for impairment of trade and other receivables	15	-
Bad debts written off	-	-
Interest expense	462	361
Total adjustments	<u>1,863</u>	<u>1,191</u>
Operating cash flows before changes in working capital	3,090	3,233
Changes in working capital:		
Decrease in trade and other receivables	169	697
Decrease in prepaid operating expenses	91	32
Increase/(decrease) in trade and other payables	911	(205)
Increase in accrued operating expenses	2	370
Total changes in working capital	<u>1,173</u>	<u>894</u>
Cash flows from operations	4,263	4,127
Income tax paid	(65)	(432)
Interest paid	(462)	(361)
Net cash flows generated from operating activities	<u>3,736</u>	<u>3,334</u>
Investing activities:		
Purchase of property, plant and equipment (<i>Note B</i>)	(721)	(2,490)
Proceeds from disposal of plant and equipment	8	16
Proceeds from disposal of plant and equipment in prior year	-	2,948
Net cash flows (used in)/generated from investing activities	<u>(713)</u>	<u>474</u>
Financing activities:		
Repayment of bank borrowings	(1,861)	(790)
Repayment of obligations under finance leases	(2,434)	(1,834)
Proceeds from issuance of shares during incorporation	-	*
Payments of IPO related expenses	(289)	-
Net cash flows used in financing activities	<u>(4,584)</u>	<u>(2,624)</u>
Net (decrease)/increase in cash and cash equivalents	(1,561)	1,184
Cash and cash equivalents at 1 May	<u>2,960</u>	<u>3,007</u>
Cash and cash equivalents at 31 October (<i>Note A</i>)	<u>1,399</u>	<u>4,191</u>

*: Less than S\$1,000

Notes to Consolidated Statements of Cash Flows:

A) Cash and cash equivalents comprised of the following:

	Group	
	Unaudited	
	As at	
	31.10.2014	31.10.2013
	S\$'000	S\$'000
Pledged bank deposit	102	102
Cash at bank and on hand	1,399	4,191
	<u>1,501</u>	<u>4,293</u>
Less: pledged bank deposit	<u>(102)</u>	<u>(102)</u>
Cash and cash equivalents	<u>1,399</u>	<u>4,191</u>

B) Purchase of property, plant and equipment

	Group	
	Unaudited	
	Six-month Ended	
	31.10.2014	31.10.2013
	S\$'000	S\$'000
Current year additions to property, plant and equipment	8,361	16,759
Add:		
Deposits made for purchase of property, plant and equipment	5	320
Payables converted to obligations under finance leases	-	2,585
Less:		
Deposits made for purchase of property, plant and equipment in prior year	(231)	(1,645)
Provision for reinstatement cost	-	(400)
Increase in bank borrowings	-	(12,400)
Increase in obligations under finance leases	<u>(7,414)</u>	<u>(2,729)</u>
Net cash outflow for purchase of property, plant and equipment	<u>721</u>	<u>2,490</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.

	Share Capital S\$'000	Merger Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
Group				
At 1 May 2013	1,200	-	16,508	17,708
Profit for the period, representing total comprehensive income for the period	-	-	1,686	1,686
At 31 October 2013	<u>1,200</u>	<u>-</u>	<u>18,194</u>	<u>19,394</u>
At 1 May 2014	1,200	-	19,728	20,928
Profit for the period, representing total comprehensive income for the period	-	-	862	862
Shares issued during incorporation	-	-	-	-
Adjustment pursuant to the Restructuring Exercise	19,728	(19,728)	-	-
At 31 October 2014	<u>20,928</u>	<u>(19,728)</u>	<u>20,590</u>	<u>21,790</u>
Company				
At 1 May 2013 and 31 October 2013 ⁽¹⁾	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 May 2014	-	-	-	-
Loss for the period, representing total comprehensive loss for the period	-	-	(669)	(669)
Shares issued during incorporation	-	-	-	-
Adjustment pursuant to the Restructuring Exercise	20,928	-	-	20,928
At 31 October 2014	<u>20,928</u>	<u>-</u>	<u>(669)</u>	<u>20,259</u>

*: Less than S\$1,000

Note:

(1) There are no comparative figures for the Company for the corresponding period of the immediately preceding financial year, as the Company was incorporated on 21 May 2014.

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.

On 21 May 2014, the Company was incorporated with an issued and paid-up capital of S\$1 comprising 1 share.

Pursuant to the Restructuring Agreement dated 7 October 2014, 20,927,999 shares have been allotted and issued for the acquisition of the Company's subsidiaries.

On 15 October 2014, the then sole shareholder of the Company approved the sub-division of 20,928,000 shares in the capital of the Company into 82,000,000 shares.

Details of the changes in the issued and paid-up share capital of the Company since incorporation till 31 October 2014 are as follows:

	Total Number of Shares	Issued and Paid-up Share Capital (S\$)
Issued and paid-up share as at incorporation on 21 May 2014	1	1
Issue of shares pursuant to the Restructuring Exercise	20,927,999	20,927,999
	20,928,000	20,928,000
Sub-division of shares pursuant to the Restructuring Exercise, representing balance as at 31 October 2014	82,000,000	20,928,000

There are no outstanding convertibles or shares held as treasury shares of the Company as at 31 October 2014. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year, as the Company was incorporated on 21 May 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.

As at 31 October 2014, the Company's issued share capital was S\$20,928,000 comprising 82,000,000 ordinary shares. There are no treasury shares held by the Company. There are no comparative figures as at the end of the immediately preceding financial year, as the Company was incorporated on 21 May 2014. An additional 20,000,000 new shares were issued and allotted on 6 November 2014 in connection with the IPO. As such, as at the date of this announcement, the enlarged issued share capital of the Company was S\$25,564,000 comprising 102,000,000 ordinary shares, after taking into account the capitalisation of IPO related expenses of approximately S\$0.4 million.

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.

There are no treasury shares held by the Company.

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 auditor.

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.

Save as disclosed in paragraph 5 below, the financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 30 April 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.

Our Group has adopted new and revised Singapore Financial Reporting Standards ("SFRS") and interpretations of SFRS applicable to the Group which are effective for financial period beginning from 1 May 2014. These are not expected to have a material impact on our Group's 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 Unaudited Six-month Ended	
	31.10.2014	31.10.2013
Earnings per ordinary share of the Group		
(a) Basic earnings per share	0.8 cents	1.7 cents
(b) Diluted earnings per share	0.8 cents	1.7 cents
Weighted average number of ordinary shares in issue for computation of basic earnings per share ('000)	102,000	102,000
Weighted average number of ordinary shares for computation of diluted earnings per share ('000)	102,000	102,000

As at 31 October 2014 and 2013, the Company does not have any dilutive instruments.

For comparative purposes, the earnings per share for respective periods have been computed based on the net profit attributable to owners of the Company and the Company's enlarged share capital of 102,000,000 shares, assuming that the Restructuring Exercise and the issuance of 20,000,000 new shares pursuant to the IPO had been completed as at the end of the respective periods.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	Unaudited As at 31.10.2014	Audited As at 30.04.2014	Unaudited As at 31.10.2014	Audited As at 30.04.2014
Net assets (S\$'000)	21,790	20,928	20,259	Not applicable ⁽²⁾
Number of ordinary shares used in calculating net asset value per ordinary share ('000)	102,000 ⁽¹⁾	102,000 ⁽¹⁾	102,000 ⁽¹⁾	Not applicable ⁽²⁾
Net asset value per ordinary share attributable to owners of the Company (cents)	21.4	20.5 ⁽¹⁾	19.9	Not applicable ⁽²⁾

⁽¹⁾ For comparative purposes, the net asset value per share has been computed based on the Company's enlarged share capital of 102,000,000 shares, assuming that the Restructuring Exercise and the issuance of 20,000,000 new shares pursuant to the IPO had been completed as at the end of the respective periods.

⁽²⁾ There are no comparative figures for the Company as at the end of the immediately preceding financial year, as the Company was incorporated on 21 May 2014.

- 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.**

Review of the Group's performance

Revenue

Revenue increased by S\$0.4 million or 4.9% from S\$8.6 million in 1H-2014 to S\$9.0 million in 1H-2015. The increase was due mainly to higher market demand for our mobile cranes as well as the expansion in our fleet with the acquisition of two mobile cranes in 1H-2015. The Group fulfilled this increase in demand through utilisation of our fleet of mobile cranes, as well as rental of cranes from other suppliers.

Cost of sales and gross profit

Cost of sales increased by S\$0.6 million or 11.5% from S\$4.8 million in 1H-2014 to S\$5.4 million in 1H-2015, mainly due to increases in depreciation expenses by S\$0.3 million, subcontractor expenses by S\$0.2 million and other direct overheads by S\$0.1 million.

The increase in depreciation expenses was mainly attributable to acquisitions of new mobile cranes, in particular a 750-tonne mobile crane in the second half of FY2014 and 180-tonne and 500-tonne mobile cranes in 1H-2015 pursuant to our fleet renewal strategy. The increase in subcontractor expenses and other direct overheads was in line with the above-mentioned sales improvement.

Gross profit decreased by S\$0.1 million or 3.4% from S\$3.8 million in 1H-2014 to S\$3.7 million in 1H-2015. Gross profit margin also declined from 44.1% to 40.6%. This was mainly due to increase in overhead expenses.

Other income

Other income increased by S\$0.3 million or 159.7% from S\$0.2 million in 1H-2014 to S\$0.5 million in 1H-2015, mainly contributed by higher rental income received from leasing of our leasehold properties to unrelated third parties.

Distribution expenses

Distribution expenses were not significant and were less than S\$0.1 million for both 1H-2014 and 1H-2015.

General and administrative expenses

General and administrative expenses increased by S\$0.9 million or 56.7% from S\$1.5 million in 1H-2014 to S\$2.4 million in 1H-2015 due mainly to an increase in IPO related expenses of S\$0.6 million, an increase in depreciation expenses of S\$0.2 million and an increase in land rent expenses of S\$0.1 million.

The increases in depreciation expenses and land rent expenses were mainly attributable to our acquisition of a leasehold property located at 22 Pandan Road (the "**Pandan Road Property**") towards the end of 1H-2014.

Finance costs

Finance costs increased by S\$0.1 million or 28.0% from S\$0.4 million in 1H-2014 to S\$0.5 million in 1H-2015. This increase was mainly due to bank facilities taken up to finance the purchase of the Pandan Road Property towards the end of 1H-2014 and a 750-tonne mobile crane in the second half of FY2014.

Share of results of an associate

Share of loss of an associate increased by approximately S\$34,000 from S\$13,000 for 1H-2014 to S\$47,000 for 1H-2015.

Income tax expenses

Income tax expenses remained at S\$0.4 million for both 1H-2014 and 1H-2015.

Profit after tax

Profit after tax declined by S\$0.8 million or 48.9% from S\$1.7 million in 1H-2014 to S\$0.9 million in 1H-2015 due mainly to one-off IPO related expenses recognised in 1H-2015 and higher depreciation expenses.

Excluding the impact of one-off IPO related expenses recognised in 1H-2015, the profit after tax would have been S\$1.5 million, a decrease of S\$0.2 million from that in 1H-2014.

Review of the Group's financial position

Non-current assets

As at 31 October 2014, non-current assets amounted to S\$58.1 million or 82.9% of total assets of S\$70.1 million, comprising property, plant and equipment of S\$57.7 million and investment in an associate of S\$0.4 million.

Property, plant and equipment increased by S\$7.0 million from S\$50.7 million as at 30 April 2014 to S\$57.7 million as at 31 October 2014 due mainly to the purchase of new plant and equipment. In particular, the Group acquired a 180-tonne mobile crane and a 500-tonne mobile crane in 1H-2015, pursuant to the Group's fleet renewal strategy.

Investment in an associate decreased by approximately S\$47,000 to S\$0.4 million as at 31 October 2014, after recognising the share of the associate's loss during 1H-2015.

Current assets

As at 31 October 2014, current assets amounted to S\$12.0 million or 17.1% of total assets of S\$70.1 million.

Trade and other receivables decreased by S\$0.2 million from S\$5.2 million as at 30 April 2014 to S\$5.0 million as at 31 October 2014, due mainly to decrease in deposits paid for the acquisition of plant and equipment.

Cash and bank balances decreased by S\$1.6 million from S\$3.1 million as at 30 April 2014 to S\$1.5 million as at 31 October 2014, mainly due to repayment of bank borrowings in connection with the disposal of the investment properties. The completion of transfer of these investment properties to YSL Property Pte. Ltd. and NY Property Pte. Ltd. took place on 13 November 2014.

Current liabilities

As at 31 October 2014, current liabilities amounted to S\$15.9 million or 32.9% of total liabilities of S\$48.3 million.

Trade and other payables increased by S\$1.0 million from S\$1.2 million as at 30 April 2014 to S\$2.2 million as at 31 October 2014 due mainly to accrual of one-off IPO related expenses.

Current portion of obligations under finance leases increased by S\$1.0 million from S\$4.4 million as at 30 April 2014 to S\$5.4 million as at 31 October 2014 due to hire purchase facilities drawn down to finance the purchase of plant and equipment, in particular the 180-tonne and 500-tonne mobile cranes.

Current portion of bank borrowings decreased by S\$1.6 million from S\$2.2 million as at 30 April 2014 to S\$0.6 million as at 31 October 2014 due mainly to the repayment of bank borrowings in connection with the disposal of the investment properties as mentioned above.

Non-current liabilities

As at 31 October 2014, non-current liabilities amounted to S\$32.4 million or 67.1% of total liabilities of S\$48.3 million.

Non-current portion of obligations under finance leases increased by S\$3.9 million from S\$15.0 million as at 30 April 2014 to S\$18.9 million as at 31 October 2014 due to hire purchase facilities drawn down to finance the purchase of plant and equipment as mentioned above.

Non-current portion of bank borrowings decreased by S\$0.3 million from S\$11.3 million as at 30 April 2014 to S\$11.0 million as at 31 October 2014 due to the repayment of bank borrowings.

Deferred tax liabilities increased by S\$0.3 million from S\$1.5 million as at 30 April 2014 to S\$1.8 million as at 31 October 2014 due to the recognition of taxable timing differences, mainly in relation to the differences in tax and accounting depreciation.

Total equity

Total equity increased by S\$0.9 million from S\$20.9 million as at 30 April 2014 to S\$21.8 million as at 31 October 2014, which was contributed by the net profit in 1H-2015.

Review of the Group's Statement of Cash Flows

In 1H-2015, the Group generated net cash from operating activities before changes in working capital of S\$3.1 million. Net cash generated from working capital amounted to S\$1.2 million due mainly to an increase in trade and other payables of S\$0.9 million, a decrease in trade and other receivables of S\$0.2 million and a decrease in prepaid operating expenses of S\$0.1 million. The Group also paid interest expenses of S\$0.5 million and income tax of S\$0.1 million. As a result, the Group generated net cash from operating activities amounting to S\$3.7 million.

Net cash used in investing activities amounted to S\$0.7 million, mainly for the purchase of plant and equipment. In particular, the Group acquired a 180-tonne mobile crane and a 500-tonne mobile crane in 1H-2015.

Net cash used in financing activities of S\$4.6 million was due mainly to the repayment of bank borrowings of S\$1.9 million, obligations under finance leases of S\$2.4 million and one-off IPO related expenses of S\$0.3 million.

As a result of the above, the Group's cash and cash equivalents decreased by S\$1.6 million from S\$3.0 million to S\$1.4 million.

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

No forecast nor prospect statement has been previously disclosed to shareholders.

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.

Barring unforeseen circumstances, the Group remains cautiously optimistic of its business prospects based on the trends and developments of the construction, marine, logistics, oil and gas as well as infrastructure industries. The Group will continue to capitalise on any opportunities which may arise.

- Nonetheless, the expected increase in labour costs, depreciation expenses, finance costs and administrative expenses may impact our financial performance in the financial year ending 30 April 2015.

11 Dividend

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period reported on?

No dividend has been declared.

(b) Corresponding Period of the Immediately Preceding Financial Year.

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

Not applicable as the Company was incorporated on 21 May 2014.

(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 has been declared or recommended by the Company.

13 If the group has obtained a general mandate from shareholders for Interested Person Transactions (the "IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.

14 Use of proceeds from initial public offering of the company's shares on Catalyst

Use of proceeds	Amount allocated (as stated in Offer Document) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance of net proceeds as at the date of this announcement (S\$'000)
Acquisition of mobile cranes and hauling equipment	500	65	435
Development of mobile crane trading business	2,400	220	2,180
General working capital	944	157	787
Net proceeds	3,844	442	3,402

The use of proceeds is in accordance with the stated use as disclosed in the Offer Document. The Company will make periodic announcements on the use of proceeds as and when the funds are materially disbursed.

15 Negative confirmation pursuant to Rule 705(5)

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the results for the six-month financial period ended 31 October 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Yap Chin Hock
Executive Director and Chief Executive Officer

Yap Bee Ling
Executive Director (Business Development)

12 December 2014