



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the Third Quarter Ended 31 December 2014
(For the Financial Year Ending 31 March 2015)

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Review of the Performance of the Group

CONSOLIDATED INCOME STATEMENT

3Q15 – for the 3 months ended 31 December 2014
 2Q15 – for the 3 months ended 30 September 2014
 3Q14 – for the 3 months ended 31 December 2013
 1H15 – for the 6 months ended 30 September 2014
 9M15 – for the 9 months ended 31 December 2014
 9M14 – for the 9 months ended 31 December 2013

Review of Results for the Third Quarter Ended 31 December 2014

	3Q15 \$'000	2Q15 \$'000	Change %	3Q14 \$'000	Change %	9M15 \$'000	9M14 \$'000	Change %
Revenue	116,615	103,143	13.1	118,288	(1.4)	312,893	375,916	(16.8)
Gross Profit	7,865	5,338	47.3	6,134	28.2	17,605	24,892	(29.3)
Other Income	375	1,020	(63.2)	4,437	(91.5)	2,098	6,682	(68.6)
Operating Expenses	(8,877)	(1,163)	N.M.	(8,169)	8.7	(17,269)	(23,708)	(27.2)
(Loss)/Profit from Operating Activities	(637)	5,195	N.M.	2,402	N.M.	2,434	7,866	(69.1)
Net Provision Made as a result of an Arbitration Award received	(3,161)	-	N.A.	-	N.A.	(3,161)	-	N.A.
(Loss)/Profit from Operating Activities after the Net Provision Made as a result of an Arbitration Award received	(3,798)	5,195	N.M.	2,402	N.M.	(727)	7,866	N.M.
Net Finance Expenses	(938)	(1,067)	(12.1)	(859)	9.2	(2,822)	(2,972)	(5.0)
Share of Profit of a Joint Venture	160	36	N.M.	91	75.8	180	275	(34.5)
(Loss)/Profit before Tax	(4,576)	4,164	N.M.	1,634	N.M.	(3,369)	5,169	N.M.
Tax Expense	(605)	(987)	(38.7)	(108)	N.M.	(1,536)	(821)	87.1
(Loss)/Profit for the period	(5,181)	3,177	N.M.	1,526	N.M.	(4,905)	4,348	N.M.

Gross Profit Margins	6.7%	5.2%	5.2%	5.6%	6.6%
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Revenue

Revenue for 3Q15 improved by 13.1% to \$116.6 million compared to \$103.1 million in 2Q15. The improvement came on the back of increased business activity following the commencement of foundation engineering works for various new public sector residential and civil infrastructure projects. Revenue for 3Q15 was comparable to that recorded in 3Q14.

Group revenue for 9M15 on the other hand contracted 16.8% to \$312.9 million compared to \$375.9 million in 9M14. The contraction reflected a relatively weak 1H15 in view of the sharp year-on-year decline in business activity in the Singapore private residential sector. The improved business condition in 3Q15 thus helped to mitigate the impact of the challenging operating environment in 1H15.

Gross Profit and Gross Profit Margins (GPM)

Quarter-on-quarter, gross profit for 3Q15 was 47.3% higher at \$7.9 million (2Q15: \$5.3 million) as a result of higher revenue. Year-on-year, the increase in 3Q15 gross profit as compared to \$6.1 million recorded in 3Q14 was 28.2%.

Trending the lower revenue for 9M15, gross profit for 9M15 of \$17.6 million was 29.3% lower than 9M14.

Accordingly, year-on-year GPM for 3Q15 was also higher at 6.7% (3Q14: 5.2%) while that for 9M15 was lower at 5.6% (9M14: 6.6%).

Gross Profit and Gross Profit Margins (GPM) (Cont'd)

In July 2014, a further increase of \$15 to \$200 per worker in foreign worker levy in Singapore drove fixed costs up by an additional \$0.5 million for 9M15. In the face of these challenges, the Group is actively managing these costs by controlling its headcount in Singapore. Compared to the same nine-month period last year, the Group has reduced its headcount and monthly payroll costs by approximately 9.7% and 5.3% respectively.

Other Income

The Group recorded a 91.5% decline in other income to \$0.4 million in 3Q15 compared to \$4.4 million in 3Q14, taking into account a substantial gain on disposal of old equipment and the assignment and nomination of purchase rights of a land parcel to a third party in 3Q14. In 9M15, other income was \$2.1 million (9M14: \$6.7 million).

Other income for 3Q15 was lower than 2Q15, mainly due to higher profit recorded from the disposal of old equipment in 2Q15.

Operating Expenses

	3Q15 \$'000	2Q15 \$'000	Change %	3Q14 \$'000	Change %	9M15 \$'000	9M14 \$'000	Change %
Other Operating Expenses	8,049	7,743	4.0	7,798	3.2	22,473	22,791	(1.4)
Impairment Losses (Reversed)/Made on Trade and Other Receivables	-	-	-	-	-	-	-	-
- Changi Motorsports Hub project	-	(6,858)	(100.0)	-	N.A.	(6,858)	-	N.A.
- Others	761	39	N.M.	(59)	N.M.	1,202	4	N.M.
Exchange Loss	67	239	(72.0)	428	(84.3)	452	699	(35.3)
Loss on Disposal of A Subsidiary	-	-	N.A.	2	(100.0)	-	2	(100.0)
Loss on Liquidation of A subsidiary	-	-	N.A.	-	N.A.	-	1	(100.0)
Translation Differences relating to Liquidation of Interests in A subsidiary	-	-	N.A.	-	N.A.	-	211	(100.0)
	8,877	1,163	N.M.	8,169	8.7	17,269	23,708	(27.2)
Net Provision Made as a result of an Arbitration Award received	3,161	-	N.A.	-	N.A.	3,161	-	N.A.
Net Operating Expenses	12,038	1,163	N.M.	8,169	47.4	20,430	23,708	(13.8)
Other Operating Expenses /Revenue	6.9%	7.5%		6.6%		7.2%	6.1%	

Other operating expenses for 3Q15 was \$8.0 million, which was largely similar to 3Q14. Other operating expenses for 9M15 registered a 1.4% decline as compared to 9M14.

As announced on 21 October 2014, the Group has recovered the trade debt due from Changi Motorsports Hub project. Consequently, a previous provision of \$6.9 million for doubtful debt was written back to the books of the Group in 2Q15.

On 9 January 2015, the Group announced that a wholly-owned subsidiary received an unfavourable ruling in an arbitration case. In this regard, the Group has made a provision of \$3.2 million in 3Q15, even as it is seeking legal advice on the ruling.

Other operating expenses to revenue ratios for 3Q15 and 9M15 were 6.9% (3Q14: 6.6%) and 7.2% (9M14: 6.1%) respectively. The higher ratios resulted from lower Group revenue generated in the periods under review.

Other operating expenses to revenue ratio for 3Q15 was lower as compared to 2Q15's ratio of 7.5%, in view of the relatively higher revenue recorded in 3Q15.

Net Finance Expenses

	3Q15 \$'000	2Q15 \$'000	Change %	3Q14 \$'000	Change %	9M15 \$'000	9M14 \$'000	Change %
Interest Income	2	2	-	-	N.A.	6	1	N.M.
Interest Expenses	(911)	(1,076)	(15.3)	(1,024)	(11.0)	(2,977)	(3,240)	(8.1)
Net Interest Expenses	(909)	(1,074)	(15.4)	(1,024)	(11.2)	(2,971)	(3,239)	(8.3)
Imputed Interest on Non-Current Assets/Liabilities	(29)	7	N.M.	165	N.M.	149	267	(44.2)
Net Finance Expenses	(938)	(1,067)	(12.1)	(859)	9.2	(2,822)	(2,972)	(5.0)

Net interest expenses for 3Q15 and 9M15 were \$0.9 million (3Q14: \$1.0 million) and \$3.0 million (9M14: \$3.2 million). These represented a reduction of 11.2% and 8.3% for 3Q15 and 9M15 as compared to 3Q14 and 9M14 respectively.

The reduction reflects the Group's effort to reduce its bank borrowings during the periods under review.

Net interest expenses for 3Q15 was lower than the \$1.1 million recorded in 2Q15.

Share of Profit of a Joint Venture

Share of profit of a joint venture amounted to \$0.2 million in 3Q15 (3Q14: \$0.1 million) and \$0.2 million in 9M15 (9M14: \$0.3 million).

The share of results from the joint venture improved marginally over 2Q15 as a result of higher construction demand in Thailand in 3Q15.

(Loss)/Profit for the period

The Group recorded a loss for the period of \$5.2 million in 3Q15 (3Q14: profit of \$1.5 million) and \$4.9 million in 9M15 (9M14: profit of \$4.3 million).

Loss per share for 3Q15 and 9M15 were 0.51 cent and 0.63 cent as compared to earnings per share of 0.07 cent and 0.20 cent in 3Q14 and 9M14 respectively.

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

As at 31 December 2014, the net book value of property, plant and equipment amounted to \$174.6 million (31 March 2014: \$166.8 million). During the period under review, the Group acquired \$9.6 million worth of new plant and equipment to replace older equipment. In 9M15, the Group had capitalised certain equipment with carrying amounts of \$20.3 million from inventories as property, plant and equipment. At the same time, it also disposed of old plant and equipment amounting to \$1.0 million and recorded a \$1.2 million gain on the disposal. Depreciation for the period was \$21.1 million (9M14: \$20.6 million).

Net Current Assets

Net current assets of the Group as at 31 December 2014 stood at \$38.5 million (31 March 2014: \$62.1 million) with a current ratio (current assets / current liabilities) of 1.17 (31 March 2014: 1.26).

As at 31 December 2014, the Group's inventories amounted to \$40.5 million (31 March 2014: \$71.3 million), in line with the lower activity levels for 9M15, and following an asset capitalisation exercise in 9M15.

Trade and other receivables was \$214.2 million (31 March 2014: \$217.9 million) while trade and other payables was \$139.4 million (31 March 2014: \$126.6 million).

Borrowings

Total borrowings of the Group as at 31 December 2014 stood at \$118.8 million (31 March 2014: \$150.9 million). This represents a debt over equity ratio of 0.62 (31 March 2014: 0.76), a reduction of 18.4%.

The decrease in borrowings was mainly due to net repayment of bank borrowings in 9M15.

Equity and Net Asset Value

Total equity was \$191.8 million as at 31 December 2014 (31 March 2014: \$198.2 million), while net asset value per ordinary share was 15.9 cents (31 March 2014: 16.4 cents).

CASH FLOW

	3Q15 \$'000	2Q15 \$'000	Change %	3Q14 \$'000	Change %	9M15 \$'000	9M14 \$'000	Change %
Cash Flow from Operating Activities	23,955	17,513	36.8	10,869	N.M.	47,400	24,094	96.7
Cash Flow from Investing Activities	(903)	481	N.M.	1,183	N.M.	(870)	4,397	N.M.
Cash Flow from Financing Activities	(19,274)	(13,407)	43.8	(10,551)	82.7	(41,824)	(28,432)	47.1
Cash and Cash Equivalents	12,669	8,839	43.3	3,854	N.M.	12,669	3,854	N.M.

Cash Flow from Operating Activities

Net cash inflow from operating activities improved significantly to \$24.0 million for 3Q15 (3Q14: \$10.9 million) and \$47.4 million for 9M15 (9M14: \$24.1 million).

Quarter-on-quarter, net cash inflows from operating activities remain very healthy at \$24.0 million for 3Q15 and \$17.5 million for 2Q15.

The above was the result of the Group's intense efforts in managing its inventories and trade receivables during the periods under review.

Cash Flow from Investing Activities

The Group's net cash outflow from investing activities for 3Q15 stood at \$0.9 million, versus a net cash inflow of \$1.2 million a year ago. Net cash outflow for 9M15 also amounted to \$0.9 million, compared to a net cash inflow of \$4.4 million for 9M14, when the Group generated proceeds of \$3.5 million from the sale of a leasehold building.

In 3Q15, the Group selectively replaced some older equipment in the Group's overall fleet, resulting in higher cash outflows.

Cash Flow from Financing Activities

The Group recorded net cash outflow from financing activities of \$19.3 million for 3Q15 (3Q14: \$10.6 million) and \$41.8 million for 9M15 (9M14: \$28.4 million) respectively, following the higher net repayment of bank borrowings during the periods under review.

Cash and Cash Equivalents

Taking the abovementioned factors into consideration, the Group ended 31 December 2014 with cash and cash equivalents of \$12.7 million.

This represents a net increase in cash and cash equivalents for 3Q15 and 9M15 of \$3.8 million and \$4.7 million respectively.

Outlook

The Building Construction Authority of Singapore (“BCA”) has reported that the local construction sector secured contracts worth \$37.7 billion in 2014 arising from an increase in institutional and civil engineering construction contracts awarded. For 2015, BCA has estimated the value of construction demand to be between \$29 billion and \$36 billion.

While public residential projects will moderate from a ramp-up in previous years, a sustained pipeline of institutional and civil engineering works, coupled with an increase in industrial projects will lend support going forward. However, construction demand from the private sector is expected to ease as developers remain cautious in a tepid residential market environment and uncertainties in the global economic conditions¹.

Sustained demand from the Malaysian construction sector is expected in the months ahead, in view of the Malaysian Prime Minister’s revised 2015 Budget (“the Budget”) on 20 January 2015. Despite cuts to the country’s operating expenditure, the Budget is maintaining its allocation of MYR48.5 billion for infrastructure development².

As at 4 February 2015, the Group’s order book is approximately \$260 million (5 November 2014: \$280 million). The bulk of these contracts is expected to be completed within the next six to nine months.

¹ Business Times, Demand in Construction Sector Holding Up this Year, 9 January 2015

² Business Times, Najib Revises Growth and Fiscal Deficit Targets amid Oil Price Fall, 21 January 2015

Consolidated Income Statement for the 3rd Quarter ended 31 December 2014

	Note	Group			Group		
		3rd Quarter ended		Change	9 months ended		Change
		31-Dec-14	31-Dec-13		31-Dec-14	31-Dec-13	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		116,615	118,288	(1.4)	312,893	375,916	(16.8)
Cost of sales	A	(108,750)	(112,154)	(3.0)	(295,288)	(351,024)	(15.9)
Gross profit		7,865	6,134	28.2	17,605	24,892	(29.3)
Other income	B	375	4,437	(91.5)	2,098	6,682	(68.6)
Distribution expenses		(124)	(290)	(57.2)	(410)	(507)	(19.1)
Administrative expenses	C	(7,909)	(7,903)	0.1	(22,380)	(22,808)	(1.9)
Other operating (expenses)/income	D	(4,005)	24	N.M.	2,360	(393)	N.M.
Results from operating activities		(3,798)	2,402	N.M.	(727)	7,866	N.M.
Finance income		2	165	(98.8)	155	268	(42.2)
Finance expenses		(940)	(1,024)	(8.2)	(2,977)	(3,240)	(8.1)
Net finance expenses		(938)	(859)	9.2	(2,822)	(2,972)	(5.0)
Share of profit of a joint venture		160	91	75.8	180	275	(34.5)
(Loss)/Profit before tax		(4,576)	1,634	N.M.	(3,369)	5,169	N.M.
Tax expense	E	(605)	(108)	N.M.	(1,536)	(821)	87.1
(Loss)/Profit for the period		(5,181)	1,526	N.M.	(4,905)	4,348	N.M.
Attributable to:							
Owners of the Company		(6,132)	830	N.M.	(7,672)	2,447	N.M.
Non-controlling interests		951	696	36.6	2,767	1,901	45.6
(Loss)/Profit for the period		(5,181)	1,526		(4,905)	4,348	

Gross profit margin	6.7%	5.2%	5.6%	6.6%
Net (loss)/profit margin	-4.4%	1.3%	-1.6%	1.2%

Consolidated Statement of Comprehensive Income for the 3rd Quarter ended 31 December 2014

	Group			Group		
	3rd Quarter ended		Change	9 months ended		Change
	31-Dec-14	31-Dec-13		31-Dec-14	31-Dec-13	
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss)/Profit for the period	(5,181)	1,526	N.M.	(4,905)	4,348	N.M.
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	(752)	(588)	27.9	(332)	(999)	(66.8)
Translation differences relating to liquidation of interests in a subsidiary reclassified to profit or loss	-	-	N.A.	-	(211)	(100.0)
Other comprehensive income for the period, net of tax	(752)	(588)	27.9	(332)	(1,210)	(72.6)
Total comprehensive income for the period	(5,933)	938	N.M.	(5,237)	3,138	N.M.
Attributable to:						
Owners of the Company	(6,884)	261	N.M.	(8,038)	1,296	N.M.
Non-controlling interests	951	677	40.5	2,801	1,842	52.1
Total comprehensive income for the period	(5,933)	938		(5,237)	3,138	

Statement of Financial Position as at 31 December 2014

DESCRIPTION	Note	Group		Company	
		31-Dec-14	31-Mar-14	31-Dec-14	31-Mar-14
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	174,567	166,832	-	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	87,418	87,418
- a joint venture		1,539	1,302	-	-
Other investment		1,917	1,917	-	-
Trade and other receivables		12,308	14,295	-	-
Deferred tax asset		-	-	29	29
		191,783	185,798	87,447	87,447
Current assets					
Inventories	2	40,498	71,295	-	-
Derivatives		-	22	-	-
Trade and other receivables		214,198	217,915	30,208	29,572
Cash and cash equivalents		16,712	13,020	428	609
Non-current assets classified as held for sale		81	83	-	-
		271,489	302,335	30,636	30,181
Total assets		463,272	488,133	118,083	117,628

Statement of Financial Position as at 31 December 2014 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Dec-14	31-Mar-14	31-Dec-14	31-Mar-14
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		64,953	64,953	64,953	64,953
Reserves		99,996	109,262	44,388	44,745
		164,949	174,215	109,341	109,698
Non-controlling interests		26,820	24,019	-	-
Total equity		191,769	198,234	109,341	109,698
Non-current liabilities					
Loans and borrowings		36,205	46,348	-	-
Deferred tax liabilities		2,325	3,294	-	-
		38,530	49,642	-	-
Current liabilities					
Loans and borrowings		82,581	104,528	-	-
Derivatives		-	2	-	-
Trade and other payables		139,352	126,593	8,623	7,858
Excess of progress billings over construction work-in-progress	3	6,258	8,136	-	-
Current tax payable		1,621	998	119	72
Provisions		3,161	-	-	-
		232,973	240,257	8,742	7,930
Total liabilities		271,503	289,899	8,742	7,930
Total equity and liabilities		463,272	488,133	118,083	117,628

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2014

	3rd Quarter ended		9 months ended	
	<u>31-Dec-14</u>	<u>31-Dec-13</u>	<u>31-Dec-14</u>	<u>31-Dec-13</u>
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
(Loss)/Profit for the period	(5,181)	1,526	(4,905)	4,348
Adjustments for:				
Allowance for inventory obsolescence	-	50	-	50
Bad debts written off	78	-	80	74
Depreciation of property, plant and equipment	7,036	6,719	21,080	20,631
Gain on assignment and nomination of purchase rights of an industrial land	-	(2,797)	-	(2,797)
(Gain)/Loss on disposal of:				
- property, plant and equipment	(153)	(735)	(1,160)	(2,025)
- a subsidiary	-	2	-	2
Impairment losses made/(reversed) on trade and other receivables	761	(59)	(5,656)	4
Inventories written down	-	90	35	310
Loss on liquidation of a subsidiary	-	-	-	1
Net finance expenses	938	859	2,822	2,972
Net provision made as a result of an arbitration award received	3,161	-	3,161	-
Property, plant and equipment written off	-	-	-	1
Translation differences relating to liquidation of interests in a subsidiary	-	-	-	211
Share of profit of a joint venture	(160)	(91)	(180)	(275)
Tax expense	605	108	1,536	821
Operating activities before working capital changes	7,085	5,672	16,813	24,328
Changes in working capital:				
Inventories	630	(3,720)	7,596	(9,501)
Trade, progress billing and other receivables	(2,627)	(7,010)	8,378	(10,617)
Trade and other payables	19,670	16,779	16,469	21,975
Cash generated from operations	24,758	11,721	49,256	26,185
Taxes paid	(805)	(978)	(1,862)	(2,092)
Interest received	2	126	6	1
Net cash generated from operating activities	23,955	10,869	47,400	24,094

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2014 (cont'd)

	3rd Quarter ended		9 months ended	
	31-Dec-14 \$'000	31-Dec-13 \$'000	31-Dec-14 \$'000	31-Dec-13 \$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,157)	(1,484)	(2,802)	(3,403)
Proceeds from assignment and nomination of purchase rights of an industrial land	-	2,797	-	2,797
Proceeds from disposal of property, plant and equipment	254	1,798	1,932	6,931
Disposal of a subsidiary, net of cash disposed of	-	(4)	-	(4)
Acquisition of other investment	-	(1,924)	-	(1,924)
Net cash (used in)/generated from investing activities	(903)	1,183	(870)	4,397
Cash flows from financing activities				
Interest paid	(918)	(1,119)	(2,933)	(3,158)
Dividend paid:				
- owners of the Company	-	-	(1,210)	(728)
- non-controlling interests of a subsidiary	-	-	-	(45)
Proceeds from:				
- bank loans and hire purchase loans	7,400	12,623	35,919	36,594
- bills payable	7,905	18,262	36,243	63,248
- cash grant from Productivity and Innovation Credit Scheme for acquisition of property, plant and equipment	68	-	68	-
Purchase of treasury shares	-	(59)	(18)	(754)
Redemption of preference shares	-	-	-	(1,100)
Repayment of:				
- bank loans	(16,978)	(7,116)	(34,644)	(27,044)
- bills payable	(9,653)	(23,891)	(46,772)	(69,230)
- finance lease liabilities	(7,323)	(9,251)	(28,477)	(26,215)
Decrease in fixed deposits pledged	225	-	-	-
Net cash used in financing activities	(19,274)	(10,551)	(41,824)	(28,432)
Net increase in cash and cash equivalents	3,778	1,501	4,706	59
Cash and cash equivalents at 1 October/1 April	8,839	2,432	7,927	3,920
Effect of exchange rate changes on balances held in foreign currencies	52	(79)	36	(125)
Cash and cash equivalents at 31 December	12,669	3,854	12,669	3,854
Comprising:				
Cash and cash equivalents	16,712	12,273	16,712	12,273
Bank overdrafts	(4,043)	(8,419)	(4,043)	(8,419)
Cash and cash equivalents in the consolidated cash flow statement	12,669	3,854	12,669	3,854

Statements of Changes in Equity for the 3rd Quarter ended 31 December 2014

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Currency translation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October 2013	64,953	17,798	(2,119)	116	(1,704)	137	94,218	173,399	22,202	195,601
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	830	830	696	1,526
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	(569)	-	-	(569)	(19)	(588)
Total other comprehensive income	-	-	-	-	(569)	-	-	(569)	(19)	(588)
Total comprehensive income for the period	-	-	-	-	(569)	-	830	261	677	938
Transactions with owners, recorded directly in equity										
Purchase of treasury shares	-	-	(59)	-	-	-	-	(59)	-	(59)
Total transactions with owners	-	-	(59)	-	-	-	-	(59)	-	(59)
At 31 December 2013	64,953	17,798	(2,178)	116	(2,273)	137	95,048	173,601	22,879	196,480
At 1 October 2014	64,953	17,798	(2,354)	116	(1,648)	137	92,831	171,833	25,869	197,702
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	(6,132)	(6,132)	951	(5,181)
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	(752)	-	-	(752)	-	(752)
Total other comprehensive income	-	-	-	-	(752)	-	-	(752)	-	(752)
Total comprehensive income for the period	-	-	-	-	(752)	-	(6,132)	(6,884)	951	(5,933)
Transactions with owners, recorded directly in equity										
Total transactions with owners	-	-	-	-	-	-	-	-	-	-
At 31 December 2014	64,953	17,798	(2,354)	116	(2,400)	137	86,699	164,949	26,820	191,769

Statements of Changes in Equity for the 3rd Quarter ended 31 December 2014 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October 2013	64,953	17,798	(2,119)	28,553	109,185
Total comprehensive income for the period	-	-	-	(153)	(153)
Transactions with owners, recorded directly in equity					
Purchase of treasury shares	-	-	(59)	-	(59)
Total transactions with owners	-	-	(59)	-	(59)
At 31 December 2013	64,953	17,798	(2,178)	28,400	108,973
At 1 October 2014	64,953	17,798	(2,354)	28,794	109,191
Total comprehensive income for the period	-	-	-	150	150
Transactions with owners, recorded directly in equity					
Total transactions with owners	-	-	-	-	-
At 31 December 2014	64,953	17,798	(2,354)	28,944	109,341

Note:

Capital reserve

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

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

Notes to the Financial Statements

Notes to the Consolidated Income Statement

The Group is reporting its third quarter results for the period from 1 October 2014 to 31 December 2014 ("3Q15") with comparative figures for the 3 months period from 1 October 2013 to 31 December 2013 ("3Q14").

A Cost of sales

Group			
3rd Quarter ended		9 months ended	
31/12/2014	31/12/2013	31/12/2014	31/12/2013
\$'000	\$'000	\$'000	\$'000

Cost of sales includes the following items:

Allowance for inventory obsolescence	-	50	-	50
Depreciation of property, plant and equipment	6,837	6,501	20,449	19,912
Inventories written down	-	90	35	310

B Other income

Group			
3rd Quarter ended		9 months ended	
31/12/2014	31/12/2013	31/12/2014	31/12/2013
\$'000	\$'000	\$'000	\$'000

Other income includes the following items:

Gain on assignment and nomination of purchase rights of an industrial land	-	2,797	-	2,797
Gain on disposal of property, plant and equipment	153	735	1,160	2,025

C Administrative expenses

Group			
3rd Quarter ended		9 months ended	
31/12/2014	31/12/2013	31/12/2014	31/12/2013
\$'000	\$'000	\$'000	\$'000

Administrative expenses includes the following items:

Depreciation of property, plant and equipment	199	218	631	719
Exchange loss	67	428	452	699

Notes to the Consolidated Income Statement (cont'd)

D Other operating expenses/(income)

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$'000	\$'000	\$'000	\$'000
Other operating expenses/(income) includes the following items:				
Bad debts written off	78	-	80	74
Impairment losses (reversed)/made on trade and other receivables				
- Changi Motorsports Hub project ⁽¹⁾	-	-	(6,858)	-
- Others ⁽²⁾	761	(59)	1,202	4
Loss on disposal of a subsidiary	-	2	-	2
Loss on liquidation of a subsidiary	-	-	-	1
Net provision made as a result of an arbitration award received ⁽³⁾	3,161	-	3,161	-
Property, plant and equipment written off	-	-	-	1
Translation differences relating to liquidation of interests in a subsidiary	-	-	-	211

⁽¹⁾ With reference to the Group's announcement dated 21 October 2014, the Group has recovered the trade debt due from Changi Motorsports Hub project. Accordingly, a previous impairment loss made of \$6.9 million was written back to income statement in 2Q15.

⁽²⁾ The Group's accounts receivables position is reviewed on a periodic basis. Impairment losses are made where required, after assessing the probability of recovering the accounts receivables. These impairment losses do not relate to any major customers. Amounts written back are cash recovered from receivables previously impaired.

⁽³⁾ With reference to the Group's announcement dated 9 January 2015, the Group had received an unfavourable arbitration award pursuant to an arbitration proceeding against a third party. As a result of the arbitration proceedings, the following adjustments were recognised in the income statement for 3Q15:

	\$'000
i) Provision for project losses	3,510
ii) Award for additional work performed	(349)
	<u>3,161</u>

E Tax expense

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
- current period	1,028	542	2,333	1,150
- (over)/under provided in prior years	(4)	(8)	166	152
	<u>1,024</u>	<u>534</u>	<u>2,499</u>	<u>1,302</u>
Deferred tax credit				
- current period	(419)	(257)	(1,080)	(347)
- (over)/under provided in prior years	-	(169)	117	(134)
	<u>(419)</u>	<u>(426)</u>	<u>(963)</u>	<u>(481)</u>
	<u>605</u>	<u>108</u>	<u>1,536</u>	<u>821</u>

Notes to the Consolidated Income Statement (cont'd)

F Interested person transactions

Interested person transactions carried out during the 3rd quarter ended 31 December 2014 under Chapter 9 of the Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	3rd Quarter ended 31/12/2014 \$'000	9 months ended 31/12/2014 \$'000	3rd Quarter ended 31/12/2014 \$'000	9 months ended 31/12/2014 \$'000
CMC Construction Pte Ltd ⁽¹⁾	Nil	Nil	596	1,483
Tat Hong HeavyEquipment (HK) Ltd ⁽¹⁾	Nil	Nil	509	1,148
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	Nil	Nil	235	1,095
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	Nil	Nil	435	570

Note:

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

Notes to the Statement of Financial Position

1 Property, plant and equipment

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

	Group	
	As at 31/12/2014 \$'000	As at 31/03/2014 \$'000
Cost		
Opening balance	322,705	323,886
Additions	9,559	10,964
Reclassification from inventories	20,296	4,075
Transfer to assets held for sale	-	(371)
Transfer to inventories	-	(1,811)
Disposals/Write-offs	(3,754)	(12,380)
Translation differences on consolidation	(381)	(1,658)
Closing balance	<u>348,425</u>	<u>322,705</u>
Accumulated depreciation and impairment losses		
Opening balance	155,873	139,319
Depreciation charge	21,080	27,385
Transfer to assets held for sale	-	(16)
Transfer to inventories	-	(904)
Disposals/Write-offs	(2,752)	(9,365)
Translation differences on consolidation	(343)	(546)
Closing balance	<u>173,858</u>	<u>155,873</u>
Carrying amount	<u>174,567</u>	<u>166,832</u>

2 Inventories

	Group	
	As at 31/12/2014 \$'000	As at 31/03/2014 \$'000
Equipment and machinery held for sale	26,853	59,790
Spare parts	9,553	8,351
Construction materials on sites	4,117	3,179
	<u>40,523</u>	<u>71,320</u>
Allowance for inventory obsolescence	(25)	(25)
	<u>40,498</u>	<u>71,295</u>

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

	Group	
	As at 31/12/2014 \$'000	As at 31/03/2014 \$'000
Costs incurred and attributable profits	463,600	871,117
Progress billings	(469,858)	(879,253)
	<u>(6,258)</u>	<u>(8,136)</u>

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

4 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/2014	
Secured	Unsecured
\$'000	\$'000
25,650	56,931

As at 31/03/2014	
Secured	Unsecured
\$'000	\$'000
33,212	71,316

Amount repayable after one year

As at 31/12/2014	
Secured	Unsecured
\$'000	\$'000
31,431	4,774

As at 31/03/2014	
Secured	Unsecured
\$'000	\$'000
39,750	6,598

Details of any collateral

The Group's total borrowings were \$118.8 million (31 March 2014: \$150.9 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$10.2 million (31 March 2014: \$20.7 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company. Out of which \$21,565,000 (31 March 2014: \$30,887,000) and \$2,746,000 (31 March 2014: \$10,047,000) are also guaranteed by a related corporation and directors of certain subsidiaries respectively:

- a) \$49,379,000 (31 March 2014: \$61,829,000) in respect of plant and machinery acquired under finance leases;
- b) \$5,000,000 (31 March 2014: \$6,875,000) which are secured by a charge over the leasehold land and properties; and
- c) \$2,702,000 (31 March 2014: \$4,258,000) which are secured by a mortgage over the plant and machinery.

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

As at 31 December 2014, the issued and fully paid-up share capital of the Company was 1,230,243,725 (31 March 2014: 1,230,243,725) ordinary shares.

There were no share buybacks for the 3 months ended 31 December 2014. There were 20,520,000 shares held as treasury shares as at 31 December 2014 (31 December 2013: 18,615,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 31 December 2014.

The total number of ordinary shares issued (excluding treasury shares) as at 31 December 2014 was 1,209,723,725 (31 March 2014: 1,209,923,725) ordinary shares.

As at 31 December 2014, there were no outstanding share options (31 December 2013: Nil) for conversion into ordinary shares.

Audit

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

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2014.

Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning 1 April 2014 are as follows:

FRS 27	<i>Separate Financial Statements</i>
FRS 28	<i>Investments in Associates and Joint Ventures</i>
Amendments to FRS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 111	<i>Joint Arrangements</i>
FRS 112	<i>Disclosure of Interests in Other Entities</i>

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

Earnings Per Share

(a) Basic (loss)/earnings per ordinary share

	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Based on the weighted average number of ordinary shares on issue	(0.51) cents	0.07 cents	(0.63) cents	0.20 cents
	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$'000	\$'000	\$'000	\$'000
Basic (loss)/earnings per ordinary share is based on:				
Net (loss)/profit attributable to ordinary shareholders	(6,132)	830	(7,672)	2,447
	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period	1,230,243,725	1,230,243,725	1,230,243,725	1,230,243,725
Ordinary shares held as treasury shares	(20,520,000)	(18,168,913)	(20,520,000)	(16,055,764)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,209,723,725	1,212,074,812	1,209,723,725	1,214,187,961

(b) Diluted (loss)/earnings per ordinary share

	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
On a fully diluted basis	(0.51) cents	0.07 cents	(0.63) cents	0.20 cents
	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$'000	\$'000	\$'000	\$'000
Diluted (loss)/earnings per ordinary share is based on:				
Net (loss)/profit attributable to ordinary shareholders	(6,132)	830	(7,672)	2,447

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

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

	3rd Quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Number of shares			
Weighted average number of:				
Ordinary shares used in the calculation of basic earnings per ordinary share	1,209,723,725	1,212,074,812	1,209,723,725	1,214,187,961
Dilutive potential ordinary shares issuable	-	-	-	-
Weighted average number of ordinary issued and potential shares assuming full conversion	1,209,723,725	1,212,074,812	1,209,723,725	1,214,187,961

Net Asset Value

	<u>As at</u> <u>31/12/2014</u>	<u>As at</u> <u>31/03/2014</u>
<u>Group</u>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	15.9 cents	16.4 cents
<u>Company</u>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	9.0 cents	9.1 cents

The net asset value per ordinary share is calculated based on net asset value over the total number of ordinary shares issued (excluding treasury shares) as at 31 December 2014 of 1,209,723,725 (31 March 2014: 1,209,923,725) ordinary shares.

Variance from Prospect Statement

No forecast or prospect statement has been disclosed to shareholders.

Dividend

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

Confirmation

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

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
5 February 2015