

PTERIS GLOBAL LIMITED
UNAUDITED RESULTS FOR THE PERIOD ENDED 31 MARCH 2014

TABLE OF CONTENTS

Paragraph	Description	Page No.
1(a)(i)	Consolidated Income Statement	2
1(a)(ii)	Disclosures to the Consolidated Income Statement	2
1(b)(i)	Statements of Financial Position	3
1(b)(ii)	Borrowings and Debt Securities	4
1(b)(iii)	Consolidated Statement of Comprehensive Income	4
1(c)	Consolidated Statement of Cash Flows	5
1(d)(i)	Statements of Changes in Equity	6 - 9
1(d)(ii) & (iii) & (iv)	Share Capital and Treasury Shares	10
2 & 3	Audit Statement	10
4 & 5	Accounting Policies and Methods of Computation	10
6	Earnings Per Share	11
7	Net Asset Value Per Share	11
8	Financial Performance	12
9 & 10	Forecast and Prospect Statements	13
11 & 12	Dividends	13
13	Interested Party Transactions	14
14	Negative Assurance	14

1(a)(i) Consolidated Income Statement

GROUP	3 months ended 31 Mar		
	2014 \$'000	2013 \$'000	Change %
Revenue	12,693	13,301	↓ 5
Other income	871	743	↑ 17
Materials, subcontract and other direct cost	(11,189)	(10,723)	↑ 4
Staff costs	(4,633)	(4,900)	↓ 5
Depreciation	(680)	(722)	↓ 6
Foreign exchange differences and net hedging cost	(277)	156	n m
Other operating expenses	(1,403)	(1,751)	↓ 20
Finance expense	(319)	(283)	↑ 13
Loss before tax	(4,937)	(4,179)	↑ 18
Tax expense	(83)	(92)	↓ 10
Loss after tax	(5,020)	(4,271)	↑ 18

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

GROUP	3 months ended 31 Mar		
	2014 \$'000	2013 \$'000	Change %
Other income includes:			
Interest income	7	3	n m
Dividend income	1	1	-
Rental income	708	708	-
Net loss on disposal of property, plant and equipment	-	(1)	n m
Materials, subcontract and other direct cost includes:			
Provisions for warranty	225	(40)	n m
Foreign exchange differences and net hedging cost comprises:			
Net foreign exchange (loss) / gain	(277)	156	n m

↑ means increase

↓ means decrease

nm means "Not Meaningful"

1(b)(i) Statements of Financial Position

	GROUP		COMPANY	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets				
Property, plant and equipment	26,826	27,308	16,216	16,564
Subsidiaries	-	-	18,402	17,497
Intangible assets	1,421	1,421	-	-
Other financial assets	169	169	160	160
Deferred tax assets	451	451	393	393
	28,867	29,349	35,171	34,614
Current Assets				
Inventories	2,395	2,554	56	56
Contract work-in-progress	28,020	38,063	21,765	29,108
Trade and other receivables	29,551	27,533	43,698	37,912
Other financial assets	72	63	-	-
Cash and cash equivalents	18,957	20,799	12,608	16,308
	78,995	89,012	78,127	83,384
Total Assets	107,862	118,361	113,298	117,998
Equity Attributable to Equity Holders of the Company				
Share capital	65,161	65,161	65,161	65,161
Reserves	(34,611)	(29,631)	(34,054)	(30,645)
Total Equity	30,550	35,530	31,107	34,516
Non-Current Liabilities				
Deferred tax liabilities	387	387	-	-
Loans and borrowings	46	61	46	61
	433	448	46	61
Current Liabilities				
Trade and other payables	15,077	18,554	22,628	23,421
Excess of progress billings over contract work-in-progress	5,196	7,520	3,228	4,113
Loans and borrowings	52,467	52,142	52,467	52,142
Provisions	4,091	3,977	3,822	3,745
Provision for taxation	48	190	-	-
	76,879	82,383	82,145	83,421
Total Liabilities	77,312	82,831	82,191	83,482
Total Equity and Liabilities	107,862	118,361	113,298	117,998

1(b)(ii) Borrowings and Debt Securities

GROUP	As at 31 Mar 2014			As at 31 Dec 2013		
	Secured \$'000	Unsecured \$'000	Total \$'000	Secured \$'000	Unsecured \$'000	Total \$'000
Amount repayable in one year or less, or on demand	52,467	-	52,467	52,142	-	52,142
Amount repayable after one year	46	-	46	61	-	61
	52,513	-	52,513	52,203	-	52,203

Details of any collateral

As at 31 March 2014, the total secured borrowings of S\$52.5 million were secured by a mortgage against the Company's leasehold building in Singapore, a debenture over the assets of the Group and property and plant and equipment under leases.

Breach of bank covenants

As at the end of the financial year ended 31 December 2013, the Group has breached certain bank covenants in relation to the loans from its principal bankers. The Group did not fulfill the requirement to maintain a tangible net worth of no less than \$40 million at all times. In February 2014, the Company obtained a waiver for the breach effective up till December 2013.

Resulting from further negotiations with the banks, the Company had on 17 April 2014 (as set out in the announcement on 19 April 2014 on "Waiver for Breach of Bank Covenants") received a formal waiver letter and the waiver is effective as from 1 January 2014 to the earlier of the Reverse Takeover Effective Date or 31 August 2014 and is subject to the following conditions:

- (a) as a condition precedent to the waiver to become effective - receipt by the banks of the executed financial support undertaking provided by CIMC to the Company; and
- (b) as an ongoing requirement for the waiver to remain effective - the Company's board of directors to remain substantially unchanged until completion of the Reverse Takeover.

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

GROUP	3 months ended 31 Mar		
	2014 \$'000	2013 \$'000	Change %
Loss after tax	(5,020)	(4,271)	↑ 18
Translation differences relating to financial statements of foreign subsidiaries	40	168	↓ 76
Other comprehensive profit, net of tax	40	168	↓ 76
Total comprehensive loss	(4,980)	(4,103)	↑ 21

1(c) Consolidated Statement of Cash Flows

	3 months ended 31 Mar	
	2014	2013
	\$'000	\$'000
Operating activities		
Loss before tax	(4,937)	(4,179)
Adjustments for:		
Depreciation of property, plant and equipment	680	722
Net loss on disposal of property, plant and equipment	-	1
Property, plant and equipment written off	-	14
Provisions for warranty	225	(40)
Interest income	(7)	(3)
Dividend income	(1)	(1)
Rental income	(708)	(708)
Interest expense	319	283
Gain in fair value of financial asset at fair value through profit or loss	(9)	(1)
Operating loss before working capital changes	(4,438)	(3,912)
Changes in working capital:		
Trade and other receivables	(2,012)	(12,138)
Inventories and contract work-in-progress	7,855	7,641
Trade and other payables	(3,467)	480
Provisions	(111)	80
Taxes paid	(220)	(108)
Net cash flows used in operating activities	(2,393)	(7,957)
Investing activities		
Purchase of property, plant and equipment	(208)	(81)
Interest received	7	3
Dividend received	1	1
Rental income received	708	708
Net cash flows from investing activities	508	631
Financing activities		
Repayment of bank loans	-	(556)
Proceeds from bank loans	-	590
Payment of finance lease liabilities	(8)	(37)
Interest paid	(1)	(261)
Decrease in cash pledged	1,515	-
Net cash flows from / (used in) financing activities	1,506	(264)
Net decrease in cash and cash equivalents	(379)	(7,590)
Cash and cash equivalents at beginning of period	17,249	14,147
Effects of exchange rate fluctuations	52	27
Cash and cash equivalents at end of period	16,922	6,584
Comprising:		
Cash and bank balances per Statement of Financial Position	18,957	11,631
Less : Cash and deposits pledged	(2,035)	-
Less : Bank overdrafts classified as Loans and Borrowings per Statement of Financial Position	-	(5,047)
Per Consolidated Statement of Cash Flows	16,922	6,584

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

GROUP	Share Capital \$'000	Share Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory Reserve \$'000	Accumulated Profits / (Losses) \$'000	Total Equity \$'000
Balance as at 01 Jan 2014	65,161	216	(1,373)	68	(28,542)	35,530
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(5,020)	(5,020)
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries	-	-	40	-	-	40
Total comprehensive income/ (loss) for the period	-	-	40	-	(5,020)	(4,980)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Transfer arising from share options forfeited / lapsed	-	(88)	-	-	88	-
Total transactions with owners	-	(88)	-	-	88	-
Balance as at 31 Mar 2014	65,161	128	(1,333)	68	(33,474)	30,550

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

GROUP	Share Capital \$'000	Share Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Statutory Reserve \$'000	Accumulated Profits / (Losses) \$'000	Total Equity \$'000
Balance as at 01 Jan 2013	65,161	369	(1,330)	68	990	65,258
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(4,271)	(4,271)
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries	-	-	168	-	-	168
Total comprehensive income / (loss) for the period	-	-	168	-	(4,271)	(4,103)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Transfer arising from share options forfeited / lapsed	-	(42)	-	-	42	-
Total transactions with owners	-	(42)	-	-	42	-
Balance as at 31 Mar 2013	65,161	327	(1,162)	68	(3,239)	61,155

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

COMPANY	Share Capital \$'000	Share Option Reserve \$'000	Accumulated Profits / (Losses) \$'000	Total Equity \$'000
Balance as at 01 Jan 2014	65,161	216	(30,861)	34,516
Total comprehensive income for the period				
Loss for the period	-	-	(3,409)	(3,409)
Total comprehensive loss for the period	-	-	(3,409)	(3,409)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Transfer arising from share options forfeited / lapsed	-	(88)	88	-
Total transactions with owners	-	(88)	88	-
Balance as at 31 Mar 2014	65,161	128	(34,182)	31,107

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

COMPANY	Share Capital \$'000	Share Option Reserve \$'000	Accumulated Profits / (Losses) \$'000	Total Equity \$'000
Balance as at 01 Jan 2013	65,161	369	(6,771)	58,759
Total comprehensive income for the period				
Loss for the period	-	-	(2,561)	(2,561)
Total comprehensive loss for the period	-	-	(2,561)	(2,561)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Transfer arising from share options forfeited / lapsed	-	(42)	42	-
Total transactions with owners	-	(42)	42	-
Balance as at 31 Mar 2013	65,161	327	(9,290)	56,198

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

ORDINARY SHARES

GROUP	No of shares	Capital S\$'000
As at 01 Jan 2014 and 31 Mar 2014	548,488,257	65,161

EMPLOYEES' SHARE OPTIONS

GROUP	No of options	Weighted Average Price	Options Exercise Price Range (if applicable)
As at 01 Jan 2014	1,520,479	\$0.509	Between S\$0.156 and S\$0.773
Share options forfeited	(517,808)	\$0.591	Between S\$0.156 and S\$0.773
As at 31 Mar 2014	1,002,671	\$0.467	Between S\$0.156 and S\$0.773

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

GROUP	31 Mar 2014	31 Dec 2013
Number of ordinary shares on issue	548,488,257	548,488,257

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

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

None.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

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

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

Not applicable.

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

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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The following new/amended FRSs have become effective from 1 January 2014:

Revised FRS 27 Separate Financial Statements

FRS 110 Consolidated Financial Statements

FRS 111 Joint Arrangements

FRS 112 Disclosure of Interests in Other Entities

Amendments to FRS 32 Offsetting of Financial Assets and and Financial Liabilities

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

6. Earnings Per Share

	3 months ended 31 Mar	
	2014	2013
Basic loss per share	(0.92 cents)	(0.78 cents)
Weighted average number of shares for the purpose of computing basic loss per share	548,488,257	548,488,257
Fully diluted loss per share	(0.92 cents)	(0.78 cents)
Weighted average number of shares for the purpose of computing fully diluted loss per share	548,502,158	548,488,257

7. Net Asset Value Per Share

	31 Mar 2014	31 Dec 2013
Group net asset value per ordinary share	5.6 cents	6.5 cents
Number of ordinary shares in issue	548,488,257	548,488,257
Company net asset value per ordinary share	5.7 cents	6.3 cents
Number of ordinary shares in issue	548,488,257	548,488,257

8. Financial Performance

Revenue

In the absence of major projects secured, and hence a lower level of business activities, revenue for the first quarter ended 31 March 2014 ("1QFY14") decreased by 5% or S\$0.61 million to S\$12.69 million, from S\$13.30 million for the first quarter ended 31 March 2013 ("1QFY13").

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

MSO increased from S\$10.72 million for 1QFY13 to S\$11.19 million for 1QFY14. MSO as a percentage of revenue was 88% for 1QFY14. This was in line with the margins of the current projects being executed.

Other Income

Other income increased for 1QFY14 to S\$0.87 million, from S\$0.74 million for 1QFY13. The increase was mainly from the cash received from Inland Revenue under the tax and payroll incentive schemes.

Staff Costs

Staff costs for 1QFY14 decreased by 5% to S\$4.63 million, from S\$4.90 million for 1QFY13 as a result of decreased business activities for 1QFY14. While lower, the decrease in staff costs is not in tandem with the decrease in business activities due to the need to maintain a certain level of staff headcount to ensure smooth operations.

Depreciation

Depreciation for 1QFY14 decreased 6% to S\$0.68 million, from S\$0.72 million for 1QFY13, as part of the Group's assets became fully depreciated prior to 1QFY14.

Foreign Exchange Differences and Net Hedging Cost

The Group recorded a loss of S\$0.28 million for 1QFY14 as compared to a gain of S\$0.16 million for 1QFY13. This was mainly due to revaluation losses on foreign currency denominated receivables arising from the depreciation of those foreign currencies against the Singapore Dollar.

Other Operating Expenses

Other operating expenses decreased by S\$0.35 million to S\$1.40 million for 1QFY14, from S\$1.75 million for 1QFY13 mainly due to the Group's continuing focus on higher efficiencies and streamlining efforts for the quarter under review.

Finance Expense

Finance expense increased by S\$0.04 million or 13% from S\$0.28 million in 1QFY13 to S\$0.32 million in 1QFY14 due mainly to higher interest costs resulted from higher borrowings for the quarter under review.

Loss After Tax

As a result of the above and in view of the lower order book, the Group reported a loss after tax of S\$5.02 million for 1QFY14, compared to a loss after tax of S\$4.27 million for 1QFY13.

Cash Flow, Bank Borrowings and Net Gearing

GROUP	Mar 2014 \$'000	Dec 2013 \$'000	Change %
Net assets	30,550	35,530	↓ 14
Net current assets	2,116	6,629	↓ 68
Total borrowings	52,513	52,203	↑ 1
Gearing ratio	171.9%	146.9%	
Cash and cash equivalents	18,957	20,799	↓ 9
Net borrowings	33,556	31,404	↑ 7
Net gearing ratio	109.8%	88.4%	

The Group's cash and cash equivalents as at 31 March 2014 were S\$18.96 million, compared to S\$20.80 million as at 31 December 2013. Bank borrowings increased from S\$52.20 million as at 31 December 2013 to S\$52.51 million as at 31 March 2014. The Group's net gearing ratio increased to 109.8% as at 31 March 2014, from 88.4% as at 31 December 2013.

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

No quarterly forecast was previously given.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group's preparation work towards the proposed acquisition of 100% equity interest in Shenzhen CIMC-TianDa Airport Support Ltd ("TianDa") from China International Marine Containers (Hong Kong) Ltd ("CIMC") and Shenzhen TGM Ltd (collectively, the "Vendors") (the Reverse Take-Over or "RTO") is ongoing. Subject to the approval from the SGX, the proposed RTO is expected to be put forth to shareholders for voting at an Extraordinary General Meeting in due course.

The abovementioned developments, when completed, will broaden Pteris Global's suite of complementary products and services as well as enhance the Group's position as a world-leading integrated airport logistics system provider.

As a conglomerate with holdings in over 150 companies worldwide, CIMC's participation in the Group's equity will yield additional benefits for the Group. In addition to operational synergies, Pteris Global will be able to tap on CIMC's resources and business networks to achieve greater economies of scale, cost savings and market penetration across global markets.

The Board expects the Group's operating outlook to remain very challenging in the near-term. An intensively competitive market and rising costs of labour and raw materials will also continue to hinder the Group's efforts to return to profitability.

Meanwhile, CIMC's support for the Group and the continued availability of funds to support the Group's day-to-day operations are critical to the Group's ability to operate as an on-going concern. As announced on 19 April 2014, the Group has breached certain bank covenants in relation to the loans from its principal bankers as at the end of the financial year ended 31 December 2013. The Group has managed to obtain an agreement from the banks, with the waiver being effective as from 1 January 2014 to the earlier of the RTO Effective Date or 31 August 2014. This waiver is subject to the banks receiving an undertaking from CIMC to provide financial support to the Company, amongst other conditions.

Separately, the Group will continue to pursue vigorously its contractual entitlements for project delays and variation orders, in particular to a project in the Middle East.

As at 31 March 2014, the Group's order book stands at S\$84 million.

11. Dividends

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

No.

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is recommended.

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

The Company did not obtain a general mandate from shareholders for IPTs.

14. Negative Assurance

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Group and the Company for the quarter ended 31 March 2014 to be false or misleading in any material aspect.

On behalf of the Board

Lim Joo Boon
Chairman

Zheng Zuhua
CEO/Executive Director

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
14 May 2014