



# **CSC HOLDINGS LIMITED**

(Company Registration Number: 199707845E)

## **Financial Statements Announcement**

**for the Second Quarter Ended 30 September 2015**

**(For the Financial Year Ending 31 March 2016)**

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## Review of the Performance of the Group

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

2Q16 – for the 3 months ended 30 September 2015

1Q16 – for the 3 months ended 30 June 2015

2Q15 – for the 3 months ended 30 September 2014

1H16 – for the 6 months ended 30 September 2015

1H15 – for the 6 months ended 30 September 2014

#### Review of Results for the Second Quarter Ended 30 September 2015

	2Q16 \$'000	1Q16 \$'000	Change %	2Q15 \$'000	Change %	1H16 \$'000	1H15 \$'000	Change %
<b>Revenue</b>	93,726	124,353	(24.6)	103,143	(9.1)	218,079	196,278	11.1
<b>Gross Profit</b>	5,731	8,994	(36.3)	5,338	7.4	14,725	9,740	51.2
Other Income	473	454	4.2	1,020	(53.6)	927	1,723	(46.2)
Operating Expenses	(6,810)	(7,818)	(12.9)	(8,021)	(15.1)	(14,628)	(15,250)	(4.1)
<b>(Loss)/Profit from Operating Activities</b>	(606)	1,630	N.M.	(1,663)	(63.6)	1,024	(3,787)	N.M.
Impairment Losses Reversed on Trade and Other Receivables:								
- Changi Motorsports Hub project	-	-	N.A.	6,858	(100.0)	-	6,858	(100.0)
Recovery of Legal and Other Costs as a result of an Arbitration Award received	906	-	N.A.	-	N.A.	906	-	N.A.
<b>Profit from Operating Activities after the Impairment Losses and Recovery of Costs</b>	300	1,630	(81.6)	5,195	(94.2)	1,930	3,071	(37.2)
Net Finance Expenses	(223)	(967)	(76.9)	(1,067)	(79.1)	(1,190)	(1,884)	(36.8)
Interest Income Recognised as a result of an Arbitration Award received	337	-	N.A.	-	N.A.	337	-	N.A.
Share of (Loss)/Profit of a Joint Venture	(142)	21	N.M.	36	N.M.	(121)	20	N.M.
<b>Profit before Tax</b>	272	684	(60.2)	4,164	(93.5)	956	1,207	(20.8)
Tax Credit/(Expense)	248	(278)	N.M.	(987)	N.M.	(30)	(931)	(96.8)
<b>Profit for the period</b>	520	406	28.1	3,177	(83.6)	926	276	N.M.

<b>Gross Profit Margins</b>	6.1%	7.2%	5.2%	6.8%	5.0%
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#### Revenue

Revenue for 1H16 rose 11.1% to \$218.1 million compared to the corresponding period last year. The increase was mainly driven by the higher volume of construction work executed in 1Q16.

Revenue for 2Q16 of \$93.7 million was 9.1% lower than 2Q15. New contracts secured in 2Q16 had yet to start, which thus delayed revenue recognition from these projects.

#### Gross Profit and Gross Profit Margins (GPM)

Gross profit for 1H16 improved by 51.2% to \$14.7 million, in line with the increase in revenue. Gross profit for 2Q16 rose 7.4% to \$5.7 million. GPM for 1H16 improved by 1.8 percentage points to 6.8%, while that for 2Q16 improved by 0.9 percentage points to 6.1% year-on-year.

The improvements were the result of proactive steps taken by the Group in the previous quarters to reduce costs and improve operating efficiencies.

Gross profit for 2Q16 was 36.3% lower sequentially compared to \$9.0 million in 1Q16, in line with the decline in revenue.

## Other Income

The Group recorded lower other income of \$0.9 million in 1H16 (1H15: \$1.7 million) and \$0.5 million in 2Q16 (2Q15: \$1.0 million) respectively. The decline reflects lower gain from the disposal of older equipment compared to the previous corresponding periods. There were more disposals of older equipment in 1H15 and 2Q15 as part of the measures taken by the Group to right-size its operations and reduce operating costs.

Sequentially, other income for 2Q16 was comparable to the \$0.5 million recorded in 1Q16.

## Operating Expenses

	2Q16 \$'000	1Q16 \$'000	Change %	2Q15 \$'000	Change %	1H16 \$'000	1H15 \$'000	Change %
<b>Other Operating Expenses</b>	6,412	7,512	(14.6)	7,743	(17.2)	13,924	14,424	(3.5)
Impairment Losses Made on Trade and Other Receivables	455	10	N.M.	39	N.M.	465	441	5.4
Exchange (Gain)/Loss	(57)	296	N.M.	239	N.M.	239	385	(37.9)
	6,810	7,818	(12.9)	8,021	(15.1)	14,628	15,250	(4.1)
Impairment Losses Reversed on Trade and Other Receivables: - Changi Motorsports Hub project	-	-	N.A.	(6,858)	(100.0)	-	(6,858)	(100.0)
Recovery of Legal and Other Costs as a result of an Arbitration Award received	(906)	-	N.A.	-	N.A.	(906)	-	N.A.
<b>Net Operating Expenses</b>	5,904	7,818	(24.5)	1,163	N.M.	13,722	8,392	63.5
<b>Other Operating Expenses /Revenue</b>	6.8%	6.0%		7.5%		6.4%	7.3%	

Other operating expenses for 1H16 declined 3.5% to \$13.9 million, while other operating expenses for 2Q16 fell 17.2% to \$6.4 million (2Q15: \$7.7 million).

The decrease was due to measures undertaken by the Group to reduce operating overheads in the current challenging environment.

There was a sequential reduction in other operating expenses to \$6.4 million (1Q16: \$7.5 million). Fixed overheads were further reduced as the Group streamlined its operations and other support costs.

As announced on 24 August 2015, a wholly owned subsidiary of the Company was successful in an arbitration proceeding. As a result, an amount of \$0.9 million of legal fees was recovered and recorded accordingly.

Other operating expenses to revenue ratios for 1H16 and 2Q16 were 6.4% (1H15: 7.3%) and 6.8% (2Q15: 7.5%) respectively, mainly due to an improvement in operational efficiency.

Quarter-on-quarter, other operating expenses to revenue ratio for 2Q16 was higher as compared to 1Q16's ratio of 6.0%, in line with the relatively lower revenue recorded in 2Q16.

## Net Finance Expenses

	2Q16 \$'000	1Q16 \$'000	Change %	2Q15 \$'000	Change %	1H16 \$'000	1H15 \$'000	Change %
Interest Income	161	14	N.M.	2	N.M.	175	4	N.M.
Interest Expenses	(826)	(841)	(1.8)	(1,076)	(23.2)	(1,667)	(2,066)	(19.3)
<b>Net Interest Expenses</b>	<b>(665)</b>	<b>(827)</b>	<b>(19.6)</b>	<b>(1,074)</b>	<b>(38.1)</b>	<b>(1,492)</b>	<b>(2,062)</b>	<b>(27.6)</b>
Imputed Interest on Non- Current Assets/Liabilities	442	(140)	N.M.	7	N.M.	302	178	69.7
	(223)	(967)	(76.9)	(1,067)	(79.1)	(1,190)	(1,884)	(36.8)
Interest Income Recognised as a result of an Arbitration Award received	337	-	N.A.	-	N.A.	337	-	N.A.
<b>Net Finance Income /(Expenses)</b>	<b>114</b>	<b>(967)</b>	<b>N.M.</b>	<b>(1,067)</b>	<b>N.M.</b>	<b>(853)</b>	<b>(1,884)</b>	<b>(54.7)</b>

Net interest expenses declined in both 1H16 and 2Q16 due to a reduction in bank borrowings to finance the business operations during the periods under review.

The Group also registered a quarter-on-quarter decline in net interest expenses as lower borrowings were undertaken to finance a lower level of business activities compared to 1Q16.

## Share of (Loss)/Profit of a Joint Venture

The Group recorded a loss from its operations in Thailand. A decline in local demand led to significantly lower business volumes in 1H16 and 2Q16.

## Profit for the period

	2Q16 \$'000	1Q16 \$'000	Change %	2Q15 \$'000	Change %	1H16 \$'000	1H15 \$'000	Change %
<b>Profit for the period</b>	520	406	28.1	3,177	(83.6)	926	276	N.M.
Non-Controlling Interests	(487)	15	N.M.	(285)	70.9	(472)	(1,816)	(74.0)
<b>Net Profit/(Loss) after Non- Controlling Interests</b>	<b>33</b>	<b>421</b>	<b>(92.2)</b>	<b>2,892</b>	<b>(98.9)</b>	<b>454</b>	<b>(1,540)</b>	<b>N.M.</b>
<b>Earnings/(Loss) Per Share (cents)</b>	<b>0.003</b>	<b>0.03</b>		<b>0.24</b>		<b>0.04</b>	<b>(0.13)</b>	

The Group recorded a profit for the period of \$0.9 million for 1H16 (1H15: \$0.3 million). Earnings per share for 1H16 was 0.04 cent as compared to a loss per share of 0.13 cent in 1H15 as a result of the net loss after non-controlling interest recorded in 1H15.

Profit for the period and earnings per share for 2Q16 were \$0.5 million (2Q15: \$3.2 million, 1Q16: \$0.4 million) and 0.003 cent (2Q15: 0.24 cent, 1Q16: 0.03 cent) respectively.

## STATEMENT OF FINANCIAL POSITION

### Property, Plant and Equipment

As at 30 September 2015, the net book value of property, plant and equipment amounted to \$175.7 million (31 March 2015: \$185.6 million). During the period under review, the Group acquired \$6.8 million worth of new plant and equipment to replace older equipment. At the same time, the Group disposed of plant and equipment amounting to \$0.5 million and recorded a \$0.4 million gain on the disposal. Depreciation for the period was \$13.5 million (1H15: \$14.0 million).

### Net Current Assets

Net current assets of the Group as at 30 September 2015 was \$16.4 million (31 March 2015: \$8.9 million) with a current ratio (current assets / current liabilities) of 1.08 (31 March 2015: 1.04).

As at 30 September 2015, the Group's inventories decreased to \$26.2 million (31 March 2015: \$27.0 million) in line with the lower level of business activities.

Trade and other receivables were \$183.7 million (31 March 2015: \$202.9 million) while trade and other payables were \$117.8 million (31 March 2015: \$139.0 million).

### Borrowings

Total borrowings of the Group as at 30 September 2015 were \$107.6 million (31 March 2015: \$118.1 million). This represents a debt over equity ratio of 0.62 (31 March 2015: 0.66).

The decrease in borrowings was mainly due to net repayment of bank borrowings in 1H16.

### Equity and Net Asset Value

Total equity was \$174.7 million as at 30 September 2015 (31 March 2015: \$179.0 million), while net asset value per ordinary share was 14.4 cents (31 March 2015: 14.8 cents).

The Group recorded a lower net asset value per ordinary share as at 30 September 2015, mainly due to the strength of the Singapore Dollar vis-à-vis the regional currencies. Foreign currency translation reserve trended lower as the Malaysian Ringgit and Thai Baht weakened against the Singapore Dollar.

## CASH FLOW

	2Q16 \$'000	1Q16 \$'000	Change %	2Q15 \$'000	Change %	1H16 \$'000	1H15 \$'000	Change %
<b>Cash Flow from Operating Activities</b>	11,202	6,778	65.3	17,513	(36.0)	17,980	23,445	(23.3)
<b>Cash Flow from Investing Activities</b>	(2,907)	(1,035)	N.M.	481	N.M.	(3,942)	33	N.M.
<b>Cash Flow from Financing Activities</b>	(6,713)	(13,044)	(48.5)	(13,407)	(49.9)	(19,757)	(22,550)	(12.4)
<b>Cash and Cash Equivalents</b>	11,868	10,736	10.5	8,839	34.3	11,868	8,839	34.3

### **Cash Flow from Operating Activities**

Net cash inflow from operating activities for 2Q16 and 1H16 were \$11.2 million (2Q15: \$17.5 million) and \$18.0 million (1H15: \$23.4 million) respectively, a comparative decline due to the working capital requirements of the periods under review.

Quarter-on-quarter, net cash inflow from operating activities increased to \$11.2 million for 2Q16 from \$6.8 million for 1Q16.

### **Cash Flow from Investing Activities**

The Group's net cash outflow from investing activities for 2Q16 and 1H16 were \$2.9 million and \$3.9 million respectively. There was a final instalment payment of \$0.7 million in 1H16 for the acquisition of an additional 15% stake in ICE Far East Pte. Ltd. and its subsidiaries.

In the previous corresponding periods, the Group generated a net cash inflow of \$0.5 million and \$0.03 million mainly due to proceeds from the disposal of old equipment.

The net cash outflow for 2Q16 was higher than 1Q16 of \$1.0 million due to piling tools and accessories purchased for its operations.

### **Cash Flow from Financing Activities**

The Group recorded net cash outflow from financing activities of \$6.7 million for 2Q16 (2Q15: \$13.4 million, 1Q16: \$13.0 million) and \$19.8 million for 1H16 (1H15: \$22.6 million), following the net repayment of bank borrowings during the periods under review.

### **Cash and Cash Equivalents**

Taking the abovementioned factors into consideration, the Group ended 30 September 2015 with cash and cash equivalents of \$11.9 million (2Q15: \$8.8 million, 1Q16: \$10.7 million).

## Outlook

The Group is expecting the construction sector to continue to face headwinds in the second half of the financial year. Demand for construction services from the Singapore private residential market is expected to soften in the coming months amid a subdued domestic residential property sector. Demand from the infrastructure space should pick up only in the second half of the calendar year with the commencement of the construction of the new MRT stations and lines for the East Coast Stretch of the Thomson-East Coast Line.

The outlook for construction industry in Malaysia and Thailand continues to be clouded by uncertainties in their economic and political environments.

The Group has been preparing for a moderation of demand and a possible downturn in the Singapore construction sector since the last financial year, with various initiatives in place to right-size its operations and reduce costs. Specifically, the Group has reduced its capacity in sectors that are facing greater competition, and will continue to redeploy resources to better-performing sectors within the Group. It will also continue to look for ways to preserve its cash and reduce bank borrowings to ensure that it has sufficient liquid resources in this challenging environment.

As at 9 November 2015, the Group's order book stood at approximately \$170 million (5 August 2015: \$170 million). The bulk of these contracts is expected to be completed within the next six to nine months.



## Consolidated Statement of Profit or Loss for the 2nd Quarter ended 30 September 2015

	Note	Group			Group		
		2nd Quarter ended		Change	6 months ended		Change
		30-Sep-15	30-Sep-14		30-Sep-15	30-Sep-14	
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>		93,726	103,143	(9.1)	218,079	196,278	11.1
Cost of sales	A	(87,995)	(97,805)	(10.0)	(203,354)	(186,538)	9.0
<b>Gross profit</b>		5,731	5,338	7.4	14,725	9,740	51.2
Other income	B	473	1,020	(53.6)	927	1,723	(46.2)
Distribution expenses		(137)	(217)	(36.9)	(299)	(286)	4.5
Administrative expenses	C	(6,181)	(7,737)	(20.1)	(13,783)	(14,471)	(4.8)
Other operating expenses	D	(492)	(67)	N.M.	(546)	(493)	10.8
Impairment losses reversed on trade and other receivables	E	-	6,858	(100.0)	-	6,858	(100.0)
Recovery of legal and other costs as a result of an arbitration award received	F	906	-	N.A.	906	-	N.A.
<b>Results from operating activities</b>		300	5,195	(94.2)	1,930	3,071	(37.2)
Finance income		603	9	N.M.	477	182	N.M.
Finance expenses		(826)	(1,076)	(23.2)	(1,667)	(2,066)	(19.3)
Interest income recognised as a result of an arbitration award received	F	337	-	N.A.	337	-	N.A.
<b>Net finance income/(expenses)</b>		114	(1,067)	N.M.	(853)	(1,884)	(54.7)
Share of (loss)/profit of a joint venture		(142)	36	N.M.	(121)	20	N.M.
<b>Profit before tax</b>		272	4,164	(93.5)	956	1,207	(20.8)
Tax credit/(expense)	G	248	(987)	N.M.	(30)	(931)	(96.8)
<b>Profit for the period</b>		520	3,177	(83.6)	926	276	N.M.
<b>Attributable to:</b>							
Owners of the Company		33	2,892	(98.9)	454	(1,540)	N.M.
Non-controlling interests		487	285	70.9	472	1,816	(74.0)
<b>Profit for the period</b>		520	3,177		926	276	
Gross profit margin		6.1%	5.2%		6.8%	5.0%	
Net profit margin		0.6%	3.1%		0.4%	0.1%	

## Consolidated Statement of Comprehensive Income for the 2nd Quarter ended 30 September 2015

	Group			Group		
	2nd Quarter ended		Change	6 months ended		Change
	30-Sep-15	30-Sep-14		30-Sep-15	30-Sep-14	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period</b>	520	3,177	(83.6)	926	276	N.M.
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	(3,885)	202	N.M.	(5,307)	420	N.M.
<b>Other comprehensive income for the period, net of tax</b>	(3,885)	202	N.M.	(5,307)	420	N.M.
<b>Total comprehensive income for the period</b>	(3,365)	3,379	N.M.	(4,381)	696	N.M.
<b>Attributable to:</b>						
Owners of the Company	(3,714)	3,061	N.M.	(4,572)	(1,154)	N.M.
Non-controlling interests	349	318	9.7	191	1,850	(89.7)
<b>Total comprehensive income for the period</b>	(3,365)	3,379		(4,381)	696	

## Statement of Financial Position as at 30 September 2015

DESCRIPTION	Note	Group		Company	
		30-Sep-15	31-Mar-15	30-Sep-15	31-Mar-15
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	175,738	185,617	45	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	94,418	94,418
- a joint venture		1,358	1,613	-	-
Other investment		842	828	-	-
Trade and other receivables		11,372	12,902	-	-
Deferred tax asset		-	-	29	29
		190,762	202,412	94,492	94,447
<b>Current assets</b>					
Inventories	2	26,239	27,001	-	-
Derivatives		30	-	-	-
Trade and other receivables		183,739	202,879	30,389	31,788
Cash and cash equivalents		16,489	19,167	289	508
		226,497	249,047	30,678	32,296
<b>Total assets</b>		417,259	451,459	125,170	126,743

**Statement of Financial Position as at 30 September 2015 (cont'd)**

DESCRIPTION	Note	Group		Company	
		30-Sep-15	31-Mar-15	30-Sep-15	31-Mar-15
		\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to owners of the Company</b>					
Share capital		64,953	64,953	64,953	64,953
Reserves		84,794	89,366	45,735	45,497
		149,747	154,319	110,688	110,450
<b>Non-controlling interests</b>		24,910	24,719	-	-
<b>Total equity</b>		174,657	179,038	110,688	110,450
<b>Non-current liabilities</b>					
Loans and borrowings		31,817	31,739	39	-
Deferred tax liabilities		639	570	-	-
		32,456	32,309	39	-
<b>Current liabilities</b>					
Loans and borrowings		75,738	86,358	99	-
Trade and other payables		117,848	139,035	14,231	16,192
Excess of progress billings over construction work-in-progress	3	9,424	7,806	-	-
Current tax payable		1,108	1,749	113	101
Provision for liquidated damages		6,028	5,164	-	-
		210,146	240,112	14,443	16,293
<b>Total liabilities</b>		242,602	272,421	14,482	16,293
<b>Total equity and liabilities</b>		417,259	451,459	125,170	126,743

## Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2015

	2nd Quarter ended		6 months ended	
	<u>30-Sep-15</u> \$'000	<u>30-Sep-14</u> \$'000	<u>30-Sep-15</u> \$'000	<u>30-Sep-14</u> \$'000
<b>Cash flows from operating activities</b>				
Profit for the period	520	3,177	926	276
Adjustments for:				
Allowance for foreseeable losses on construction work-in-progress	392	-	234	-
Bad debts written off	1	-	1	2
Depreciation of property, plant and equipment	6,609	7,238	13,454	14,044
Gain on disposal of property, plant and equipment	(226)	(601)	(358)	(1,007)
Impairment losses made/(reversed) on trade and other receivables	455	(6,819)	465	(6,417)
Inventories written down	-	16	-	35
Net finance expenses	(114)	1,067	853	1,884
Property, plant and equipment written off	-	-	12	-
Provision for liquidated damages	975	450	975	450
Share of loss/(profit) of a joint venture	142	(36)	121	(20)
Tax (credit)/expense	(248)	987	30	931
<b>Operating activities before working capital changes</b>	<b>8,506</b>	<b>5,479</b>	<b>16,713</b>	<b>10,178</b>
Changes in working capital:				
Inventories	329	5,963	2,218	6,966
Trade and other receivables	21,460	(3,672)	21,172	11,005
Trade and other payables	(19,401)	10,460	(22,087)	(3,651)
Cash generated from operations	10,894	18,230	18,016	24,498
Taxes paid	(190)	(719)	(548)	(1,057)
Interest received	498	2	512	4
<b>Net cash generated from operating activities</b>	<b>11,202</b>	<b>17,513</b>	<b>17,980</b>	<b>23,445</b>

## Consolidated Statement of Cash Flows for the 2nd Quarter ended 30 September 2015 (cont'd)

	2nd Quarter ended		6 months ended	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(2,766)	(942)	(3,663)	(1,645)
Proceeds from disposal of property, plant and equipment	222	1,423	448	1,678
Acquisition of non-controlling interests in previous year	(363)	-	(727)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,907)</b>	<b>481</b>	<b>(3,942)</b>	<b>33</b>
<b>Cash flows from financing activities</b>				
Interest paid	(838)	(1,047)	(1,662)	(2,015)
Dividend paid:				
- owners of the Company	-	(1,210)	-	(1,210)
Proceeds from:				
- bank loans and hire purchase loans	17,771	14,579	23,199	28,519
- bills payable	14,120	12,776	27,095	28,338
Purchase of treasury shares	-	-	-	(18)
Repayment of:				
- bank loans	(18,555)	(7,844)	(28,477)	(17,666)
- bills payable	(13,452)	(18,726)	(28,172)	(37,119)
- finance lease liabilities	(5,759)	(11,935)	(11,740)	(21,154)
Increase in fixed deposits pledged	-	-	-	(225)
<b>Net cash used in financing activities</b>	<b>(6,713)</b>	<b>(13,407)</b>	<b>(19,757)</b>	<b>(22,550)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,582</b>	<b>4,587</b>	<b>(5,719)</b>	<b>928</b>
Cash and cash equivalents at 1 July/1 April	10,736	4,239	18,295	7,927
Effect of exchange rate changes on balances held in foreign currencies	(450)	13	(708)	(16)
<b>Cash and cash equivalents at 30 September</b>	<b>11,868</b>	<b>8,839</b>	<b>11,868</b>	<b>8,839</b>
Comprising:				
Cash and cash equivalents	16,489	10,697	16,489	10,697
Bank overdrafts	(4,621)	(1,633)	(4,621)	(1,633)
	11,868	9,064	11,868	9,064
Less:				
Fixed deposits pledged as security for bank facilities	-	(225)	-	(225)
Cash and cash equivalents in the consolidated cash flow statement	11,868	8,839	11,868	8,839

## Statements of Changes in Equity for the 2nd Quarter ended 30 September 2015

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign 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 July 2014	64,953	17,798	(2,354)	116	(1,817)	137	91,149	169,982	25,551	195,533
<b>Total comprehensive income for the period</b>										
Profit or loss	-	-	-	-	-	-	2,892	2,892	285	3,177
<b>Other comprehensive income</b>										
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	169	-	-	169	33	202
Total other comprehensive income	-	-	-	-	169	-	-	169	33	202
Total comprehensive income for the period	-	-	-	-	169	-	2,892	3,061	318	3,379
<b>Transactions with owners, recorded directly in equity</b>										
Dividend paid in respect of financial year 2014 - Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	(1,210)	(1,210)	-	(1,210)
Total transactions with owners	-	-	-	-	-	-	(1,210)	(1,210)	-	(1,210)
<b>At 30 September 2014</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,354)</b>	<b>116</b>	<b>(1,648)</b>	<b>137</b>	<b>92,831</b>	<b>171,833</b>	<b>25,869</b>	<b>197,702</b>
At 1 July 2015	64,953	17,798	(2,354)	116	(4,222)	(923)	78,093	153,461	24,561	178,022
<b>Total comprehensive income for the period</b>										
Profit or loss	-	-	-	-	-	-	33	33	487	520
<b>Other comprehensive income</b>										
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	(3,747)	-	-	(3,747)	(138)	(3,885)
Total other comprehensive income	-	-	-	-	(3,747)	-	-	(3,747)	(138)	(3,885)
Total comprehensive income for the period	-	-	-	-	(3,747)	-	33	(3,714)	349	(3,365)
<b>Transactions with owners, recorded directly in equity</b>										
Total transactions with owners	-	-	-	-	-	-	-	-	-	-
<b>At 30 September 2015</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,354)</b>	<b>116</b>	<b>(7,969)</b>	<b>(923)</b>	<b>78,126</b>	<b>149,747</b>	<b>24,910</b>	<b>174,657</b>

## Statements of Changes in Equity for the 2nd Quarter ended 30 September 2015 (cont'd)

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Reserve for own shares</u>	<u>Accumulated profits</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2014	64,953	17,798	(2,354)	29,317	109,714
Total comprehensive income for the period	-	-	-	687	687
<b>Transactions with owners, recorded directly in equity</b>					
Dividend paid in respect of financial year 2014 - Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	(1,210)	(1,210)
Total transactions with owners	-	-	-	(1,210)	(1,210)
<b>At 30 September 2014</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,354)</b>	<b>28,794</b>	<b>109,191</b>
At 1 July 2015	64,953	17,798	(2,354)	30,049	110,446
Total comprehensive income for the period	-	-	-	242	242
<b>Transactions with owners, recorded directly in equity</b>					
Total transactions with owners	-	-	-	-	-
<b>At 30 September 2015</b>	<b>64,953</b>	<b>17,798</b>	<b>(2,354)</b>	<b>30,291</b>	<b>110,688</b>

### Note:

#### Capital reserve

Capital Reduction Reserve

<u>Group</u>	<u>Company</u>
\$'000	\$'000
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 Statement of Profit or Loss

The Group is reporting its second quarter results for the period from 1 July 2015 to 30 September 2015 ("2Q16") with comparative figures for the 3 months period from 1 July 2014 to 30 September 2014 ("2Q15").

#### A Cost of sales

Group			
2nd Quarter ended		6 months ended	
30/09/2015	30/09/2014	30/09/2015	30/09/2014
\$'000	\$'000	\$'000	\$'000

Cost of sales includes the following items:

Allowance for foreseeable losses on construction work-in-progress	392	-	234	-
Depreciation of property, plant and equipment	6,411	7,039	13,083	13,612
Inventories written down	-	16	-	35
Property, plant and equipment written off	-	-	12	-
Provision for liquidated damages	975	450	975	450

#### B Other income

Group			
2nd Quarter ended		6 months ended	
30/09/2015	30/09/2014	30/09/2015	30/09/2014
\$'000	\$'000	\$'000	\$'000

Other income includes the following item:

Gain on disposal of property, plant and equipment	226	601	358	1,007
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#### C Administrative expenses

Group			
2nd Quarter ended		6 months ended	
30/09/2015	30/09/2014	30/09/2015	30/09/2014
\$'000	\$'000	\$'000	\$'000

Administrative expenses includes the following items:

Depreciation of property, plant and equipment	198	199	371	432
Exchange (gain)/loss	(57)	239	239	385

## Notes to the Consolidated Statement of Profit or Loss (cont'd)

### D Other operating expenses

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	\$'000	\$'000	\$'000	\$'000
Other operating expenses includes the following items:				
Bad debts written off	1	-	1	2
Impairment losses made on trade and other receivables <sup>(1)</sup>	455	39	465	441

<sup>(1)</sup> 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.

### E Impairment losses reversed on trade and other receivables

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 consolidated statement of profit or loss in 2Q15.

### F Recovery of costs as a result of an arbitration award received

With reference to the Group's announcement dated 24 August 2015, the Group had received a favourable 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 consolidated statement of profit or loss for 2Q16:

	\$'000
i) Recovery of legal and other costs	906
ii) Interest income on late payment	337
	<u>1,243</u>

### G Tax (credit)/expense

	Group			
	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	\$'000	\$'000	\$'000	\$'000
Current tax (credit)/expense				
- current period	229	506	580	1,305
- (over)/under provided in prior years	(668)	42	(645)	170
	<u>(439)</u>	<u>548</u>	<u>(65)</u>	<u>1,475</u>
Deferred tax expense/(credit)				
- current period	(52)	310	2	(661)
- under provided in prior years	243	129	93	117
	<u>191</u>	<u>439</u>	<u>95</u>	<u>(544)</u>
	<u>(248)</u>	<u>987</u>	<u>30</u>	<u>931</u>

## Notes to the Consolidated Statement of Profit or Loss (cont'd)

### H Interested person transactions

Interested person transactions carried out during the 2nd quarter ended 30 September 2015 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)	
	2nd Quarter ended 30/09/2015 \$'000	6 months ended 30/09/2014 \$'000	2nd Quarter ended 30/09/2015 \$'000	6 months ended 30/09/2015 \$'000
CMC Construction Pte Ltd <sup>(1)</sup>	Nil	Nil	818	818
Tat Hong HeavyEquipment (Pte.) Ltd. <sup>(1)</sup>	Nil	Nil	210	536
Tat Hong Plant Leasing Pte Ltd <sup>(1)</sup>	Nil	Nil	1,220	2,557

Note:

<sup>(1)</sup> CMC Construction Pte 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 30/09/2015 \$'000	As at 31/03/2015 \$'000
<u>Cost</u>		
Opening balance	371,841	322,705
Additions	6,793	19,702
Reclassification from inventories	2,306	38,035
Transfer to inventories	(7,317)	-
Disposals/Write-offs	(2,188)	(8,075)
Translation differences on consolidation	(6,215)	(526)
Closing balance	<u>365,220</u>	<u>371,841</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	186,224	155,873
Depreciation charge	13,454	28,799
Impairment losses	-	6,876
Transfer to inventories	(5,792)	-
Disposals/Write-offs	(1,723)	(4,627)
Translation differences on consolidation	(2,681)	(697)
Closing balance	<u>189,482</u>	<u>186,224</u>
Carrying amount	<u>175,738</u>	<u>185,617</u>

### 2 Inventories

	Group	
	As at 30/09/2015 \$'000	As at 31/03/2015 \$'000
Equipment and machinery held for sale	12,761	13,795
Spare parts	10,648	10,050
Construction materials on sites	2,851	3,181
	<u>26,260</u>	<u>27,026</u>
Allowance for inventory obsolescence	(21)	(25)
	<u>26,239</u>	<u>27,001</u>

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

	Group	
	As at 30/09/2015 \$'000	As at 31/03/2015 \$'000
Costs incurred and attributable profits	499,220	484,307
Allowance for foreseeable losses	(550)	(316)
	<u>498,670</u>	<u>483,991</u>
Progress billings	(508,094)	(491,797)
	<u>(9,424)</u>	<u>(7,806)</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 30/09/2015	
Secured	Unsecured
\$'000	\$'000
20,647	55,091

As at 31/03/2015	
Secured	Unsecured
\$'000	\$'000
24,821	61,537

#### Amount repayable after one year

As at 30/09/2015	
Secured	Unsecured
\$'000	\$'000
30,016	1,801

As at 31/03/2015	
Secured	Unsecured
\$'000	\$'000
28,056	3,683

#### Details of any collateral

The Group's total borrowings were \$107.6 million (31 March 2015: \$118.1 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$12.5 million (31 March 2015: \$13.6 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 \$16,699,000 (31 March 2015: \$19,234,000) are also guaranteed by a related corporation:

- a) \$38,394,000 (31 March 2015: \$46,330,000) in respect of plant and machinery acquired under finance leases;
- b) \$10,850,000 (31 March 2015: \$4,375,000) which are secured by a charge over the leasehold land and properties; and
- c) \$1,419,000 (31 March 2015: \$2,172,000) 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 30 September 2015, the issued and fully paid-up share capital of the Company was 1,230,243,725 (31 March 2015: 1,230,243,725) ordinary shares.

There were no share buybacks for the 3 months ended 30 September 2015. There were 20,520,000 shares held as treasury shares as at 30 September 2015 (30 September 2014: 20,520,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 September 2015.

The total number of ordinary shares issued (excluding treasury shares) as at 30 September 2015 was 1,209,723,725 (31 March 2015: 1,209,723,725) ordinary shares.

As at 30 September 2015, there were no outstanding share options (30 September 2014: Nil) for conversion into ordinary shares.

## Audit

The Group's figures have been reviewed by the Company's auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The auditors' review report is issued in relation to the Group's Condensed Consolidated Interim Financial Report which is attached to the financial statements announcement.

## 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 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2015.

Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning 1 April 2015 are as follows:

Amendments to FRS 19	<i>Defined Benefit Plans: Employee Contributions</i>
Improvements to FRSs (January 2014)	
- Amendment to FRS 102	<i>Share-Based Payment</i>
- Amendment to FRS 103	<i>Business Combinations</i>
- Amendments to FRS 108	<i>Operating Segments</i>
- Amendment to FRS 16	<i>Property, Plant and Equipment</i>
- Amendment to FRS 24	<i>Related Party Disclosures</i>
- Amendment to FRS 38	<i>Intangible Assets</i>
Improvements to FRSs (February 2014)	
- Amendment to FRS 103	<i>Business Combinations</i>
- Amendment to FRS 113	<i>Fair Value Measurement</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 earnings/(loss) per ordinary share

	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Based on the weighted average number of ordinary shares on issue	0.003 cents	0.24 cents	0.04 cents	(0.13) cents
	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	\$'000	\$'000	\$'000	\$'000
Basic earnings/(loss) per ordinary share is based on:				
Net profit/(loss) attributable to ordinary shareholders	33	2,892	454	(1,540)
	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	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)	(20,520,000)	(20,520,000)	(20,520,000)
Weighted average number of ordinary shares used to compute earnings per ordinary share	1,209,723,725	1,209,723,725	1,209,723,725	1,209,723,725

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

	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
On a fully diluted basis	0.003 cents	0.24 cents	0.04 cents	(0.13) cents
	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	\$'000	\$'000	\$'000	\$'000
Diluted earnings/(loss) per ordinary share is based on:				
Net profit/(loss) attributable to ordinary shareholders	33	2,892	454	(1,540)

For the purpose of calculating the diluted earnings/(loss) 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:

	2nd Quarter ended		6 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	Number of shares			
Weighted average number of:				
Ordinary shares used in the calculation of basic earnings/(loss) per ordinary share	1,209,723,725	1,209,723,725	1,209,723,725	1,209,723,725
Dilutive potential ordinary shares issuable	-	-	-	-
Weighted average number of ordinary issued and potential shares assuming full conversion	1,209,723,725	1,209,723,725	1,209,723,725	1,209,723,725

## Net Asset Value

	<u>As at 30/09/2015</u>	<u>As at 31/03/2015</u>
<b><u>Group</u></b>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	14.4 cents	14.8 cents
<b><u>Company</u></b>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	9.1 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 30 September 2015 of 1,209,723,725 (31 March 2015: 1,209,723,725) 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.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**By Order of the Board**

**Lee Quang Loong**  
**Chief Financial Officer / Company Secretary**  
**11 November 2015**