

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	CSC HOLDINGS LIMITED
Securities	CSC HOLDINGS LTD - SG1F84861094 - C06
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	06-Aug-2015 17:43:47
Status	New
Announcement Sub Title	First Quarter Results
Announcement Reference	SG150806OTHRXL5B
Submitted By (Co./ Ind. Name)	Lee Quang Loong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to the attachment for details.

Additional Details

For Financial Period Ended	30/06/2015
Attachments	1Q16.pdf Total size =448K

[Tweet](#)



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement

for the First Quarter Ended 30 June 2015

(For the Financial Year Ending 31 March 2016)

Table of Contents

Page

REVIEW OF THE PERFORMANCE OF THE GROUP	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	3
STATEMENT OF FINANCIAL POSITION	5
CASH FLOW.....	6
OUTLOOK	7
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE 3 MONTHS ENDED 30 JUNE 2015	8
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 3 MONTHS ENDED 30 JUNE 2015	9
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015	10
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3 MONTHS ENDED 30 JUNE 2015	12
STATEMENTS OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED 30 JUNE 2015	14
NOTES TO THE FINANCIAL STATEMENTS	16
NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS	16
A Cost of sales.....	16
B Other income.....	16
C Administrative expenses.....	16
D Other operating expenses.....	17
E Tax expense/(credit).....	17
F Interested person transactions.....	18
NOTES TO THE STATEMENT OF FINANCIAL POSITION	19
1 Property, plant and equipment.....	19
2 Inventories.....	19
3 Excess of progress billings over construction work-in-progress.....	19
4 Aggregate amount of Group's borrowings and debt securities.....	20
NOTES TO THE STATEMENT OF CHANGES IN EQUITY.....	21
1 Changes in the Company's Share Capital.....	21
AUDIT	21
ACCOUNTING POLICIES	21
EARNINGS PER SHARE	22
NET ASSET VALUE	23
VARIANCE FROM PROSPECT STATEMENT	23
DIVIDEND	23
CONFIRMATION	23

Review of the Performance of the Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1Q16 – for the 3 months ended 30 June 2015
 4Q15 – for the 3 months ended 31 March 2015
 1Q15 – for the 3 months ended 30 June 2014

Review of Results for the First Quarter Ended 30 June 2015

	1Q16 \$'000	4Q15 \$'000	Change %	1Q16 \$'000	1Q15 \$'000	Change %
Revenue	124,353	115,032	8.1	124,353	93,135	33.5
Gross Profit	8,994	6,485	38.7	8,994	4,402	N.M.
Other Income	454	1,474	(69.2)	454	703	(35.4)
Operating Expenses	(7,818)	(10,112)	(22.7)	(7,818)	(7,229)	8.1
Profit/(Loss) from Operating Activities	1,630	(2,153)	N.M.	1,630	(2,124)	N.M.
Impairment Losses on Plant and Equipment	-	(6,876)	(100.0)	-	-	N.A.
Profit/(Loss) from Operating Activities after the Impairment Losses	1,630	(9,029)	N.M.	1,630	(2,124)	N.M.
Net Finance Expenses	(967)	(794)	21.8	(967)	(817)	18.4
Share of Profit/(Loss) of a Joint Venture	21	(12)	N.M.	21	(16)	N.M.
Profit/(Loss) before Tax	684	(9,835)	N.M.	684	(2,957)	N.M.
Tax (Expense)/Credit	(278)	1,107	N.M.	(278)	56	N.M.
Profit/(Loss) for the period	406	(8,728)	N.M.	406	(2,901)	N.M.

Gross Profit Margins	7.2%	5.6%	7.2%	4.7%
-----------------------------	------	------	------	------

Revenue

Revenue for 1Q16 rose 33.5% to \$124.4 million compared to \$93.1 million in 1Q15, reflecting an improvement in the level of business activity in recent months. Since 1 January 2015, the Group has secured projects worth in excess of \$140 million.

Quarter-on-quarter, Group's revenue was 8.1% higher than the \$115.0 million recorded in 4Q15.

Gross Profit and Gross Profit Margins (GPM)

In line with the higher revenue and better cost efficiencies arising from economies of scale, gross profit registered a 104.3% increase to \$9.0 million compared to \$4.4 million in 1Q15, while GPM rose 2.5 percentage points to 7.2%.

Sequentially, gross profit also reflected the same trend with gross profit rising 38.7% from the \$6.5 million recorded in 4Q15, and GPM growing 1.6 percentage points compared to GPM of 5.6% for 4Q15.

Other Income

The Group recorded a 35.4% decline in other income to \$0.5 million in 1Q16, compared to \$0.7 million in 1Q15. This was mainly due to a lower gain on disposal of old equipment of \$0.1 million recorded in 1Q16 (1Q15: \$0.4 million).

Other income for 1Q16 was significantly lower than 4Q15, taking into account the higher profit recorded from other miscellaneous income in 4Q15 which included a gain of \$0.5 million from sale of construction raw materials to a subcontractor.

Operating Expenses

	1Q16 \$'000	4Q15 \$'000	Change %	1Q16 \$'000	1Q15 \$'000	Change %
Other Operating Expenses	7,512	9,389	(20.0)	7,512	6,681	12.4
Impairment Losses Made on Trade and Other Receivables	10	278	(96.4)	10	402	(97.5)
Exchange Loss	296	445	(33.5)	296	146	N.M.
Net Operating Expenses	7,818	10,112	(22.7)	7,818	7,229	8.1
Other Operating Expenses /Revenue	6.0%	8.2%		6.0%	7.2%	

Other operating expenses for 1Q16 was \$7.5 million (1Q15: \$6.7 million), an increase of 12.4%. This was in line with the higher level of business activity in 1Q16. However, other operating expenses to revenue ratio decreased to 6.0% (1Q15: 7.2%) as the increase in revenue outpaced the growth in other operating expenses.

Other operating expenses and other operating expenses to revenue ratio for 1Q16 were sequentially lower than 4Q15 of \$9.4 million and 8.2% respectively. The decreases take into account additional legal and professional fees of \$2.2 million incurred in 4Q15 in conjunction with legal proceedings to recover long outstanding receivables.

Net Finance Expenses

	1Q16 \$'000	4Q15 \$'000	Change %	1Q16 \$'000	1Q15 \$'000	Change %
Interest Income	14	67	(79.1)	14	2	N.M.
Interest Expenses	(841)	(871)	(3.4)	(841)	(990)	(15.1)
Net Interest Expenses	(827)	(804)	2.9	(827)	(988)	(16.3)
Imputed Interest on Non- Current Assets/Liabilities	(140)	10	N.M.	(140)	171	N.M.
Net Finance Expenses	(967)	(794)	21.8	(967)	(817)	18.4

Net interest expenses declined in 1Q16 as compared to 1Q15. This was a result of a reduction in bank borrowings to finance the business operations in 1Q16.

Sequentially, net interest expenses incurred in 1Q16 was relatively unchanged at \$0.8 million.

Share of Profit/(Loss) of a Joint Venture

Share of profit of a joint venture amounted to \$0.02 million in 1Q16, compared to a share of loss of \$0.02 million recorded in 1Q15 and a \$0.01 million share of loss recorded in 4Q15.

Profit/(Loss) for the period

The Group recorded a net profit and earnings per share of \$0.4 million and 0.03 cent respectively for 1Q16, compared to a net loss and loss per share of \$2.9 million and 0.37 cent for 1Q15.

The 1Q16 net profit was also a turnaround from the net loss of \$8.7 million and loss per share of 0.75 cent recorded in 4Q15, which took into account a \$6.9 million impairment loss on certain plant and equipment.

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

As at 30 June 2015, the net book value of property, plant and equipment amounted to \$180.7 million (31 March 2015: \$185.6 million). During the period under review, the Group acquired \$2.6 million worth of new plant and equipment to replace older equipment. At the same time, the Group also disposed of plant and equipment amounting to \$0.1 million and recorded a \$0.1 million gain on the disposal. Depreciation for the period was \$6.8 million (1Q15: \$6.8 million).

Net Current Assets

Net current assets of the Group as at 30 June 2015 stood at \$4.0 million (31 March 2015: \$8.9 million) with a current ratio (current assets / current liabilities) of 1.02 (31 March 2015: 1.04).

As at 30 June 2015, the Group's inventories amounted to \$26.4 million (31 March 2015: \$27.0 million).

Trade and other receivables were \$199.8 million (31 March 2015: \$202.9 million) while trade and other payables were \$137.9 million (31 March 2015: \$139.0 million).

Borrowings

Total borrowings of the Group as at 30 June 2015 were \$110.6 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 1Q16.

Equity and Net Asset Value

Total equity was \$178.0 million as at 30 June 2015 (31 March 2015: \$179.0 million), while net asset value per ordinary share was 14.7 cents (31 March 2015: 14.8 cents).

Despite the profit made in 1Q16, the Group recorded a lower net asset value per ordinary share as at 30 June 2015. The decrease was mainly due to the downward movement in foreign currency translation reserve in 1Q16, arising from the depreciation of the Malaysian Ringgit against the Singapore Dollar.

CASH FLOW

	1Q16 \$'000	4Q15 \$'000	Change %	1Q16 \$'000	1Q15 \$'000	Change %
Cash Flow from Operating Activities	6,778	16,758	(59.6)	6,778	5,932	14.3
Cash Flow from Investing Activities	(1,035)	(7,399)	(86.0)	(1,035)	(448)	N.M.
Cash Flow from Financing Activities	(13,044)	(3,795)	N.M.	(13,044)	(9,143)	42.7
Cash and Cash Equivalents	10,736	18,295	(41.3)	10,736	4,239	N.M.

Cash Flow from Operating Activities

Net cash inflow from operating activities for 1Q16 was \$6.8 million (1Q15: \$5.9 million), an increase over the previous corresponding quarter mainly as a result of profit made in 1Q16.

Quarter-on-quarter, net cash inflow from operating activities remains healthy at \$6.8 million for 1Q16 and \$16.8 million for 4Q15.

Cash Flow from Investing Activities

The Group's net cash outflow from investing activities for 1Q16 was \$1.0 million (1Q15: \$0.4 million).

Sequentially, the higher cash outflow in 4Q15 was mainly due to the Group's investment of \$4.0 million in a leasehold industrial land parcel via a joint venture with the New Hope Group. A partial payment of \$2.1 million was also made for the acquisition of an additional 15% stake in ICE Far East Pte. Ltd. and its subsidiaries ("ICE Group"), thereby raising the Group's stake in ICE Group to 85%.

Cash Flow from Financing Activities

The Group recorded higher net cash outflow from financing activities of \$13.0 million for 1Q16 (1Q15: \$9.1 million, 4Q15: \$3.8 million), following the higher net repayment of bank borrowings in 1Q16.

Cash and Cash Equivalents

Taking the abovementioned factors into consideration, the Group ended 30 June 2015 with cash and cash equivalents of \$10.7 million (1Q15: \$4.2 million, 4Q15: \$18.3 million).

Outlook

The Group believes that the operating environment for the Singapore construction industry will remain very challenging in the year ahead. In Singapore, the demand for construction services is likely to remain muted in the face of cautious market sentiment. While the demand for construction services from the public sector in Singapore should be relatively healthy, it is not expected to be sufficient to offset the overall decline in demand from the private and residential sectors. A tighter labour market in Singapore further adds to the challenges faced by an industry facing pressure to reduce dependency on foreign labour and to improve productivity.

The outlook for construction industry in Malaysia and Thailand remains mixed with an uncertain economic environment.

The Group will continue to focus its effort on maintaining its competitiveness amid slow market demand. To this end, it has embarked on a Group-wide exercise to right-size its operations and reduce its cost base. Amongst measures to be taken would be to reduce capacity in very competitive sectors and redeploy resources to better-performing sectors within the Group. We will also focus on preserving cash while reducing our bank borrowings as having sufficient liquid resources would be critical in this challenging environment.

As at 5 August 2015, the Group's order book stood at approximately \$170 million (25 May 2015: \$210 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 3 months ended 30 June 2015

	Note	Group		Change
		3 months ended		
		30-Jun-15	30-Jun-14	
		\$'000	\$'000	%
Revenue		124,353	93,135	33.5
Cost of sales	A	(115,359)	(88,733)	30.0
Gross profit		8,994	4,402	N.M.
Other income	B	454	703	(35.4)
Distribution expenses		(162)	(69)	N.M.
Administrative expenses	C	(7,602)	(6,734)	12.9
Other operating expenses	D	(54)	(426)	(87.3)
Results from operating activities		1,630	(2,124)	N.M.
Finance income		14	173	(91.9)
Finance expenses		(981)	(990)	(0.9)
Net finance expenses		(967)	(817)	18.4
Share of profit/(loss) of a joint venture		21	(16)	N.M.
Profit/(Loss) before tax		684	(2,957)	N.M.
Tax (expense)/credit	E	(278)	56	N.M.
Profit/(Loss) for the period		406	(2,901)	N.M.
Attributable to:				
Owners of the Company		421	(4,432)	N.M.
Non-controlling interests		(15)	1,531	N.M.
Profit/(Loss) for the period		406	(2,901)	

Gross profit margin	7.2%	4.7%
Net profit/(loss) margin	0.3%	-3.1%

Consolidated Statement of Comprehensive Income for the 3 months ended 30 June 2015

	Group		
	3 months ended		Change
	30-Jun-15	30-Jun-14	
	\$'000	\$'000	%
Profit/(Loss) for the period	406	(2,901)	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	(1,422)	218	N.M.
Other comprehensive income for the period, net of tax	(1,422)	218	N.M.
Total comprehensive income for the period	(1,016)	(2,683)	(62.1)
Attributable to:			
Owners of the Company	(858)	(4,215)	(79.6)
Non-controlling interests	(158)	1,532	N.M.
Total comprehensive income for the period	(1,016)	(2,683)	

Statement of Financial Position as at 30 June 2015

DESCRIPTION	Note	Group		Company	
		30-Jun-15	31-Mar-15	30-Jun-15	31-Mar-15
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	180,743	185,617	-	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	94,418	94,418
- a joint venture		1,535	1,613	-	-
Other investment		835	828	-	-
Trade and other receivables		16,089	12,902	-	-
Deferred tax asset		-	-	29	29
		200,654	202,412	94,447	94,447
Current assets					
Inventories	2	26,385	27,001	-	-
Trade and other receivables		199,781	202,879	31,037	31,788
Cash and cash equivalents		15,879	19,167	513	508
		242,045	249,047	31,550	32,296
Total assets		442,699	451,459	125,997	126,743

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

DESCRIPTION	Note	Group		Company	
		30-Jun-15	31-Mar-15	30-Jun-15	31-Mar-15
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		64,953	64,953	64,953	64,953
Reserves		88,508	89,366	45,493	45,497
		153,461	154,319	110,446	110,450
Non-controlling interests		24,561	24,719	-	-
Total equity		178,022	179,038	110,446	110,450
Non-current liabilities					
Loans and borrowings		26,170	31,739	-	-
Deferred tax liabilities		467	570	-	-
		26,637	32,309	-	-
Current liabilities					
Loans and borrowings		84,458	86,358	-	-
Derivatives		1	-	-	-
Trade and other payables		137,933	139,035	15,450	16,192
Excess of progress billings over construction work-in-progress	3	8,769	7,806	-	-
Current tax payable		1,744	1,749	101	101
Provision for liquidated damages		5,135	5,164	-	-
		238,040	240,112	15,551	16,293
Total liabilities		264,677	272,421	15,551	16,293
Total equity and liabilities		442,699	451,459	125,997	126,743

Consolidated Statement of Cash Flows for the 3 months ended 30 June 2015

	3 months ended	
	<u>30-Jun-15</u>	<u>30-Jun-14</u>
	\$'000	\$'000
Cash flows from operating activities		
Profit/(Loss) for the period	406	(2,901)
Adjustments for:		
Allowance reversed for foreseeable losses on construction work-in-progress	(158)	-
Bad debts written off	-	2
Depreciation of property, plant and equipment	6,845	6,806
Gain on disposal of property, plant and equipment	(132)	(406)
Impairment losses on trade and other receivables	10	402
Inventories written down	-	19
Net finance expenses	967	817
Property, plant and equipment written off	12	-
Share of (profit)/loss of a joint venture	(21)	16
Tax expense/(credit)	278	(56)
Operating activities before working capital changes	8,207	4,699
Changes in working capital:		
Inventories	1,889	1,003
Trade and other receivables	(288)	14,677
Trade and other payables	(2,686)	(14,111)
Cash generated from operations	7,122	6,268
Taxes paid	(358)	(338)
Interest received	14	2
Net cash generated from operating activities	6,778	5,932

**Consolidated Statement of Cash Flows for the 3 months ended 30 June 2015
(cont'd)**

	3 months ended	
	<u>30-Jun-15</u>	<u>30-Jun-14</u>
	\$'000	\$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(897)	(703)
Proceeds from disposal of property, plant and equipment	226	255
Acquisition of non-controlling interests in previous year	(364)	-
Net cash used in investing activities	<u>(1,035)</u>	<u>(448)</u>
Cash flows from financing activities		
Interest paid	(824)	(968)
Proceeds from:		
- bank loans and hire purchase loans	5,428	13,940
- bills payable	12,975	15,562
Purchase of treasury shares	-	(18)
Repayment of:		
- bank loans	(9,922)	(9,822)
- bills payable	(14,720)	(18,393)
- finance lease liabilities	(5,981)	(9,219)
Increase in fixed deposits pledged	-	(225)
Net cash used in financing activities	<u>(13,044)</u>	<u>(9,143)</u>
Net decrease in cash and cash equivalents	(7,301)	(3,659)
Cash and cash equivalents at 1 April	18,295	7,927
Effect of exchange rate changes on balances held in foreign currencies	(258)	(29)
Cash and cash equivalents at 30 June	<u>10,736</u>	<u>4,239</u>
Comprising:		
Cash and cash equivalents	15,879	12,720
Bank overdrafts	(5,143)	(8,256)
	<u>10,736</u>	<u>4,464</u>
Less:		
Fixed deposits pledged as security for bank facilities	-	(225)
Cash and cash equivalents in the consolidated cash flow statement	<u>10,736</u>	<u>4,239</u>

Statements of Changes in Equity for the 3 months ended 30 June 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 April 2014	64,953	17,798	(2,336)	116	(2,034)	137	95,581	174,215	24,019	198,234
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	(4,432)	(4,432)	1,531	(2,901)
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	217	-	-	217	1	218
Total other comprehensive income	-	-	-	-	217	-	-	217	1	218
Total comprehensive income for the period	-	-	-	-	217	-	(4,432)	(4,215)	1,532	(2,683)
Transactions with owners, recorded directly in equity										
Purchase of treasury shares	-	-	(18)	-	-	-	-	(18)	-	(18)
Total transactions with owners	-	-	(18)	-	-	-	-	(18)	-	(18)
At 30 June 2014	64,953	17,798	(2,354)	116	(1,817)	137	91,149	169,982	25,551	195,533
At 1 April 2015	64,953	17,798	(2,354)	116	(2,943)	(923)	77,672	154,319	24,719	179,038
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	421	421	(15)	406
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	(1,279)	-	-	(1,279)	(143)	(1,422)
Total other comprehensive income	-	-	-	-	(1,279)	-	-	(1,279)	(143)	(1,422)
Total comprehensive income for the period	-	-	-	-	(1,279)	-	421	(858)	(158)	(1,016)
Transactions with owners, recorded directly in equity										
Total transactions with owners	-	-	-	-	-	-	-	-	-	-
At 30 June 2015	64,953	17,798	(2,354)	116	(4,222)	(923)	78,093	153,461	24,561	178,022

Statements of Changes in Equity for the 3 months ended 30 June 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 April 2014	64,953	17,798	(2,336)	29,283	109,698
Total comprehensive income for the period	-	-	-	34	34
Transactions with owners, recorded directly in equity					
Purchase of treasury shares	-	-	(18)	-	(18)
Total transactions with owners	-	-	(18)	-	(18)
At 30 June 2014	64,953	17,798	(2,354)	29,317	109,714
At 1 April 2015	64,953	17,798	(2,354)	30,053	110,450
Total comprehensive income for the period	-	-	-	(4)	(4)
Transactions with owners, recorded directly in equity					
Total transactions with owners	-	-	-	-	-
At 30 June 2015	64,953	17,798	(2,354)	30,049	110,446

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 first quarter results for the period from 1 April 2015 to 30 June 2015 ("1Q16") with comparative figures for the 3 months period from 1 April 2014 to 30 June 2014 ("1Q15").

A Cost of sales

Group	
3 months ended	
30/06/2015	30/06/2014
\$'000	\$'000

Cost of sales includes the following items:

Allowance reversed for foreseeable losses on construction work-in-progress	(158)	-
Depreciation of property, plant and equipment	6,672	6,573
Inventories written down	-	19
Property, plant and equipment written off	12	-

B Other income

Group	
3 months ended	
30/06/2015	30/06/2014
\$'000	\$'000

Other income includes the following item:

Gain on disposal of property, plant and equipment	132	406
---	-----	-----

C Administrative expenses

Group	
3 months ended	
30/06/2015	30/06/2014
\$'000	\$'000

Administrative expenses includes the following items:

Depreciation for property, plant and equipment	173	233
Exchange loss	296	146

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

D Other operating expenses

Group	
3 months ended	
30/06/2015	30/06/2014
\$'000	\$'000

Other operating expenses includes the following items:

Bad debts written off	-	2
Impairment losses on trade and other receivables ⁽¹⁾	10	402

⁽¹⁾ 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 Tax expense/(credit)

Group	
3 months ended	
30/06/2015	30/06/2014
\$'000	\$'000
Current tax expense	
- current period	799
- under provided in prior years	128
	<u>374</u>
Deferred tax credit	
- current period	(971)
- over provided in prior years	(12)
	<u>(96)</u>
	<u>278</u>
	<u>(56)</u>

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

F Interested person transactions

Interested person transactions carried out during the 3 months ended 30 June 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)
	3 months ended 30/06/2015 \$'000	3 months ended 30/06/2015 \$'000
Tat Hong HeavyEquipment (Pte.) Ltd ⁽¹⁾	Nil	326
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	Nil	1,337

Note:

⁽¹⁾ 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 30/06/2015 \$'000	As at 31/03/2015 \$'000
<u>Cost</u>		
Opening balance	371,841	322,705
Additions	2,559	19,702
Reclassification from inventories	2,223	38,035
Transfer to inventories	(4,620)	-
Disposals/Write-offs	(507)	(8,075)
Translation differences on consolidation	(2,203)	(526)
Closing balance	<u>369,293</u>	<u>371,841</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	186,224	155,873
Depreciation charge	6,845	28,799
Impairment losses	-	6,876
Transfer to inventories	(3,383)	-
Disposals/Write-offs	(401)	(4,627)
Translation differences on consolidation	(735)	(697)
Closing balance	<u>188,550</u>	<u>186,224</u>
Carrying amount	<u>180,743</u>	<u>185,617</u>

2 Inventories

	Group	
	As at 30/06/2015 \$'000	As at 31/03/2015 \$'000
Equipment and machinery held for sale	13,456	13,795
Spare parts	10,101	10,050
Construction materials on sites	2,852	3,181
	<u>26,409</u>	<u>27,026</u>
Allowance for inventory obsolescence	(24)	(25)
	<u>26,385</u>	<u>27,001</u>

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

	Group	
	As at 30/06/2015 \$'000	As at 31/03/2015 \$'000
Costs incurred and attributable profits	463,996	484,307
Allowance for foreseeable losses	(158)	(316)
	<u>463,838</u>	<u>483,991</u>
Progress billings	(472,607)	(491,797)
	<u>(8,769)</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 30/06/2015	
Secured	Unsecured
\$'000	\$'000
22,641	61,817

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

Amount repayable after one year

As at 30/06/2015	
Secured	Unsecured
\$'000	\$'000
23,581	2,589

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

Details of any collateral

The Group's total borrowings were \$110.6 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 \$11.9 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 \$15,647,000 (31 March 2015: \$19,234,000) are also guaranteed by a related corporation:

- a) \$40,828,000 (31 March 2015: \$46,330,000) in respect of plant and machinery acquired under finance leases;
- b) \$3,750,000 (31 March 2015: \$4,375,000) which are secured by a charge over the leasehold land and properties; and
- c) \$1,644,000 (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 June 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 June 2015. There were 20,520,000 shares held as treasury shares as at 30 June 2015 (30 June 2014: 20,520,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 30 June 2015.

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

As at 30 June 2015, there were no outstanding share options (30 June 2014: 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 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

	3 months ended	
	30/06/2015	30/06/2014
Based on the weighted average number of ordinary shares on issue	0.03 cents	(0.37) cents

	3 months ended	
	30/06/2015	30/06/2014
	\$'000	\$'000
Basic earnings/(loss) per ordinary share is based on: Net profit /(loss) attributable to ordinary shareholders	421	(4,432)

	3 months ended	
	30/06/2015	30/06/2014
Weighted average number of: Issued ordinary shares at beginning of the period	1,230,243,725	1,230,243,725
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)
Weighted average number of ordinary shares used to compute earnings/(loss) per ordinary share	1,209,723,725	1,209,723,725

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

	3 months ended	
	30/06/2015	30/06/2014
On a fully diluted basis	0.03 cents	(0.37) cents

	3 months ended	
	30/06/2015	30/06/2014
	\$'000	\$'000
Diluted earnings/(loss) per ordinary share is based on: Net profit/(loss) attributable to ordinary shareholders	421	(4,432)

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:

	3 months ended	
	30/06/2015	30/06/2014
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
Dilutive potential ordinary shares issuable	-	-
Weighted average number of ordinary shares issued and potential shares assuming full conversion	1,209,723,725	1,209,723,725

Net Asset Value

	<u>As at 30/06/2015</u>	<u>As at 31/03/2015</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	14.7 cents	14.8 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	9.1 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 June 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.

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
6 August 2015