

Financial Statements and Related Announcement::Full Yearly 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	24-May-2018 17:39:43
Status	New
Announcement Sub Title	Full Yearly Results
Announcement Reference	SG180524OTHRHQT4
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.

Additional Details

For Financial Period Ended	31/03/2018
Attachments	4QFY18.pdf Total size =546K

[Tweet](#)

Share



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the 12 Months Ended 31 March 2018

Table of Contents

Page

REVIEW OF THE PERFORMANCE OF THE GROUP	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3
STATEMENT OF FINANCIAL POSITION	6
CASH FLOW	7
OUTLOOK	8
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE 12 MONTHS ENDED 31 MARCH 2018	9
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 12 MONTHS ENDED 31 MARCH 2018	10
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018	11
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 12 MONTHS ENDED 31 MARCH 2018	13
STATEMENTS OF CHANGES IN EQUITY FOR THE 12 MONTHS ENDED 31 MARCH 2018	15
NOTES TO THE FINANCIAL STATEMENTS	18
NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS	18
A <i>Cost of sales</i>	18
B <i>Other income</i>	18
C <i>Administrative expenses</i>	18
D <i>Other operating expenses</i>	19
E <i>Tax expense/(credit)</i>	19
F <i>Interested person transactions</i>	20
NOTES TO THE STATEMENT OF FINANCIAL POSITION	21
1 <i>Property, plant and equipment</i>	21
2 <i>Inventories</i>	21
3 <i>Excess of progress billings over construction work-in-progress</i>	22
4 <i>Aggregate amount of Group's borrowings and debt securities</i>	22
NOTES TO THE STATEMENT OF CHANGES IN EQUITY	23
1 <i>Changes in the Company's Share Capital</i>	23
AUDIT	23
ACCOUNTING POLICIES	23
LOSS PER SHARE	24
NET ASSET VALUE	25
VARIANCE FROM PROSPECT STATEMENT	25
DIVIDEND	25
SEGMENTAL REVENUE AND RESULTS	26
BREAKDOWN OF SALES	27
CONFIRMATION	27
WHITEWASH WAIVER IN RELATION TO RIGHTS CUM WARRANTS ISSUE	27

Review of the Performance of the Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

4QFY18 – for the 3 months ended 31 March 2018
 3QFY18 – for the 3 months ended 31 December 2017
 4QFY17 – for the 3 months ended 31 March 2017
 FY18 – for the 12 months ended 31 March 2018
 FY17 – for the 12 months ended 31 March 2017

Review of Results for the 12 Months Ended 31 March 2018

	4QFY18 \$'000	3QFY18 \$'000	Change %	4QFY17 \$'000	Change %	FY18 \$'000	FY17 \$'000	Change %
Revenue	75,643	94,874	(20.3)	64,853	16.6	340,439	252,360	34.9
Gross Profit	708	4,276	(83.4)	4,127	(82.8)	12,859	8,246	55.9
Other Income	597	879	(32.1)	390	53.1	2,867	2,306	24.3
Operating Expenses	(5,726)	(6,342)	(9.7)	(9,042)	(36.7)	(24,858)	(28,080)	(11.5)
Loss from Operating Activities	(4,421)	(1,187)	N.M.	(4,525)	(2.3)	(9,132)	(17,528)	(47.9)
Write-Down of Plant and Equipment	(164)	2	N.M.	(1,007)	(83.7)	(211)	(1,007)	(79.0)
Loss from Operating Activities after the Write-Down of Plant and Equipment	(4,585)	(1,185)	N.M.	(5,532)	(17.1)	(9,343)	(18,535)	(49.6)
Net Finance Expenses	(702)	(764)	(8.1)	(1,327)	(47.1)	(3,436)	(3,630)	(5.3)
Share of Profit of an Associate	2	1	100.0	-	N.A.	3	-	N.A.
Share of (Loss)/Profit of Joint Ventures	-	-	N.A.	(3)	(100.0)	1	(247)	N.M.
Loss before Tax	(5,285)	(1,948)	N.M.	(6,862)	(23.0)	(12,775)	(22,412)	(43.0)
Tax (Expense)/Credit	(444)	(149)	N.M.	13	N.M.	(675)	(2,313)	(70.8)
Loss for the period/year	(5,729)	(2,097)	N.M.	(6,849)	(16.4)	(13,450)	(24,725)	(45.6)
EBITDA	1,765	5,272	(66.5)	1,317	34.0	16,477	8,159	101.9
Gross Profit Margins	0.9%	4.5%		6.4%		3.8%	3.3%	

Revenue

The Group recorded a 34.9% year-on-year increase in revenue to \$340.4 million for FY18 (FY17: \$252.4 million) on the back of higher work volume from projects secured in Singapore.

Business activity was slower in 4QFY18 compared to 3QFY18, following the completion of several projects in 4QFY18. The financial year fourth quarter period is also traditionally a slower quarter in view of the construction industry's practice of suspending work during the Chinese New Year period. Pending the deployment of its assets to newly secured projects, the Group took the opportunity to repair and service its equipment.

4QFY18 revenue was lower than 3QFY18 revenue by 20.3% due to the reasons mentioned above.

Gross Profit and Gross Profit Margins (GPM)

Gross profit for FY18 was higher at \$12.9 million (FY17: \$8.2 million), in line with the higher revenue recorded. Gross profit for 4QFY18 was relatively subdued due to the lower level of construction activities during the period as explained above.

The improvement in GPM in FY18 reflected the firmer contract prices for projects secured as demand for foundation engineering showed signs of recovery.

Gross profit for 4QFY18 was lower than 3QFY18, in line with the lower revenue recorded.

Other Income

The Group recorded other income of \$2.9 million for FY18 (FY17: \$2.3 million) and \$0.6 million for 4QFY18 (4QFY17: \$0.4 million), due to higher gain from the disposal of old equipment during the periods under review.

Other income for 4QFY18 was lower than 3QFY18, taking into account the lower sales of old equipment and therefore lesser gains were recorded.

Operating Expenses

	4QFY18 \$'000	3QFY18 \$'000	Change %	4QFY17 \$'000	Change %	FY18 \$'000	FY17 \$'000	Change %
Other Operating Expenses	5,580	6,425	(13.2)	6,451	(13.5)	25,484	25,611	(0.5)
Impairment Losses Recognised/ (Reversed) on Trade and Other Receivables	185	122	51.6	1,779	(89.6)	(161)	1,712	N.M.
Exchange (Gain)/Loss	(39)	(205)	(81.0)	812	N.M.	(465)	757	N.M.
	5,726	6,342	(9.7)	9,042	(36.7)	24,858	28,080	(11.5)
Write-Down of Plant and Equipment	164	(2)	N.M.	1,007	(83.7)	211	1,007	(79.0)
Net Operating Expenses	5,890	6,340	(7.1)	10,049	(41.4)	25,069	29,087	(13.8)
Other Operating Expenses /Revenue	7.4%	6.8%		9.9%		7.5%	10.1%	

Other operating expenses for FY18 and 4QFY18 amounted to \$25.5 million and \$5.6 million respectively (FY17: \$25.6 million; 4QFY17: \$6.5 million), reflecting strict cost discipline in spite of a higher level of business activity in FY18.

Other operating expenses to revenue ratio improved to 7.5% for FY18 (FY17: 10.1%) and 7.4% for 4QFY18 (4QFY17: 9.9%), as a result of the higher revenues recorded for the periods under review.

Other operating expenses to revenue ratio for 4QFY18 was higher, reflecting the lower quarter-on-quarter revenue recorded.

Net Finance Expenses

	4QFY18 \$'000	3QFY18 \$'000	Change %	4QFY17 \$'000	Change %	FY18 \$'000	FY17 \$'000	Change %
Interest Income	21	52	(59.6)	57	(63.2)	185	213	(13.1)
Interest Expenses	(798)	(770)	3.6	(853)	(6.4)	(3,127)	(3,223)	(3.0)
Net Interest Expenses	(777)	(718)	8.2	(796)	(2.4)	(2,942)	(3,010)	(2.3)
Imputed Interest on Non- Current Assets	75	(46)	N.M.	(531)	N.M.	(494)	(620)	(20.3)
Net Finance Expenses	(702)	(764)	(8.1)	(1,327)	(47.1)	(3,436)	(3,630)	(5.3)

Net interest expenses were \$2.9 million for FY18 (FY17: \$3.0 million) and \$0.8 million for 4QFY18 (4QFY17: \$0.8 million). The year-on-year decline was the result of lower borrowings recorded following the net repayment of debts in the periods under review.

Net interest expenses for 4QFY18 was comparable to 3QFY18.

Loss for the period/year

Earnings before interest, tax, depreciation and amortization (EBITDA) for FY18 registered a 102% or \$8.3 million improvement to \$16.5 million (FY17: \$8.2 million).

EBITDA for 4QFY18 amounted to \$1.8 million, taking into account the lower output due to the Chinese New Year festive period and temporary lull arising from the completion of projects and transition of the Group's resources from completed projects to newly started projects.

Taking into account the above factors, the Group narrowed its net loss significantly by 45.6% for FY18 and 16.4% for 4QFY18 compared to FY17 and 4QFY17.

Loss per share of 0.65 cent for FY18 and 0.26 cent for 4QFY18 were 44.0% and 3.7% lower compared to FY17 and 4QFY17.

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

Net book value of property, plant and equipment as at 31 March 2018 was \$156.2 million (31 March 2017: \$164.9 million).

In FY18, the Group acquired \$13.8 million worth of new plant and equipment to replace older equipment. The Group disposed of plant and equipment with carrying values of \$4.1 million and recorded a \$1.8 million gain on the disposal. Depreciation charge for FY18 was \$25.8 million (FY17: \$26.9 million).

Net Current Assets

As at 31 March 2018, net current assets of the Group was \$9.0 million (31 March 2017: \$14.5 million). Current ratio (current assets / current liabilities) was 1.06 (31 March 2017: 1.09).

The Group's inventories stood at \$23.7 million as at 31 March 2018 (31 March 2017: \$25.3 million).

Trade and other receivables were \$121.9 million (31 March 2017: \$137.3 million) while trade and other payables were \$86.5 million (31 March 2017: \$85.0 million).

Borrowings

As at 31 March 2018, total borrowings of the Group was \$80.4 million (31 March 2017: \$85.7 million) as a result of the net repayment of debts in FY18.

Debt to equity ratio as at 31 March 2018 was 0.50 (31 March 2017: 0.50).

Equity and Net Asset Value

As at 31 March 2018, the Group's equity was \$159.2 million (31 March 2017: \$170.8 million), while net asset value per ordinary share was 7.2 cents (31 March 2017: 7.8 cents).

CASH FLOW

	4QFY18 \$'000	3QFY18 \$'000	Change %	4QFY17 \$'000	Change %	FY18 \$'000	FY17 \$'000	Change %
Cash Flow from Operating Activities	6,784	7,509	(9.7)	7,015	(3.3)	20,378	16,555	23.1
Cash Flow from Investing Activities	(1,577)	1,229	N.M.	(477)	N.M.	(3,134)	(9,487)	(67.0)
Cash Flow from Financing Activities	(7,636)	(2,983)	N.M.	(7,133)	7.1	(14,784)	(19,263)	(23.3)
Cash and Cash Equivalents	15,758	18,247	(13.6)	13,090	20.4	15,758	13,090	20.4

Cash Flow from Operating Activities

Net cash inflow from operating activities were \$20.4 million for FY18 (FY17: \$16.6 million) and \$6.8 million for 4QFY18 (4QFY17: \$7.0 million; 3QFY18: \$7.5 million).

Cash Flow from Investing Activities

The Group recorded a lower net cash outflow from investing activities of \$3.1 million for FY18 (FY17: \$9.5 million), taking into account the higher net investment in equipment and the construction of the new Tuas Yard for its operations in FY17. In addition, the Group invested \$1.7 million for the development of commercial properties in Seremban, Negeri Sembilan, Malaysia and a residential property project in Hertford, United Kingdom, in FY17.

The net cash outflow for 4QFY18 of \$1.6 million was higher than 4QFY17 and 3QFY18 mainly due to higher net cash outflow on capital expenditure incurred in 4QFY18. The Group also received \$0.8 million for the disposals of subsidiaries and a joint venture in 4QFY17.

Cash Flow from Financing Activities

The Group's net cash outflow from financing activities was \$14.8 million for FY18 (FY17: \$19.3 million) and \$7.6 million for 4QFY18 (4QFY17: \$7.1 million; 3QFY18: \$3.0 million), following the net repayment of bank borrowings during the periods under review.

Cash and Cash Equivalents

Taking into consideration the abovementioned factors, the Group's cash and cash equivalents stood at \$15.8 million as at 31 March 2018 (31 March 2017: \$13.1 million).

Outlook

The Group is cautiously optimistic about the prospects of the construction industry in the year ahead. Demand for foundation engineering services is expected to continue to be bolstered by government spending in infrastructure, institutional and public residential projects. In addition, industrial and private residential projects are also expected to boost the current year's demand for foundation engineering services. The Group will continue to focus on improving productivity and operational efficiency.

As at 23 May 2018, the Group's order book stands at approximately \$230 million (6 February 2018: \$210 million), with the bulk of the contracts to be delivered within the next 9 months.

Consolidated Statement of Profit or Loss for the 12 Months ended 31 March 2018

	Note	Group			Group		
		4th Quarter ended		Change	12 months ended		Change
		31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		75,643	64,853	16.6	340,439	252,360	34.9
Cost of sales	A	(74,935)	(60,726)	23.4	(327,580)	(244,114)	34.2
Gross profit		708	4,127	(82.8)	12,859	8,246	55.9
Other income	B	597	390	53.1	2,867	2,306	24.3
Distribution expenses		(284)	(81)	N.M.	(732)	(526)	39.2
Administrative expenses	C	(5,220)	(7,150)	(27.0)	(24,059)	(25,711)	(6.4)
Other operating expenses	D	(222)	(1,811)	(87.7)	(67)	(1,843)	(96.4)
Write-down of plant and equipment		(164)	(1,007)	(83.7)	(211)	(1,007)	(79.0)
Results from operating activities		(4,585)	(5,532)	(17.1)	(9,343)	(18,535)	(49.6)
Finance income		96	57	68.4	185	213	(13.1)
Finance expenses		(798)	(1,384)	(42.3)	(3,621)	(3,843)	(5.8)
Net finance expenses		(702)	(1,327)	(47.1)	(3,436)	(3,630)	(5.3)
Share of profit of an associate (net of tax)		2	-	N.A.	3	-	N.A.
Share of (loss)/profit of joint ventures (net of tax)		-	(3)	(100.0)	1	(247)	N.M.
Loss before tax		(5,285)	(6,862)	(23.0)	(12,775)	(22,412)	(43.0)
Tax (expense)/credit	E	(444)	13	N.M.	(675)	(2,313)	(70.8)
Loss for the period/year		(5,729)	(6,849)	(16.4)	(13,450)	(24,725)	(45.6)
Attributable to:							
Owners of the Company		(5,787)	(5,854)	(1.1)	(14,314)	(25,282)	(43.4)
Non-controlling interests		58	(995)	N.M.	864	557	55.1
Loss for the period/year		(5,729)	(6,849)	(16.4)	(13,450)	(24,725)	(45.6)

Gross profit margin

0.9% 6.4%

3.8% 3.3%

Net loss margin

-7.6% -10.6%

-4.0% -9.8%

Consolidated Statement of Comprehensive Income for the 12 Months ended 31 March 2018

	Group			Group		
	4th Quarter ended		Change	12 months ended		Change
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17	
	\$'000	\$'000	%	\$'000	\$'000	%
Loss for the period/year	(5,729)	(6,849)	(16.4)	(13,450)	(24,725)	(45.6)
Other comprehensive income						
Item that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	-	11,828	(100.0)	-	11,828	(100.0)
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	571	(858)	N.M.	1,732	(1,595)	N.M.
Translation differences relating to disposal of a joint venture reclassified to profit or loss	-	63	(100.0)	-	63	(100.0)
Translation differences relating to dilution of interest in a joint venture reclassified to profit or loss	-	-	N.A.	(1)	-	N.A.
Other comprehensive income for the period/year, net of tax	571	11,033	(94.8)	1,731	10,296	(83.2)
Total comprehensive income for the period/year	(5,158)	4,184	N.M.	(11,719)	(14,429)	(18.8)
Attributable to:						
Owners of the Company	(5,267)	4,168	N.M.	(12,710)	(14,943)	(14.9)
Non-controlling interests	109	16	N.M.	991	514	92.8
Total comprehensive income for the period/year	(5,158)	4,184	N.M.	(11,719)	(14,429)	(18.8)

Statement of Financial Position as at 31 March 2018

DESCRIPTION	Note	Group		Company	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	156,221	164,929	22	31
Goodwill		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	120,530	114,592
- associates		1,666	904	-	-
- a joint venture		-	704	-	-
Other investments		914	879	-	-
Trade and other receivables		12,881	10,544	-	-
Deferred tax assets		93	252	23	19
		173,227	179,664	120,575	114,642
Current assets					
Inventories	2	23,694	25,257	-	-
Trade and other receivables		121,863	137,287	19,262	26,485
Cash and cash equivalents		18,726	18,532	249	1,398
		164,283	181,076	19,511	27,883
Assets held for sale		198	-	-	-
		164,481	181,076	19,511	27,883
Total assets		337,708	360,740	140,086	142,525

Statement of Financial Position as at 31 March 2018 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		80,498	80,292	80,498	80,292
Reserves		51,942	64,652	51,367	49,403
		132,440	144,944	131,865	129,695
Non-controlling interests		26,761	25,900	-	-
Total equity		159,201	170,844	131,865	129,695
Non-current liabilities					
Loans and borrowings		21,215	21,632	16	26
Deferred tax liabilities		1,853	1,726	-	-
		23,068	23,358	16	26
Current liabilities					
Loans and borrowings		59,162	64,050	160	10
Trade and other payables		86,511	84,960	8,012	12,753
Excess of progress billings over construction work-in-progress	3	926	186	-	-
Provisions		8,610	15,917	-	-
Current tax payable		230	1,425	33	41
		155,439	166,538	8,205	12,804
Total liabilities		178,507	189,896	8,221	12,830
Total equity and liabilities		337,708	360,740	140,086	142,525

Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2018

	4th Quarter ended		12 months ended	
	<u>31-Mar-18</u>	<u>31-Mar-17</u>	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Loss for the period/year	(5,729)	(6,849)	(13,450)	(24,725)
Adjustments for:				
Allowance for foreseeable losses on construction work-in-progress	598	-	740	-
Bad debts written off/(back)	23	(22)	50	(20)
Depreciation of property, plant and equipment	6,348	6,852	25,816	26,941
Gain on dilution of interest in a joint venture	-	-	(1)	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(354)	69	(1,723)	(1,287)
- a joint venture	-	(179)	-	(179)
- assets held for sale	-	-	(91)	-
Impairment losses recognised/(reversed) on trade and other receivables	185	1,779	(161)	1,712
Inventories written off	96	-	96	-
Net finance expenses	702	1,327	3,436	3,630
Property, plant and equipment written off	-	1	-	1
Provision made/(reversed) for liquidated damages	80	(222)	116	654
Provision for rectification costs	673	465	2,160	437
Share of profit of an associate (net of tax)	(2)	-	(3)	-
Share of loss/(profit) of joint ventures (net of tax)	-	3	(1)	247
Write-down of plant and equipment	164	1,007	211	1,007
Tax expense/(credit)	444	(13)	675	2,313
Operating activities before working capital changes	3,228	4,218	17,870	10,731
Changes in working capital:				
Inventories	(395)	808	(3,127)	(2,089)
Trade and other receivables	23,101	2,235	13,177	21,075
Trade and other payables	(18,880)	120	(5,964)	(11,632)
Cash generated from operations	7,054	7,381	21,956	18,085
Taxes paid	(291)	(423)	(1,763)	(1,743)
Interest received	21	57	185	213
Net cash generated from operating activities	6,784	7,015	20,378	16,555

Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2018 (cont'd)

	4th Quarter ended		12 months ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,686)	(2,168)	(11,176)	(13,055)
Proceeds from disposal of:				
- property, plant and equipment	1,229	857	6,958	4,387
- subsidiaries	-	286	-	286
- a joint venture	-	548	839	548
- assets held for sale	-	-	365	-
Acquisition of an associate	-	-	-	(904)
Incorporation of a joint venture	-	-	-	(749)
Subscription of convertible notes	(120)	-	(120)	-
Net cash used in investing activities	(1,577)	(477)	(3,134)	(9,487)
Cash flows from financing activities				
Interest paid	(811)	(843)	(3,172)	(3,217)
Dividends paid:				
- non-controlling interests of a subsidiary	(105)	(105)	(195)	(195)
Proceeds from:				
- bank loans and finance lease loans	5,360	3,067	13,415	28,897
- bills payable	21,209	4,284	64,791	32,017
- cash grant from Productivity and Innovation Credit Scheme for acquisition of property, plant and equipment	-	64	60	64
- issue of shares from exercise of warrants, net of expenses	107	-	206	3
Repayment of:				
- bank loans	(7,152)	(3,675)	(24,369)	(20,505)
- bills payable	(22,693)	(6,174)	(53,427)	(38,535)
- finance lease liabilities	(3,551)	(3,751)	(13,093)	(16,792)
Decrease/(Increase) in fixed deposits pledged	-	-	1,000	(1,000)
Net cash used in financing activities	(7,636)	(7,133)	(14,784)	(19,263)
Net (decrease)/increase in cash and cash equivalents	(2,429)	(595)	2,460	(12,195)
Cash and cash equivalents at 1 January/1 April	18,247	13,906	13,090	25,935
Effect of exchange rate changes on balances held in foreign currencies	(60)	(221)	208	(650)
Cash and cash equivalents at 31 March	15,758	13,090	15,758	13,090
Comprising:				
Cash and cash equivalents	18,726	18,532	18,726	18,532
Bank overdrafts	(2,968)	(4,442)	(2,968)	(4,442)
	15,758	14,090	15,758	14,090
Less:				
Fixed deposits pledged as security for bank facilities	-	(1,000)	-	(1,000)
Cash and cash equivalents in the consolidated cash flow statement	15,758	13,090	15,758	13,090

Statements of Changes in Equity for the 12 Months ended 31 March 2018

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation 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	\$'000
At 1 April 2016	80,289	17,798	(2,354)	116	(5,885)	-	(881)	70,801	159,884	25,454	185,338
Total comprehensive income for the year											
Profit or loss	-	-	-	-	-	-	-	(25,282)	(25,282)	557	(24,725)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	(1,552)	-	-	-	(1,552)	(43)	(1,595)
Translation differences relating to disposal of a joint venture reclassified to profit or loss	-	-	-	-	63	-	-	-	63	-	63
Revaluation of property, plant and equipment	-	-	-	-	-	11,828	-	-	11,828	-	11,828
Total other comprehensive income	-	-	-	-	(1,489)	11,828	-	-	10,339	(43)	10,296
Total comprehensive income for the year	-	-	-	-	(1,489)	11,828	-	(25,282)	(14,943)	514	(14,429)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	3	-	-	-	-	-	-	-	3	-	3
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(195)	(195)
Total contributions by and distributions to owners	3	-	-	-	-	-	-	-	3	(195)	(192)
Changes in ownership interests in a subsidiary											
Capital contribution by non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	127	127
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	-	127	127
Total transactions with owners of the Company	3	-	-	-	-	-	-	-	3	(68)	(65)
At 31 March 2017	80,292	17,798	(2,354)	116	(7,374)	11,828	(881)	45,519	144,944	25,900	170,844

Statements of Changes in Equity for the 12 Months ended 31 March 2018 (cont'd)

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation 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	\$'000
At 1 April 2017	80,292	17,798	(2,354)	116	(7,374)	11,828	(881)	45,519	144,944	25,900	170,844
Total comprehensive income for the year											
Profit or loss	-	-	-	-	-	-	-	(14,314)	(14,314)	864	(13,450)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	1,605	-	-	-	1,605	127	1,732
Translation differences reclassified to profit or loss upon dilution of interest in a joint venture	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Transfer of revaluation surplus	-	-	-	-	-	(629)	-	629	-	-	-
Total other comprehensive income	-	-	-	-	1,604	(629)	-	629	1,604	127	1,731
Total comprehensive income for the year	-	-	-	-	1,604	(629)	-	(13,685)	(12,710)	991	(11,719)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	206	-	-	-	-	-	-	-	206	-	206
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(195)	(195)
Total contributions by and distributions to owners	206	-	-	-	-	-	-	-	206	(195)	11
Changes in ownership interests in a subsidiary											
Capital contribution by non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	65	65
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	-	65	65
Total transactions with owners of the Company	206	-	-	-	-	-	-	-	206	(130)	76
At 31 March 2018	80,498	17,798	(2,354)	116	(5,770)	11,199	(881)	31,834	132,440	26,761	159,201

Statements of Changes in Equity for the 12 Months ended 31 March 2018 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2016	80,289	17,798	(2,354)	32,072	127,805
Total comprehensive income for the year	-	-	-	1,887	1,887
Transactions with owners of the Company, recorded directly in equity					
Issue of shares from exercise of warrants	3	-	-	-	3
Total transactions with owners of the Company	3	-	-	-	3
At 31 March 2017	80,292	17,798	(2,354)	33,959	129,695
At 1 April 2017	80,292	17,798	(2,354)	33,959	129,695
Total comprehensive income for the year	-	-	-	1,964	1,964
Transactions with owners of the Company, recorded directly in equity					
Issue of shares from exercise of warrants	206	-	-	-	206
Total transactions with owners of the Company	206	-	-	-	206
At 31 March 2018	80,498	17,798	(2,354)	35,923	131,865

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 full year results for the period from 1 April 2017 to 31 March 2018 with comparative figures for the 12 months period from 1 April 2016 to 31 March 2017.

A Cost of sales

Group			
4th Quarter ended			12 months ended
31/03/2018	31/03/2017	31/03/2018	31/03/2017
\$'000	\$'000	\$'000	\$'000

Cost of sales includes the following items:

Allowance for foreseeable losses on construction work-in-progress	598	-	740	-
Depreciation of property, plant and equipment	6,029	6,677	24,440	26,210
Inventories written off	96	-	96	-
Provision made/(reversed) for liquidated damages	80	(222)	116	654
Provision for rectification costs	673	465	2,160	437

B Other income

Group			
4th Quarter ended			12 months ended
31/03/2018	31/03/2017	31/03/2018	31/03/2017
\$'000	\$'000	\$'000	\$'000

Other income includes the following items:

Gain on dilution of interest in a joint venture	-	-	1	-
Gain/(Loss) on disposal of:				
- property, plant and equipment	354	(69)	1,723	1,287
- a joint venture	-	179	-	179
- assets held for sale	-	-	91	-

C Administrative expenses

Group			
4th Quarter ended			12 months ended
31/03/2018	31/03/2017	31/03/2018	31/03/2017
\$'000	\$'000	\$'000	\$'000

Administrative expenses includes the following items:

Depreciation of property, plant and equipment	319	175	1,376	731
Exchange (gain)/loss	(39)	812	(465)	757

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

D Other operating expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	\$'000	\$'000	\$'000	\$'000

Other operating expenses includes the following items:

Bad debts written off/(back)	23	(22)	50	(20)
Impairment losses recognised/(reversed) on trade and other receivables ⁽¹⁾	185	1,779	(161)	1,712
Property, plant and equipment written off	-	1	-	1

⁽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			
	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	\$'000	\$'000	\$'000	\$'000
Current tax (credit)/expense				
- current period/year	(3)	306	927	2,266
- over provided in prior years	(7)	(147)	(525)	(489)
	(10)	159	402	1,777
Deferred tax expense/(credit)				
- current period/year	454	(170)	626	43
- (over)/ under provided in prior years	-	(2)	(353)	493
	454	(172)	273	536
	444	(13)	675	2,313

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

F Interested person transactions

The Company had not obtained a shareholders' mandate for the interested person transactions under Chapter 9 of the Listing Manual.

Interested person transactions carried out during the 12 months ended 31 March 2018 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)	
	4th Quarter ended 31/03/2018	12 months ended 31/03/2018	4th Quarter ended 31/03/2018	12 months ended 31/03/2018
	\$'000	\$'000	\$'000	\$'000
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	576	2,571	Nil	Nil
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	1,000	2,864	Nil	Nil
THAB Development Sdn Bhd ⁽²⁾	135	911	Nil	Nil
Tat Hong Plant Hire Sdn Bhd ⁽¹⁾	4	394	Nil	Nil
Tat Hong Machinery Pte Ltd ⁽¹⁾	103	103	Nil	Nil

Note:

⁽¹⁾ Tat Hong HeavyEquipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd, Tat Hong Plant Hire Sdn Bhd and Tat Hong Machinery Pte Ltd are related corporations of TH Investments Pte Ltd, a substantial shareholder of the Company.

⁽²⁾ With reference to the Group's announcement on 25 October 2013, the Group entered into a Shareholders' Agreement ("SHA") with Tat Hong International Pte Ltd, AME Land Sdn Bhd and BP Lands Sdn Bhd in relation to THAB Development Sdn Bhd ("THAB"), to jointly undertake mixed property development in Iskandar Malaysia.

Pursuant to the SHA, the Group subscribed for shares equivalent to 5% of the enlarged share capital of THAB for RM0.5 million (equivalent to \$0.2 million) and granted a shareholder's loan of RM4.4 million (equivalent to \$1.7 million) to THAB in October 2013.

In FY18, the Group had granted additional shareholder's loans of RM2.8 million (equivalent to \$0.9 million) to THAB for financing of property development.

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 31/03/2018	As at 31/03/2017
	\$'000	\$'000
<u>Cost/Valuation</u>		
Opening balance	377,544	369,373
Additions	13,836	16,924
Reclassification from inventories	7,613	2,260
Revaluation	-	11,828
Elimination of accumulated depreciation against cost on revaluation	-	(2,983)
Transfer to inventories	(5,811)	(7,421)
Reclassification to assets held for sale	(1,494)	-
Disposals/Write-offs	(13,599)	(9,679)
Translation differences on consolidation	2,989	(2,758)
Closing balance	<u>381,078</u>	<u>377,544</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	212,615	201,461
Depreciation charge	25,816	26,941
Impairment loss	63	98
Elimination of accumulated depreciation against cost on revaluation	-	(2,983)
Transfer to inventories	(4,527)	(5,400)
Reclassification to assets held for sale	(1,022)	-
Disposals/Write-offs	(9,818)	(5,755)
Translation differences on consolidation	1,730	(1,747)
Closing balance	<u>224,857</u>	<u>212,615</u>
Carrying amount	<u>156,221</u>	<u>164,929</u>

2 Inventories

	Group	
	As at 31/03/2018	As at 31/03/2017
	\$'000	\$'000
Equipment and machinery held for sale	12,180	13,783
Spare parts	9,396	9,983
Construction materials on sites	2,118	1,491
	<u>23,694</u>	<u>25,257</u>
Allowance for inventory obsolescence	-	-
	<u>23,694</u>	<u>25,257</u>

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

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

	Group	
	As at 31/03/2018 \$'000	As at 31/03/2017 \$'000
Costs incurred and attributable profits	446,309	391,411
Allowance for foreseeable loss	(740)	-
	445,569	391,411
Progress billings	(351,541)	(289,141)
	94,028	102,270
Progress billings in excess of construction work-in-progress	(926)	(186)
Amount due from customers for contract works ⁽¹⁾	94,954	102,456
	94,028	102,270

⁽¹⁾ Included in trade and other receivables under current assets of statement of financial position.

4 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2018	
Secured	Unsecured
\$'000	\$'000
9,894	49,268

As at 31/03/2017	
Secured	Unsecured
\$'000	\$'000
13,697	50,353

Amount repayable after one year

As at 31/03/2018	
Secured	Unsecured
\$'000	\$'000
21,215	-

As at 31/03/2017	
Secured	Unsecured
\$'000	\$'000
21,124	508

Details of any collateral

The Group's total borrowings were \$80.4 million (31 March 2017: \$85.7 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$16.7 million (31 March 2017: \$5.3 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 \$7,741,000 (31 March 2017: \$9,828,000) are also guaranteed by a related corporation:

- a) \$18,092,000 (31 March 2017: \$20,779,000) in respect of plant and machinery acquired under finance leases. Out of which \$Nil (31 March 2017: \$1,991,000) are also secured by a charge over the fixed deposits of the Company;
- b) \$12,482,000 (31 March 2017: \$13,407,000) which are secured by a charge over the leasehold land and properties; and
- c) \$535,000 (31 March 2017: \$635,000) 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 March 2018, the issued and fully paid-up share capital of the Company was 2,229,145,881 (31 March 2017: 2,208,589,581) ordinary shares. Movement in the Company's issued and fully paid-up share capital during the 12 months ended 31 March 2018 was as follows:

	Number of shares	\$'000
As at 1 April 2017	2,208,589,581	80,292
Exercise of warrants	20,556,300	206
As at 31 March 2018	<u>2,229,145,881</u>	<u>80,498</u>

The total number of ordinary shares issued (excluding treasury shares) as at 31 March 2018 was 2,208,625,881 (31 March 2017: 2,188,069,581) ordinary shares.

During the 12 months ended 31 March 2018, 20,556,300 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue on 30 December 2015. As at 31 March 2018, there were outstanding warrants of 1,420,545,290 (31 March 2017: 1,441,101,590) for conversion into ordinary shares, representing 64.3% (31 March 2017: 65.9%) of the total number of ordinary shares issued (excluding treasury shares).

There were no share buybacks for the 12 months ended 31 March 2018. There were 20,520,000 shares held as treasury shares as at 31 March 2018 (31 March 2017: 20,520,000 shares), representing 0.9% (31 March 2017: 0.9%) of the total number of ordinary shares issued (excluding treasury shares). There were no sales, transfers, cancellation and/or use of treasury shares as at 31 March 2018.

There were no subsidiary holdings in the Company as at 31 March 2018. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 March 2018.

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 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2017.

Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning 1 April 2017 are as follows:

Amendments to FRS 7 *Statement of Cash Flows*

Amendments to FRS 12 *Income Taxes*

Amendments to FRS 112 *Disclosure of Interests in Other Entities*

The adoption of the above amendments to FRS is not expected to have any significant impact on the Group's financial position or performance.

Loss Per Share

(a) Basic loss per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Based on the weighted average number of ordinary shares on issue	(0.26) cents	(0.27) cents	(0.65) cents	(1.16) cents
	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	\$'000	\$'000	\$'000	\$'000
Basic loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	(5,787)	(5,854)	(14,314)	(25,282)
	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period/year	2,218,489,581	2,208,589,581	2,208,589,581	2,208,294,581
Issue of shares via exercise of warrants	8,896,086	-	5,814,377	128,507
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 loss per ordinary share	2,206,865,667	2,188,069,581	2,193,883,958	2,187,903,088

(b) Diluted loss per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
On a fully diluted basis	(0.26) cents	(0.27) cents	(0.65) cents	(1.16) cents
	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	\$'000	\$'000	\$'000	\$'000
Diluted loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	(5,787)	(5,854)	(14,314)	(25,282)

For the purpose of calculating the diluted 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 warrants with the potential ordinary shares weighted for the period outstanding.

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

	4th Quarter ended		12 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	Number of shares			
Weighted average number of:				
Ordinary shares used in the calculation of basic loss per ordinary share	2,206,865,667	2,188,069,581	2,193,883,958	2,187,903,088
Potential ordinary shares issuable under exercise of warrants	*	*	*	*
Weighted average number of ordinary issued and potential shares assuming full conversion	2,206,865,667	2,188,069,581	2,193,883,958	2,187,903,088

* The Group was in a loss position for the periods under review, the warrants were not included in the computation of diluted loss per ordinary share as these potential ordinary shares were anti-dilutive.

Net Asset Value

	<u>As at 31/03/2018</u>	<u>As at 31/03/2017</u>
<u>Group</u>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	7.2 cents	7.8 cents
<u>Company</u>		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	6.0 cents	5.9 cents

The net asset value per ordinary share is calculated based on net asset value of \$159.2 million (31 March 2017: \$170.8 million) over the total number of ordinary shares issued (excluding treasury shares) as at 31 March 2018 of 2,208,625,881 (31 March 2017: 2,188,069,581) 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.

Segmental Revenue and Results

Business segments

The Group comprises the following main business segments:

Foundation and geotechnical engineering : Includes civil engineering, piling, foundation and geotechnical engineering, soil investigation, land surveying and other related services.

Sales and lease of equipment : Sales and rental of foundation engineering equipment, machinery and spare parts.

	Foundation and Geotechnical Engineering		Sales and Lease of Equipment		Others		Total	
	FY18 \$'000	FY17 \$'000	FY18 \$'000	FY17 \$'000	FY18 \$'000	FY17 \$'000	FY18 \$'000	FY17 \$'000
External revenue	302,239	207,953	38,200	44,407	-	-	340,439	252,360
Inter-segment revenue	47,901	22,238	15,010	6,843	-	-	62,911	29,081
Total revenue	<u>350,140</u>	<u>230,191</u>	<u>53,210</u>	<u>51,250</u>	<u>-</u>	<u>-</u>	<u>403,350</u>	<u>281,441</u>
Reportable segment (loss)/profit before tax	<u>(14,324)</u>	<u>(23,519)</u>	<u>740</u>	<u>565</u>	<u>(95)</u>	<u>(225)</u>	<u>(13,679)</u>	<u>(23,179)</u>

Reconciliations of reportable segment revenues and profit or loss:

	FY18 \$'000	FY17 \$'000
Revenue		
Total revenue for reportable segments	403,350	281,441
Other revenue	-	-
	<u>403,350</u>	<u>281,441</u>
Elimination of inter-segment revenue	<u>(62,911)</u>	<u>(29,081)</u>
Consolidated revenue	<u>340,439</u>	<u>252,360</u>
Profit or loss		
Total profit or loss for reportable segments	(13,584)	(22,954)
Other profit or loss	(95)	(225)
	<u>(13,679)</u>	<u>(23,179)</u>
Elimination of inter-segment transactions	5,713	5,985
Unallocated amounts:		
- other corporate expenses	(4,813)	(4,971)
Share of profit of an associate (net of tax)	3	-
Share of profit/(loss) of joint ventures (net of tax)	1	(247)
Consolidated loss before tax	<u>(12,775)</u>	<u>(22,412)</u>

Breakdown of Sales

	12 months ended 31/03/2018	12 months ended 31/03/2017	Change
	\$'000	\$'000	%
(a) Sales reported for the first half year	169,922	131,614	29.1
(b) Operating loss after tax before deducting minority interest reported for the first half year	(5,624)	(12,290)	54.2
(c) Sales reported for the second half year	170,517	120,746	41.2
(d) Operating loss after tax before deducting minority interest reported for the second half year	(7,826)	(12,435)	37.1

Confirmation

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that none of the persons occupying managerial positions in the Company or in any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

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).

Whitewash Waiver in relation to Rights Cum Warrants Issue

Capitalised terms used below, unless otherwise defined, shall have the same meanings as defined in the circular to shareholders of the Company dated 12 November 2015.

In connection with the Rights cum Warrants Issue that was undertaken by the Company, a Whitewash Waiver was granted on 12 October 2015 by the Securities Industry Council of Singapore whereby TH Investments Pte Ltd and its Concert Parties (comprising Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Mr Ng Chwee Cheng, Chwee Cheng Trust, Mr Ng San Tiong Roland, Mr Ng Sun Ho Tony, Mr Ng San Wee David and Mr Ng Sun Giam Roger) ("Concert Party Group") are waived from the requirement to make a general offer made pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers (the "Code") as a result of the subscription for their pro-rate entitlement of the Rights Shares and Warrants Shares arising from the exercise of pro-rata entitlement of the Warrants under the Rights cum Warrants Issue.

The following disclosure note is provided in connection with the requirements of Note 2 on Section 2 of Appendix 1 of the Code.

- (a) In the Extraordinary General Meeting held on 27 November 2015, the Independent Shareholders of the Company approved the Whitewash Resolution waiving their rights to receive a mandatory general offer from the Concert Party Group, for all the issued shares in the capital of the Company not already owned or controlled by them, as a result of the Concert Party Group's subscription of the Rights Shares and Warrants Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue. The Whitewash Resolution is subject to the acquisition of the Warrant Shares by the Concert Party Group upon the exercise of the Warrants being completed by 29 December 2020 (inclusive), which is within five (5) years of the date of issue of the Warrants;

Whitewash Waiver in relation to Rights Cum Warrants Issue (cont'd)

- (b) As at the latest practicable date, 17 May 2018, the Concert Party Group holds in aggregate:
 - (i) 1,155,618,407 Shares, representing approximately 52.32% of the voting rights in the Company; and
 - (ii) 276,232,590 Warrants, out of which 113,942,490 Warrants were pursuant to the Whitewash Waiver;
- (c) The maximum potential voting rights of the Concert Party Group in the Company, assuming that only the Concert Party Group (but not other shareholders) converts their Warrants in full is approximately 57.62% (based on the enlarged share capital of the Company of 2,484,858,471 Shares (excluding treasury shares) immediately following the allotment and issue of 276,232,590 Warrant Shares to the Concert Party Group);
- (d) Having approved the Whitewash Resolution on 27 November 2015, Shareholders have waived their rights to receive a general offer from Concert Party Group at the highest price paid by the Concert Party Group for the Shares in the past 6 months preceding the date of the acquisition of the Warrant Shares; and
- (e) Having approved the Whitewash Resolution on 27 November 2015, Shareholders could be foregoing an opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
24 May 2018