

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

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CSC HOLDINGS LIMITED

Securities

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For Financial Period Ended

31/03/2019

Attachments

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CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the 12 Months Ended 31 March 2019

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Review of the Performance of the Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

4QFY19 – for the 3 months ended 31 March 2019
 3QFY19 – for the 3 months ended 31 December 2018
 4QFY18 – for the 3 months ended 31 March 2018
 FY19 – for the 12 months ended 31 March 2019
 FY18 – for the 12 months ended 31 March 2018

Comparatives were restated as a result of adoption of new accounting standard which is effective from FY19 (refer to “Accounting Policies” note in pages 25 to 27).

Review of Results for the 12 Months Ended 31 March 2019

	4QFY19 \$'000	3QFY19 \$'000	Change %	4QFY18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
				(Restated)			(Restated)	
Revenue	74,733	72,542	3.0	75,420	(0.9)	323,129	338,773	(4.6)
Gross Profit	4,282	1,444	>100.0	485	>100.0	15,005	11,193	34.1
Other Income	457	225	>100.0	597	(23.5)	1,910	2,867	(33.4)
Operating Expenses	(10,507)	(7,257)	44.8	(5,890)	78.4	(31,609)	(25,069)	26.1
Loss from Operating Activities	(5,768)	(5,588)	3.2	(4,808)	20.0	(14,694)	(11,009)	33.5
Net Finance Expenses	(597)	(512)	16.6	(479)	24.6	(1,969)	(1,770)	11.2
Share of (Loss)/Profit of Associates	(35)	(3)	>100.0	2	N.M.	(43)	3	N.M.
Share of Profit of a Joint Venture	-	-	-	-	N.M.	-	1	N.M.
Loss before Tax	(6,400)	(6,103)	4.9	(5,285)	21.1	(16,706)	(12,775)	30.8
Tax Expense	(509)	(363)	40.2	(444)	14.6	(1,321)	(675)	95.7
Loss for the period/year	(6,909)	(6,466)	6.9	(5,729)	20.6	(18,027)	(13,450)	34.0
EBITDA	232	394	(41.1)	1,542	(85.0)	9,417	14,811	(36.4)
Gross Profit Margins	5.7%	2.0%		0.6%		4.6%	3.3%	

Revenue

The Group registered revenue of \$323.1 million for FY19, compared to \$338.8 million in FY18. The full-year revenue was affected by reduced work activity in certain months during the year as a result of delays in commencement of new projects.

Revenue for 4QFY19 amounted to \$74.7 million, which was comparable to that for 4QFY18.

Sequentially, revenue for 4QFY19 was 3.0% higher than 3QFY19 revenue of \$72.5 million.

Gross Profit and Gross Profit Margins (GPM)

	4QFY19 \$'000	3QFY19 \$'000	Change %	4QFY18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Gross Profit	5,282	1,444	>100.0	485	>100.0	16,005	11,193	43.0
Gross profit margins	7.1%	2.0%		0.6%		5.0%	3.3%	
Provision for Foreseeable Loss for A Specific Project	(1,000)	-	N.M.	-	N.M.	(1,000)	-	N.M.
Gross Profit after the Provision for Foreseeable Loss	4,282	1,444	>100.0	485	>100.0	15,005	11,193	34.1
Gross profit margins	5.7%	2.0%		0.6%		4.6%	3.3%	

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

In 4QFY19, the Group made a provision for foreseeable loss of \$1.0 million for a particular project that had incurred cost overruns as a result of stricter regulatory requirements on the development and unforeseen difficult ground conditions. The provision made had consequently lowered overall gross profit to \$15.0 million for FY19.

Despite the provision, gross profit for FY19 improved 34.1% over FY18's \$11.2 million. This was mainly enabled through tight fiscal discipline in the execution of projects and a slight improvement in tender prices towards the end of FY19. GPM for FY19 (excluding the provision for foreseeable loss of \$1 million) was 5.0% as compared to 3.3% recorded in FY18.

4QFY19 gross profit and GPM has improved as compared to 4QFY18. This was mainly due to the completion of old projects with low margins that were secured at the beginning of FY19 and the commencement of new projects secured at better margins. The improvement in tender prices has translated into 4QFY19 GPM of 7.1% (excluding provision for foreseeable loss of \$1 million), as compared to 0.6% in 4QFY18 and 2.0% in 3QFY19.

Other Income

The Group recorded other income of \$1.9 million for FY19 (FY18: \$2.9 million) and \$0.5 million for 4QFY19 (4QFY18: \$0.6 million), on account of a lower gain from the disposal of older equipment during the periods under review.

Other income for 4QFY19 was higher compared to \$0.2 million in 3QFY19 due to higher gain from the disposal of older equipment and an increase in miscellaneous construction-related income during the period under review.

Operating Expenses

	4QFY19 \$'000	3QFY19 \$'000	Change %	4QFY18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Other Operating Expenses	7,490	6,915	8.3	6,721	11.4	28,296	26,672	6.1
a) <u>Adoption of New Accounting Standard</u>								
Expected Credit Losses Recognised/(Reversed) on Trade and Other Receivables and Contract Assets	1,280	(71)	N.M.	-	N.M.	1,059	-	N.M.
b) Impairment Losses Recognised/ (Reversed) on Trade and Other Receivables and Contract Assets	1,608	189	>100.0	185	>100.0	1,927	(161)	N.M.
c) Exchange Loss/(Gain)	129	224	(42.4)	(39)	N.M.	327	(465)	N.M.
d) Reversal of Excess Legal and Professional Costs following the Finalisation of Project	-	-	N.M.	(977)	N.M.	-	(977)	N.M.
Operating Expenses *	10,507	7,257	44.8	5,890	78.4	31,609	25,069	26.1
Other Operating Expenses /Revenue	10.0%	9.5%		8.9%		8.8%	7.9%	

* Comprises of Distribution Expenses, Administrative Expenses and Other Operating Expenses.

Operating Expenses (cont'd)

Other operating expenses for FY19 and 4QFY19 amounted to \$28.3 million (FY18: \$26.7 million) and \$7.5 million (4QFY18: \$6.7 million; 3QFY19: \$6.9 million) respectively. The increase in other operating expenses was from administrative expenses, arising from higher legal fees accrued to recover outstanding debts and higher staff costs incurred during the periods under review in view of an increase in headcount.

Following the adoption of new accounting standard which is effective from FY19 (refer to "Accounting Policies" note in pages 25 to 27), the Group had recognised expected credit losses on trade and other receivables and contract assets amounted to \$1.1 million in FY19 (FY18: \$Nil) and \$1.3 million in 4QFY19 (4QFY18: \$Nil; 3QFY19: reversal of \$0.1 million).

Other operating expenses to revenue ratios for FY19 and 4QFY19 were higher at 8.8% (FY18: 7.9%) and 10.0% (4QFY18: 8.9%; 3QFY19: 9.5%), in line with the increase in other operating expenses and the lower revenue recorded during these periods.

Net Finance Expenses

	4QFY19 \$'000	3QFY19 \$'000	Change %	4QFY18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
				(Restated)			(Restated)	
Interest Income	10	108	(90.7)	21	(52.4)	288	185	55.7
Interest Expenses	(1,086)	(1,035)	4.9	(798)	36.1	(3,977)	(3,127)	27.2
Net Interest Expenses	(1,076)	(927)	16.1	(777)	38.5	(3,689)	(2,942)	25.4
Imputed Interest on Non-Current Assets	491	415	18.3	298	64.8	1,158	1,172	(1.2)
Net Finance Expenses	(585)	(512)	14.3	(479)	22.1	(2,531)	(1,770)	43.0
Return on the Investment in a Property Development Project in Hertford, United Kingdom	(12)	-	N.M.	-	N.M.	562	-	N.M.
	(597)	(512)	16.6	(479)	24.6	(1,969)	(1,770)	11.2

Net interest expenses were \$3.7 million for FY19 (FY18: \$2.9 million) and \$1.1 million for 4QFY19 (4QFY18: \$0.8 million; 3QFY19: \$0.9 million). The increase was due to higher short-term borrowings drawn down for working capital purposes.

With reference to the Group's announcement on 16 September 2016, the Group invested GBP 0.5 million (equivalent to \$0.9 million) to acquire a 21% stake in Coriolis Hertford Limited in relation to a property development project in Hertford, United Kingdom. As at 31 March 2019, the net income generated from the said investment was \$0.6 million.

Loss for the period/year

	4QFY19 \$'000	3QFY19 \$'000	Change %	4QFY18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Loss before Tax	(4,120)	(6,174)	(33.3)	(5,285)	(22.0)	(14,647)	(12,775)	14.7
Provision for Foreseeable Loss for A Specific Project	(1,000)	-	N.M.	-	N.M.	(1,000)	-	N.M.
<u>Adoption of New Accounting Standard</u>								
Expected Credit Losses (Recognised)/Reversed on Trade and Other Receivables and Contract Assets	(1,280)	71	N.M.	-	N.M.	(1,059)	-	N.M.
Loss before Tax after the Provision for Foreseeable Loss	(6,400)	(6,103)	4.9	(5,285)	21.1	(16,706)	(12,775)	30.8
EBITDA	2,512	323	>100.0	1,542	62.9	11,476	14,811	(22.5)
Provision for Foreseeable Loss for A Specific Project	(1,000)	-	N.M.	-	N.M.	(1,000)	-	N.M.
<u>Adoption of New Accounting Standard</u>								
Expected Credit Losses (Recognised)/Reversed on Trade and Other Receivables and Contract Assets	(1,280)	71	N.M.	-	N.M.	(1,059)	-	N.M.
EBITDA after the Provision for Foreseeable Loss	232	394	(41.1)	1,542	(85.0)	9,417	14,811	(36.4)

Taking into account the above factors and excluding the provision for foreseeable loss of \$1.0 million and expected credit losses of \$1.1 million made in FY19, the Group recorded a net loss before tax of \$14.6 million for FY19 (FY18: \$12.8 million) and \$4.1 million for 4QFY19 (4QFY18: \$5.3 million; 3QFY19: \$6.1 million).

Earnings before interest, tax, depreciation and amortization (EBITDA) excluding the provision and expected credit losses was \$11.5 million for FY19 (FY18: \$14.8 million) and \$2.5 million for 4QFY19 (4QFY18: \$1.5 million; 3QFY19: \$0.4 million).

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

Net book value of property, plant and equipment as at 31 March 2019 was \$137.1 million (31 March 2018: \$156.2 million).

In FY19, the Group selectively acquired \$16.9 million worth of new plant and equipment to replace older equipment. The Group disposed of plant and equipment with carrying values of \$1.7 million and recorded a \$0.9 million gain on the disposal. In addition, certain property and equipment with carrying values of \$16.3 million were transferred from property, plant and equipment to assets held for sale. Depreciation charge for FY19 was \$24.2 million (FY18: \$25.8 million).

Net Current Assets

As at 31 March 2019, net current assets was \$4.1 million (31 March 2018: \$9.2 million). Current ratio (current assets / current liabilities) was 1.02 (31 March 2018: 1.06).

The Group had higher inventories of \$29.7 million at 31 March 2019 (31 March 2018: \$23.7 million) as it had anticipated an increase in equipment sale and leasing activities.

Trade and other receivables and contract assets were \$135.1 million (31 March 2018: \$119.1 million) while trade and other payables and contract liabilities were \$99.7 million (31 March 2018: \$86.5 million).

The Group disposed of \$0.8 million of the equipment transferred from property, plant and equipment to assets held for sale in FY19. As at 31 March 2019, assets held for sale was \$15.5 million (31 March 2018: \$Nil).

Borrowings

As at 31 March 2019, total borrowings of the Group was \$102.7 million (31 March 2018: \$80.4 million). The Group drew down more short-term borrowings to finance the business operations in FY19.

Consequently, the debt to equity ratio as at 31 March 2019 was 0.72 (31 March 2018: 0.50).

Equity and Net Asset Value

As at 31 March 2019, the Group's equity was \$142.4 million (31 March 2018: \$159.4 million), while net asset value per ordinary share was 6.1 cents (31 March 2018: 7.2 cents).

CASH FLOW

	4QFY19 \$'000	3QFY19 \$'000	Change %	4QFY18 \$'000	Change %	FY19 \$'000	FY18 \$'000	Change %
Cash Flow from Operating Activities	400	6,292	(93.6)	6,784	(94.1)	1,861	20,378	(90.9)
Cash Flow from Investing Activities	(1,578)	(2,744)	(42.5)	(1,577)	0.1	(13,953)	(3,134)	>100.0
Cash Flow from Financing Activities	(1,058)	(3,558)	(70.3)	(7,636)	(86.1)	3,546	(14,784)	N.M.
Cash and Cash Equivalents	7,193	9,439	(23.8)	15,758	(54.4)	7,193	15,758	(54.4)

Cash Flow from Operating Activities

Net cash inflow from operating activities was \$1.9 million for FY19, compared to \$20.4 million in FY18, taking into account the net loss recorded for the year. For 4QFY19, net cash inflow was \$0.4 million (4QFY18: \$6.8 million; 3QFY19: \$6.3 million).

Cash Flow from Investing Activities

The Group's net cash outflow from investing activities for FY19 and 4QFY19 were \$14.0 million and \$1.6 million respectively (FY18: \$3.1 million; 4QFY18: \$1.6 million).

The higher cash outflow in FY19 was mainly due to net investment in new plant and equipment. In addition, the Group invested \$1.4 million in a residential property development project in Cambridge, United Kingdom, in FY19.

Quarter-on-quarter, net cash outflow for 4QFY19 was lower than 3QFY19, taking into account the lower capital expenditure incurred in 4QFY19.

Cash Flow from Financing Activities

The Group recorded net cash inflow from financing activities of \$3.5 million for FY19, compared to a net cash outflow of \$14.8 million for FY18, as it had drawn down short term borrowings to finance the business operations in FY19.

Net cash outflow for 4QFY19 was \$1.1 million (4QFY18: \$7.6 million; 3QFY19: \$3.6 million), following the lower net repayment of bank borrowings in 4QFY19.

Cash and Cash Equivalents

Taking into consideration the abovementioned factors, the Group's cash and cash equivalents stood at \$7.2 million as at 31 March 2019 (31 March 2018: \$15.8 million; 31 December 2018: \$9.4 million).

Outlook

The Group is cautiously optimistic of the outlook of the Singapore construction industry in the year ahead. The construction sector logged its first quarter of year-on-year expansion after 10 consecutive quarters of decline. It expanded by 2.9 per cent on a year-on-year basis in the first three months of 2019, a turnaround from the 1.2 per cent decline in the previous quarter, as construction output rose on the back of increasing public sector and private sector construction works¹. While demand for construction services looks to be recovering, the Group is mindful of the competition prevailing following the construction lull in prior years.

In this regard, the Group will maintain a prudent approach towards tenders for public and private construction projects. In the months ahead, the Group will continue to focus on managing asset utilisation and the optimisation of cost and operational efficiencies to reinforce its competitive position.

As at 17 May 2019, the Group's order book stood at about \$160 million (11 February 2019: \$190 million).

¹ Channel NewsAsia, Singapore narrows 2019 GDP forecast, as Q1 logs slowest growth in nearly a decade, 21 May 2019 (Source: <https://www.channelnewsasia.com/news/business/singapore-gdp-economy-2019-forecast-growth-q1-11549940>)

Consolidated Statement of Profit or Loss for the 12 Months ended 31 March 2019

	Note	Group			Group		
		4th Quarter ended		Change	12 months ended		Change
		31-Mar-19	31-Mar-18 (Restated)		31-Mar-19	31-Mar-18 (Restated)	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		74,733	75,420	(0.9)	323,129	338,773	(4.6)
Cost of sales	A	(70,451)	(74,935)	(6.0)	(308,124)	(327,580)	(5.9)
Gross profit		4,282	485	>100.0	15,005	11,193	34.1
Other income	B	457	597	(23.5)	1,910	2,867	(33.4)
Distribution expenses		(207)	(284)	(27.1)	(846)	(732)	15.6
Administrative expenses	C	(7,257)	(5,220)	39.0	(27,400)	(24,059)	13.9
Other operating expenses	D	(3,043)	(386)	>100.0	(3,363)	(278)	>100.0
Operating expenses		(10,507)	(5,890)	78.4	(31,609)	(25,069)	26.1
Results from operating activities		(5,768)	(4,808)	20.0	(14,694)	(11,009)	33.5
Finance income		489	394	24.1	2,008	1,357	48.0
Finance expenses		(1,086)	(873)	24.4	(3,977)	(3,127)	27.2
Net finance expenses		(597)	(479)	24.6	(1,969)	(1,770)	11.2
Share of (loss)/profit of associates (net of tax)		(35)	2	N.M.	(43)	3	N.M.
Share of profit of a joint venture (net of tax)		-	-	N.M.	-	1	(100.0)
Loss before tax		(6,400)	(5,285)	21.1	(16,706)	(12,775)	30.8
Tax expense	E	(509)	(444)	14.6	(1,321)	(675)	95.7
Loss for the period/year		(6,909)	(5,729)	20.6	(18,027)	(13,450)	34.0
Attributable to:							
Owners of the Company		(6,896)	(5,787)	19.2	(19,335)	(14,314)	35.1
Non-controlling interests		(13)	58	N.M.	1,308	864	51.4
Loss for the period/year		(6,909)	(5,729)	20.6	(18,027)	(13,450)	34.0

Gross profit margin

5.7% 0.6%

4.6% 3.3%

Net loss margin

-9.2% -7.6%

-5.6% -4.0%

Consolidated Statement of Comprehensive Income for the 12 Months ended 31 March 2019

	Group			Group		
	4th Quarter ended		Change	12 months ended		Change
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18	
	\$'000	\$'000	%	\$'000	\$'000	%
Loss for the period/year	(6,909)	(5,729)	20.6	(18,027)	(13,450)	34.0
Other comprehensive income						
Item that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	1,117	-	N.M.	1,117	-	N.M.
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences						
- foreign operations	517	571	(9.5)	(421)	1,732	N.M.
Translation differences relating to dilution of interest in a joint venture reclassified to profit or loss	-	-	N.M.	-	(1)	(100.0)
Other comprehensive income for the period/year, net of tax	1,634	571	N.M.	696	1,731	(59.8)
Total comprehensive income for the period/year	(5,275)	(5,158)	2.3	(17,331)	(11,719)	47.9
Attributable to:						
Owners of the Company	(5,325)	(5,267)	1.1	(18,590)	(12,710)	46.3
Non-controlling interests	50	109	(54.1)	1,259	991	27.0
Total comprehensive income for the period/year	(5,275)	(5,158)	2.3	(17,331)	(11,719)	47.9

Statement of Financial Position as at 31 March 2019

DESCRIPTION	Note	Group		Company	
		31-Mar-19	31-Mar-18 (Restated)	31-Mar-19	31-Mar-18
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	137,101	156,221	12	22
Goodwill		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	112,582	120,530
- associates		651	681	-	-
Other investments		406	289	-	-
Contract assets		16,106	12,881	-	-
Trade and other receivables		2,007	1,610	9,856	-
Deferred tax assets		44	93	161	23
		157,767	173,227	122,611	120,575
Current assets					
Inventories	2	29,687	23,694	-	-
Contract assets		80,882	68,551	-	-
Trade and other receivables		54,263	50,566	13,198	19,262
Cash and cash equivalents		15,212	18,726	503	249
		180,044	161,537	13,701	19,511
Assets held for sale		15,539	198	-	-
		195,583	161,735	13,701	19,511
Total assets		353,350	334,962	136,312	140,086

Statement of Financial Position as at 31 March 2019 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Mar-19	31-Mar-18 (Restated)	31-Mar-19	31-Mar-18
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		81,635	80,498	81,635	80,498
Reserves		33,268	52,128	48,319	51,367
		114,903	132,626	129,954	131,865
Non-controlling interests		27,448	26,761	-	-
Total equity		142,351	159,387	129,954	131,865
Non-current liabilities					
Loans and borrowings	3	17,392	21,215	5	16
Deferred tax liabilities		2,079	1,853	-	-
		19,471	23,068	5	16
Current liabilities					
Loans and borrowings	3	85,313	59,162	11	160
Contract liabilities		4,225	52	-	-
Trade and other payables		95,434	86,459	6,319	8,012
Provisions		6,113	6,604	-	-
Current tax payable		443	230	23	33
		191,528	152,507	6,353	8,205
Total liabilities		210,999	175,575	6,358	8,221
Total equity and liabilities		353,350	334,962	136,312	140,086

Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2019

	4th Quarter ended		12 months ended	
	<u>31-Mar-19</u>	<u>31-Mar-18</u>	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
Cash flows from operating activities				
Loss for the period/year	(6,909)	(5,729)	(18,027)	(13,450)
Adjustments for:				
Bad debts written off	20	23	5	50
Depreciation of property, plant and equipment	6,035	6,348	24,154	25,816
Expected credit losses on trade and other receivables and contract assets	1,280	-	1,059	-
Gain on dilution of interest in a joint venture	-	-	-	(1)
Gain on disposal of:				
- property, plant and equipment	(118)	(354)	(884)	(1,723)
- assets held for sale	-	-	-	(91)
Impairment losses recognised/(reversed) on trade and other receivables and contract assets	1,608	185	1,927	(161)
Inventories written off	88	96	370	96
Net finance expenses	597	479	1,969	1,770
Property, plant and equipment written off	16	-	17	-
Provisions for:				
- onerous contracts	1,000	598	1,000	740
- rectification costs	801	673	1,182	2,160
Share of loss/(profit) of associates (net of tax)	35	(2)	43	(3)
Share of profit of a joint venture (net of tax)	-	-	-	(1)
Write-down of plant and equipment	98	164	258	211
Tax expense	509	444	1,321	675
Operating activities before working capital changes	5,060	2,925	14,394	16,088
Changes in working capital:				
Inventories	(3,168)	(395)	(6,468)	(3,127)
Trade and other receivables and contract assets	2,077	23,404	(20,861)	14,959
Trade and other payables and contract liabilities	(3,455)	(18,880)	15,213	(5,964)
Cash generated from operations	514	7,054	2,278	21,956
Taxes paid	(174)	(291)	(705)	(1,763)
Interest received	60	21	288	185
Net cash generated from operating activities	400	6,784	1,861	20,378

**Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2019
(cont'd)**

	4th Quarter ended		12 months ended	
	<u>31-Mar-19</u>	<u>31-Mar-18</u>	<u>31-Mar-19</u>	<u>31-Mar-18</u>
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,998)	(2,686)	(16,034)	(11,176)
Proceeds from disposal of:				
- property, plant and equipment	1,420	864	3,628	6,958
- a joint venture	-	-	-	839
- assets held for sale	-	365	-	365
Investment in an associate	-	-	(1,427)	-
Subscription of convertible notes	-	(120)	(120)	(120)
Net cash used in investing activities	(1,578)	(1,577)	(13,953)	(3,134)
Cash flows from financing activities				
Interest paid	(1,080)	(811)	(3,963)	(3,172)
Dividends paid:				
- non-controlling interests of a subsidiary	(300)	(105)	(450)	(195)
Proceeds from:				
- bank loans and finance lease loans	7,357	5,360	22,717	13,415
- bills payable	46,238	21,209	164,536	64,791
- government grants for acquisition of property, plant and equipment	166	-	341	60
- issue of shares from exercise of warrants, net of expenses	6	107	1,137	206
Repayment of:				
- bank loans	(6,146)	(7,152)	(21,674)	(24,369)
- bills payable	(44,936)	(22,693)	(149,986)	(53,427)
- finance lease liabilities	(2,363)	(3,551)	(9,112)	(13,093)
Decrease in fixed deposits pledged	-	-	-	1,000
Net cash (used in)/generated from financing activities	(1,058)	(7,636)	3,546	(14,784)
Net (decrease)/increase in cash and cash equivalents	(2,236)	(2,429)	(8,546)	2,460
Cash and cash equivalents at 1 January/1 April	9,439	18,247	15,758	13,090
Effect of exchange rate changes on balances held in foreign currencies	(10)	(60)	(19)	208
Cash and cash equivalents at 31 March	7,193	15,758	7,193	15,758
Comprising:				
Cash and cash equivalents	15,212	18,726	15,212	18,726
Bank overdrafts	(8,019)	(2,968)	(8,019)	(2,968)
Cash and cash equivalents in the consolidated cash flow statement	7,193	15,758	7,193	15,758

Statements of Changes in Equity for the 12 Months ended 31 March 2019

Group	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, as previously reported	80,292	17,798	(2,354)	116	(7,374)	11,828	(881)	45,519	144,944	25,900	170,844
Adoption of SFRS(I) 15	-	-	-	-	1	-	-	185	186	-	186
At 1 April 2017, as restated	80,292	17,798	(2,354)	116	(7,373)	11,828	(881)	45,704	145,130	25,900	171,030
Total comprehensive income for the year (Loss)/Profit for the year	-	-	-	-	-	-	-	(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 interest 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	(5,769)	11,199	(881)	32,019	132,626	26,761	159,387

Statements of Changes in Equity for the 12 Months ended 31 March 2019 (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 31 March 2018, as previously reported	80,498	17,798	(2,354)	116	(5,770)	11,199	(881)	31,834	132,440	26,761	159,201
Adoption of SFRS(I) 15	-	-	-	-	1	-	-	185	186	-	186
At 31 March 2018, as restated	80,498	17,798	(2,354)	116	(5,769)	11,199	(881)	32,019	132,626	26,761	159,387
Adoption of SFRS(I) 9	-	-	-	-	-	-	-	(270)	(270)	(122)	(392)
At 1 April 2018, as restated	80,498	17,798	(2,354)	116	(5,769)	11,199	(881)	31,749	132,356	26,639	158,995
Total comprehensive income for the year (Loss)/Profit for the year	-	-	-	-	-	-	-	(19,335)	(19,335)	1,308	(18,027)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	(372)	-	-	-	(372)	(49)	(421)
Revaluation of property, plant and equipment	-	-	-	-	-	1,117	-	-	1,117	-	1,117
Transfer of revaluation surplus	-	-	-	-	-	(597)	-	597	-	-	-
Total other comprehensive income	-	-	-	-	(372)	520	-	597	745	(49)	696
Total comprehensive income for the year	-	-	-	-	(372)	520	-	(18,738)	(18,590)	1,259	(17,331)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	1,137	-	-	-	-	-	-	-	1,137	-	1,137
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(450)	(450)
Total transactions with owners of the Company	1,137	-	-	-	-	-	-	-	1,137	(450)	687
At 31 March 2019	81,635	17,798	(2,354)	116	(6,141)	11,719	(881)	13,011	114,903	27,448	142,351

Statements of Changes in Equity for the 12 Months ended 31 March 2019 (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 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
At 1 April 2018, as previously reported	80,498	17,798	(2,354)	35,923	131,865
Adoption of SFRS(I) 9	-	-	-	(2,266)	(2,266)
At 1 April 2018, as restated	80,498	17,798	(2,354)	33,657	129,599
Total comprehensive income for the year	-	-	-	(782)	(782)
Transactions with owners of the Company, recorded directly in equity					
Issue of shares from exercise of warrants	1,137	-	-	-	1,137
Total transactions with owners of the Company	1,137	-	-	-	1,137
At 31 March 2019	81,635	17,798	(2,354)	32,875	129,954

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 2018 to 31 March 2019 with comparative figures for the 12 months period from 1 April 2017 to 31 March 2018.

A Cost of sales

	Group			
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	\$'000	\$'000	\$'000	\$'000
Cost of sales includes the following items:				
Depreciation of property, plant and equipment	5,694	6,029	22,801	24,440
Inventories written off	88	96	370	96
Provisions for:				
- onerous contracts	1,000	598	1,000	740
- rectification costs	801	673	1,182	2,160

B Other income

	Group			
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	\$'000	\$'000	\$'000	\$'000
Other income includes the following items:				
Gain on dilution of interest in a joint venture	-	-	-	1
Gain on disposal of:				
- plant and equipment	118	354	884	1,723
- assets held for sale	-	-	-	91

C Administrative expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	\$'000	\$'000	\$'000	\$'000
Administrative expenses includes the following items:				
Depreciation of property, plant and equipment	341	319	1,353	1,376
Exchange loss/(gain)	129	(39)	327	(465)
Reversal of excess legal and professional costs following the finalisation of project	-	(977)	-	(977)

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

D Other operating expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	\$'000	\$'000	\$'000	\$'000
Other operating expenses includes the following items:				
Bad debts written off	20	23	5	50
Expected credit losses on trade and other receivables and contract assets ⁽¹⁾	1,280	-	1,059	-
Impairment losses recognised/(reversed) on trade and other receivables and contract assets ⁽²⁾	1,608	185	1,927	(161)
Property, plant and equipment written off	16	-	17	-
Write-down of plant and equipment	98	164	258	211

⁽¹⁾ Refer to "Accounting Policies" note in pages 25 to 27 for details.

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

E Tax expense

	Group			
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	\$'000	\$'000	\$'000	\$'000
Current tax expense/(credit)				
- current period/year	99	(3)	1,021	927
- under/(over) provided in prior years	69	(7)	(51)	(525)
	168	(10)	970	402
Deferred tax expense				
- current period/year	341	454	254	626
- under/(over) provided in prior years	-	-	97	(353)
	341	454	351	273
	509	444	1,321	675

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 2019 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 31/03/2019	12 months ended 31/03/2019	4th Quarter ended 31/03/2019	12 months ended 31/03/2019
	\$'000	\$'000	\$'000	\$'000
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	433	2,132	Nil	Nil
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	403	3,573	Nil	Nil
Tat Hong (Thailand) Co., Ltd ⁽¹⁾	-	259	Nil	Nil
CMC Construction Pte Ltd ⁽¹⁾	1	445	Nil	Nil
Tat Hong HeavyEquipment (HK) Ltd ⁽¹⁾	2	112	Nil	Nil
THAB Development Sdn Bhd ⁽²⁾	100	559	Nil	Nil
WB TOP3 Development Sdn. Bhd. ⁽³⁾	-	972	Nil	Nil

Note:

⁽¹⁾ Tat Hong HeavyEquipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd, Tat Hong (Thailand) Co., Ltd, CMC Construction Pte Ltd and Tat Hong HeavyEquipment (HK) 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) in proportion to its shareholdings to THAB in October 2013.

In FY19, the Group granted additional shareholder's loans in proportion to its shareholdings of RM1.7 million (equivalent to \$0.6 million) to THAB for financing of property development.

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

F Interested person transactions (cont'd)

⁽³⁾ With reference to the Group's announcements on 20 May 2016 and 23 June 2016, the Group entered into a Shareholders' Agreement ("SA") with Triplestar Properties Sdn Bhd ("TSP") and Zillion Holding Sdn Bhd in relation to WB TOP3 Development Sdn. Bhd. (formerly known as TOP3 Development Sdn. Bhd.) ("WB TOP3"), to jointly undertake commercial property development in Seremban, Negeri Sembilan, Malaysia.

Pursuant to the SA, the Group subscribed for shares equivalent to 40% of the share capital of WB TOP3 for RM2.0 million (equivalent to \$0.7 million) and granted a shareholder's loan of RM0.2 million (equivalent to \$0.1 million) in proportion to its shareholdings to WB TOP3 during the first quarter ended 30 June 2016.

In September 2017, the Group entered into a new Shareholders' Agreement ("Revised SA") with TSP, Bluecrest Holding Pte Ltd and WB Land (Ainsdale) Sdn Bhd in relation to the investment in WB TOP3. Pursuant to the Revised SA, the Group's equity interest in WB TOP3 diluted from 40% to 19%.

In FY19, the Group granted additional shareholder's loan in proportion to its shareholdings of RM2.9 million (equivalent to \$1.0 million) to WB TOP3 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 31/03/2019	As at 31/03/2018
	\$'000	\$'000
<u>Cost/Valuation</u>		
Opening balance	381,078	377,544
Additions	16,885	13,836
Reclassification from inventories	6,315	7,613
Revaluation	1,117	-
Elimination of accumulated depreciation against cost on revaluation	(1,521)	-
Transfer to inventories	(7,543)	(5,811)
Reclassification to assets held for sale	(23,080)	(1,494)
Disposals/Write-offs	(4,748)	(13,599)
Translation differences on consolidation	(745)	2,989
Closing balance	<u>367,758</u>	<u>381,078</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	224,857	212,615
Depreciation charge	24,154	25,816
Impairment loss	11	63
Elimination of accumulated depreciation against cost on revaluation	(1,521)	-
Transfer to inventories	(6,569)	(4,527)
Reclassification to assets held for sale	(6,821)	(1,022)
Disposals/Write-offs	(3,017)	(9,818)
Translation differences on consolidation	(437)	1,730
Closing balance	<u>230,657</u>	<u>224,857</u>
Carrying amount	<u>137,101</u>	<u>156,221</u>

2 Inventories

	Group	
	As at 31/03/2019	As at 31/03/2018
	\$'000	\$'000
Equipment and machinery held for sale	16,120	12,180
Spare parts	10,307	9,396
Construction materials on sites	3,260	2,118
	<u>29,687</u>	<u>23,694</u>
Allowance for inventory obsolescence	-	-
	<u>29,687</u>	<u>23,694</u>

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

3 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2019	
Secured	Unsecured
\$'000	\$'000
14,151	71,162

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

Amount repayable after one year

As at 31/03/2019	
Secured	Unsecured
\$'000	\$'000
17,392	-

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

Details of any collateral

The Group's total borrowings were \$102.7 million (31 March 2018: \$80.4 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$31.3 million (31 March 2018: \$16.7 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company. Out of which \$15,148,000 (31 March 2018: \$7,741,000) are also guaranteed by a related corporation:

- a) \$20,750,000 (31 March 2018: \$18,092,000) in respect of plant and machinery acquired under finance leases;
- b) \$10,482,000 (31 March 2018: \$12,482,000) which are secured by a charge over the leasehold land and properties; and
- c) \$311,000 (31 March 2018: \$535,000) 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 2019, the issued and fully paid-up share capital of the Company was 2,342,882,546 (31 March 2018: 2,229,145,881) ordinary shares. Movement in the Company's issued and fully paid-up share capital during the 12 months ended 31 March 2019 was as follows:

	Number of shares	\$'000
As at 1 April 2018	2,229,145,881	80,498
Exercise of warrants	113,736,665	1,137
As at 31 March 2019	<u>2,342,882,546</u>	<u>81,635</u>

The total number of ordinary shares issued (excluding treasury shares) as at 31 March 2019 was 2,322,362,546 (31 March 2018: 2,208,625,881) ordinary shares.

During the 12 months ended 31 March 2019, 113,736,665 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue on 30 December 2015. As at 31 March 2019, there were outstanding warrants of 1,306,808,625 (31 March 2018: 1,420,545,290) for conversion into ordinary shares, representing 56.3% (31 March 2018: 64.3%) of the total number of ordinary shares issued (excluding treasury shares). 5,000,000 warrants were exercised at \$0.01 each subsequent to 31 March 2019, the details are set out in "Subsequent Event" note in page 30.

There were no share buybacks for the 12 months ended 31 March 2019. There were 20,520,000 shares held as treasury shares as at 31 March 2019 (31 March 2018: 20,520,000 shares), representing 0.9% (31 March 2018: 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 2019.

There were no subsidiary holdings in the Company as at 31 March 2019. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 March 2019.

Audit

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

Accounting Policies

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). The Group's financial statements for the financial year ended 31 March 2019 were prepared in accordance with SFRS(I), and International Financial Reporting Standards issued by the International Accounting Standards Board.

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 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning on 1 April 2018 as follows:

- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15 *Clarifications to SFRS(I) 15*;
- SFRS(I) 9 *Financial Instruments*;

Accounting Policies (cont'd)

- *Classification and Measurement of Share-based Payment Transactions* (Amendments to SFRS(I) 2);
- *Transfers of Investment Property* (Amendments to SFRS(I) 1-40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to SFRS(I) 1);
- *Measuring an Associate or Joint Venture at Fair Value* (Amendments to SFRS(I) 1-28);
- Applying SFRS(I) 9 *Financial Instruments* with SFRS(I) 4 *Insurance Contracts* (Amendments to SFRS(I) 4); and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 in its financial statements for the year ended 31 March 2019, using the retrospective approach, except for the practical expedients used for completed contracts. Under these practical expedients, completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The impact on the adoption of SFRS(I) 15 is summarised below:

Consolidated statement of profit or loss

	4th Quarter ended 31/03/2018 \$'000	12 months ended 31/03/2018 \$'000
Decrease in revenue	223	1,666
Increase in finance income	298	1,172
(Increase)/Decrease in finance expenses	(75)	494

Statement of financial position

	As at 31/03/2018 \$'000
Increase in contract assets	81,432
Decrease in trade and other receivables	84,178
Increase in contract liabilities	52
Decrease in trade and other payables	52
Decrease in excess of progress billings over construction work-in-progress	926
Decrease in provisions	2,006
Increase in foreign currency translation reserve	1
Increase in retained earnings	185

SFRS(I) 9 Financial Instruments

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Accounting Policies (cont'd)

The Group has elected to adopt the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 April 2018.

The Group applied the simplified approach and recorded lifetime expected credit loss on all trade receivables arising from the application of SFRS(I) 9.

The impact on the adoption of SFRS(I) 9 for the Group and the Company is summarised below:

Statement of financial position

	Group As at 01/04/2018 \$'000	Company As at 01/04/2018 \$'000
Decrease in investment in a subsidiary	-	11,948
Decrease in investment in associates	985	-
Decrease in other investment	625	-
Increase in trade and other receivables	1,151	9,573
Increase in deferred tax assets	1	109
Decrease in deferred tax liabilities	66	-
Decrease in non-controlling interests	122	-
Decrease in retained earnings	270	2,266

Following the adoption of SFRS(I) 9, the Group recognised an expected credit losses on contract assets and trade and other receivables of \$1,059,000 for FY19 (FY18: \$Nil) and \$1,280,000 for 4QFY19 (4QFY18: \$Nil) in the consolidated statement of profit or loss.

Loss Per Share

(a) Basic loss per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Based on the weighted average number of ordinary shares on issue	(0.30) cents	(0.26) cents	(0.86) cents	(0.65) cents
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	\$'000	\$'000	\$'000	\$'000
Basic loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	(6,896)	(5,787)	(19,335)	(14,314)
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period/year	2,342,282,546	2,218,489,581	2,229,145,881	2,208,589,581
Issue of shares via exercise of warrants	513,333	8,896,086	38,503,382	5,814,377
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	2,322,275,879	2,206,865,667	2,247,129,263	2,193,883,958

Loss Per Share (cont'd)

(b) Diluted loss per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
On a fully diluted basis	(0.30) cents	(0.26) cents	(0.86) cents	(0.65) cents
	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	\$'000	\$'000	\$'000	\$'000
Diluted loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	(6,896)	(5,787)	(19,335)	(14,314)

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.

	4th Quarter ended		12 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	Number of shares			
Weighted average number of: Ordinary shares used in the calculation of basic loss per ordinary share	2,322,275,879	2,206,865,667	2,247,129,263	2,193,883,958
Potential ordinary shares issuable under exercise of warrants	*	*	*	*
Weighted average number of ordinary issued and potential shares assuming full conversion	2,322,275,879	2,206,865,667	2,247,129,263	2,193,883,958

* 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

	As at 31/03/2019	As at 31/03/2018
Group		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	6.1 cents	7.2 cents
Company		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	5.6 cents	6.0 cents

The net asset value per ordinary share is calculated based on net asset value of \$142.4 million (31 March 2018: \$159.4 million) over the total number of ordinary shares issued (excluding treasury shares) as at 31 March 2019 of 2,322,362,546 (31 March 2018: 2,208,625,881) 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, so as to conserve the Group's cash position.

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	
	FY19 \$'000	FY18 \$'000 (Restated)	FY19 \$'000	FY18 \$'000	FY19 \$'000	FY18 \$'000	FY19 \$'000	FY18 \$'000 (Restated)
External revenue	270,338	300,573	52,791	38,200	-	-	323,129	338,773
Inter-segment revenue	60,139	47,901	15,542	15,010	-	-	75,681	62,911
Total revenue	330,477	348,474	68,333	53,210	-	-	398,810	401,684
Reportable segment (loss)/profit before tax	(19,142)	(14,324)	3,316	740	302	(95)	(15,524)	(13,679)

Reconciliations of reportable segment revenues and profit or loss:

	FY19 \$'000	FY18 \$'000 (Restated)
Revenue		
Total revenue for reportable segments	398,810	401,684
Other revenue	-	-
	<u>398,810</u>	<u>401,684</u>
Elimination of inter-segment revenue	(75,681)	(62,911)
Consolidated revenue	<u>323,129</u>	<u>338,773</u>
Profit or loss		
Total profit or loss for reportable segments	(15,826)	(13,584)
Other profit or loss	302	(95)
	<u>(15,524)</u>	<u>(13,679)</u>
Elimination of inter-segment transactions	4,309	5,713
Unallocated amounts:		
- other corporate expenses	(5,448)	(4,813)
Share of (loss)/profit of associates (net of tax)	(43)	3
Share of profit of a joint venture (net of tax)	-	1
Consolidated loss before tax	<u>(16,706)</u>	<u>(12,775)</u>

Breakdown of Sales

	12 months ended 31/03/2019	12 months ended 31/03/2018	Change
	\$'000	\$'000	%
(a) Sales reported for the first half year	175,854	168,818	4.2
(b) Operating loss after tax before deducting minority interest reported for the first half year	(4,652)	(5,624)	(17.3)
(c) Sales reported for the second half year	147,275	169,955	(13.3)
(d) Operating loss after tax before deducting minority interest reported for the second half year	(13,375)	(7,826)	70.9

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).

Subsequent Event

Subsequent to 31 March 2019, 5,000,000 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue on 30 December 2015.

The movement in the Company's outstanding warrants subsequent to 31 March 2019 till the latest practicable date, 21 May 2019, was as follows:

	Number of warrants
As at 1 April 2019	1,306,808,625
Exercise of warrants	(5,000,000)
As at 21 May 2019	<u>1,301,808,625</u>

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;
- (b) As at the latest practicable date, 21 May 2019, the Concert Party Group holds in aggregate:
 - (i) 1,190,618,407 Shares, representing approximately 51.16% of the voting rights in the Company; and
 - (ii) 248,232,605 Warrants, out of which 83,942,490 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 55.86% (based on the enlarged share capital of the Company of 2,575,595,151 Shares (excluding treasury shares) immediately following the allotment and issue of 248,232,605 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
23 May 2019