

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::THIRD QUARTER RESULTS

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CSC HOLDINGS LIMITED

Securities

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For Financial Period Ended

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CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement

for the Third Quarter Ended 31 December 2018

(For the Financial Year Ending 31 March 2019)

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 3RD QUARTER ENDED 31 DECEMBER 2018	9
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 31 DECEMBER 2018	10
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018	11
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2018	13
STATEMENTS OF CHANGES IN EQUITY FOR THE 3RD QUARTER ENDED 31 DECEMBER 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/(income)</i>	19
E <i>Tax expense</i>	19
F <i>Interested person transactions</i>	20
NOTES TO THE STATEMENT OF FINANCIAL POSITION	22
1 <i>Property, plant and equipment</i>	22
2 <i>Inventories</i>	22
3 <i>Aggregate amount of Group's borrowings and debt securities</i>	23
NOTES TO THE STATEMENT OF CHANGES IN EQUITY	24
1 <i>Changes in the Company's Share Capital</i>	24
AUDIT	24
ACCOUNTING POLICIES	24
LOSS PER SHARE	26
NET ASSET VALUE	27
VARIANCE FROM PROSPECT STATEMENT	28
DIVIDEND	28
CONFIRMATION	28
SUBSEQUENT EVENT	28
WHITEWASH WAIVER IN RELATION TO RIGHTS CUM WARRANTS ISSUE	28

Review of the Performance of the Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

3QFY19 – for the 3 months ended 31 December 2018

2QFY19 – for the 3 months ended 30 September 2018

3QFY18 – for the 3 months ended 31 December 2017

9MFY19 – for the 9 months ended 31 December 2018

9MFY18 – for the 9 months ended 31 December 2017

Review of Results for the Third Quarter Ended 31 December 2018

	3QFY19 \$'000	2QFY19 \$'000	Change %	3QFY18 \$'000	Change %	9MFY19 \$'000	9MFY18 \$'000	Change %
				(Restated)			(Restated)	
Revenue	72,542	94,552	(23.3)	94,535	(23.3)	248,396	263,353	(5.7)
Gross Profit	1,444	4,943	(70.8)	3,937	(63.3)	10,723	10,708	0.1
Other Income	225	408	(44.9)	879	(74.4)	1,453	2,270	(36.0)
Operating Expenses	(7,223)	(7,252)	(0.4)	(6,342)	13.9	(20,942)	(19,132)	9.5
Loss from Operating Activities	(5,554)	(1,901)	>100.0	(1,526)	>100.0	(8,766)	(6,154)	42.4
Write-(Down)/Back of Plant and Equipment	(34)	(84)	(59.5)	2	N.M.	(160)	(47)	>100.0
Loss from Operating Activities after the Write-(Down)/Back of Plant and Equipment	(5,588)	(1,985)	>100.0	(1,524)	>100.0	(8,926)	(6,201)	43.9
Net Finance (Expenses)/Income	(512)	46	N.M.	(425)	20.5	(1,372)	(1,291)	6.3
Share of (Loss)/Profit of Associates	(3)	(5)	(40.0)	1	N.M.	(8)	1	N.M.
Share of Profit of a Joint Venture	-	-	-	-	N.M.	-	1	(100.0)
Loss before Tax	(6,103)	(1,944)	>100.0	(1,948)	>100.0	(10,306)	(7,490)	37.6
Tax Expense	(363)	(267)	36.0	(149)	>100.0	(812)	(231)	>100.0
Loss for the period	(6,466)	(2,211)	>100.0	(2,097)	>100.0	(11,118)	(7,721)	44.0
EBITDA	394	4,125	(90.4)	4,933	(92.0)	9,185	13,269	(30.8)

Gross Profit Margins

2.0% 5.2% 4.2% 4.3% 4.1%

Revenue

Revenue for 9MFY19 registered a 5.7% year-on-year decline to \$248.4 million (9MFY18: \$263.4 million), mainly due to reduced work activity in 3QFY19 arising from delays in commencement of new projects secured by the Group.

The contraction in work activity was reflected in the 23.3% decline in revenue to \$72.5 million for 3QFY19, compared to \$94.5 million for 3QFY18 and \$94.6 million for 2QFY19.

Gross Profit and Gross Profit Margins (GPM)

Despite the decrease in revenue, gross profit and GPM for 9MFY19 of \$10.7 million and 4.3% were comparable to 9MFY18, mainly due to stronger GPM achieved in the first two financial quarters of 2019. Gross profit for 3QFY19 was lower as a result of stringent requirements and difficult working conditions on a particular project which resulted in cost overruns.

3QFY19's GPM of 2.0% was lower than the 4.2% achieved in 3QFY18 and 5.2% in 2QFY19, in line with the lower revenue recorded.

Other Income

The Group recorded other income of \$1.5 million for 9MFY19 (9MFY18: \$2.3 million) and \$0.2 million for 3QFY19 (3QFY18: \$0.9 million; 2QFY19: \$0.4 million), on account of a lower gain from the disposal of older equipment during the periods under review.

Operating Expenses

	3QFY19 \$'000	2QFY19 \$'000	Change %	3QFY18 \$'000	Change %	9MFY19 \$'000	9MFY18 \$'000	Change %
Other Operating Expenses	6,881	7,174	(4.1)	6,425	7.1	20,646	19,904	3.7
Impairment Losses Recognised/ (Reversed) on Trade and Other Receivables and Contract Assets	118	91	29.7	122	(3.3)	98	(346)	N.M.
Exchange Loss/(Gain)	224	(13)	N.M.	(205)	N.M.	198	(426)	N.M.
Operating Expenses *	7,223	7,252	(0.4)	6,342	13.9	20,942	19,132	9.5
Write-Down/(Back) of Plant and Equipment	34	84	(59.5)	(2)	N.M.	160	47	>100.0
	7,257	7,336	(1.1)	6,340	14.5	21,102	19,179	10.0
Other Operating Expenses /Revenue	9.5%	7.6%		6.8%		8.3%	7.6%	

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

Other operating expenses for 9MFY19 and 3QFY19 amounted to \$20.6 million (9MFY18: \$19.9 million) and \$6.9 million respectively (3QFY18: \$6.4 million; 2QFY19: \$7.2 million). The increase in other operating expenses which includes administrative expenses, was due to a slight increase in headcount which led to higher staff costs incurred for the periods under review. In addition, higher distribution costs were also incurred for increased activities in equipment sale and leasing activities.

Other operating expenses to revenue ratios for 9MFY19 and 3QFY19 were higher at 8.3% (9MFY18: 7.6%) and 9.5% (3QFY18: 6.8%; 2QFY19: 7.6%), as a result of lower revenue recorded for the periods under review.

Net Finance (Expenses)/Income

	3QFY19 \$'000	2QFY19 \$'000	Change %	3QFY18 \$'000	Change %	9MFY19 \$'000	9MFY18 \$'000	Change %
Interest Income	108	118	(8.5)	(Restated) 52	>100	278	(Restated) 164	69.5
Interest Expenses	(1,035)	(1,019)	1.6	(770)	34.4	(2,891)	(2,329)	24.1
Net Interest Expenses	(927)	(901)	2.9	(718)	29.1	(2,613)	(2,165)	20.7
Imputed Interest on Non- Current Assets	415	373	11.3	293	41.6	667	874	(23.7)
Net Finance Expenses	(512)	(528)	(3.0)	(425)	20.5	(1,946)	(1,291)	50.7
Return on the Investment in a Property Development Project in Hertford, United Kingdom	-	574	(100.0)	-	N.M.	574	-	N.M.
	(512)	46	N.M.	(425)	20.5	(1,372)	(1,291)	6.3

Net interest expenses were \$2.6 million for 9MFY19 (9MFY18: \$2.2 million) and \$0.9 million for 3QFY19 (3QFY18: \$0.7 million; 2QFY19: \$0.9 million). The increase was due to short-term borrowings drawn down for working capital purposes.

Net Finance (Expenses)/Income (cont'd)

With reference to the Group's announcement on 16 September 2016, the Group invested GBP0.5 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 December 2018, the net income generated from the said investment was \$0.6 million.

Loss for the period

Taking into account the above factors, the Group recorded a net loss of \$11.1 million for 9MFY19 (9MFY18: \$7.7 million) and \$6.5 million for 3QFY19 (3QFY18: \$2.1 million).

Earnings before interest, tax, depreciation and amortization (EBITDA) were positive at \$9.2 million for 9MFY19 (9MFY18: \$13.3 million) and \$0.4 million for 3QFY19 (3QFY18: \$4.9 million; 2QFY19: \$4.1 million).

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

Net book value of property, plant and equipment as at 31 December 2018 was \$150.8 million (31 March 2018: \$156.2 million).

In 9MFY19, the Group selectively acquired \$13.5 million worth of new plant and equipment to replace older equipment. The Group disposed of plant and equipment with carrying values of \$0.9 million and recorded a \$0.8 million gain on the disposal. Depreciation charge for 9MFY19 was \$18.1 million (9MFY18: \$19.5 million).

Net Current Assets

As at 31 December 2018, net current liabilities was \$1.4 million (31 March 2018: net current assets of \$9.2 million). Current ratio (current assets / current liabilities) was 0.99 (31 March 2018: 1.06).

The Group recorded higher inventories of \$28.5 million at 31 December 2018 (31 March 2018: \$23.7 million) as it had anticipated an increase in equipment sale and leasing activities. Inventories amounting to \$0.9 million were sold subsequent to 31 December 2018.

Trade and other receivables and contract assets were \$140.2 million (31 March 2018: \$119.1 million) while trade and other payables and contract liabilities were \$106.1 million (31 March 2018: \$86.5 million).

Borrowings

As at 31 December 2018, total borrowings of the Group was \$98.4 million (31 March 2018: \$80.4 million). The Group had drawn down more short-term borrowings to finance the business operations in 9MFY19.

Consequently, the debt to equity ratio as at 31 December 2018 was 0.67 (31 March 2018: 0.50).

Equity and Net Asset Value

As at 31 December 2018, the Group's equity was \$147.9 million (31 March 2018: \$159.4 million), while net asset value per ordinary share was 6.4 cents (31 March 2018: 7.2 cents).

CASH FLOW

	3QFY19 \$'000	2QFY19 \$'000	Change %	3QFY18 \$'000	Change %	9MFY19 \$'000	9MFY18 \$'000	Change %
Cash Flow from Operating Activities	6,292	(5,400)	N.M.	7,509	(16.2)	1,461	13,594	(89.3)
Cash Flow from Investing Activities	(2,744)	(5,287)	(48.1)	1,229	N.M.	(12,375)	(1,557)	>100.0
Cash Flow from Financing Activities	(3,558)	9,479	N.M.	(2,983)	19.3	4,604	(7,148)	N.M.
Cash and Cash Equivalents	9,439	9,451	(0.1)	18,247	(48.3)	9,439	18,247	(48.3)

Cash Flow from Operating Activities

Net cash inflow from operating activities were \$6.3 million for 3QFY19 (3QFY18: \$7.5 million) and \$1.5 million for 9MFY19 (9MFY18: \$13.6 million).

Quarter-on-quarter, the Group registered \$6.3 million in net cash inflow in 3QFY19, compared to a net cash outflow of \$5.4 million in 2QFY19. The Group recorded an increase in trade and other receivables in 2QFY19 as a result of timing differences between billings to and receipt of payments from customers.

Cash Flow from Investing Activities

The Group's net cash outflow from investing activities for 3QFY19 and 9MFY19 were \$2.7 million (3QFY18: inflow of \$1.2 million) and \$12.4 million respectively (9MFY18: \$1.6 million), taking into account the higher capital expenditure incurred for its operations during the periods under review.

Net cash outflow for 3QFY19 was lower than 2QFY19 as the Group has invested \$1.4 million in a residential property development project in Cambridge, United Kingdom, in 2QFY19. In addition, net investment in new plant and equipment in 3QFY19 was lower compared to 2QFY19.

Cash Flow from Financing Activities

Net cash outflow for 3QFY19 was \$3.6 million (3QFY18: \$3.0 million; 2QFY19: inflow of \$9.5 million), following the higher net repayment of bank borrowings in 3QFY19.

The Group recorded net cash inflow from financing activities of \$4.6 million for 9MFY19, compared to a net cash outflow of \$7.1 million for 9MFY18, as it had drawn down short term borrowings to finance the business operations in 9MFY19.

Cash and Cash Equivalents

Taking into consideration the abovementioned factors, the Group's cash and cash equivalents stood at \$9.4 million as at 31 December 2018 (31 December 2017: \$18.2 million; 30 September 2018: \$9.5 million).

Outlook

In January 2019, the Building Construction Authority of Singapore projected that the total construction demand in Singapore in 2019 could be in the upper limit of \$32 billion, comparable to the preliminary estimate of \$30.5 billion in 2018. The higher projection is on the back of a good pipeline of major public infrastructure and industrial projects. Construction demand from the private sector is expected to remain steady supported by the redevelopment of en-bloc sales sites concluded prior to the second half of 2018, along with new industrial developments¹.

Tender prices remain very competitive as a result of competition from foreign and new entrants to the market. In this regard, the Group is adopting a cautiously optimistic view of the industry.

The Group will continue to approach tenders for public and private construction projects with prudence. Operationally, it will also focus on managing its asset utilisation and improving operational efficiencies to remain competitive.

As at 11 February 2019, the Group's order book stood at about \$190 million (2 November 2018: \$180 million).

¹ Building and Construction Authority, Singapore's Total Construction Demand to Remain Strong This Year, 14 January 2019

Consolidated Statement of Profit or Loss for the 3rd Quarter ended 31 December 2018

	Note	Group			Group		
		3rd Quarter ended		Change	9 months ended		Change
		31-Dec-18	31-Dec-17 (Restated)		31-Dec-18	31-Dec-17 (Restated)	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		72,542	94,535	(23.3)	248,396	263,353	(5.7)
Cost of sales	A	(71,098)	(90,598)	(21.5)	(237,673)	(252,645)	(5.9)
Gross profit		1,444	3,937	(63.3)	10,723	10,708	0.1
Other income	B	225	879	(74.4)	1,453	2,270	(36.0)
Distribution expenses		(180)	(129)	39.5	(639)	(448)	42.6
Administrative expenses	C	(6,898)	(5,995)	15.1	(20,143)	(18,839)	6.9
Other operating (expenses)/income	D	(145)	(218)	(33.5)	(160)	155	N.M.
Write-(down)/back of plant and equipment		(34)	2	N.M.	(160)	(47)	>100.0
Results from operating activities		(5,588)	(1,524)	>100.0	(8,926)	(6,201)	43.9
Finance income		523	345	51.6	1,519	1,038	46.3
Finance expenses		(1,035)	(770)	34.4	(2,891)	(2,329)	24.1
Net finance expenses		(512)	(425)	20.5	(1,372)	(1,291)	6.3
Share of (loss)/profit of associates (net of tax)		(3)	1	N.M.	(8)	1	N.M.
Share of profit of a joint venture (net of tax)		-	-	N.M.	-	1	(100.0)
Loss before tax		(6,103)	(1,948)	>100.0	(10,306)	(7,490)	37.6
Tax expense	E	(363)	(149)	>100.0	(812)	(231)	>100.0
Loss for the period		(6,466)	(2,097)	>100.0	(11,118)	(7,721)	44.0
Attributable to:							
Owners of the Company		(6,734)	(2,615)	>100.0	(12,439)	(8,527)	45.9
Non-controlling interests		268	518	(48.3)	1,321	806	63.9
Loss for the period		(6,466)	(2,097)	>100.0	(11,118)	(7,721)	44.0

Gross profit margin

2.0% 4.2%

4.3% 4.1%

Net loss margin

-8.9% -2.2%

-4.5% -2.9%

Consolidated Statement of Comprehensive Income for the 3rd Quarter ended 31 December 2018

	Group			Group		
	3rd Quarter ended		Change	9 months ended		Change
	31-Dec-18	31-Dec-17		31-Dec-18	31-Dec-17	
	\$'000	\$'000	%	\$'000	\$'000	%
Loss for the period	(6,466)	(2,097)	>100.0	(11,118)	(7,721)	44.0
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	(127)	666	N.M.	(938)	1,161	N.M.
Translation differences relating to dilution of interest in a joint venture reclassified to profit or loss	-	(1)	(100.0)	-	(1)	(100.0)
Other comprehensive income for the period, net of tax	(127)	665	N.M.	(938)	1,160	N.M.
Total comprehensive income for the period	(6,593)	(1,432)	>100.0	(12,056)	(6,561)	83.8
Attributable to:						
Owners of the Company	(6,851)	(1,991)	>100.0	(13,265)	(7,443)	78.2
Non-controlling interests	258	559	(53.8)	1,209	882	37.1
Total comprehensive income for the period	(6,593)	(1,432)	>100.0	(12,056)	(6,561)	83.8

Statement of Financial Position as at 31 December 2018

DESCRIPTION	Note	Group		Company	
		31-Dec-18	31-Mar-18 (Restated)	31-Dec-18	31-Mar-18
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	150,757	156,221	15	22
Goodwill		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	109,582	120,530
- associates		679	681	-	-
Other investments		404	289	-	-
Contract assets		15,135	12,881	-	-
Trade and other receivables		2,032	1,610	11,948	-
Deferred tax assets		106	93	23	23
		170,565	173,227	121,568	120,575
Current assets					
Inventories	2	28,462	23,694	-	-
Contract assets		74,761	68,551	-	-
Trade and other receivables		65,439	50,566	19,449	19,262
Cash and cash equivalents		17,964	18,726	265	249
		186,626	161,537	19,714	19,511
Assets held for sale		2,334	198	-	-
		188,960	161,735	19,714	19,511
Total assets		359,525	334,962	141,282	140,086

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

DESCRIPTION	Note	Group		Company	
		31-Dec-18	31-Mar-18 (Restated)	31-Dec-18	31-Mar-18
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		81,629	80,498	81,629	80,498
Reserves		38,593	52,128	51,436	51,367
		120,222	132,626	133,065	131,865
Non-controlling interests		27,698	26,761	-	-
Total equity		147,920	159,387	133,065	131,865
Non-current liabilities					
Loans and borrowings	3	19,453	21,215	8	16
Deferred tax liabilities		1,797	1,853	-	-
		21,250	23,068	8	16
Current liabilities					
Loans and borrowings	3	78,984	59,162	91	160
Contract liabilities		1,293	52	-	-
Trade and other payables		104,806	86,459	8,079	8,012
Provisions		4,734	6,604	-	-
Current tax payable		538	230	39	33
		190,355	152,507	8,209	8,205
Total liabilities		211,605	175,575	8,217	8,221
Total equity and liabilities		359,525	334,962	141,282	140,086

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2018

	3rd Quarter ended		9 months ended	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
Cash flows from operating activities				
Loss for the period	(6,466)	(2,097)	(11,118)	(7,721)
Adjustments for:				
Bad debts written off/(back)	-	26	(15)	27
Depreciation of property, plant and equipment	5,985	6,456	18,119	19,468
Gain on dilution of interest in a joint venture	-	(1)	-	(1)
Loss/(Gain) on disposal of:				
- property, plant and equipment	17	(515)	(766)	(1,369)
- assets held for sale	-	(91)	-	(91)
Impairment losses recognised/(reversed) on trade and other receivables and contract assets	118	122	98	(346)
Inventories written off	152	-	282	-
Net finance expenses	512	425	1,372	1,291
Property, plant and equipment written off	-	-	1	-
Provisions (reversed)/made for:				
- onerous contracts	-	-	(740)	142
- rectification costs	(75)	929	381	1,487
Share of loss/(profit) of associates (net of tax)	3	(1)	8	(1)
Share of profit of a joint venture (net of tax)	-	-	-	(1)
Write-down/(back) of plant and equipment	34	(2)	160	47
Tax expense	363	149	812	231
Operating activities before working capital changes	643	5,400	8,594	13,163
Changes in working capital:				
Inventories	(2,673)	(2,414)	(3,300)	(2,732)
Trade and other receivables and contract assets	12,278	4,077	(22,938)	(8,445)
Trade and other payables and contract liabilities	(4,019)	1,142	19,408	12,916
Cash generated from operations	6,229	8,205	1,764	14,902
Taxes paid	5	(748)	(531)	(1,472)
Interest received	58	52	228	164
Net cash generated from operating activities	6,292	7,509	1,461	13,594

Consolidated Statement of Cash Flows for the 3rd Quarter ended 31 December 2018 (cont'd)

	3rd Quarter ended		9 months ended	
	<u>31-Dec-18</u>	<u>31-Dec-17</u>	<u>31-Dec-18</u>	<u>31-Dec-17</u>
	\$'000	\$'000	\$'000	\$'000
		(Restated)		(Restated)
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,615)	(1,719)	(13,036)	(8,490)
Proceeds from disposal of:				
- property, plant and equipment	871	2,528	2,208	6,094
- a joint venture	-	420	-	839
Investment in an associate	-	-	(1,427)	-
Subscription of convertible notes	-	-	(120)	-
Net cash (used in)/generated from investing activities	(2,744)	1,229	(12,375)	(1,557)
Cash flows from financing activities				
Interest paid	(999)	(810)	(2,883)	(2,361)
Dividends paid:				
- non-controlling interests of a subsidiary	-	-	(150)	(90)
Proceeds from:				
- bank loans	4,985	3,730	15,360	8,055
- bills payable	42,306	17,659	118,298	43,582
- cash grant from Productivity and Innovation Credit Scheme, Productivity Innovation Project Scheme and Data Logger Fund for Cranes Scheme for acquisition of property, plant and equipment	17	60	175	60
- issue of shares from exercise of warrants, net of expenses	1,100	91	1,131	99
Repayment of:				
- bank loans	(5,405)	(6,406)	(15,528)	(17,217)
- bills payable	(43,452)	(14,221)	(105,050)	(30,734)
- finance lease liabilities	(2,110)	(3,086)	(6,749)	(9,542)
Decrease in fixed deposits pledged	-	-	-	1,000
Net cash (used in)/generated from financing activities	(3,558)	(2,983)	4,604	(7,148)
Net (decrease)/increase in cash and cash equivalents	(10)	5,755	(6,310)	4,889
Cash and cash equivalents at 1 October/1 April	9,451	12,350	15,758	13,090
Effect of exchange rate changes on balances held in foreign currencies	(2)	142	(9)	268
Cash and cash equivalents at 31 December	9,439	18,247	9,439	18,247
Comprising:				
Cash and cash equivalents	17,964	24,323	17,964	24,323
Bank overdrafts	(8,525)	(6,076)	(8,525)	(6,076)
Cash and cash equivalents in the consolidated cash flow statement	9,439	18,247	9,439	18,247

Statements of Changes in Equity for the 3rd Quarter ended 31 December 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 October 2017, as previously reported	80,300	17,798	(2,354)	116	(6,914)	11,502	(881)	39,933	139,500	26,198	165,698
Adoption of SFRS(I) 15	-	-	-	-	1	-	-	185	186	-	186
At 1 October 2017, as restated	80,300	17,798	(2,354)	116	(6,913)	11,502	(881)	40,118	139,686	26,198	165,884
Total comprehensive income for the period											
(Loss)/Profit for the period	-	-	-	-	-	-	-	(2,615)	(2,615)	518	(2,097)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	625	-	-	-	625	41	666
Translation differences reclassified to profit or loss upon dilution of interest in a joint venture	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Transfer of revaluation surplus	-	-	-	-	-	(154)	-	154	-	-	-
Total other comprehensive income	-	-	-	-	624	(154)	-	154	624	41	665
Total comprehensive income for the period	-	-	-	-	624	(154)	-	(2,461)	(1,991)	559	(1,432)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	91	-	-	-	-	-	-	-	91	-	91
Total transactions with owners of the Company	91	-	-	-	-	-	-	-	91	-	91
At 31 December 2017	80,391	17,798	(2,354)	116	(6,289)	11,348	(881)	37,657	137,786	26,757	164,543

Statements of Changes in Equity for the 3rd Quarter ended 31 December 2018 (cont'd)

<u>Group</u>	Share	Capital	Reserve	Reserve on	Foreign	Revaluation	Other	Accumulated	Total	Non-	Total
	capital	reserve	for own	consolidation	currency	reserve	reserve	profits	attributable to	controlling	equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	of the	interests	\$'000
									Company		
At 1 October 2018	80,529	17,798	(2,354)	116	(6,478)	10,901	(881)	26,342	125,973	27,440	153,413
Total comprehensive income for the period											
(Loss)/Profit for the period	-	-	-	-	-	-	-	(6,734)	(6,734)	268	(6,466)
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	(117)	-	-	-	(117)	(10)	(127)
Transfer of revaluation surplus	-	-	-	-	-	(149)	-	149	-	-	-
Total other comprehensive income	-	-	-	-	(117)	(149)	-	149	(117)	(10)	(127)
Total comprehensive income for the period	-	-	-	-	(117)	(149)	-	(6,585)	(6,851)	258	(6,593)
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	1,100	-	-	-	-	-	-	-	1,100	-	1,100
Total transactions with owners of the Company	1,100	-	-	-	-	-	-	-	1,100	-	1,100
At 31 December 2018	81,629	17,798	(2,354)	116	(6,595)	10,752	(881)	19,757	120,222	27,698	147,920

Statements of Changes in Equity for the 3rd Quarter ended 31 December 2018 (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 October 2017	80,300	17,798	(2,354)	34,962	130,706
Total comprehensive income for the period	-	-	-	721	721
Transactions with owners of the Company, recorded directly in equity					
Issue of shares from exercise of warrants	91	-	-	-	91
Total transactions with owners	91	-	-	-	91
At 31 December 2017	80,391	17,798	(2,354)	35,683	131,518
At 1 October 2018	80,529	17,798	(2,354)	35,952	131,925
Total comprehensive income for the period	-	-	-	40	40
Transactions with owners of the Company, recorded directly in equity					
Issue of shares from exercise of warrants	1,100	-	-	-	1,100
Total transactions with owners	1,100	-	-	-	1,100
At 31 December 2018	81,629	17,798	(2,354)	35,992	133,065

Note:

Capital reserve

	<u>Group</u>	<u>Company</u>
	\$'000	\$'000
Capital Reduction Reserve	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 third quarter results for the period from 1 October 2018 to 31 December 2018 with comparative figures for the 3 months period from 1 October 2017 to 31 December 2017.

A Cost of sales

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
Cost of sales includes the following items:				
Depreciation of property, plant and equipment	5,655	6,115	17,107	18,411
Inventories written off	152	-	282	-
Provisions (reversed)/made for:				
- onerous contracts	-	-	(740)	142
- rectification costs	(75)	929	381	1,487

B Other income

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
Other income includes the following items:				
Gain on dilution of interest in a joint venture	-	1	-	1
(Loss)/Gain on disposal of:				
- plant and equipment	(17)	515	766	1,369
- assets held for sale	-	91	-	91

C Administrative expenses

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
Administrative expenses includes the following items:				
Depreciation of property, plant and equipment	330	341	1,012	1,057
Exchange loss/(gain)	224	(205)	198	(426)

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

D Other operating expenses/(income)

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
Other operating expenses/(income) includes the following items:				
Bad debts written off/(back)	-	26	(15)	27
Impairment losses recognised/(reversed) on trade and other receivables and contract assets ⁽¹⁾	118	122	98	(346)
Property, plant and equipment written off	-	-	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

	Group			
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
- current period	460	127	922	930
- under/(over) provided in prior years	26	(82)	(120)	(518)
	<u>486</u>	<u>45</u>	<u>802</u>	<u>412</u>
Deferred tax (credit)/expense				
- current period	(123)	104	(87)	172
- under/(over) provided in prior years	-	-	97	(353)
	<u>(123)</u>	<u>104</u>	<u>10</u>	<u>(181)</u>
	<u><u>363</u></u>	<u><u>149</u></u>	<u><u>812</u></u>	<u><u>231</u></u>

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 3rd quarter ended 31 December 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)	
	3rd Quarter ended 31/12/2018	9 months ended 31/12/2018	3rd Quarter ended 31/12/2018	9 months ended 31/12/2018
	\$'000	\$'000	\$'000	\$'000
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	566	1,699	Nil	Nil
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	866	3,170	Nil	Nil
Tat Hong (Thailand) Co., Ltd ⁽¹⁾	-	259	Nil	Nil
CMC Construction Pte Ltd ⁽¹⁾	122	444	Nil	Nil
Tat Hong HeavyEquipment (HK) Ltd ⁽¹⁾	1	110	Nil	Nil
THAB Development Sdn Bhd ⁽²⁾	216	459	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 9MFY19, the Group granted additional shareholder's loans in proportion to its shareholdings of RM1.4 million (equivalent to \$0.5 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 9MFY19, 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 31/12/2018	As at 31/03/2018
	\$'000	\$'000
<u>Cost/Valuation</u>		
Opening balance	381,078	377,544
Additions	13,508	13,836
Reclassification from inventories	4,207	7,613
Transfer to inventories	(7,534)	(5,811)
Reclassification to assets held for sale	(7,492)	(1,494)
Disposals/Write-offs	(2,988)	(13,599)
Translation differences on consolidation	(1,286)	2,989
Closing balance	<u>379,493</u>	<u>381,078</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	224,857	212,615
Depreciation charge	18,119	25,816
Impairment loss	(16)	63
Transfer to inventories	(6,566)	(4,527)
Reclassification to assets held for sale	(4,792)	(1,022)
Disposals/Write-offs	(2,126)	(9,818)
Translation differences on consolidation	(740)	1,730
Closing balance	<u>228,736</u>	<u>224,857</u>
Carrying amount	<u>150,757</u>	<u>156,221</u>

2 Inventories

	Group	
	As at 31/12/2018	As at 31/03/2018
	\$'000	\$'000
Equipment and machinery held for sale	16,437	12,180
Spare parts	9,921	9,396
Construction materials on sites	2,104	2,118
	<u>28,462</u>	<u>23,694</u>
Allowance for inventory obsolescence	-	-
	<u>28,462</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 31/12/2018	
Secured	Unsecured
\$'000	\$'000
9,470	69,514

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

Amount repayable after one year

As at 31/12/2018	
Secured	Unsecured
\$'000	\$'000
19,453	-

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

Details of any collateral

The Group's total borrowings were \$98.4 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 \$29.9 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 \$9,875,000 (31 March 2018: \$7,741,000) are also guaranteed by a related corporation:

- a) \$17,595,000 (31 March 2018: \$18,092,000) in respect of plant and machinery acquired under finance leases;
- b) \$10,982,000 (31 March 2018: \$12,482,000) which are secured by a charge over the leasehold land and properties; and
- c) \$346,000 (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 December 2018, the issued and fully paid-up share capital of the Company was 2,342,282,546 (31 March 2018: 2,229,145,881) ordinary shares. Movement in the Company's issued and fully paid-up share capital during the 3 months ended 31 December 2018 was as follows:

	Number of shares	\$'000
As at 1 October 2018	2,232,282,546	80,529
Exercise of warrants	110,000,000	1,100
As at 31 December 2018	<u>2,342,282,546</u>	<u>81,629</u>

The total number of ordinary shares issued (excluding treasury shares) as at 31 December 2018 was 2,321,762,546 (31 March 2018: 2,208,625,881) ordinary shares.

During the 3 months ended 31 December 2018, 110,000,000 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue on 30 December 2015. As at 31 December 2018, there were outstanding warrants of 1,307,408,625 (31 December 2017: 1,431,201,590) for conversion into ordinary shares, representing 56.3% (31 December 2017: 65.1%) of the total number of ordinary shares issued (excluding treasury shares). 600,000 warrants were exercised at \$0.01 each subsequent to 31 December 2018, the details are set out in "Subsequent Event" note in page 28.

There were no share buybacks for the 3 months ended 31 December 2018. There were 20,520,000 shares held as treasury shares as at 31 December 2018 (31 December 2017: 20,520,000 shares), representing 0.9% (31 December 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 December 2018.

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

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 ending 31 March 2019 will be 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 ending 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

	3rd Quarter ended 31/12/2017 \$'000	9 months ended 31/12/2017 \$'000
Decrease in revenue	339	1,443
Increase in finance income	293	874
Decrease in finance expenses	46	569

Consolidated 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 record 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 is summarised below:

Consolidated statement of financial position

	As at 01/04/2018 \$'000
Decrease in investment in associates	985
Decrease in other investment	625
Increase in trade and other receivables	1,151
Increase in deferred tax assets	1
Decrease in deferred tax liabilities	66
Decrease in non-controlling interests	122
Decrease in retained earnings	<u>270</u>

Following the adoption of SFRS(I) 9, a reversal of impairment losses on trade receivables of \$221,000 was recognised in the consolidated statement of profit or loss for 9MFY19 (9MFY18: \$Nil).

The above assessments on the adoption of SFRS(I) 15 and SFRS(I) 9 are preliminary as not all transition work requirements have been finalised and therefore may be subject to adjustments.

Loss Per Share

(a) Basic loss per ordinary share

	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Based on the weighted average number of ordinary shares on issue	(0.30) cents	(0.12) cents	(0.56) cents	(0.39) cents
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
Basic loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	<u>(6,734)</u>	<u>(2,615)</u>	<u>(12,439)</u>	<u>(8,527)</u>
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period	2,232,282,546	2,209,389,581	2,229,145,881	2,208,589,581
Issue of shares via exercise of warrants	35,108,696	3,636,957	13,909,944	1,565,818
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	<u>2,246,871,242</u>	<u>2,192,506,538</u>	<u>2,222,535,825</u>	<u>2,189,635,399</u>

Loss Per Share (cont'd)

(b) Diluted loss per ordinary share

	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
On a fully diluted basis	(0.30) cents	(0.12) cents	(0.56) cents	(0.39) cents
	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
Diluted loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	(6,734)	(2,615)	(12,439)	(8,527)

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.

	3rd Quarter ended		9 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	Number of shares			
Weighted average number of: Ordinary shares used in the calculation of basic loss per ordinary share	2,246,871,242	2,192,506,538	2,222,535,825	2,189,635,399
Potential ordinary shares issuable under exercise of warrants	*	*	*	*
Weighted average number of ordinary issued and potential shares assuming full conversion	2,246,871,242	2,192,506,538	2,222,535,825	2,189,635,399

* 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 31/12/2018	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 period reported on	6.4 cents	7.2 cents
Company		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	5.7 cents	6.0 cents

The net asset value per ordinary share is calculated based on net asset value of \$147.9 million (31 March 2018: \$159.4 million) over the total number of ordinary shares issued (excluding treasury shares) as at 31 December 2018 of 2,321,762,546 (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.

Confirmation

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the period under review to be false or misleading in any material respect.

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

Subsequent Event

Subsequent to 31 December 2018, 600,000 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 December 2018 till the latest practicable date, 8 February 2019, was as follows:

	Number of warrants
As at 1 January 2019	1,307,408,625
Exercise of warrants	<u>(600,000)</u>
As at 8 February 2019	<u><u>1,306,808,625</u></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.

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

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, 8 February 2019, the Concert Party Group holds in aggregate:
 - (i) 1,190,618,407 Shares, representing approximately 51.27% 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 55.97% (based on the enlarged share capital of the Company of 2,570,595,151 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
13 February 2019