

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

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CSC HOLDINGS LIMITED

Securities

CSC HOLDINGS LTD - SG1F84861094 - C06

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No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

29-Jun-2020 17:30:23

Status

New

Announcement Sub Title

Full Yearly Results

Announcement Reference

SG200629OTHR2H96

Submitted By (Co./ Ind. Name)

Lee Quang Loong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

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Additional Details

For Financial Period Ended

31/03/2020

Attachments

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Total size = 780K MB



CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the 12 Months Ended 31 March 2020

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Review of the Performance of the Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

4QFY20 – for the 3 months ended 31 March 2020
 3QFY20 – for the 3 months ended 31 December 2019
 4QFY19 – for the 3 months ended 31 March 2019
 FY20 – for the 12 months ended 31 March 2020
 FY19 – for the 12 months ended 31 March 2019

Review of Results for the 12 Months Ended 31 March 2020

	4QFY20 \$'000	3QFY20 \$'000	Change %	4QFY19 \$'000	Change %	FY20 \$'000	FY19 \$'000	Change %
Revenue	88,468	83,894	5.5	74,733	18.4	342,789	323,129	6.1
Gross Profit	12,880	10,821	19.0	4,282	>100.0	44,155	15,005	>100.0
Other Income	309	674	(54.2)	457	(32.4)	2,223	1,910	16.4
Operating Expenses	(9,262)	(9,105)	1.7	(10,507)	(11.8)	(34,220)	(31,609)	8.3
Profit/(Loss) from Operating Activities	3,927	2,390	64.3	(5,768)	N.M.	12,158	(14,694)	N.M.
Net Finance Expenses	(969)	(725)	33.7	(597)	62.3	(3,542)	(1,969)	79.9
Share of Loss of Associates	(42)	(32)	31.3	(35)	20.0	(156)	(43)	>100.0
Profit/(Loss) before Tax	2,916	1,633	78.6	(6,400)	N.M.	8,460	(16,706)	N.M.
Tax Expense	(294)	(193)	52.3	(509)	(42.2)	(1,146)	(1,321)	(13.2)
Profit/(Loss) for the period/year	2,622	1,440	82.1	(6,909)	N.M.	7,314	(18,027)	N.M.
EBITDA	11,330	8,832	28.3	232	>100.0	40,766	9,417	>100.0
Gross Profit Margins	14.6%	12.9%		5.7%		12.9%	4.6%	

Revenue

Group revenue for FY20 registered 6.1% increase to \$342.8 million (FY19: \$323.1 million), while revenue for 4QFY20 grew 18.4% to \$88.5 million (4QFY19: \$74.7 million), on the back of a healthy demand for the Group's services and an improvement in tender prices.

Quarter-on-quarter, the Group recorded a 5.5% increase in revenue compared to 3QFY20 as a result of higher contribution from the Group's equipment trading division.

Gross Profit and Gross Profit Margins (GPM)

Gross profit and GPM for FY20 increased significantly to \$44.2 million and 12.9% (FY19: \$15.0 million and 4.6%). Similarly, gross profit and GPM for 4QFY20 were higher at \$12.9 million and 14.6% (4QFY19: \$4.3 million and 5.7%; 3QFY20: \$10.8 million and 12.9%).

The higher gross profit and GPM reflect the improvement in tender prices and business activity.

Other Income

	4QFY20 \$'000	3QFY20 \$'000	Change %	4QFY19 \$'000	Change %	FY20 \$'000	FY19 \$'000	Change %
Gain on Disposal of:								
- Property, Plant & Equipment	14	341	(95.9)	118	(88.1)	993	884	12.3
- Assets Held for Sale	-	-	N.M.	-	N.M.	259	-	N.M.
	14	341	(95.9)	118	(88.1)	1,252	884	41.6
Distribution of Profit from the Investment in a Property Development Project in Iskandar Malaysia	-	173	N.M.	-	N.M.	173	-	N.M.
Other Miscellaneous Income	295	160	84.4	339	(13.0)	798	1,026	(22.2)
Other Income	309	674	(54.2)	457	(32.4)	2,223	1,910	16.4

The Group recorded higher other income of \$2.2 million for FY20 (FY19: \$1.9 million). The increase took into account a \$1.3 million gain from the disposal of old equipment, along with a profit distribution of \$0.2 million from the Group's 5% owned mixed-use property development project in Iskandar Malaysia.

Other income of \$0.3 million for 4QFY20 was lower compared to \$0.5 million in 4QFY19 and \$0.7 million in 3QFY20 mainly due to a lower gain from the disposal of old equipment in 4QFY20.

Operating Expenses

	4QFY20 \$'000	3QFY20 \$'000	Change %	4QFY19 \$'000	Change %	FY20 \$'000	FY19 \$'000	Change %
Other Operating Expenses	6,884	6,736	2.2	7,392	(6.9)	28,350	28,038	1.1
a) Expected Credit Losses Recognised/(Reversed) on Trade and Other Receivables and Contract Assets	60	36	66.7	1,280	(95.3)	(109)	1,059	N.M.
b) Impairment Losses on:								
- Goodwill on Consolidation	360	-	N.M.	-	N.M.	360	-	N.M.
- Other Investment	-	-	N.M.	-	N.M.	240	-	N.M.
- Trade and Other Receivables and Contract Assets	1,549	2,232	(30.6)	1,608	(3.7)	4,330	1,927	>100.0
c) Exchange Loss	538	285	88.8	129	>100.0	594	327	81.7
d) Write-(Back)/Down of Plant and Equipment	(129)	(184)	(29.9)	98	>100.0	455	258	76.4
Operating Expenses *	9,262	9,105	1.7	10,507	(11.8)	34,220	31,609	8.3
Other Operating Expenses /Revenue	7.8%	8.0%		9.9%		8.3%	8.7%	

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

The Group's other operating expenses remained relatively stable at \$28.4 million for FY20 (FY19: \$28.0 million).

Other operating expenses for 4QFY20 of \$6.9 million was lower compared to \$7.4 million in 4QFY19, mainly due to lower legal fees incurred in 4QFY20 to recover outstanding debt.

Operating Expenses (cont'd)

Quarter-on-quarter, other operating expenses for 4QFY20 was comparable to the \$6.7 million recorded for 3QFY20.

Other operating expenses to revenue ratios for FY20 and 4QFY20 were lower at 8.3% (FY19: 8.7%) and 7.8% (4QFY19: 9.9%; 3QFY20: 8.0%), as a result of higher revenue recorded for the periods under review.

Net Finance Expenses

	4QFY20 \$'000	3QFY20 \$'000	Change %	4QFY19 \$'000	Change %	FY20 \$'000	FY19 \$'000	Change %
Interest Income	47	39	20.5	10	>100.0	188	288	(34.7)
Interest Expenses	(1,039)	(1,161)	(10.5)	(1,098)	(5.4)	(4,475)	(3,977)	12.5
Net Interest Expenses	(992)	(1,122)	(11.6)	(1,088)	(8.8)	(4,287)	(3,689)	16.2
Imputed Interest on Non-Current Assets	293	520	(43.7)	491	(40.3)	1,402	1,158	21.1
Interest Expenses on Lease Liabilities	(270)	(123)	>100.0	-	N.M.	(657)	-	N.M.
Net Finance Expenses	(969)	(725)	33.7	(597)	62.3	(3,542)	(2,531)	39.9
Return on the Investment in a Property Development Project in Hertford, United Kingdom	-	-	N.M.	-	N.M.	-	562	N.M.
Net Finance Expenses	(969)	(725)	33.7	(597)	62.3	(3,542)	(1,969)	79.9

Net interest expenses was \$4.3 million for FY20 (FY19: \$3.7 million). The increase was due to the draw-down of additional short-term borrowings for working capital purposes.

Net interest expenses for 4QFY20 was lower at \$1.0 million (4QFY19: \$1.1 million; 3QFY20: \$1.1 million) following the net repayment of debts during the quarter.

Profit/(Loss) for the period/year

The Group recorded net profit before tax of \$8.5 million in FY20, a turnaround from a loss before tax of \$16.7 million in FY19.

Making its fourth consecutive quarter of profitability, the Group recorded a profit before tax of \$2.9 million for 4QFY20, compared to a loss before tax of \$6.4 million in 4QFY19. Sequentially, the 4QFY20 profit before tax also recorded an improvement compared to the profit before tax of \$1.6 million recorded in 3QFY20.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose significantly to \$40.8 million for FY20 (FY19: \$9.4 million) and \$11.3 million for 4QFY20 (4QFY19: \$0.2 million; 3QFY20: \$8.8 million).

Earnings per share for FY20 and 4QFY20 amounted to 0.23 cent (FY19: loss per share of 0.86 cent) and 0.06 cent (4QFY19: loss per share of 0.30 cent; 3QFY20: 0.07 cent) respectively.

STATEMENT OF FINANCIAL POSITION

Non-Current Assets

Property, Plant and Equipment

Net book value of property, plant and equipment as at 31 March 2020 was \$132.5 million (31 March 2019: \$137.1 million).

In FY20, the Group acquired \$12.7 million worth of new plant and equipment to replace older equipment. The Group disposed of plant and equipment with carrying values of \$4.1 million and recorded a \$1.0 million gain on the disposal. Depreciation charge for FY20 was \$24.8 million (FY19: \$24.2 million).

Right-of-use Assets

Following the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* as disclosed in "Accounting Policies" on pages 23 to 24, the Group has recognised non-current right-of-use assets of \$8.2 million as at 31 March 2020.

Net Current Assets

As at 31 March 2020, net current assets stood at \$8.1 million (31 March 2019: \$4.1 million). Current ratio (current assets / current liabilities) was 1.04 (31 March 2019: 1.02).

The Group held higher inventories of \$31.9 million at 31 March 2020 (31 March 2019: \$29.7 million) in anticipation of an increase in equipment sale and leasing activities.

Trade and other receivables and contract assets were \$130.7 million (31 March 2019: \$134.6 million) while trade and other payables and contract liabilities were \$99.4 million (31 March 2019: \$99.7 million).

Following the adoption of SFRS(I) 16 *Leases*, the Group has recognised current right-of-use assets and current lease liabilities of \$6.9 million and \$11.6 million respectively as at 31 March 2020. Of these, \$6.9 million and \$6.7 million were classified as part of the assets and associated lease liabilities held for sale as at 31 March 2020. The amounts were associated with a leasehold property held for sale as at 31 March 2020.

The Group disposed of assets held for sale with carrying values of \$1.0 million and recorded a \$0.3 million gain on the disposal in FY20. As at 31 March 2020, assets held for sale was \$21.1 million (31 March 2019: \$15.5 million).

Borrowings

As at 31 March 2020, total borrowings, excluding lease liabilities arising from the adoption of SFRS(I) 16 *Leases*, was \$88.0 million (31 March 2019: \$102.7 million). The reduction was a result of net repayment of debt in FY20.

Consequently, the debt to equity ratio as at 31 March 2020 improved by 19.6% to 0.58 (31 March 2019: 0.72).

Equity and Net Asset Value

As at 31 March 2020, the Group's equity was \$151.6 million (31 March 2019: \$142.4 million), while net asset value per ordinary share was 5.8 cents (31 March 2019: 6.1 cents).

CASH FLOW

	4QFY20 \$'000	3QFY20 \$'000	Change %	4QFY19 \$'000	Change %	FY20 \$'000	FY19 \$'000	Change %
Cash Flow from Operating Activities	7,779	14,935	(47.9)	399	>100.0	38,761	1,912	>100.0
Cash Flow from Investing Activities	261	(812)	N.M.	(1,412)	N.M.	(3,167)	(13,664)	(76.8)
Cash Flow from Financing Activities	(8,924)	(7,088)	25.9	(1,224)	>100.0	(28,529)	3,205	N.M.
Cash and Cash Equivalents	14,302	15,120	(5.4)	7,193	98.8	14,302	7,193	98.8

Cash Flow from Operating Activities

Net cash generated from operating activities was higher at \$38.8 million for FY20 (FY19: \$1.9 million) and \$7.8 million for 4QFY20 (4QFY19: \$0.4 million), taking into account the net profits recorded in both periods.

Cash Flow from Investing Activities

The Group's net cash used in investing activities for FY20 was \$3.2 million (FY19: \$13.7 million) in view of the lower capital expenditure incurred during the year. On this note, net cash used for investing activities for 4QFY20 was \$0.3 million, compared to a net cash of \$1.4 million for 4QFY19 and \$0.8 million for 3QFY20.

Cash Flow from Financing Activities

The Group recorded net cash outflow from financing activities of \$28.5 million for FY20 (FY19: inflow of \$3.2 million) and \$8.9 million for 4QFY20 (4QFY19: \$1.2 million), following an increase in net repayment of bank borrowings during these periods.

Net cash outflow for 4QFY20 was higher than 3QFY20 mainly due to a reduction in proceeds from fewer warrants exercised during the quarter.

Cash and Cash Equivalents

Taking into consideration the above, the Group's cash and cash equivalents stood at \$14.3 million as at 31 March 2020 (31 March 2019: \$7.2 million; 31 December 2019: \$15.1 million).

Outlook

The novel coronavirus (“COVID-19”) pandemic has put public health concerns at the forefront, while disrupting worldwide demand as well as supply chains. This has led to a severe deterioration in the global economic environment.

The “circuit breaker” (CB) measures introduced by the Singapore government with effect from 7 April 2020 to 1 June 2020 to curb the spread of the virus have significantly dampened domestic economic activity. Tenders for major transport infrastructure projects such as Changi Airport Terminal 5 and new MRT stations on the upcoming Cross Island Line have been delayed in view of the outbreak.

Most construction activities have been halted since 7 April until the end of June 2020 as the industry struggles to restart construction activities post CB. While a gradual resumption of activities are expected from July 2020, the availability of manpower due to the quarantine or isolation of foreign workers poses a challenge to the Group’s operations. Along with this, the Group expects to incur additional costs as it complies with the Building and Construction Authority’s COVID-Safe Restart Criteria to reduce intermixing and cross-infection among workers.

Against this backdrop, the Group will focus on capital and cash flow management to mitigate and manage the financial implications arising from COVID-19. The Group has implemented various cost-cutting measures to conserve cash and is actively engaging our bankers to further enhance our financing facilities.

As at 26 June 2020, the Group’s order book stands at approximately \$160 million (11 February 2020: \$170 million).

Consolidated Statement of Profit or Loss for the 12 Months ended 31 March 2020

	Note	Group			Group		
		4th Quarter ended		Change	12 months ended		Change
		31-Mar-20	31-Mar-19		31-Mar-20	31-Mar-19	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		88,468	74,733	18.4	342,789	323,129	6.1
Cost of sales	A	(75,588)	(70,451)	7.3	(298,634)	(308,124)	(3.1)
Gross profit		12,880	4,282	>100.0	44,155	15,005	>100.0
Other income	B	309	457	(32.4)	2,223	1,910	16.4
Operating expenses							
- Distribution expenses		(266)	(207)	28.5	(847)	(846)	0.1
- Administrative expenses	C	(6,988)	(7,257)	(3.7)	(27,801)	(27,400)	1.5
- Other operating expenses	D	(2,008)	(3,043)	(34.0)	(5,572)	(3,363)	65.7
		(9,262)	(10,507)	(11.8)	(34,220)	(31,609)	8.3
Results from operating activities		3,927	(5,768)	N.M.	12,158	(14,694)	N.M.
Net finance expenses							
- Finance income		340	501	(32.1)	1,590	2,008	(20.8)
- Finance expenses		(1,309)	(1,098)	19.2	(5,132)	(3,977)	29.0
		(969)	(597)	62.3	(3,542)	(1,969)	79.9
Share of loss of associates (net of tax)		(42)	(35)	20.0	(156)	(43)	>100.0
Profit/(Loss) before tax		2,916	(6,400)	N.M.	8,460	(16,706)	N.M.
Tax expense	E	(294)	(509)	(42.2)	(1,146)	(1,321)	(13.2)
Profit/(Loss) for the period/year		2,622	(6,909)	N.M.	7,314	(18,027)	N.M.
Attributable to:							
Owners of the Company		1,668	(6,896)	N.M.	5,550	(19,335)	N.M.
Non-controlling interests		954	(13)	N.M.	1,764	1,308	34.9
Profit/(Loss) for the period/year		2,622	(6,909)	N.M.	7,314	(18,027)	N.M.

Gross profit margin	14.6%	5.7%	12.9%	4.6%
Net profit/(loss) margin	3.0%	-9.2%	2.1%	-5.6%

Consolidated Statement of Comprehensive Income for the 12 Months ended 31 March 2020

	Group			Group		
	4th Quarter ended		Change	12 months ended		Change
	31-Mar-20	31-Mar-19		31-Mar-20	31-Mar-19	
	\$'000	\$'000	%	\$'000	\$'000	%
Profit/(Loss) for the period/year	2,622	(6,909)	N.M.	7,314	(18,027)	N.M.
Other comprehensive income						
Item that will not be reclassified to profit or loss:						
Revaluation (loss)/surplus of property, plant and equipment	(680)	1,117	N.M.	(680)	1,117	N.M.
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	47	517	(90.9)	176	(421)	N.M.
Other comprehensive income for the period/year, net of tax	(633)	1,634	N.M.	(504)	696	N.M.
Total comprehensive income for the period/year	1,989	(5,275)	N.M.	6,810	(17,331)	N.M.
Attributable to:						
Owners of the Company	995	(5,325)	N.M.	4,874	(18,590)	N.M.
Non-controlling interests	994	50	>100.0	1,936	1,259	53.8
Total comprehensive income for the period/year	1,989	(5,275)	N.M.	6,810	(17,331)	N.M.

Statement of Financial Position as at 31 March 2020

DESCRIPTION	Note	Group		Company	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	132,466	137,101	3	12
Right-of-use assets		8,159	-	-	-
Goodwill		1,092	1,452	-	-
Investment properties		187	-	-	-
Investments in:					
- subsidiaries		-	-	102,954	112,582
- associates		531	651	-	-
Other investments		165	406	-	-
Contract assets		15,780	16,106	-	-
Trade and other receivables		3,114	2,007	10,613	9,856
Deferred tax assets		89	44	301	161
		161,583	157,767	113,871	122,611
Current assets					
Inventories	2	31,865	29,687	-	-
Contract assets		61,935	80,882	-	-
Trade and other receivables		68,776	53,757	13,561	13,198
Tax recoverable		128	506	-	-
Cash and cash equivalents		19,179	15,212	265	503
		181,883	180,044	13,826	13,701
Assets held for sale		21,114	15,539	-	-
		202,997	195,583	13,826	13,701
Total assets		364,580	353,350	127,697	136,312

Statement of Financial Position as at 31 March 2020 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		84,389	81,635	84,389	81,635
Reserves		38,103	33,268	30,865	48,319
		122,492	114,903	115,254	129,954
Non-controlling interests		29,126	27,448	-	-
Total equity		151,618	142,351	115,254	129,954
Non-current liabilities					
Loans and borrowings	3	12,446	17,392	-	5
Lease liabilities		3,344	-	-	-
Deferred tax liabilities		2,236	2,079	-	-
		18,026	19,471	-	5
Current liabilities					
Loans and borrowings	3	75,522	85,313	5	11
Lease liabilities		4,956	-	-	-
Contract liabilities		232	4,225	-	-
Trade and other payables		99,209	95,434	12,438	6,319
Provisions		7,614	6,113	-	-
Current tax payable		721	443	-	23
		188,254	191,528	12,443	6,353
Lease liabilities directly associated with the assets held for sale		6,682	-	-	-
		194,936	191,528	12,443	6,353
Total liabilities		212,962	210,999	12,443	6,358
Total equity and liabilities		364,580	353,350	127,697	136,312

Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2020

	4th Quarter ended		12 months ended	
	<u>31-Mar-20</u>	<u>31-Mar-19</u>	<u>31-Mar-20</u>	<u>31-Mar-19</u>
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit/(Loss) for the period/year	2,622	(6,909)	7,314	(18,027)
Adjustments for:				
Bad debts written off/(back)	-	20	(10)	5
Depreciation of:				
- property, plant and equipment	5,505	6,035	24,796	24,154
- right-of-use assets	1,940	-	3,968	-
Distribution of profit from other investment	-	-	173	-
Gain on disposal of:				
- property, plant and equipment	(14)	(118)	(993)	(884)
- assets held for sale	-	-	(259)	-
Expected credit losses recognised/(reversed) on trade and other receivables and contract assets	60	1,280	(109)	1,059
Impairment losses on:				
- goodwill on consolidation	360	-	360	-
- other investment	-	-	240	-
- trade and other receivables and contract assets	1,549	1,608	4,330	1,927
Inventories written (back)/off	(64)	88	(12)	370
Net finance expenses	969	597	3,542	1,969
Property, plant and equipment written off	52	16	80	17
Provisions for:				
- onerous contracts	900	1,000	1,888	1,000
- rectification costs	638	801	3,796	1,182
Share of loss of associates (net of tax)	42	35	156	43
Write-(back)/down of plant and equipment	(129)	98	455	258
Tax expense	294	509	1,146	1,321
Operating activities before working capital changes	14,724	5,060	50,861	14,394
Changes in working capital:				
Inventories	6,987	(3,167)	(837)	(6,467)
Trade and other receivables and contract assets	517	2,111	(989)	(23,340)
Trade and other payables and contract liabilities	(14,367)	(3,456)	(10,090)	17,777
Cash generated from operations	7,861	548	38,945	2,364
Taxes paid	(130)	(209)	(372)	(740)
Interest received	48	60	188	288
Net cash generated from operating activities	7,779	399	38,761	1,912

Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2020 (cont'd)

	4th Quarter ended		12 months ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,763)	(2,998)	(9,670)	(16,034)
Proceeds from disposal of:				
- property, plant and equipment	1,860	502	5,193	2,710
- assets held for sale	164	918	1,310	918
Proceeds from government grants for acquisition of property, plant and equipment	-	166	-	341
Dilution of interests in a subsidiary, net of cash disposed of	-	-	-	(52)
Investment in an associate	-	-	-	(27)
Shareholder's loan due from an associate	-	-	-	(1,400)
Subscription of convertible notes	-	-	-	(120)
Net cash generated from/(used in) investing activities	261	(1,412)	(3,167)	(13,664)
Cash flows from financing activities				
Interest paid	(1,356)	(1,080)	(5,139)	(3,963)
Dividends paid:				
- non-controlling interests of a subsidiary	-	(300)	(105)	(450)
Proceeds from:				
- bank loans and finance lease loans	8,569	7,357	29,734	22,717
- bills payable	38,825	46,238	175,607	164,536
- issue of shares from exercise of warrants, net of expenses	36	6	2,754	1,137
Repayment of:				
- bank loans	(9,500)	(6,146)	(32,701)	(21,674)
- bills payable	(38,723)	(44,936)	(181,796)	(149,986)
- finance lease liabilities	(4,426)	(2,363)	(12,666)	(9,112)
- lease liabilities	(2,199)	-	(4,067)	-
Increase in fixed deposits pledged	(150)	-	(150)	-
Net cash (used in)/generated from financing activities	(8,924)	(1,224)	(28,529)	3,205
Net (decrease)/increase in cash and cash equivalents	(884)	(2,237)	7,065	(8,547)
Cash and cash equivalents at 1 January/1 April	15,120	9,439	7,193	15,758
Effect of exchange rate changes on balances held in foreign currencies	66	(9)	44	(18)
Cash and cash equivalents at 31 March	14,302	7,193	14,302	7,193
Comprising:				
Cash and cash equivalents	19,179	15,212	19,179	15,212
Bank overdrafts	(4,727)	(8,019)	(4,727)	(8,019)
	14,452	7,193	14,452	7,193
Less:				
Fixed deposits pledged as security for bank facilities	(150)	-	(150)	-
Cash and cash equivalents in the consolidated cash flow statement	14,302	7,193	14,302	7,193

Statements of Changes in Equity for the 12 Months ended 31 March 2020

<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 surplus 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 2020 (cont'd)

<u>Group</u>	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Revaluation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2019	81,635	17,798	(2,354)	116	(6,141)	11,719	(881)	13,011	114,903	27,448	142,351
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	5,550	5,550	1,764	7,314
Other comprehensive income											
Foreign currency translation differences	-	-	-	-	4	-	-	-	4	172	176
Revaluation loss of property, plant and equipment	-	-	-	-	-	(680)	-	-	(680)	-	(680)
Transfer of revaluation surplus	-	-	-	-	-	(318)	-	318	-	-	-
Total other comprehensive income	-	-	-	-	4	(998)	-	318	(676)	172	(504)
Total comprehensive income for the year	-	-	-	-	4	(998)	-	5,868	4,874	1,936	6,810
Transactions with owners of the Company, recorded directly in equity											
Contributions by and distributions to owners											
Issue of shares from exercise of warrants	2,754	-	-	-	-	-	-	-	2,754	-	2,754
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(105)	(105)
Total contributions by and distributions to owners	2,754	-	-	-	-	-	-	-	2,754	(105)	2,649
Changes in ownership interests in a subsidiary											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(39)	-	(39)	(153)	(192)
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	(39)	-	(39)	(153)	(192)
Total transactions with owners of the Company	2,754	-	-	-	-	-	(39)	-	2,715	(258)	2,457
At 31 March 2020	84,389	17,798	(2,354)	116	(6,137)	10,721	(920)	18,879	122,492	29,126	151,618

Statements of Changes in Equity for the 12 Months ended 31 March 2020 (cont'd)

<u>Company</u>	Share capital	Capital reserve	Reserve for own shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
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
At 1 April 2019	81,635	17,798	(2,354)	32,875	129,954
Total comprehensive income for the year	-	-	-	(17,454)	(17,454)
Transactions with owners of the Company, recorded directly in equity					
Issue of shares from exercise of warrants	2,754	-	-	-	2,754
Total transactions with owners of the Company	2,754	-	-	-	2,754
At 31 March 2020	84,389	17,798	(2,354)	15,421	115,254

Note:

Capital reserve

Capital Reduction Reserve

<u>Group</u> \$'000	<u>Company</u> \$'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 2019 to 31 March 2020 with comparative figures for the 12 months period from 1 April 2018 to 31 March 2019.

A Cost of sales

Group			
4th Quarter ended		12 months ended	
31/03/2020	31/03/2019	31/03/2020	31/03/2019
\$'000	\$'000	\$'000	\$'000

Cost of sales includes the following items:

Depreciation of:

- property, plant and equipment	5,272	5,694	23,750	22,801
- right-of-use assets ⁽¹⁾	1,076	-	2,655	-
Inventories written (back)/off	(64)	88	(12)	370
Property, plant and equipment written off	-	-	11	-
Provisions for:				
- onerous contracts	900	1,000	1,888	1,000
- rectification costs	638	801	3,796	1,182

⁽¹⁾ Arising from adoption of SFRS(I) 16 Leases.

B Other income

Group			
4th Quarter ended		12 months ended	
31/03/2020	31/03/2019	31/03/2020	31/03/2019
\$'000	\$'000	\$'000	\$'000

Other income includes the following items:

Gain on disposal of:				
- plant and equipment	14	118	993	884
- assets held for sale	-	-	259	-
Distribution of profit from the investment in a property development project in Iskandar Malaysia	-	-	173	-

C Administrative expenses

Group			
4th Quarter ended		12 months ended	
31/03/2020	31/03/2019	31/03/2020	31/03/2019
\$'000	\$'000	\$'000	\$'000

Administrative expenses includes the following items:

Depreciation of:				
- property, plant and equipment	233	341	1,046	1,353
- right-of-use assets ⁽¹⁾	864	-	1,313	-
Exchange loss	538	129	594	327

⁽¹⁾ Arising from adoption of SFRS(I) 16 Leases.

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

D Other operating expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	\$'000	\$'000	\$'000	\$'000
Other operating expenses includes the following items:				
Bad debts written off/(back)	-	20	(10)	5
Expected credit losses recognised/(reversed) on trade and other receivables and contract assets ⁽¹⁾	60	1,280	(109)	1,059
Impairment losses on:				
- goodwill on consolidation	360	-	360	-
- other investment	-	-	240	-
- trade and other receivables and contract assets ⁽²⁾	1,549	1,608	4,330	1,927
Property, plant and equipment written off	52	16	69	17
Write-(back)/down of plant and equipment	(129)	98	455	258

⁽¹⁾ Arising from application of SFRS(I) 9 *Financial Instruments* and is reviewed on a periodic basis.

⁽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	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
- current period/year	344	99	1,119	1,021
- under/(over) provided in prior years	69	69	(94)	(51)
	413	168	1,025	970
Deferred tax (credit)/expense				
- current period/year	(119)	341	(104)	254
- under provided in prior years	-	-	225	97
	(119)	341	121	351
	294	509	1,146	1,321

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 2020 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 31/03/2020 \$'000	12 months ended 31/03/2020 \$'000	4th Quarter ended 31/03/2020 \$'000	12 months ended 31/03/2020 \$'000
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	422	1,736	Nil	Nil
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	390	1,481	Nil	Nil
CMC Construction Pte. Ltd. ⁽¹⁾	2,030	2,226	Nil	Nil
THAB Development Sdn Bhd ⁽²⁾	-	255	Nil	Nil

Note:

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

⁽²⁾ With reference to the Group's announcement on 25 October 2013, the Group entered into a Shareholders' Agreement 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.

In FY20, the Group granted additional shareholder's loans in proportion to its shareholdings of RM0.8 million (equivalent to \$0.3 million) to THAB for financing of property development.

Notes to the Statement of Financial Position

1 Property, plant and equipment

The movement in property, plant and equipment is as follows:

	Group	
	As at 31/03/2020	As at 31/03/2019
	\$'000	\$'000
<u>Cost/Valuation</u>		
Opening balance	367,758	381,078
Additions	12,661	16,885
Reclassification from inventories	12,664	6,315
Revaluation	(681)	1,117
Elimination of accumulated depreciation against cost on revaluation	(1,046)	(1,521)
Transfer to inventories	(4,107)	(7,543)
Reclassification from/(to) assets held for sale	3,145	(23,080)
Disposals/Write-offs	(8,603)	(4,748)
Translation differences on consolidation	605	(745)
Closing balance	<u>382,396</u>	<u>367,758</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	230,657	224,857
Depreciation charge	24,796	24,154
Impairment loss	236	11
Elimination of accumulated depreciation against cost on revaluation	(1,046)	(1,521)
Transfer to inventories	(2,769)	(6,569)
Reclassification from/(to) assets held for sale	2,443	(6,821)
Disposals/Write-offs	(4,477)	(3,017)
Translation differences on consolidation	90	(437)
Closing balance	<u>249,930</u>	<u>230,657</u>
Carrying amount	<u>132,466</u>	<u>137,101</u>

2 Inventories

	Group	
	As at 31/03/2020	As at 31/03/2019
	\$'000	\$'000
Equipment and machinery held for sale	17,920	16,120
Spare parts	11,925	10,307
Construction materials on sites	2,020	3,260
	<u>31,865</u>	<u>29,687</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 31/03/2020	
Secured	Unsecured
\$'000	\$'000
15,665	59,857

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

Amount repayable after one year

As at 31/03/2020	
Secured	Unsecured
\$'000	\$'000
12,446	-

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

Details of any collateral

The Group's total borrowings were \$88.0 million (31 March 2019: \$102.7 million) and consist of overdrafts, bills payable, finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$25.1 million (31 March 2019: \$31.3 million).

The borrowings are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company, out of which \$16,862,000 (31 March 2019: \$15,148,000) are also guaranteed by a related corporation:

- a) \$19,475,000 (31 March 2019: \$20,750,000) in respect of plant and machinery acquired under finance leases;
- b) \$8,482,000 (31 March 2019: \$10,482,000) which are secured by a charge over the leasehold land and properties; and
- c) \$154,000 (31 March 2019: \$311,000) 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 2020, the issued and fully paid-up share capital of the Company was 2,618,310,336 (31 March 2019: 2,342,882,546) ordinary shares. Movement in the Company's issued and fully paid-up share capital during the 12 months ended 31 March 2020 was as follows:

	Number of shares	\$'000
As at 1 April 2019	2,342,882,546	81,635
Exercise of warrants	275,427,790	2,754
As at 31 March 2020	<u>2,618,310,336</u>	<u>84,389</u>

The total number of ordinary shares issued (excluding treasury shares) as at 31 March 2020 was 2,597,790,336 (31 March 2019: 2,322,362,546) ordinary shares.

During the 12 months ended 31 March 2020, 275,427,790 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue on 30 December 2015. As at 31 March 2020, there were outstanding warrants of 1,031,380,835 (31 March 2019: 1,306,808,625) for conversion into ordinary shares, representing 39.7% (31 March 2019: 56.3%) of the total number of ordinary shares issued (excluding treasury shares). 13,169,400 warrants were exercised at \$0.01 each subsequent to 31 March 2020, the details are set out in "Subsequent Event" note on page 28.

There were no share buybacks for the 12 months ended 31 March 2020. There were 20,520,000 shares held as treasury shares as at 31 March 2020 (31 March 2019: 20,520,000 shares), representing 0.8% (31 March 2019: 0.9%) of the total number of ordinary shares issued (excluding treasury shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2020.

There were no subsidiary holdings in the Company as at 31 March 2020. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 March 2020.

Audit

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

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2019, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning on 1 April 2019 as follows:

- SFRS(I) 16 *Leases*;
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*;
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*;
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*;
- Amendments to SFRS(I) 3 and SFRS(I) 11 *Previously Held Interest in a Joint Operation*;
- Amendments to SFRS(I) 1-12 *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*;

Accounting Policies (cont'd)

- Amendments to SFRS(I) 1-23 *Borrowing Costs Eligible for Capitalisation*; and
- Amendments to SFRS(I) 1-19 *Plan Amendment, Curtailment or Settlement*;

Based on management's initial assessment, the application of the above standards and interpretations does not have a significant impact on the financial statements, except for SFRS(I) 16.

SFRS(I) 16 Leases

SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group has adopted SFRS(I) 16 on 1 April 2019 (date of initial application), using the modified retrospective approach. The Group applied the practical expedient not to reassess whether a contract contains a lease on 1 April 2019. Accordingly, existing lease contracts that were still effective on 1 April 2019 continued to be accounted for as lease contracts under SFRS(I) 16. The ROU assets recognised on 1 April 2019 were equal to their lease liabilities.

The impact on the adoption of SFRS(I) 16 for the Group is summarised below:

Statement of financial position

	As at 01/04/2019 \$'000
<u>Assets</u>	
Increase in non-current right-of-use assets	8,868
Increase in current right-of-use assets (under "Assets held for sale")	6,922
	<u>15,790</u>
<u>Liabilities</u>	
Increase in non-current lease liabilities	(5,507)
Increase in current lease liabilities	(10,283)
	<u>(15,790)</u>

Consolidated statement of profit or loss

	4th Quarter ended 31/03/2020 \$'000	12 months ended 31/03/2020 \$'000
Increase in depreciation of right-of-use assets	1,940	3,968
Decrease in operating lease expenses	(2,469)	(4,724)
Increase in finance expenses	270	657
	<u>270</u>	<u>657</u>

Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Based on the weighted average number of ordinary shares on issue	0.06 cents	(0.30) cents	0.23 cents	(0.86) cents
	4th Quarter ended		12 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	\$'000	\$'000	\$'000	\$'000
Basic earnings/(loss) per ordinary share is based on:				
Net profit/(loss) attributable to ordinary shareholders	1,668	(6,896)	5,550	(19,335)
	4th Quarter ended		12 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period/year	2,614,705,336	2,342,282,546	2,342,882,546	2,229,145,881
Issue of shares via exercise of warrants	1,271,209	513,333	101,512,161	38,503,382
Ordinary shares held as treasury shares	(20,520,000)	(20,520,000)	(20,520,000)	(20,520,000)
Weighted average number of ordinary shares used to compute earnings/(loss) per ordinary share	2,595,456,545	2,322,275,879	2,423,874,707	2,247,129,263

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

	4th Quarter ended		12 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
On a fully diluted basis	0.05 cents	(0.30) cents	0.18 cents	(0.86) cents
	4th Quarter ended		12 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	\$'000	\$'000	\$'000	\$'000
Diluted earnings/(loss) per ordinary share is based on:				
Net profit/(loss) attributable to ordinary shareholders	1,668	(6,896)	5,550	(19,335)

For the purpose of calculating the diluted earnings/(loss) per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive warrants with the potential ordinary shares weighted for the period outstanding.

Earnings/(Loss) Per Share (cont'd)

	4th Quarter ended		12 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	Number of shares			
Weighted average number of: Ordinary shares used in the calculation of basic earnings/(loss) per ordinary share	2,595,456,545	2,322,275,879	2,423,874,707	2,247,129,263
Potential ordinary shares issuable under exercise of warrants	489,654,297	*	605,148,847	*
Weighted average number of ordinary issued and potential shares assuming full conversion	3,085,110,842	2,322,275,879	3,029,023,554	2,247,129,263

* The Group was in a loss position for the year ended 31 March 2019, 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 31/03/2020	As at 31/03/2019
Group		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	5.8 cents	6.1 cents
Company		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	4.4 cents	5.6 cents

The net asset value per ordinary share is calculated based on net asset value of \$151.6 million (31 March 2019: \$142.4 million) over the total number of ordinary shares issued (excluding treasury shares) as at 31 March 2020 of 2,597,790,336 (31 March 2019: 2,322,362,546) 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		Total Reportable Segments	
	FY20	FY19	FY20	FY19	FY20	FY19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	288,474	270,161	40,326	38,677	328,800	308,838
Rental income	383	177	13,606	14,114	13,989	14,291
External revenue	<u>288,857</u>	<u>270,338</u>	<u>53,932</u>	<u>52,791</u>	<u>342,789</u>	<u>323,129</u>
Inter-segment revenue	<u>34,822</u>	<u>60,139</u>	<u>17,059</u>	<u>15,542</u>	<u>51,881</u>	<u>75,681</u>
Reportable segment profit/(loss) before tax	<u>5,827</u>	<u>(19,142)</u>	<u>3,650</u>	<u>3,316</u>	<u>9,477</u>	<u>(15,826)</u>

Reconciliations of reportable segment revenues and profit or loss:

	FY20	FY19
	\$'000	\$'000
Profit or loss		
Total profit/(loss) for reportable segments	9,477	(15,826)
Profit or loss before tax for other segments	(451)	302
	<u>9,026</u>	<u>(15,524)</u>
Elimination of inter-segment transactions	5,548	4,309
Unallocated amounts:		
- other corporate expenses	(5,958)	(5,448)
Share of loss of associates (net of tax)	(156)	(43)
Consolidated profit/(loss) before tax	<u>8,460</u>	<u>(16,706)</u>

Breakdown of Sales

	12 months ended 31/03/2020	12 months ended 31/03/2019	Change
	\$'000	\$'000	%
(a) Sales reported for the first half year	170,427	175,854	(3.1)
(b) Operating profit/(loss) after tax before deducting minority interest reported for the first half year	3,252	(4,652)	169.9
(c) Sales reported for the second half year	172,362	147,275	17.0
(d) Operating profit/(loss) after tax before deducting minority interest reported for the second half year	4,062	(13,375)	130.4

Confirmation

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Manual"), 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) of the SGX-ST Listing Manual.

Subsequent Event

Subsequent to 31 March 2020, 13,169,400 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 2020 was as follows:

	Number of warrants
As at 1 April 2020	1,031,380,835
Exercise of warrants	(13,169,400)
As at 29 June 2020	<u>1,018,211,435</u>

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
29 June 2020