

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

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CSC HOLDINGS LIMITED

(Company Registration Number: 199707845E)

Financial Statements Announcement
for the 12 Months Ended 31 March 2016

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Review of the Performance of the Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

4QFY16 – for the 3 months ended 31 March 2016
 3QFY16 – for the 3 months ended 31 December 2015
 4QFY15 – for the 3 months ended 31 March 2015
 FY16 – for the 12 months ended 31 March 2016
 FY15 – for the 12 months ended 31 March 2015

Review of Results for the 12 Months Ended 31 March 2016

	4QFY16 \$'000	3QFY16 \$'000	Change %	4QFY15 \$'000	Change %	FY16 \$'000	FY15 \$'000	Change %
Revenue	65,299	98,963	(34.0)	115,032	(43.2)	382,341	427,925	(10.7)
Gross Profit	1,764	7,838	(77.5)	6,485	(72.8)	24,327	24,090	1.0
Other Income	585	629	(7.0)	1,474	(60.3)	2,141	3,572	(40.1)
Operating Expenses	(7,269)	(7,448)	(2.4)	(10,112)	(28.1)	(29,345)	(34,239)	(14.3)
(Loss)/Profit from Operating Activities	(4,920)	1,019	N.M.	(2,153)	N.M.	(2,877)	(6,577)	(56.3)
Impairment Losses on Plant and Equipment	-	-	N.A.	(6,876)	N.A.	-	(6,876)	N.A.
Impairment Losses Reversed on Trade and Other Receivables:								
- Changi Motorsports Hub project	-	-	N.A.	-	N.A.	-	6,858	N.A.
Net Provision Made as a result of an Arbitration Award received	-	-	N.A.	-	N.A.	-	(3,161)	N.A.
Recovery of Legal and Other Costs as a result of an Arbitration Award received	-	-	N.A.	-	N.A.	906	-	N.A.
(Loss)/Profit from Operating Activities after the Impairment Losses, Net Provision and Recovery of Costs	(4,920)	1,019	N.M.	(9,029)	(45.5)	(1,971)	(9,756)	(79.8)
Net Finance Expenses	(945)	(496)	90.5	(794)	19.0	(2,631)	(3,616)	(27.2)
Interest Income Recognised as a result of an Arbitration Award received	-	-	N.A.	-	N.A.	337	-	N.A.
Share of Profit/(Loss) of a Joint Venture	112	(98)	N.M.	(12)	N.M.	(107)	168	N.M.
(Loss)/Profit before Tax	(5,753)	425	N.M.	(9,835)	(41.5)	(4,372)	(13,204)	(66.9)
Tax (Expense)/Credit	(806)	(258)	N.M.	1,107	N.M.	(1,094)	(429)	N.M.
(Loss)/Profit for the period/year	(6,559)	167	N.M.	(8,728)	(24.9)	(5,466)	(13,633)	(59.9)

Gross Profit Margins 2.7% 7.9% 5.6% 6.4% 5.6%

Revenue

Revenue for 4QFY16 declined 43.2% to \$65.3 million (4QFY15: \$115.0 million). The decline in revenue was mainly due to a delay in the commencement of several new projects which were originally scheduled to commence in 4QFY16. Work on these projects has since begun, and the revenue generated will be reflected in the Group's financial quarter ended 30 June 2016.

Revenue for FY16 declined 10.7% to \$382.3 million compared to \$427.9 million in FY15, reflecting a general slowdown in demand for foundation engineering services in Singapore.

Quarter-on-quarter, revenue for 4QFY16 was 34.0% lower than 3QFY16 of \$99.0 million.

Gross Profit and Gross Profit Margins (GPM)

Gross profit for 4QFY16 was lower at \$1.8 million (4QFY15: \$6.5 million) in line with the lower revenue recorded for the period under review. In spite of the lower revenue, gross profit for FY16 registered a slight increase to \$24.3 million (FY15: \$24.1 million). GPM for FY16 improved by 0.8 percentage points to 6.4% from 5.6% for FY15.

The margin improvement was achieved as a result of proactive steps taken by the Group to reduce costs and improve operating efficiencies. Such initiatives include the disposal of older equipment and a gradual reduction in headcount.

Nevertheless, as the reduction in costs for 4QFY16 was outpaced by the decline in revenue, gross profit and GPM for 4QFY16 were lower compared to \$7.8 million and 7.9% respectively in 3QFY16.

Other Income

The Group recorded other income of \$0.6 million in 4QFY16 (4QFY15: \$1.5 million), mainly from the disposal of older equipment.

For FY16, other income amounted to \$2.1 million (FY15: \$3.6 million), taking into account a smaller gain of \$1.0 million from the disposal of older equipment (FY15: \$1.5 million) and lower profit from other miscellaneous related income. The disposal of older equipment forms part of the Group's effort to reduce its cost of operations.

Quarter-on-quarter, other income of \$0.6 million was comparable to the \$0.6 million recorded in 3QFY16.

Operating Expenses

	4QFY16 \$'000	3QFY16 \$'000	Change %	4QFY15 \$'000	Change %	FY16 \$'000	FY15 \$'000	Change %
Other Operating Expenses	6,513	7,103	(8.3)	9,389	(30.6)	27,540	31,862	(13.6)
Impairment Losses Made on Trade and Other Receivables	710	339	N.M.	278	N.M.	1,514	1,480	2.3
Exchange Loss	46	6	N.M.	445	(89.7)	291	897	(67.6)
	7,269	7,448	(2.4)	10,112	(28.1)	29,345	34,239	(14.3)
Impairment Losses on Plant and Equipment	-	-	N.A.	6,876	N.A.	-	6,876	N.A.
Impairment Losses Reversed on Trade and Other Receivables:								
- Changi Motorsports Hub project	-	-	N.A.	-	N.A.	-	(6,858)	N.A.
Net Provision Made as a result of an Arbitration Award received	-	-	N.A.	-	N.A.	-	3,161	N.A.
Recovery of Legal and Other Costs as a result of an Arbitration Award received	-	-	N.A.	-	N.A.	(906)	-	N.A.
Net Operating Expenses	7,269	7,448	(2.4)	16,988	(57.2)	28,439	37,418	(24.0)
Other Operating Expenses /Revenue	10.0%	7.2%		8.2%		7.2%	7.4%	

Other operating expenses for 4QFY16 and FY16 declined 30.6% and 13.6% to \$6.5 million and \$27.5 million respectively, compared to \$9.4 million in 4QFY15 and \$31.9 million in FY15, as the Group actively implemented a series of cost reduction measures.

Other operating expenses to revenue ratio of 7.2% for FY16 was comparable to the 7.4% recorded in FY15. Other operating expenses to revenue ratio for 4QFY16 was higher at 10.0% (4QFY15: 8.2%, 3QFY16: 7.2%) as a result of significantly lower revenue recorded in 4QFY16.

Net Finance Expenses

	4QFY16 \$'000	3QFY16 \$'000	Change %	4QFY15 \$'000	Change %	FY16 \$'000	FY15 \$'000	Change %
Interest Income	13	20	(35.0)	67	(80.6)	208	73	N.M.
Interest Expenses	(1,041)	(845)	23.2	(871)	19.5	(3,553)	(3,848)	(7.7)
Net Interest Expenses	(1,028)	(825)	24.6	(804)	27.9	(3,345)	(3,775)	(11.4)
Imputed Interest on Non-Current Assets	83	329	(74.8)	10	N.M.	714	159	N.M.
	(945)	(496)	90.5	(794)	19.0	(2,631)	(3,616)	(27.2)
Interest Income Recognised as a result of an Arbitration Award received	-	-	N.A.	-	N.A.	337	-	N.A.
Net Finance Expenses	(945)	(496)	90.5	(794)	19.0	(2,294)	(3,616)	(36.6)

The Group incurred lower net interest expenses in FY16 following the reduction of bank borrowings during the year.

Share of Profit/(Loss) of a Joint Venture

The Group recorded a share of profit of a joint venture of \$0.1 million on the back of positive contribution from its joint-venture operations in Thailand in 4QFY16.

Loss for the period/year

Taking into account the above factors, the Group recorded a net loss of \$6.6 million and \$5.5 million for 4QFY16 and FY16 respectively (4QFY15: \$8.7 million and FY15: \$13.6 million).

Loss per share for 4QFY16 and FY16 were 0.35 cent and 0.48 cent (4QFY15: 0.75 cent and FY15: 1.38 cents).

STATEMENT OF FINANCIAL POSITION

Property, Plant and Equipment

Net book value of property, plant and equipment as at 31 March 2016 was \$167.9 million (31 March 2015: \$185.6 million). In FY16, the Group acquired \$12.4 million worth of new plant and equipment to replace older equipment. The Group also disposed of plant and equipment with carrying values of \$1.6 million and recorded a \$1.0 million gain on the disposal. Depreciation for FY16 was \$26.5 million (FY15: \$28.8 million).

Net Current Assets

As at 31 March 2016, net current assets of the Group was \$36.6 million (31 March 2015: \$8.9 million). Current ratio (current assets / current liabilities) was 1.20 (31 March 2015: 1.04).

The Group's inventories decreased by 9.8% to \$24.4 million (31 March 2015: \$27.0 million) trending the lower level of business activities.

Trade and other receivables were \$166.0 million (31 March 2015: \$202.9 million). Trade and other payables were \$95.0 million (31 March 2015: \$139.0 million).

Borrowings

As at 31 March 2016, total borrowings of the Group decreased by 16.7% to \$98.4 million (31 March 2015: \$118.1 million). This represents an improved debt over equity ratio of 0.53 (31 March 2015: 0.66).

The decrease in borrowings was mainly due to net repayment of bank borrowings in FY16.

Equity and Net Asset Value

The Company successfully completed a Rights cum Warrants Issue in December 2015, and raised a net amount of \$9.6 million through the exercise. In addition, 574,809,615 warrants were converted into shares, which increased the amount of funds raised by a further \$5.7 million.

As a result of the above exercise, total equity as at 31 March 2016 stood at \$185.3 million (31 March 2015: \$179.0 million), while net asset value per ordinary share was 8.5 cents (31 March 2015: 14.8 cents).

The Group's foreign currency translation reserve as at 31 March 2016 declined due to the strength of the Singapore Dollar vis-à-vis the regional currencies, especially Malaysian Ringgit and Thai Baht.

CASH FLOW

	4QFY16 \$'000	3QFY16 \$'000	Change %	4QFY15 \$'000	Change %	FY16 \$'000	FY15 \$'000	Change %
Cash Flow from Operating Activities	7,994	11,561	(30.9)	16,758	(52.3)	37,535	64,158	(41.5)
Cash Flow from Investing Activities	(577)	(1,652)	(65.1)	(7,399)	(92.2)	(6,171)	(8,269)	(25.4)
Cash Flow from Financing Activities	(5,908)	2,276	N.M.	(3,795)	55.7	(23,389)	(45,619)	(48.7)
Cash and Cash Equivalents	25,935	24,084	7.7	18,295	41.8	25,935	18,295	41.8

Cash Flow from Operating Activities

The Group generated net cash inflow from operating activities of \$8.0 million for 4QFY16 (4QFY15: \$16.8 million), while that for 3QFY16 was \$11.6 million.

For FY16, net cash inflow from operating activities was \$37.5 million (FY15: \$64.2 million).

Cash Flow from Investing Activities

The Group recorded lower net cash outflow from investing activities of \$0.6 million and \$6.2 million for 4QFY16 and FY16 respectively (4QFY15: \$7.4 million and FY15: \$8.3 million), taking into account the net investment in equipment and accessories for its operations.

In addition, a final instalment payment of \$0.7 million was made in FY16 for the acquisition of an additional 15% stake in ICE Far East Pte. Ltd. and its subsidiaries (FY15: partial payment of \$2.1 million).

The net cash outflow for 4QFY16 was lower than 3QFY16 of \$1.7 million mainly due to lower capital expenditure incurred for its operations.

Cash Flow from Financing Activities

In addition to the net proceeds of \$9.6 million raised from the Rights cum Warrants Issue in December 2015, the Group generated net proceeds of \$5.7 million from the conversion of warrants to equity in 4QFY16.

Excluding the \$15.4 million net proceeds raised from the Rights cum Warrants Issue and the related warrants conversion, the net cash outflow for 4QFY16 and FY16 were \$11.4 million (4QFY15: \$3.8 million, 3QFY16: \$7.5 million) and \$38.7 million (FY15: \$45.6 million) respectively, reflecting the net repayment of bank borrowings.

Cash and Cash Equivalents

Taking into consideration the abovementioned factors, the Group's cash and cash equivalents as at 31 March 2016 stood at \$25.9 million, an increase of \$1.5 million and \$8.0 million over 31 December 2015 and 31 March 2015 respectively.

Outlook

The global economy remains shrouded with uncertainty as the Chinese economy continues to slow down and oil prices remain very volatile. Singapore being an open economy is dependent on the international markets and is therefore affected by such uncertainties.

On the back of such lacklustre economic data, overall construction demand from the Singapore private residential and commercial sector is expected to be weak in the year ahead. In the midst of this, government infrastructure projects continue to present opportunities for the Group. Construction activity in the current year is expected to be driven mainly by the construction of 10 new MRT stations and lines for the East Coast stretch of the Thomson-East Coast Line, out of which 9 have been awarded to date. The Group would be actively pursuing the foundation works from these contracts.

The outlook for the construction industry in Malaysia and Thailand remains uncertain as a result of the uncertain economic environments.

Since FY15, the Group has been taking active steps to implement various initiatives to improve its cost and operational efficiencies. The Group has reduced its headcount in excess of 10% and has trimmed down its fleet of equipment in response to the subdued market demand. The Group will continue to diligently manage and right size the operations in tandem with market demand.

In the Extraordinary General Meeting held on 25 July 2015, shareholders of the Company have approved the proposed diversification of the Group's business to include the property business. Following this, on 20 May 2016, the Group announced that it is entering into a joint venture with several parties to acquire a piece of freehold land in Seremban, Negeri Sembilan, Malaysia to develop into commercial properties for sale. This joint venture will give the Group the opportunity to diversify its revenue stream and enhance shareholder returns.

Following the recent equity-raising exercise, the Group has raised net proceeds of approximately \$15.4 million. The proceeds would be used to finance the construction of a new yard, for working capital and to strengthen its balance sheet.

As at 23 May 2016, the Group's order book stood at approximately \$150 million (3 February 2016: \$150 million), with the bulk of these contracts expected to be completed within the next six to nine months.

Consolidated Statement of Profit or Loss for the 12 Months ended 31 March 2016

	Note	Group			Group		
		4th Quarter ended		Change	12 months ended		Change
		31-Mar-16	31-Mar-15		31-Mar-16	31-Mar-15	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		65,299	115,032	(43.2)	382,341	427,925	(10.7)
Cost of sales	A	(63,535)	(108,547)	(41.5)	(358,014)	(403,835)	(11.3)
Gross profit		1,764	6,485	(72.8)	24,327	24,090	1.0
Other income	B	585	1,474	(60.3)	2,141	3,572	(40.1)
Distribution expenses		(233)	(147)	58.5	(779)	(557)	39.9
Administrative expenses	C	(6,224)	(9,432)	(34.0)	(26,856)	(31,812)	(15.6)
Other operating expenses	D	(812)	(533)	52.3	(1,710)	(1,870)	(8.6)
Impairment losses on plant and equipment	E	-	(6,876)	N.A.	-	(6,876)	N.A.
Impairment losses reversed on trade and other receivables	F	-	-	N.A.	-	6,858	N.A.
Net provision made as a result of an arbitration award received	G	-	-	N.A.	-	(3,161)	N.A.
Recovery of legal and other costs as a result of an arbitration award received	H	-	-	N.A.	906	-	N.A.
Results from operating activities		(4,920)	(9,029)	(45.5)	(1,971)	(9,756)	(79.8)
Finance income		96	77	24.7	922	232	N.M.
Finance expenses		(1,041)	(871)	19.5	(3,553)	(3,848)	(7.7)
Interest income recognised as a result of an arbitration award received	H	-	-	N.A.	337	-	N.A.
Net finance expenses		(945)	(794)	19.0	(2,294)	(3,616)	(36.6)
Share of profit/(loss) of a joint venture		112	(12)	N.M.	(107)	168	N.M.
Loss before tax		(5,753)	(9,835)	(41.5)	(4,372)	(13,204)	(66.9)
Tax (expense)/credit	I	(806)	1,107	N.M.	(1,094)	(429)	N.M.
Loss for the period/year		(6,559)	(8,728)	(24.9)	(5,466)	(13,633)	(59.9)
Attributable to:							
Owners of the Company		(7,330)	(9,027)	(18.8)	(6,871)	(16,699)	(58.9)
Non-controlling interests		771	299	N.M.	1,405	3,066	(54.2)
Loss for the period/year		(6,559)	(8,728)	(24.9)	(5,466)	(13,633)	(59.9)

Gross profit margin
Net loss margin

2.7% 5.6%
-10.0% -7.6%

6.4% 5.6%
-1.4% -3.2%

Consolidated Statement of Comprehensive Income for the 12 Months ended 31 March 2016

	Group			Group		
	4th Quarter ended		Change	12 months ended		Change
	31-Mar-16	31-Mar-15		31-Mar-16	31-Mar-15	
	\$'000	\$'000	%	\$'000	\$'000	%
Loss for the period/year	(6,559)	(8,728)	(24.9)	(5,466)	(13,633)	(59.9)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	1,188	(496)	N.M.	(3,206)	(828)	N.M.
Other comprehensive income for the period/year, net of tax	1,188	(496)	N.M.	(3,206)	(828)	N.M.
Total comprehensive income for the period/year	(5,371)	(9,224)	(41.8)	(8,672)	(14,461)	(40.0)
Attributable to:						
Owners of the Company	(6,155)	(9,570)	(35.7)	(9,813)	(17,608)	(44.3)
Non-controlling interests	784	346	N.M.	1,141	3,147	(63.7)
Total comprehensive income for the period/year	(5,371)	(9,224)	(41.8)	(8,672)	(14,461)	(40.0)

Statement of Financial Position as at 31 March 2016

DESCRIPTION	Note	Group		Company	
		31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	1	167,912	185,617	40	-
Intangible assets		1,452	1,452	-	-
Investments in:					
- subsidiaries		-	-	94,419	94,418
- a joint venture		1,342	1,613	-	-
Other investment		855	828	-	-
Trade and other receivables		6,593	12,902	-	-
Deferred tax asset		154	-	22	29
		178,308	202,412	94,481	94,447
Current assets					
Inventories	2	24,353	27,001	-	-
Trade and other receivables		165,962	202,879	37,105	31,788
Cash and cash equivalents		31,568	19,167	5,962	508
		221,883	249,047	43,067	32,296
Total assets		400,191	451,459	137,548	126,743

Statement of Financial Position as at 31 March 2016 (cont'd)

DESCRIPTION	Note	Group		Company	
		31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		\$'000	\$'000	\$'000	\$'000
Equity attributable to owners of the Company					
Share capital		80,289	64,953	80,289	64,953
Reserves		79,595	89,366	47,516	45,497
		159,884	154,319	127,805	110,450
Non-controlling interests		25,454	24,719	-	-
Total equity		185,338	179,038	127,805	110,450
Non-current liabilities					
Loans and borrowings		28,458	31,739	36	-
Deferred tax liabilities		1,096	570	-	-
		29,554	32,309	36	-
Current liabilities					
Loans and borrowings		69,945	86,358	104	-
Derivatives		69	-	-	-
Trade and other payables		94,951	139,035	9,523	16,192
Excess of progress billings over construction work-in-progress	3	186	587	-	-
Provisions		18,798	12,383	-	-
Current tax payable		1,350	1,749	80	101
		185,299	240,112	9,707	16,293
Total liabilities		214,853	272,421	9,743	16,293
Total equity and liabilities		400,191	451,459	137,548	126,743

Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2016

	4th Quarter ended		12 months ended	
	<u>31-Mar-16</u> \$'000	<u>31-Mar-15</u> \$'000	<u>31-Mar-16</u> \$'000	<u>31-Mar-15</u> \$'000
Cash flows from operating activities				
Loss for the period/year	(6,559)	(8,728)	(5,466)	(13,633)
Adjustments for:				
Allowance for foreseeable losses made/(reversed) on construction work-in-progress	-	316	(316)	316
Bad debts written off	88	192	89	272
Depreciation of property, plant and equipment	6,622	7,719	26,473	28,799
Gain on disposal of property, plant and equipment	(370)	(368)	(959)	(1,528)
Impairment losses made/(reversed) on:				
- property, plant and equipment	-	6,876	-	6,876
- trade and other receivables	710	278	1,514	(5,378)
Inventories written down	-	59	7	94
Inventories written off	6	8	6	8
Net finance expenses	945	794	2,294	3,616
Property, plant and equipment written off	3	-	15	-
Provision for liquidated damages	1,261	1,586	3,448	5,197
Provision (reversed)/made for rectification costs	(70)	45	3,344	(1,620)
Share of (profit)/loss of a joint venture	(112)	12	107	(168)
Tax expense/(credit)	806	(1,107)	1,094	429
Operating activities before working capital changes	3,330	7,682	31,650	23,280
Changes in working capital:				
Inventories	1,225	(384)	4,153	7,212
Trade and other receivables	23,520	13,881	42,874	23,924
Trade and other payables	(19,844)	(3,966)	(40,486)	12,053
Cash generated from operations	8,231	17,213	38,191	66,469
Taxes paid	(250)	(522)	(1,201)	(2,384)
Interest received	13	67	545	73
Net cash generated from operating activities	7,994	16,758	37,535	64,158

Consolidated Statement of Cash Flows for the 12 Months ended 31 March 2016 (cont'd)

	4th Quarter ended		12 months ended	
	31-Mar-16 \$'000	31-Mar-15 \$'000	31-Mar-16 \$'000	31-Mar-15 \$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,507)	(6,831)	(7,246)	(9,633)
Proceeds from disposal of:				
- property, plant and equipment	739	1,228	1,611	3,160
- subsidiaries in previous year	360	337	360	337
Acquisition of non-controlling interests	(169)	(2,133)	(896)	(2,133)
Net cash used in investing activities	(577)	(7,399)	(6,171)	(8,269)
Cash flows from financing activities				
Interest paid	(1,028)	(872)	(3,529)	(3,805)
Dividend paid:				
- owners of the Company	-	-	-	(1,210)
- non-controlling interests of subsidiaries	(105)	(600)	(195)	(600)
Proceeds from:				
- bank loans and hire purchase loans	3,296	14,275	30,946	50,194
- bills payable	12,569	12,557	52,965	48,800
- cash grant from Productivity and Innovation Credit Scheme for acquisition of property, plant and equipment	18	-	18	68
- issue of shares from rights issue, net of expenses	(213)	-	9,604	-
- issue of shares from exercise of warrants, net of expenses	5,748	-	5,748	-
Purchase of treasury shares	-	-	-	(18)
Repayment of:				
- bank loans	(8,237)	(12,171)	(41,500)	(46,815)
- bills payable	(12,319)	(9,128)	(54,593)	(55,900)
- finance lease liabilities	(5,637)	(7,856)	(22,853)	(36,333)
Net cash used in financing activities	(5,908)	(3,795)	(23,389)	(45,619)
Net increase in cash and cash equivalents	1,509	5,564	7,975	10,270
Cash and cash equivalents at 1 January/1 April	24,084	12,669	18,295	7,927
Effect of exchange rate changes on balances held in foreign currencies	342	62	(335)	98
Cash and cash equivalents at 31 March	25,935	18,295	25,935	18,295
Comprising:				
Cash and cash equivalents	31,568	19,167	31,568	19,167
Bank overdrafts	(5,633)	(872)	(5,633)	(872)
	25,935	18,295	25,935	18,295
Less:				
Fixed deposits pledged as security for bank facilities	-	-	-	-
Cash and cash equivalents in the consolidated cash flow statement	25,935	18,295	25,935	18,295

Statements of Changes in Equity for the 12 Months ended 31 March 2016

Group	Share capital	Capital reserve	Reserve for own shares	Reserve on consolidation	Foreign currency translation reserve	Other reserve	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2014	64,953	17,798	(2,336)	116	(2,034)	137	95,581	174,215	24,019	198,234
Total comprehensive income for the year										
Profit or loss	-	-	-	-	-	-	(16,699)	(16,699)	3,066	(13,633)
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries, an associate and a joint venture	-	-	-	-	(909)	-	-	(909)	81	(828)
Total other comprehensive income	-	-	-	-	(909)	-	-	(909)	81	(828)
Total comprehensive income for the year	-	-	-	-	(909)	-	(16,699)	(17,608)	3,147	(14,461)
Transactions with owners, recorded directly in equity										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(1,060)	-	(1,060)	(1,847)	(2,907)
Purchase of treasury shares	-	-	(18)	-	-	-	-	(18)	-	(18)
Dividend paid in respect of financial year 2014										
- Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	-	-	-	(1,210)	(1,210)	-	(1,210)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(600)	(600)
Total transactions with owners	-	-	(18)	-	-	(1,060)	(1,210)	(2,288)	(2,447)	(4,735)
At 31 March 2015	64,953	17,798	(2,354)	116	(2,943)	(923)	77,672	154,319	24,719	179,038
At 1 April 2015	64,953	17,798	(2,354)	116	(2,943)	(923)	77,672	154,319	24,719	179,038
Total comprehensive income for the year										
Profit or loss	-	-	-	-	-	-	(6,871)	(6,871)	1,405	(5,466)
Other comprehensive expense										
Translation differences relating to financial statements of foreign subsidiaries and a joint venture	-	-	-	-	(2,942)	-	-	(2,942)	(264)	(3,206)
Total other comprehensive income	-	-	-	-	(2,942)	-	-	(2,942)	(264)	(3,206)
Total comprehensive income for the year	-	-	-	-	(2,942)	-	(6,871)	(9,813)	1,141	(8,672)
Transactions with owners, recorded directly in equity										
Issue of shares from rights issue	10,081	-	-	-	-	-	-	10,081	-	10,081
Issue of shares from exercise of warrants	5,748	-	-	-	-	-	-	5,748	-	5,748
Share issuance expenses	(493)	-	-	-	-	-	-	(493)	-	(493)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	42	-	42	(211)	(169)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(195)	(195)
Total transactions with owners	15,336	-	-	-	-	42	-	15,378	(406)	14,972
At 31 March 2016	80,289	17,798	(2,354)	116	(5,885)	(881)	70,801	159,884	25,454	185,338

Statements of Changes in Equity for the 12 Months ended 31 March 2016 (cont'd)

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Reserve for own shares</u>	<u>Accumulated profits</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2014	64,953	17,798	(2,336)	29,283	109,698
Total comprehensive income for the year	-	-	-	1,980	1,980
Transactions with owners, recorded directly in equity					
Purchase of treasury shares	-	-	(18)	-	(18)
Dividend paid in respect of financial year 2014					
- Final dividend of 0.10 cents per share (tax-exempt one-tier)	-	-	-	(1,210)	(1,210)
Total transactions with owners	-	-	(18)	(1,210)	(1,228)
At 31 March 2015	64,953	17,798	(2,354)	30,053	110,450
At 1 April 2015	64,953	17,798	(2,354)	30,053	110,450
Total comprehensive income for the year	-	-	-	2,019	2,019
Transactions with owners, recorded directly in equity					
Issue of shares from rights issue	10,081	-	-	-	10,081
Issue of shares from exercise of warrants	5,748	-	-	-	5,748
Share issuance expenses	(493)	-	-	-	(493)
Total transactions with owners	15,336	-	-	-	15,336
At 31 March 2016	80,289	17,798	(2,354)	32,072	127,805

Note:

Capital reserve

Capital Reduction Reserve

<u>Group</u>	<u>Company</u>
\$'000	\$'000
17,798	17,798

The Capital Reduction Reserve shall not be treated or used by the Company as a distributable reserve for dividend purposes in accordance with Article 142 of the Articles of Association of the Company and the Companies Act, Chapter 50 of Singapore.

Notes to the Financial Statements

Notes to the Consolidated Statement of Profit or Loss

The Group is reporting its full year results for the period from 1 April 2015 to 31 March 2016 with comparative figures for the 12 months period from 1 April 2014 to 31 March 2015.

A Cost of sales

	Group			
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	\$'000	\$'000	\$'000	\$'000
Cost of sales includes the following items:				
Allowance for foreseeable losses made/ (reversed) on construction work-in-progress	-	316	(316)	316
Depreciation of property, plant and equipment	6,428	7,496	25,727	27,945
Inventories written down	-	59	7	94
Inventories written off	6	8	6	8
Property, plant and equipment written off	-	-	12	-
Provision for liquidated damages	1,261	1,586	3,448	5,197
Provision (reversed)/ made for rectification costs	(70)	45	3,344	(1,620)

B Other income

	Group			
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	\$'000	\$'000	\$'000	\$'000
Other income includes the following item:				
Gain on disposal of property, plant and equipment	370	368	959	1,528

C Administrative expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	\$'000	\$'000	\$'000	\$'000
Administrative expenses includes the following items:				
Depreciation of property, plant and equipment	194	223	746	854
Exchange loss	46	445	291	897

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

D Other operating expenses

	Group			
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	\$'000	\$'000	\$'000	\$'000
Other operating expenses includes the following items:				
Bad debts written off	88	192	89	272
Impairment losses on trade and other receivables ⁽¹⁾	710	278	1,514	1,480
Property, plant and equipment written off	3	-	3	-

⁽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 Impairment losses on plant and equipment

As at 31 March 2015, the Group carried out an impairment assessment on the plant and equipment of the subsidiaries involved in the foundation engineering business in Singapore. The foundation engineering business in Singapore has incurred losses in FY15 as a result of intense competition and a reduction in demand for construction services. The recoverable amounts of certain plant and equipment were estimated either using the fair value less costs to sell or the value in use approach.

As a result of the impairment assessment above, total impairment loss of \$6.9 million was recognised on certain plant and equipment in the consolidated statement of profit or loss in 4QFY15.

F Impairment losses reversed on trade and other receivables

With reference to the Group's announcement dated 21 October 2014, the Group has recovered the trade debt due from Changi Motorsports Hub project. Accordingly, a previous impairment loss made of \$6.9 million was written back to consolidated statement of profit or loss during the second quarter ended 30 September 2014.

G Net provision made as a result of an arbitration award received

With reference to the Group's announcement dated 9 January 2015, the Group had received an unfavourable arbitration award pursuant to an arbitration proceeding against a third party. As a result of the arbitration proceedings, the following adjustments were recognised in the consolidated statement of profit or loss for the third quarter ended 31 December 2014:

	\$'000
i) Provision for project losses	3,510
ii) Award for additional work performed	(349)
	<u>3,161</u>

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

H Recovery of costs as a result of an arbitration award received

With reference to the Group's announcement dated 24 August 2015, the Group had received a favourable arbitration award pursuant to an arbitration proceeding against a third party. As a result of the arbitration proceedings, the following adjustments were recognised in the consolidated statement of profit or loss for the second quarter ended 30 September 2015:

	\$'000
i) Recovery of legal and other costs	906
ii) Interest income on late payment	337
	<u>1,243</u>

I Tax expense/(credit)

	Group			
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
- current period/year	804	645	1,798	2,978
- (over)/under provided in prior years	(27)	-	(1,071)	166
	<u>777</u>	<u>645</u>	<u>727</u>	<u>3,144</u>
Deferred tax expense/(credit)				
- current period/year	59	(1,752)	173	(2,832)
- (over)/under provided in prior years	(30)	-	194	117
	<u>29</u>	<u>(1,752)</u>	<u>367</u>	<u>(2,715)</u>
	<u>806</u>	<u>(1,107)</u>	<u>1,094</u>	<u>429</u>

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

J Interested person transactions

Interested person transactions carried out during the 12 months ended 31 March 2016 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 31/03/2016	12 months ended 31/03/2016	4th Quarter ended 31/03/2016	12 months ended 31/03/2016
	\$'000	\$'000	\$'000	\$'000
CMC Construction Pte Ltd ⁽¹⁾	Nil	Nil	14	896
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	Nil	Nil	684	1,430
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	Nil	Nil	137	3,665
Tat Hong HeavyEquipment (HK) Ltd ⁽¹⁾	Nil	Nil	165	287
Tat Hong Plant Hire Sdn Bhd ⁽¹⁾	Nil	Nil	585	585

Note:

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

Notes to the Statement of Financial Position

1 Property, plant and equipment

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

	Group	
	As at 31/03/2016	As at 31/03/2015
	\$'000	\$'000
<u>Cost</u>		
Opening balance	371,841	322,705
Additions	12,414	19,702
Reclassification from inventories	2,872	38,035
Transfer to inventories	(8,706)	-
Disposals/Write-offs	(4,955)	(8,075)
Translation differences on consolidation	(4,093)	(526)
Closing balance	<u>369,373</u>	<u>371,841</u>
<u>Accumulated depreciation and impairment losses</u>		
Opening balance	186,224	155,873
Depreciation charge	26,473	28,799
Impairment losses	-	6,876
Transfer to inventories	(6,428)	-
Disposals/Write-offs	(3,390)	(4,627)
Translation differences on consolidation	(1,418)	(697)
Closing balance	<u>201,461</u>	<u>186,224</u>
Carrying amount	<u>167,912</u>	<u>185,617</u>

2 Inventories

	Group	
	As at 31/03/2016	As at 31/03/2015
	\$'000	\$'000
Equipment and machinery held for sale	12,273	13,795
Spare parts	10,354	10,050
Construction materials on sites	1,749	3,181
	<u>24,376</u>	<u>27,026</u>
Allowance for inventory obsolescence	(23)	(25)
	<u>24,353</u>	<u>27,001</u>

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

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

	Group	
	As at 31/03/2016 \$'000	As at 31/03/2015 \$'000
Costs incurred and attributable profits	439,955	491,210
Progress billings	(439,830)	(491,797)
	<u>125</u>	<u>(587)</u>
Progress billings in excess of construction work-in-progress	(186)	(587)
Construction work-in-progress ⁽¹⁾	311	-
	<u>125</u>	<u>(587)</u>

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

4 Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2016	
Secured	Unsecured
\$'000	\$'000
18,367	51,578

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

Amount repayable after one year

As at 31/03/2016	
Secured	Unsecured
\$'000	\$'000
26,706	1,752

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

Details of any collateral

The Group's total borrowings were \$98.4 million (31 March 2015: \$118.1 million) and consist of finance leases and bank loans. Included in the borrowings repayable within one year were bills payable amounting to \$12.0 million (31 March 2015: \$13.6 million).

The overdrafts, bills payable, finance lease liabilities and bank loan facilities are secured by legal mortgages over the Group's assets listed below and guaranteed by the Company. Out of which \$14,706,000 (31 March 2015: \$19,234,000) are also guaranteed by a related corporation:

- a) \$34,057,000 (31 March 2015: \$46,330,000) in respect of plant and machinery acquired under finance leases;
- b) \$10,050,000 (31 March 2015: \$4,375,000) which are secured by a charge over the leasehold land and properties; and
- c) \$966,000 (31 March 2015: \$2,172,000) which are secured by a mortgage over the plant and machinery.

Notes to the Statement of Changes in Equity

1 Changes in the Company's Share Capital

As at 31 March 2016, the issued and fully paid-up share capital of the Company was 2,208,294,581 (31 March 2015: 1,230,243,725) ordinary shares. Movement in the Company's issued and fully paid-up share capital during the year ended 31 March 2016 was as follows:

	Number of shares	\$'000
As at 1 April 2015	1,230,243,725	64,953
Issue of shares from rights issue	403,241,241	10,081
Exercise of warrants	574,809,615	5,748
Share issuance expenses	-	(493)
As at 31 March 2016	<u>2,208,294,581</u>	<u>80,289</u>

On 30 December 2015, the Company issued 403,241,241 new ordinary shares in the capital of the Company at \$0.025 each and 2,016,206,205 free detachable warrants ("Rights cum Warrants Issue"). Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of \$0.01 and is exercisable during a five year period from the date of issue. The warrants will expire on 29 December 2020.

On 18 January 2016, 574,809,615 warrants were exercised at \$0.01 each pursuant to the Rights cum Warrants Issue. As at 31 March 2016, there were outstanding warrants of 1,441,396,590 (31 March 2015: Nil) for conversion into ordinary shares.

There were no share buybacks for the year ended 31 March 2016. There were 20,520,000 shares held as treasury shares as at 31 March 2016 (31 March 2015: 20,520,000 shares). There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 March 2016.

The total number of ordinary shares issued (excluding treasury shares) as at 31 March 2016 was 2,187,774,581 (31 March 2015: 1,209,723,725) ordinary shares.

Audit

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

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning on or after 1 April 2015.

Accounting Policies (cont'd)

Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning 1 April 2015 are as follows:

Amendments to FRS 19	<i>Defined Benefit Plans: Employee Contributions</i>
Improvements to FRSs (January 2014)	
- Amendment to FRS 102	<i>Share-Based Payment</i>
- Amendment to FRS 103	<i>Business Combinations</i>
- Amendments to FRS 108	<i>Operating Segments</i>
- Amendment to FRS 16	<i>Property, Plant and Equipment</i>
- Amendment to FRS 24	<i>Related Party Disclosures</i>
- Amendment to FRS 38	<i>Intangible Assets</i>
Improvements to FRSs (February 2014)	
- Amendment to FRS 103	<i>Business Combinations</i>
- Amendment to FRS 113	<i>Fair Value Measurement</i>

The adoption of the above FRS does not expect any significant impact on the Group's financial position or performance.

Loss Per Share

(a) Basic loss per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Based on the weighted average number of ordinary shares on issue	(0.35) cents	(0.75) cents	(0.48) cents	(1.38) cents
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	\$'000	\$'000	\$'000	\$'000
Basic loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	(7,330)	(9,027)	(6,871)	(16,699)
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Number of shares			
Weighted average number of:				
Issued ordinary shares at beginning of the period/year	1,633,484,966	1,230,243,725	1,230,243,725	1,230,243,725
Rights issue of shares	-	-	102,462,938	-
Issue of shares via exercise of warrants	467,427,599	-	116,218,337	-
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 per ordinary share	2,080,392,565	1,209,723,725	1,428,405,000	1,209,723,725

Loss Per Share (cont'd)

(b) Diluted loss per ordinary share

	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
On a fully diluted basis	(0.27) cents	(0.75) cents	(0.41) cents	(1.38) cents
	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	\$'000	\$'000	\$'000	\$'000
Diluted loss per ordinary share is based on:				
Net loss attributable to ordinary shareholders	(7,330)	(9,027)	(6,871)	(16,699)

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

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

	4th Quarter ended		12 months ended	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	Number of shares			
Weighted average number of:				
Ordinary shares used in the calculation of basic loss per ordinary share	2,080,392,565	1,209,723,725	1,428,405,000	1,209,723,725
Potential ordinary shares issuable under exercise of warrants	600,546,806	-	254,633,370	-
Weighted average number of ordinary issued and potential shares assuming full conversion	2,680,939,371	1,209,723,725	1,683,038,370	1,209,723,725

Net Asset Value

	As at 31/03/2016	As at 31/03/2015
Group		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	8.5 cents	14.8 cents
Company		
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the year reported on	5.8 cents	9.1 cents

The net asset value per ordinary share is calculated based on net asset value of \$185.3 million (31 March 2015: \$179.0 million) over the total number of ordinary shares issued (excluding treasury shares) as at 31 March 2016 of 2,187,774,581 (31 March 2015: 1,209,723,725) ordinary shares.

Variance from Prospect Statement

No forecast or prospect statement has been disclosed to shareholders.

Dividend

No dividend has been declared/recommended in the current financial period and the corresponding period of the immediately preceding financial year.

Segmental Revenue and Results

Business segments

The Group comprises the following main business segments:

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

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

	Foundation and Geotechnical Engineering		Sales and Lease of Equipment		Others		Total	
	FY16 \$'000	FY15 \$'000	FY16 \$'000	FY15 \$'000	FY16 \$'000	FY15 \$'000	FY16 \$'000	FY15 \$'000
External revenue	341,249	377,040	41,092	50,885	-	-	382,341	427,925
Inter-segment revenue	69,068	63,056	10,259	19,482	-	-	79,327	82,538
Total revenue	<u>410,317</u>	<u>440,096</u>	<u>51,351</u>	<u>70,367</u>	<u>-</u>	<u>-</u>	<u>461,668</u>	<u>510,463</u>
Reportable segment (loss)/profit before tax	<u>(6,876)</u>	<u>(20,481)</u>	<u>1,591</u>	<u>5,459</u>	<u>(53)</u>	<u>(28)</u>	<u>(5,338)</u>	<u>(15,050)</u>

Reconciliations of reportable segment revenues and profit or loss:

	FY16 \$'000	FY15 \$'000
Revenue		
Total revenue for reportable segments	461,668	510,463
Other revenue	-	-
	<u>461,668</u>	<u>510,463</u>
Elimination of inter-segment revenue	(79,327)	(82,538)
Consolidated revenue	<u>382,341</u>	<u>427,925</u>
Profit or loss		
Total profit or loss for reportable segments	(5,285)	(15,022)
Other profit or loss	(53)	(28)
	<u>(5,338)</u>	<u>(15,050)</u>
Elimination of inter-segment transactions	6,387	7,357
Unallocated amounts:		
- other corporate expenses	(5,314)	(5,679)
Share of (loss)/profit of a joint venture	(107)	168
Consolidated loss before tax	<u>(4,372)</u>	<u>(13,204)</u>

Breakdown of Sales

	12 months ended 31/03/2016 \$'000	12 months ended 31/03/2015 \$'000	Change %
(a) Sales reported for the first half year	218,079	196,278	11.1
(b) Operating profit after tax before deducting minority interest reported for the first half year	926	276	235.5
(c) Sales reported for the second half year	164,262	231,647	(29.1)
(d) Operating loss after tax before deducting minority interest reported for the second half year	(6,392)	(13,909)	54.0

Confirmation

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

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

Use of Proceeds raised from IPO and any offerings pursuant to Chapter 8

With reference to the Group's announcement dated 4 February 2016, as at 24 May 2016, the update on the utilisation of the net proceeds raised from the Rights cum Warrants Issue is as follows:

Intended use of net proceeds	Amount allocated \$'million	Amount utilised \$'million	Balance \$'million
Financing of new Tuas Yard to be constructed and its related equipment expenditures	5.5 to 7.0	0.9	4.6
Working capital purposes	2.6 to 4.1	4.1 ⁽²⁾	-
	9.6 ⁽¹⁾	5.0	4.6

⁽¹⁾ Net proceeds raised from the Rights cum Warrants Issue revised to \$9.6 million from \$9.8 million after deducting actual costs and expenses of \$0.5 million.

⁽²⁾ Working capital consists of trade payables and other operating expenses.

Whitewash Waiver in relation to Rights Cum Warrants Issue

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

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

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

- (a) In the Extraordinary General Meeting held on 27 November 2015, the Independent Shareholders of the Company approved the Whitewash Resolution waiving their rights to receive a mandatory general offer from the Concert Party Group, for all the issued shares in the capital of the Company not already owned or controlled by them, as a result of the Concert Party Group's subscription of the Rights Shares and Warrants Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue. The Whitewash Resolution is subject to the acquisition of the Warrant Shares by the Concert Party Group upon the exercise of the Warrants being completed by 29 December 2020 (inclusive), which is within five (5) years of the date of issue of the Warrants;
- (b) As at the latest practicable date, 19 May 2016, the Concert Party Group holds in aggregate:
 - (i) 1,150,508,407 Shares, representing approximately 52.59% of the voting rights in the Company; and
 - (ii) 273,632,590 Warrants, out of which 113,942,490 Warrants were pursuant to the Whitewash Waiver;
- (c) The maximum potential voting rights of the Concert Party Group in the Company, assuming that only the Concert Party Group (but not other shareholders) converts their Warrants in full is approximately 57.86% (based on the enlarged share capital of the Company of 2,461,407,171 Shares (excluding treasury shares) immediately following the allotment and issue of 273,632,590 Warrant Shares to the Concert Party Group);
- (d) having approved the Whitewash Resolution on 27 November 2015, Shareholders have waived their rights to receive a general offer from Concert Party Group at the highest price paid by the Concert Party Group for the Shares in the past 6 months preceding the date of the acquisition of the Warrant Shares; and
- (e) having approved the Whitewash Resolution on 27 November 2015, Shareholders could be foregoing an opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.

By Order of the Board

Lee Quang Loong
Chief Financial Officer / Company Secretary
24 May 2016