



**TIONG WOON CORPORATION HOLDING LTD**  
(Company Registration No. 199705837C)

**Third Quarter and Nine Months Financial Statements and Dividend Announcement for the Period Ended 31 March 2017**

**1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	3QFY2017 S\$'000	3QFY2016 S\$'000		9MFY2017 S\$'000	9MFY2016 S\$'000	
Revenue	24,264	38,098	(36)	89,910	106,609	(16)
Cost of sales	(19,293)	(27,158)	(29)	(68,667)	(79,482)	(14)
Gross profit	4,971	10,940	(55)	21,243	27,127	(22)
Other income	24	38	(37)	61	86	(29)
Other (loss)/gains - net	(1,025)	(123)	733	3,451	(416)	NM
Expenses						
- Administrative	(391)	(476)	(18)	(1,118)	(1,343)	(17)
- Other operating	(5,874)	(6,814)	(14)	(18,559)	(24,866)	(25)
- Finance	(716)	(822)	(13)	(2,763)	(2,323)	19
Share of loss of associated companies	(122)	(408)	(70)	(281)	(250)	12
Share of profit/(loss) of a joint venture	18	3	500	(41)	(46)	(11)
<b>(Loss)/Profit before income tax</b>	<b>(3,115)</b>	<b>2,338</b>	<b>NM</b>	<b>1,993</b>	<b>(2,031)</b>	<b>NM</b>
Income tax credit/(expense)	121	(1,092)	NM	(1,562)	(1,729)	(10)
<b>Total (loss)/profit</b>	<b>(2,994)</b>	<b>1,246</b>	<b>NM</b>	<b>431</b>	<b>(3,760)</b>	<b>NM</b>
<b>Other comprehensive (loss)/income:</b>						
Items that may be subsequently reclassified to profit or loss:						
Currency translation differences arising from consolidation - loss	(395)	(54)	631	(692)	(1,311)	(47)
Fair value (loss)/gain on cash flow hedges	(5)	108	NM	8	16	(50)
	(400)	54	NM	(684)	(1,295)	(47)
<b>Total comprehensive (loss)/income</b>	<b>(3,394)</b>	<b>1,300</b>	<b>NM</b>	<b>(253)</b>	<b>(5,055)</b>	<b>(95)</b>
<b>(Loss)/Profit attributable to:</b>						
Equity holders of the Company	(2,897)	(199)	1356	423	(3,876)	NM
Non-controlling interest	(97)	1,445	NM	8	116	(93)
	(2,994)	1,246	NM	431	(3,760)	NM
<b>Total comprehensive (loss)/income attributable to:</b>						
Equity holders of the Company	(3,286)	(129)	2447	(245)	(5,142)	(95)
Non-controlling interest	(108)	1,429	NM	(8)	87	NM
	(3,394)	1,300	NM	(253)	(5,055)	(95)

Denotes: NM - not meaningful

## 1(a)(ii) Note to the Statement of Comprehensive Income

	Group		Increase/ (Decrease)	Group		Increase/ (Decrease)
	3QFY2017	3QFY2016		9MFY2017	9MFY2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>(Loss)/Profit after income tax was stated after (charging)/crediting:</b>						
Depreciation of property, plant and equipment	<b>(7,759)</b>	(8,063)	(4)	<b>(23,395)</b>	(23,324)	0
Currency exchange (loss)/gain - net	<b>(1,183)</b>	(1,622)	(27)	<b>879</b>	(2,262)	NM
Gain on disposal of property, plant and equipment	<b>41</b>	1,210	(97)	<b>1,462</b>	1,143	28
Gain on disposal of a subsidiary	-	-	NM	<b>322</b>	-	NM
Fair value gain/(loss) on financial assets at fair value through profit or loss	<b>27</b>	(26)	NM	<b>33</b>	(144)	NM
Impairment loss on trade receivables	-	(102)	(100)	<b>(18)</b>	(5,042)	(100)
Write-back of impairment loss on trade receivables	<b>203</b>	253	(20)	<b>735</b>	645	14
Interest income	<b>25</b>	38	(34)	<b>62</b>	86	(28)
Interest expense	<b>(836)</b>	(940)	(11)	<b>(2,719)</b>	(2,245)	21
(Under)/over provision in prior years' current income tax	<b>(64)</b>	(33)	94	<b>(89)</b>	103	NM
Over/(under) provision in prior years' deferred tax	-	-	NM	<b>14</b>	(60)	NM

Denotes: NM - not meaningful

**1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As at 31/03/2017 S\$'000	As at 30/06/2016 S\$'000	As at 31/03/2017 S\$'000	As at 30/06/2016 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	13,713	14,258	230	62
Financial assets at fair value through profit or loss	432	399	-	-
Trade and other receivables	51,124	53,927	-	-
Tax recoverable	122	110	-	-
Inventories	1,376	1,425	-	-
Other current assets	2,414	2,203	25	9
	<b>69,181</b>	<b>72,322</b>	<b>255</b>	<b>71</b>
Assets of disposal group classified as held for sale	-	1,265	-	-
	<b>69,181</b>	<b>73,587</b>	<b>255</b>	<b>71</b>
<b>Non-current assets</b>				
Other assets	114	114	-	-
Other receivables	-	-	47,820	47,981
Investment in associated companies	3,321	3,531	1,020	1,020
Investment in a joint venture	2,096	2,059	2,074	2,074
Investment in subsidiaries	-	-	41,720	41,720
Property, plant and equipment	380,185	393,571	-	-
Deferred income tax assets	190	134	-	-
	<b>385,906</b>	<b>399,409</b>	<b>92,634</b>	<b>92,795</b>
<b>Total assets</b>	<b>455,087</b>	<b>472,996</b>	<b>92,889</b>	<b>92,866</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	42,618	48,812	1,797	1,845
Current income tax liabilities	846	1,455	-	-
Borrowings	33,772	30,642	-	-
Derivative financial instruments	10	12	-	-
	<b>77,246</b>	<b>80,921</b>	<b>1,797</b>	<b>1,845</b>
Liabilities directly associated with disposal group classified as held for sale	-	5,492	-	-
	<b>77,246</b>	<b>86,413</b>	<b>1,797</b>	<b>1,845</b>
<b>Non-current liabilities</b>				
Borrowings	93,755	105,339	-	-
Derivative financial instruments	4	10	-	-
Deferred income tax liabilities	26,584	26,376	-	-
	<b>120,343</b>	<b>131,725</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>197,589</b>	<b>218,138</b>	<b>1,797</b>	<b>1,845</b>
<b>NET ASSETS</b>	<b>257,498</b>	<b>254,858</b>	<b>91,092</b>	<b>91,021</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	87,340	87,340	87,340	87,340
Other reserves	(4,614)	(3,645)	-	-
Retained earnings	173,637	173,377	3,752	3,681
	<b>256,363</b>	<b>257,072</b>	<b>91,092</b>	<b>91,021</b>
<b>Non-controlling interest</b>	<b>1,135</b>	<b>(2,214)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>257,498</b>	<b>254,858</b>	<b>91,092</b>	<b>91,021</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

	<b>Group</b>	
	<b>As At 31/03/2017</b>	<b>As At 30/06/2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Amount repayable in one year or less (secured)</b>		
- Bank borrowings	7,388	6,515
- Finance lease liabilities	19,210	20,154
	<b>26,598</b>	26,669
<b>Amount repayable in one year or less (unsecured)</b>		
- Bank borrowings	7,174	3,973
	<b>33,772</b>	30,642
<b>Amount repayable after one year (secured)</b>		
- Bank borrowings	64,849	65,671
- Finance lease liabilities	28,906	39,668
	<b>93,755</b>	105,339
<b>Total borrowings</b>	<b>127,527</b>	135,981

**Details of any collateral:**

- (a) Bank borrowings of the Group are secured by a first legal charge over certain of the Group's property, plant and equipment.
- (b) Finance lease liabilities of the Group are secured over the leased plant and equipment and motor vehicles.

**1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group		Group	
	3QFY2017	3QFY2016	9MFY2017	9MFY2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Total (loss)/profit	(2,994)	1,246	431	(3,760)
Adjustments for:				
Income tax (credit)/expense	(121)	1,092	1,562	1,729
Depreciation of property, plant and equipment	7,759	8,063	23,395	23,324
Gain on disposal of property, plant and equipment	(41)	(1,210)	(1,462)	(1,143)
Gain on disposal of a subsidiary	-	-	(322)	-
Fair value (gain)/loss on financial assets at fair value through profit of loss	(27)	26	(33)	144
(Write-back of impairment)/Impairment loss on trade receivables	(203)	(151)	(717)	4,397
Interest income	(25)	(38)	(62)	(86)
Interest expense	836	940	2,719	2,245
Share of loss of associated companies	122	408	281	250
Share of (profit)/loss of a joint venture	(18)	(3)	41	46
Translation differences	639	(173)	271	669
<b>Operating cashflow before working capital changes</b>	<b>5,927</b>	<b>10,200</b>	<b>26,104</b>	<b>27,815</b>
Change in operating assets and liabilities:				
Inventories	517	509	49	572
Trade and other receivables	1,443	2,588	(1,022)	(1,910)
Other current assets	(113)	161	(209)	9
Trade and other payables	(6,986)	(3,004)	(2,678)	(8,628)
Cash generated from operations	<b>788</b>	<b>10,454</b>	<b>22,244</b>	<b>17,858</b>
Income tax paid	(592)	(1,357)	(2,042)	(3,324)
<b>Net cash provided by operating activities</b>	<b>196</b>	<b>9,097</b>	<b>20,202</b>	<b>14,534</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(5,410)	(3,752)	(8,452)	(20,740)
Additional investment in a subsidiary	-	-	-	(60)
Proceeds from disposal of a subsidiary, net of cash disposed of	-	-	(71)	-
Interest received	25	38	62	86
Fixed deposit (pledged)/unpledged	(14)	44	787	(848)
Proceeds from disposal of property, plant and equipment	1,308	1,964	3,146	3,160
<b>Net cash used in investing activities</b>	<b>(4,091)</b>	<b>(1,706)</b>	<b>(4,528)</b>	<b>(18,402)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	6,536	2,520	10,172	27,294
Repayment of borrowings	(1,842)	(2,610)	(6,998)	(9,110)
Repayment of finance lease liabilities	(5,269)	(5,928)	(15,647)	(17,605)
Interest paid	(833)	(940)	(2,670)	(2,245)
Dividends paid to equity holders of the Company	-	-	(464)	(1,858)
<b>Net cash used in financing activities</b>	<b>(1,408)</b>	<b>(6,958)</b>	<b>(15,607)</b>	<b>(3,524)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,303)</b>	<b>433</b>	<b>67</b>	<b>(7,392)</b>
Cash and cash equivalents at beginning of financial period	16,523	9,603	11,153	17,428
<b>Cash and cash equivalents at end of financial period</b>	<b>11,220</b>	<b>10,036</b>	<b>11,220</b>	<b>10,036</b>
Cash and cash equivalents at end of financial period	13,713	13,284	13,713	13,284
Less: Fixed deposit pledged	(2,493)	(3,248)	(2,493)	(3,248)
<b>Cash and cash equivalents per statement of cash flows</b>	<b>11,220</b>	<b>10,036</b>	<b>11,220</b>	<b>10,036</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>Group</u>	<u>Attributable to equity holders of the Company</u>					<u>Total Equity</u> S\$'000
	<u>Share Capital</u> S\$'000	<u>Other Reserves</u> S\$'000	<u>Retained Earnings</u> S\$'000	<u>Total</u> S\$'000	<u>Non-controlling Interest</u> S\$'000	
<b>Balance at 1 July 2016</b>	<b>87,340</b>	<b>(3,645)</b>	<b>173,377</b>	<b>257,072</b>	<b>(2,214)</b>	<b>254,858</b>
Total comprehensive income/(loss)	-	(279)	3,320	3,041	100	3,141
Transfer from other reserve to retained earnings arising from statutory requirement in China	-	(301)	301	-	-	-
Disposal of a subsidiary	-	-	-	-	3,357	3,357
Dividend relating to 2016 paid	-	-	(464)	(464)	-	(464)
<b>Balance at 31 December 2016</b>	<b>87,340</b>	<b>(4,225)</b>	<b>176,534</b>	<b>259,649</b>	<b>1,243</b>	<b>260,892</b>
Total comprehensive loss	-	(389)	(2,897)	(3,286)	(108)	(3,394)
<b>Balance at 31 March 2017</b>	<b>87,340</b>	<b>(4,614)</b>	<b>173,637</b>	<b>256,363</b>	<b>1,135</b>	<b>257,498</b>
<b>Balance at 1 July 2015</b>	87,340	(1,687)	184,902	270,555	(1,768)	268,787
Total comprehensive loss	-	(1,336)	(3,677)	(5,013)	(1,342)	(6,355)
Additional investment in a subsidiary	-	-	-	-	(93)	(93)
Dividend relating to 2015 paid	-	-	(1,858)	(1,858)	-	(1,858)
<b>Balance at 31 December 2015</b>	<b>87,340</b>	<b>(3,023)</b>	<b>179,367</b>	<b>263,684</b>	<b>(3,203)</b>	<b>260,481</b>
Total comprehensive income/(loss)	-	70	(199)	(129)	1,429	1,300
<b>Balance at 31 March 2016</b>	<b>87,340</b>	<b>(2,953)</b>	<b>179,168</b>	<b>263,555</b>	<b>(1,774)</b>	<b>261,781</b>
<u>Company</u>						
	<u>Share Capital</u> S\$'000	<u>Retained Earnings</u> S\$'000	<u>Total Equity</u> S\$'000			
<b>Balance at 1 July 2016</b>	<b>87,340</b>	<b>3,681</b>	<b>91,021</b>			
Total comprehensive income	-	604	604			
Dividend relating to 2016 paid	-	(464)	(464)			
<b>Balance at 31 December 2016</b>	<b>87,340</b>	<b>3,821</b>	<b>91,161</b>			
Total comprehensive loss	-	(69)	(69)			
<b>Balance at 31 March 2017</b>	<b>87,340</b>	<b>3,752</b>	<b>91,092</b>			
<b>Balance at 1 July 2015</b>	87,340	4,099	91,439			
Total comprehensive income	-	1,778	1,778			
Dividend relating to 2015 paid	-	(1,858)	(1,858)			
<b>Balance at 31 December 2015</b>	<b>87,340</b>	<b>4,019</b>	<b>91,359</b>			
Total comprehensive loss	-	(82)	(82)			
<b>Balance at 31 March 2016</b>	<b>87,340</b>	<b>3,937</b>	<b>91,277</b>			

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no treasury shares and outstanding convertibles as at 31 March 2017 and 31 March 2016.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at 31 March 2017 was 232,235,253 (30 June 2016: 232,235,253).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the nine months ended 31 March 2017.

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

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

**3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2016.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new and revised Financial Reporting Standards which took effect from the current reporting period is assessed to have no material impact to the results of the Group and of the Company for the financial year ending 30 June 2017.

- 6 **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

<u>(Loss)/Earnings per Share</u>	<b>Group</b>			
	<b>3QFY2017</b>	3QFY2016	<b>9MFY2017</b>	9MFY2016
(i) Based on weighted average number of ordinary shares in issue	<b>(1.25)</b>	(0.09)	<b>0.18</b>	(1.67)
(ii) On a fully diluted basis (cents)	<b>(1.25)</b>	(0.09)	<b>0.18</b>	(1.67)

(Loss)/Earnings per ordinary share on existing issued share capital are computed based on the weighted average number of ordinary shares in issue during the period of 232,235,253 (31 March 2016: 232,235,253).

There is no difference between the basic and diluted (loss)/earnings per share.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	<b>Group</b>		<b>Company</b>	
	<b>As At 31/03/2017</b>	As At 30/06/2016	<b>As at 31/03/2017</b>	As At 30/06/2016
Net asset value per ordinary share (cents)	<b>110.39</b>	110.69	<b>39.22</b>	39.19
Number of shares in issue	<b>232,235,253</b>	232,235,253	<b>232,235,253</b>	232,235,253

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **Review on Group's Financial Results**

##### **3 Months ended 31 March 2017 (3QFY2017) vs 3 Months ended 31 March 2016 (3QFY2016)**

#### **Revenue**

	<b>3QFY2017</b>	3QFY2016	Increase/ (Decrease)	<b>9MFY2017</b>	9MFY2016	Increase/ (Decrease)
	<b>S\$'000</b>	S\$'000	%	<b>S\$'000</b>	S\$'000	%
Heavy Lift and Haulage	<b>22,403</b>	32,473	(31)	<b>75,363</b>	95,130	(21)
Marine Transportation	<b>667</b>	885	(25)	<b>2,642</b>	2,954	(11)
Engineering Services	<b>1,083</b>	4,385	(75)	<b>10,149</b>	7,382	37
Trading	<b>111</b>	355	(69)	<b>1,756</b>	1,143	54
	<b>24,264</b>	38,098	(36)	<b>89,910</b>	106,609	(16)

**Revenue** was S\$24.3 million in 3QFY2017, a decrease of S\$13.8 million or 36% from S\$38.1 million in 3QFY2016. The decrease was mainly attributed to the decrease in contributions from Heavy Lift and Haulage and Engineering Services segments.



## Review on Group's Financial Results (Cont'd)

Heavy Lift and Haulage segment revenue decreased by S\$10.1 million or 31% from S\$32.5 million to S\$22.4 million, mainly due to fewer projects executed in Singapore, India and the Middle East.

Marine Transportation segment revenue decreased by S\$0.2 million or 25% from S\$0.9 million to S\$0.7 million, mainly due to fewer chartering jobs undertaken in the current quarter.

Engineering Services segment revenue decreased by S\$3.3 million or 75% from S\$4.4 million to S\$1.1 million, mainly due to decrease in work executed for a project, which was near completion, in the Middle East.

Trading segment revenue decreased by S\$0.3 million or 69% from S\$0.4 million to S\$0.1 million, as there was only sale of spare parts in 3QFY2017.

**Gross Profit** was S\$5.0 million in 3QFY2017, a decrease of S\$5.9 million or 55% from S\$10.9 million in 3QFY2016. **Gross Profit Margin** was lower at 20% in 3QFY2017 as compared to 29% in 3QFY2016, mainly due to lower margins from Heavy Lift and Haulage and Engineering Services in the current quarter.

**Other Loss -net** was S\$1.0 million in 3QFY2017, an increase of S\$0.9 million or 733% from S\$0.1 million in 3QFY2016. This was mainly attributable to operational exchange loss of S\$1.3 million offset by a marginal gain on disposal of plant and equipment of S\$0.04 million in 3QFY2017, as compared to operational exchange loss of S\$1.7 million offset by a gain on disposal of plant and equipment of S\$1.2 million in 3QFY2016.

**Administrative Expenses** were S\$0.4 million in 3QFY2017, a decrease of S\$0.1 million or 18% from S\$0.5 million in 3QFY2016, mainly due to lower professional fees incurred.

**Other Operating Expenses** were S\$5.9 million in 3QFY2017, a decrease of S\$0.9 million or 14% from S\$6.8 million in 3QFY2016, mainly due to reduction in manpower costs and other operating expenses.

**Finance Expenses** were S\$0.7 million in 3QFY2017, a decrease of S\$0.1 million or 13% from S\$0.8 million in 3QFY2016, mainly due to lower interest expense in 3QFY2017 as a result of repayments of bank borrowings.

### (Loss)/Profit before Income Tax

	3QFY2017	3QFY2016	Increase/ (Decrease)	9MFY2017	9MFY2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Heavy Lift and Haulage	(1,104)	3,795	NM	5,362	7,243	(26)
Marine Transportation	(1,217)	(238)	411	(2,243)	(3,426)	(35)
Engineering	(725)	(991)	(27)	(1,312)	(5,586)	(77)
Trading	(69)	(228)	(70)	186	(262)	NM
	<b>(3,115)</b>	2,338	NM	<b>1,993</b>	(2,031)	NM

**Loss before Income Tax** was S\$3.1 million in 3QFY2017 as compared to Profit before Income Tax of S\$2.3 million in 3QFY2016.

Heavy Lift and Haulage segment registered a loss before income tax of S\$1.1 million in 3QFY2017 as compared to a profit before income tax of S\$3.8 million in 3QFY2016. This was mainly due to the lower turnover and gross profit margin.

## Review on Group's Financial Results (Cont'd)

Loss before income tax from Marine Transportation segment increased by S\$1.0 million or 411%, from S\$0.2 million in 3QFY2016 to S\$1.2 million in 3QFY2017. This was mainly due to a gain on disposal of plant and equipment of S\$0.8 million in 3QFY2016 whereas no gain on disposal of plant and equipment was recorded in 3QFY2017.

Loss before income tax from Engineering Services segment decreased by S\$0.3 million or 27%, from S\$1.0 million in 3QFY2016 to S\$0.7 million in 3QFY2017. This was mainly due to cost savings achieved from the disposal of a subsidiary in 1QFY2017. However, the segment was impacted by the loss incurred by a project in Middle East.

Loss before income tax from Trading segment decreased by S\$0.1 million or 70%, from \$0.2 million in 3QFY2016 to S\$0.1 million in 3QFY2017. This was mainly due to reduction of exchange loss and other operating expenses.

## Review of Statements of Financial Position and Cash Flows

**Cash and cash equivalents** per consolidated statement of cash flow increased by S\$0.1 million from S\$11.1 million as at 30 June 2016 to S\$11.2 million as at 31 March 2017 mainly due to net cash inflow from operating activities of S\$20.2 million. This was offset by the net cash outflows from investing activities and financing activities of S\$4.5 million and S\$15.6 million respectively.

As at 31 March 2017, the Group was in net current liabilities position of S\$8.1 million. Included in the current borrowings of S\$33.8 million was a trust receipt of S\$4.4 million for the purchase of one crane. This trust receipt would be converted into hire purchase in 4QFY2017 and S\$3.2 million would be classified as non-current liabilities. The Group has sufficient undrawn financing facilities committed from large reputable financial institutions to meet its commitments as well as to repay debts as and when they fall due for the next twelve months from 31 March 2017.

**Trade and other payables** decreased by S\$6.2 million from S\$48.8 million as at 30 June 2016 to S\$42.6 million as at 31 March 2017 mainly due to payments to creditors for purchases and services; and payment to the main contractor for the redevelopment of its premises at 15 Pandan Crescent.

**Current income tax liabilities** decreased by S\$0.6 million from S\$1.4 million as at 30 June 2016 to S\$0.8 million as at 31 March 2017 mainly due to income tax payments made during the current period.

**Total borrowings** decreased by S\$8.5 million from S\$136.0 million as at 30 June 2016 to S\$127.5 million as at 31 March 2017 mainly due to repayments made during the current period.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The operating environment continues to be challenging and competitive amid the slowdown in demand in the key markets we operate in. The Group expects that the on-going public sector infrastructure development in Singapore will provide support for more business opportunities.

The Group remains committed to effectively manage operating costs and business risks to stay competitive. It will continue to explore strategic collaborations and leverage on its capabilities and track record as a one-stop integrated heavy lift specialist and service provider to target complex and high value projects to grow the business.

**11 If no dividend has been declared/recommended, a statement to that effect**

No interim dividend for the nine months ended 31 March 2017 is recommended (31 March 2016: Nil).

**12 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a shareholder's mandate under Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**13 Negative Confirmation of Interim Financial Results Pursuant to Rule 705(5) of the SGX-ST Listing Manual**

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for Third Quarter and Nine Months ended 31 March 2017 to be false or misleading, in any material aspect.

**14 Undertakings from Directors and Executive Officers Pursuant to Rule 720(1) of the SGX-ST Listing Manual**

The Company confirms that it had procured undertakings from all Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1).

**By Order of the Board  
Mr Ang Kah Hong  
Executive Chairman and Managing Director  
9 May 2017**