

SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

Unaudited Third Quarter Financial Statements Announcement  
For The Period From 1 July 2016 To 31 March 2017

1(a)(i) A statement of profit or loss and other comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			Group		
	3Q FY2017	3Q FY2016	Increase/ (Decrease)	9M FY2017	9M FY2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>24,567</b>	18,772	30.9%	<b>83,306</b>	69,624	19.7%
Cost of sales	<b>(20,210)</b>	(15,913)	27.0%	<b>(68,405)</b>	(58,223)	17.5%
<b>Gross profit</b>	<b>4,357</b>	2,859	52.4%	<b>14,901</b>	11,401	30.7%
Other operating income	<b>1,694</b>	741	128.6%	<b>2,135</b>	2,269	(5.9%)
Selling expenses	<b>(462)</b>	(377)	22.5%	<b>(1,181)</b>	(1,172)	0.8%
Administrative expenses	<b>(3,243)</b>	(3,554)	(8.8%)	<b>(9,821)</b>	(10,998)	(10.7%)
Other operating expenses	<b>(1,134)</b>	(750)	51.2%	<b>(1,496)</b>	(2,957)	(49.4%)
Finance costs	<b>(466)</b>	(379)	23.0%	<b>(1,445)</b>	(1,109)	30.3%
Share of results of associate	-	-	NM	-	81	NM
<b>Profit (Loss) before income tax</b>	<b>746</b>	(1,460)	NM	<b>3,093</b>	(2,485)	NM
Income tax expenses	<b>(167)</b>	(121)	38.0%	<b>(1,145)</b>	(714)	60.4%
<b>Profit (Loss) for the period</b>	<b>579</b>	(1,581)	NM	<b>1,948</b>	(3,199)	NM
<b>Total Profit (Loss) attributable to:</b>						
Owners of the Company	<b>495</b>	(1,654)	NM	<b>1,641</b>	(3,291)	NM
Non-controlling interests	<b>84</b>	73	15.1%	<b>307</b>	92	233.7%
	<b>579</b>	(1,581)	NM	<b>1,948</b>	(3,199)	NM
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Fair value gain (loss) on available-for-sale investments	<b>99</b>	27	266.7%	<b>100</b>	(86)	NM
Exchange differences (loss) gain on translation of foreign operations	<b>(918)</b>	1,160	NM	<b>(1,810)</b>	(1,385)	30.7%
<b>Total other comprehensive (loss) income, net of tax</b>	<b>(819)</b>	1,187	NM	<b>(1,710)</b>	(1,471)	16.2%
<b>Total comprehensive (loss) income for the period</b>	<b>(240)</b>	(394)	(39.1%)	<b>238</b>	(4,670)	NM
<b>Total comprehensive (loss) income attributable to:</b>						
Owners of the Company	<b>(238)</b>	(657)	(63.8%)	<b>177</b>	(4,621)	NM
Non-controlling interests	<b>(2)</b>	263	(100.8%)	<b>61</b>	(49)	NM
	<b>(240)</b>	(394)	(39.1%)	<b>238</b>	(4,670)	NM

1(a)(ii) Notes to consolidated statement of comprehensive income

Profit (loss) after tax was stated after  
(charging)/ crediting :-

	Group			Group		
	3Q FY2017	3Q FY2016	Increase/ (Decrease)	9M FY2017	9M FY2016	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(3,238)	(3,235)	0.1%	(9,647)	(9,079)	6.3%
Bad debts written off	-	-	NM	-	(102)	NM
Currency exchange loss- net	(1,158)	(389)	197.6%	(1,100)	(777)	41.5%
Gain on disposal of property, plant and equipment	14	-	NM	368	349	5.4%
Loss on disposal of investment in an associate	-	-	NM	-	(1,649)	NM
Interest income	43	35	22.9%	92	80	15.0%
Interest expenses	(466)	(379)	23.0%	(1,445)	(1,109)	30.3%
Unrealised fair value gain (loss) from derivative financial instruments	1,200	(397)	NM	(294)	(345)	(14.8%)

Denotes: NM - not meaningful

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

## STATEMENT OF FINANCIAL POSITION

	The Group		The Company	
	As at 31/3/2017 S\$ '000	As at 30/6/2016 S\$ '000	As at 31/3/2017 S\$ '000	As at 30/6/2016 S\$ '000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	29,811	33,358	11,436	14,368
Trade receivables	27,040	26,295	50,577	45,640
Other receivables	1,641	1,321	7,879	7,883
Derivative financial instruments	35	329	35	321
Inventories	11,536	31,900	1,712	23,263
Total current assets	<u>70,063</u>	<u>93,203</u>	<u>71,639</u>	<u>91,475</u>
<b>Non-current assets</b>				
Property, plant and equipment	134,104	128,707	46,346	45,849
Investment in subsidiaries	-	-	26,942	26,942
Available-for-sale investments	528	429	528	429
Other assets	63	63	63	63
Total non-current assets	<u>134,695</u>	<u>129,199</u>	<u>73,879</u>	<u>73,283</u>
<b>Total assets</b>	<u>204,758</u>	<u>222,402</u>	<u>145,518</u>	<u>164,758</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bills payable	17,467	37,865	17,467	37,865
Current portion of bank loans	10,667	10,967	6,667	6,967
Trade payables	1,932	2,588	1,276	1,721
Other payables	2,823	4,783	1,965	3,601
Current portion of finance leases	10,546	9,141	5,477	5,265
Income tax payable	1,217	875	-	-
Total current liabilities	<u>44,652</u>	<u>66,219</u>	<u>32,852</u>	<u>55,419</u>
<b>Non-current liabilities</b>				
Bank loans	2,333	4,333	2,083	3,333
Finance leases	26,996	21,048	11,695	10,723
Deferred tax liabilities	7,754	7,982	3,900	4,000
Total non-current liabilities	<u>37,083</u>	<u>33,363</u>	<u>17,678</u>	<u>18,056</u>
<b>Total liabilities</b>	<u>81,735</u>	<u>99,582</u>	<u>50,530</u>	<u>73,475</u>
<b>NET ASSETS</b>	<u>123,023</u>	<u>122,820</u>	<u>94,988</u>	<u>91,283</u>
<b>Capital and reserves</b>				
Share capital	41,846	41,846	41,846	41,846
Treasury shares	(141)	(106)	(141)	(106)
Retained earnings	86,243	84,602	53,422	49,782
Translation reserves	(5,410)	(3,846)	-	-
Fair value reserve	(139)	(239)	(139)	(239)
Capital reserve	(711)	(711)	-	-
Total equity attributable to owners of the Company	<u>121,688</u>	<u>121,546</u>	<u>94,988</u>	<u>91,283</u>
Non-controlling interests	1,335	1,274	-	-
<b>Total Equity</b>	<u>123,023</u>	<u>122,820</u>	<u>94,988</u>	<u>91,283</u>
<b>Total liabilities and equity</b>	<u>204,758</u>	<u>222,402</u>	<u>145,518</u>	<u>164,758</u>

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

	<b>As at 31/03/2017</b>		<b>As at 30/6/2016</b>	
	<b>S\$'000</b>		<b>S\$'000</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Amount repayable in one year or less, or on demand	<b>10,546</b>	<b>10,667</b>	9,141	10,967
Amount repayable after one year	<b>26,996</b>	<b>2,333</b>	21,048	4,333

As at 31 March 2017, The Group's finance leases of \$37.5m are secured over plant and equipment of the Group with carrying value of \$57.2m .

1 ( c ) Cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3Q FY2017	3Q FY2016	9M FY2017	9M FY2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Operating activities</u></b>				
Profit (loss) before income tax	746	(1,460)	3,093	(2,485)
Adjustments for:				
Unrealised fair value (gain) loss from derivative financial instruments	(1,200)	397	294	345
Share of associate's results	-	-	-	(81)
Depreciation of property, plant & equipment	3,238	3,235	9,647	9,079
Interest expenses	466	379	1,445	1,109
Interest income	(43)	(35)	(92)	(80)
Net unrealised foreign exchange adjustments	(89)	(154)	(79)	(584)
Bad debt written off	-	-	-	102
Loss on disposal of investment in an associate	-	-	-	1,649
Gain on disposal of property, plant and equipment	(14)	-	(368)	(349)
Property, plant and equipment written off	-	-	12	1
Operating cash flows before movements in working capital	3,104	2,362	13,952	8,706
Trade receivables	623	359	(1,115)	12,858
Other receivables	252	(1,589)	(376)	(1,557)
Inventories	1,908	(2,512)	16,116	6,215
Trade payables	112	1,266	78	2,316
Other payables	(678)	(970)	(778)	(1,221)
Cash generated from operations	5,321	(1,084)	27,877	27,317
Income tax paid	(335)	(727)	(783)	(1,818)
<b>Net cash from (used in) operating activities</b>	<b>4,986</b>	<b>(1,811)</b>	<b>27,094</b>	<b>25,499</b>
<b><u>Investing activities</u></b>				
Proceeds from disposal of investment in an associates	-	-	-	1,000
Interest received	43	35	92	80
Purchase of property, plant and equipment	(6,860)	(4,415)	(15,696)	(13,727)
Proceeds from disposal of property, plant and equipment	17	-	1,746	911
<b>Net cash used in investing activities</b>	<b>(6,800)</b>	<b>(4,380)</b>	<b>(13,858)</b>	<b>(11,736)</b>
<b><u>Financing activities</u></b>				
Bills payable	1,450	(4,113)	(20,399)	(34,098)
Dividends paid	-	-	-	(3,156)
Interest paid	(466)	(379)	(1,445)	(1,109)
Repayment of obligations under finance leases	(2,652)	(1,955)	(8,307)	(6,216)
Proceeds from finance leases	8,798	-	16,309	5,821
Repayment of bank loans	(667)	(350)	(2,300)	(1,050)
Proceeds from bank loans	-	-	-	8,000
Purchase of treasury shares	-	(23)	(35)	(23)
<b>Net cash from (used in) financing activities</b>	<b>6,463</b>	<b>(6,820)</b>	<b>(16,177)</b>	<b>(31,831)</b>
Net increase (decrease) in cash and cash equivalents	4,649	(13,011)	(2,941)	(18,068)
Cash and cash equivalents at beginning of the period	25,468	39,455	33,358	45,391
Effect of exchange rate changes on the balance of cash held in foreign currencies	(306)	317	(606)	(562)
<b>Cash and cash equivalents at end of the period</b>	<b>29,811</b>	<b>26,761</b>	<b>29,811</b>	<b>26,761</b>

1(d)(i) A statement for (the issuer and the 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.

The Group	Attributable to equity holders of the Company								
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Translation reserves	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2016	41,846	(106)	(711)	(239)	(3,846)	84,602	121,546	1,274	122,820
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	1,146	1,146	223	1,369
Other comprehensive income (loss)	-	-	-	1	(732)	-	(731)	(160)	(891)
<b>Total</b>	<b>41,846</b>	<b>(106)</b>	<b>(711)</b>	<b>(238)</b>	<b>(4,578)</b>	<b>85,748</b>	<b>121,961</b>	<b>1,337</b>	<b>123,298</b>
<i>Transactions with owners, recognised directly in equity</i>									
Repurchase of shares	-	(35)	-	-	-	-	(35)	-	(35)
Balance at 31 December 2016	41,846	(141)	(711)	(238)	(4,578)	85,748	121,926	1,337	123,263
Balance at 1 January 2017	41,846	(141)	(711)	(238)	(4,578)	85,748	121,926	1,337	123,263
<i>Total comprehensive (loss) income for the period</i>									
Loss (profit) for the period	-	-	-	-	-	495	495	84	579
Other comprehensive income (loss)	-	-	-	99	(832)	-	(733)	(86)	(819)
<b>Balance at 31 March 2017</b>	<b>41,846</b>	<b>(141)</b>	<b>(711)</b>	<b>(139)</b>	<b>(5,410)</b>	<b>86,243</b>	<b>121,688</b>	<b>1,335</b>	<b>123,023</b>
Balance at 1 July 2015	41,846	(83)	(711)	(149)	(1,861)	91,817	130,859	1,451	132,310
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	(1,637)	(1,637)	19	(1,618)
Other comprehensive loss	-	-	-	(113)	(2,214)	-	(2,327)	(331)	(2,658)
<b>Total</b>	<b>41,846</b>	<b>(83)</b>	<b>(711)</b>	<b>(262)</b>	<b>(4,075)</b>	<b>90,180</b>	<b>126,895</b>	<b>1,139</b>	<b>128,034</b>
<i>Transactions with owners, recognised directly in equity</i>									
Dividend paid	-	-	-	-	-	(3,156)	(3,156)	-	(3,156)
Balance at 31 December 2015	41,846	(83)	(711)	(262)	(4,075)	87,024	123,739	1,139	124,878
Balance at 1 January 2016	41,846	(83)	(711)	(262)	(4,075)	87,024	123,739	1,139	124,878
<i>Total comprehensive (loss) income for the period</i>									
Loss for the period	-	-	-	-	-	(1,654)	(1,654)	73	(1,581)
Other comprehensive income	-	-	-	27	970	-	997	190	1,187
<b>Total</b>	<b>41,846</b>	<b>(83)</b>	<b>(711)</b>	<b>(235)</b>	<b>(3,105)</b>	<b>85,370</b>	<b>123,082</b>	<b>1,402</b>	<b>124,484</b>
<i>Transactions with owners, recognised directly in equity</i>									
Repurchase of shares	-	(23)	-	-	-	-	(23)	-	(23)
Balance at 31 March 2016	41,846	(106)	(711)	(235)	(3,105)	85,370	123,059	1,402	124,461

The Company

	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Fair value S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 July 2016	41,846	(106)	-	(239)	-	49,782	91,283
<i>Total comprehensive income for the period</i>							-
Profit for the period	-	-	-	-	-	3,454	3,454
Other comprehensive income	-	-	-	1	-	-	1
<b>Total</b>	<b>41,846</b>	<b>(106)</b>	<b>-</b>	<b>(238)</b>	<b>-</b>	<b>53,236</b>	<b>94,738</b>
<i>Transactions with owners, recognised directly in equity</i>							
Repurchase of shares	-	(35)	-	-	-	-	(35)
<b>Balance at 31 December 2016</b>	<b>41,846</b>	<b>(141)</b>	<b>-</b>	<b>(238)</b>	<b>-</b>	<b>53,236</b>	<b>94,703</b>
Balance at 1 January 2017	41,846	(141)	-	(238)	-	53,236	94,703
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	186	186
Other comprehensive income	-	-	-	99	-	-	99
<b>Balance at 31 March 2017</b>	<b>41,846</b>	<b>(141)</b>	<b>-</b>	<b>(139)</b>	<b>-</b>	<b>53,422</b>	<b>94,988</b>
Balance at 1 July 2015	41,846	(83)	-	(149)	-	46,593	88,207
<i>Total comprehensive income for the period</i>							-
Profit for the period	-	-	-	-	-	9,699	9,699
Other comprehensive loss	-	-	-	(113)	-	-	(113)
<b>Total</b>	<b>41,846</b>	<b>(83)</b>	<b>-</b>	<b>(262)</b>	<b>-</b>	<b>56,292</b>	<b>97,793</b>
<i>Transactions with owners, recognised directly in equity</i>							
Dividend paid	-	-	-	-	-	(3,156)	(3,156)
<b>Balance at 31 December 2015</b>	<b>41,846</b>	<b>(83)</b>	<b>-</b>	<b>(262)</b>	<b>-</b>	<b>53,136</b>	<b>94,637</b>
Balance at 1 January 2016	41,846	(83)	-	(262)	-	53,136	94,637
<i>Total comprehensive income for the period</i>							
Loss for the period	-	-	-	-	-	(2,073)	(2,073)
Other comprehensive income	-	(23)	-	27	-	-	4
<b>Balance at 31 March 2016</b>	<b>41,846</b>	<b>(106)</b>	<b>-</b>	<b>(235)</b>	<b>-</b>	<b>51,063</b>	<b>92,568</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from right 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 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

As at 31 March 2017, the total number of issued shares excluding treasury shares was 114,618,800 (31 March 2016: 114,718,800). As at 31 March 2017, the total number of treasury shares was 270,180 (31 March 2016: 170,180). The Company did not have any convertibles as at 31 March 2017 and 31 March 2016.

Save as disclosed above, there have been no bonus or other issues of shares during the period.

- 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.**

	31/03/2017	30/06/2016
Total number of issued ordinary shares	114,888,980	114,888,980
Less: Treasury shares	(270,180)	(170,180)
Total number of issued shares excluding treasury shares	114,618,800	114,718,800

- 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.**

No treasury shares were sold, transferred, disposed, cancelled and/or used as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and /or use of subsidiary holdings as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

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

The figures presented are not audited or reviewed by the Company's Auditor.

- 3. Where 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 preparation of the consolidated financial statements for the current reporting period as those applied in the audited financial statements for the year ended 30 June 2016.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting**

There are no changes to the Group's accounting policies and the adoption of FRS and INT FRS that become effective in the financial period beginning on or after 1 July 2016 has no significant impact on the financial statements.

- 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.**

	Group		Group	
	3Q FY2017	3Q FY2016	9M FY2017	9M FY2016
EPS based on weighted average number of ordinary shares in issue (cents)	0.43	(1.44)	1.43	(2.87)
On a fully diluted basis (cents)	0.43	(1.44)	1.43	(2.87)
Weighted average number of ordinary shares in issue	114,624,356	114,763,264	114,624,356	114,763,264

There were no potential dilutive ordinary shares in existence for 3Q FY 2017 & 3Q FY 2016.

- 7. Net asset value (for the issuer and group) per ordinary share based on 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.**

	The Group		The Company	
	31/03/2017	30/06/2016	31/03/2017	30/06/2016
Net asset value per ordinary share (cents)	107.33	107.06	82.87	79.57
Ordinary shares at the end of the current financial period and immediately preceding financial year	114,618,800	114,718,800	114,618,800	114,718,800



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 revenue, 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.

## INCOME STATEMENT

### Revenue

	Group			Group		
	3Q FY2017	3Q FY2016	% Change	9M FY2017	9M FY2016	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Equipment rental business</b>	<b>10,499</b>	10,045	4.5%	<b>33,552</b>	30,316	10.7%
<b>Trading business</b>	<b>14,068</b>	8,727	61.2%	<b>49,754</b>	39,308	26.6%
<b>Total</b>	<b>24,567</b>	18,772	30.9%	<b>83,306</b>	69,624	19.7%

The Group registered total revenue of \$24.6m in 3Q FY2017 and \$83.3m for 9M FY2017, which was 30.9% and 19.7% higher compared to prior corresponding periods respectively, mainly due to both higher rental and trading revenue.

Revenue from Equipment Rental business increased by 4.5% to \$10.5m in 3Q FY2017 and 10.7% to \$33.6m for 9M FY2017 as compared to the prior corresponding periods respectively, mainly due to increase in fleet size being rented out.

Revenue from Trading business increased by 61.2% to \$14.1m in 3Q FY2017 and 26.6% to \$49.8m for 9M FY2017 as compared to the prior corresponding periods respectively, mainly due to increase volume of equipment sold.

### Gross Profit

	Group			Group		
	3Q FY2017	3Q FY2016	% Change	9M FY2017	9M FY2016	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Equipment rental business</b>	<b>2,268</b>	2,012	12.7%	<b>8,673</b>	7,747	12.0%
<b>Trading business</b>	<b>2,089</b>	847	146.6%	<b>6,228</b>	3,654	70.4%
	<b>4,357</b>	2,859	52.4%	<b>14,901</b>	11,401	30.7%

The Group registered total gross profit of \$4.4m in 3Q FY2017 and \$14.9m for 9M FY2017, which was 52.4% and 30.7% higher compared to prior corresponding periods respectively, mainly due to both higher rental and trading revenue.

Gross profit from Equipment Rental business increased by 12.7% to \$2.3m in 3Q FY2017 and 12.0% to \$8.7m for 9M FY2017 as compared to the prior corresponding periods respectively, in line with the higher rental revenue generated.

Gross profit from Trading business increased by 146.6% to \$2.1m in 3Q FY2017 and 70.4% to \$6.2m for 9M FY2017 as compared to the prior corresponding periods respectively, mainly due to higher trading revenue and better product mix.

### Net Profit

The Group registered net profit after tax of \$0.6m in 3Q FY2017 and \$1.9m for 9M FY2017 respectively. This was mainly due to the net impact of the following:

- higher gross profit;
- higher other operating income in 3Q FY2017 mainly from unrealised fair value differences on foreign currency contracts;
- lower administrative expenses as a result of cost reduction initiatives;
- higher other operating expenses in 3Q FY2017 mainly from unrealised foreign exchange differences and lower other operating expenses for 9M FY 2017 mainly from absence of one-time recognition of loss on disposal of an associate in the prior corresponding period;
- higher finance costs due to increase in financing of rental fleet;
- higher income tax expenses.

## STATEMENT OF FINANCIAL POSITION

### **Current assets**

As at 31 March 2017, total current assets amounted to \$70.1m or 34.2% of total assets. Current assets comprised mostly of cash and bank balances, trade receivables and inventories. Total current assets decreased by \$23.1m as compared to 30 June 2016 mainly due to decrease in inventories and cash and bank balances.

### **Non-current assets**

As at 31 March 2017, non-current assets amounted to \$134.7m or 65.8% of total assets. Non-current assets comprised mostly of fixed assets and investments. Total non-current assets increased by \$5.4m mainly due to increase in rental fleet.

### **Current liabilities**

As at 31 March 2017, current liabilities amounted to \$44.7m or 54.5% of total liabilities. Current liabilities comprised mostly of bills payable, other payables, current portion of bank loans and finance leases. Total current liabilities decreased by \$21.6m as compared to 30 June 2016, mainly due to repayment of bills payable.

### **Non-current liabilities**

As at 31 March 2017, non-current liabilities amounted to approximately \$37.1m or 45.4% of total liabilities. Non-current liabilities comprised mostly of non-current portion of bank loans, finance leases and deferred tax. Total non-current liabilities increased by \$3.7m as compared to 30 June 2016, mainly due to the drawdown of finance leases.

### **Working Capital**

As at 31 March 2017, the Group registered a positive working capital of \$25.4m as compared to that of \$27.0m as at 30 June 2016.

### **Equity**

The Group's equity increased from \$122.8m as at 30 June 2016 to \$123.0m as at 31 March 2017 mainly due to the total comprehensive income recorded for 9M FY2017.

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

There was no forecast, or any prospect statement previously disclosed to shareholders.

**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.**

Economic outlook continues to be uncertain and business environment competitive. The Group expects the markets we operate to remain challenging.

**11. Dividend**

**(a) Current Financial Period Reported on**

**Any dividend declared for the current financial period reported on?**

Nil

**(b) Corresponding Period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Nil

**(c) Date payable**

Not applicable

**(d) Book Closure date**

Not applicable

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

No dividend has been declared / recommended.

**13. 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.**

<b>Name of Interested Person</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>
	Nil
	Nil

There were no interested person transactions conducted pursuant to the general mandate for interested person transactions during the financial period.

**14. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company hereby confirms that undertakings from all directors and executive officers as required in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

**15. CONFIRMATION BY THE BOARD**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the nine-month ended 31 March 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Ah Lye

Executive Chairman and Interim CEO

11 May 2017