



RYOBI KISO HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
Company Registration No. 200803985D

THIRD QUARTER AND NINE MONTHS 2018 FINANCIAL STATEMENTS ANNOUNCEMENT

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

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

INCOME STATEMENT FOR THE THIRD QUARTER (“3Q2018”) AND NINE MONTHS ENDED 31 MARCH 2018 (“9M2018”)

	Note	Group					
		3 Months Ended 31 March		Change %	9 Months Ended 31 March		Change %
		2018 \$'000	2017 \$'000		2018 \$'000	2017 \$'000	
Revenue	1	28,018	39,681	(29.4)	122,677	101,980	20.3
Cost of sales	2	(25,808)	(34,059)	(24.2)	(111,619)	(87,760)	27.2
Gross profit		2,210	5,622	(60.7)	11,058	14,220	(22.2)
Other income	3	1,083	351	208.5	2,856	1,724	65.7
Administrative expenses		(5,882)	(4,674)	25.8	(15,535)	(13,994)	11.0
Other (losses)/gains – net	4	(2,364)	(263)	798.9	(1,442)	1,413	(202.1)
Finance costs	5	(848)	(585)	45.0	(2,219)	(1,788)	24.1
		(5,801)	451	NM	(5,282)	1,575	(435.4)
Share of results of associates		(619)	-	NM	(695)	-	NM
(Loss)/Profit before income tax	6	(6,420)	451	NM	(5,977)	1,575	(479.5)
Income tax expense	7	(305)	(151)	102.0	(370)	(783)	(52.7)
(Loss)/Profit for the period		(6,725)	300	NM	(6,347)	792	(901.4)
Attributable to:							
Equity holders of the Company		(6,501)	106	NM	(6,457)	713	NM
Non-controlling interests		(224)	194	(215.5)	110	79	39.2
(Loss)/Profit for the period		(6,725)	300	NM	(6,347)	792	(901.4)
Gross profit margin		7.9%	14.2%		9.0%	13.9%	
Net (loss)/profit margin		(24.0%)	0.8%		(5.2%)	0.8%	
Effective tax rate		NM	33.9%		NM	51.2%	
<i>NM – Not Meaningful</i>							

1(a) (i) Statement of Comprehensive Income for the Third Quarter and Nine Months Ended 31 March 2018

	Group					Change
	3 Months Ended 31 March		Change	9 Months Ended 31 March		
	2018	2017		2018	2017	
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss)/Profit for the period	(6,725)	300	NM	(6,347)	792	(901.4)
Other comprehensive income/(loss): Items that may be reclassified subsequently to profit and loss						
Currency translation differences arising from						
- Consolidation of foreign corporations	849	(350)	342.6	1,368	(1,167)	217.2
- Loan to associates	100	-	NM	275	-	NM
Available-for-sale financial assets						
- Currency translation differences	-	(181)	100.0	-	(391)	100.0
- Fair value gain	-	66	(100.0)	105	39	169.2
- Reclassification	1,265	-	NM	1,265	-	NM
Other comprehensive income/(loss), net of tax	2,214	(465)	576.1	3,013	(1,519)	298.4
Total comprehensive loss for the period	(4,511)	(165)	NM	(3,334)	(727)	358.6
Attributable to:						
Equity holders of the Company	(4,432)	(224)	NM	(3,681)	(497)	640.6
Non-controlling interests	(79)	59	(233.9)	347	(230)	250.9
Total comprehensive loss for the period	(4,511)	(165)	NM	(3,334)	(727)	358.6

NM – Not Meaningful

1(a) (ii) Notes to Income Statement

(1) Revenue

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Bored piling	16,259	22,520	79,949	49,493
Eco-friendly piling, geoservices and others	11,511	16,866	41,917	51,546
Property investment	248	295	811	941
Total revenue	28,018	39,681	122,677	101,980

1(a) (ii) Notes to Income Statement (Cont'd):

(2) Cost of sales includes the following:

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Amortisation of land use rights	5	5	15	15
Depreciation of machinery and equipment	3,335	3,308	10,191	10,095
Depreciation of investment properties	27	40	96	118

(3) Other income

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest income from deposit and receivable	214	156	501	461
Sales of minor and other assets	761	104	1,893	378
Government incentives	24	87	63	366
Miscellaneous income	84	4	399	519
Total other income	1,083	351	2,856	1,724

(4) Other (losses)/gains – net

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Foreign exchange (loss)/gain, net	(1,004)	(292)	(1,695)	1,389
Gain on disposal of property, plant and equipment	192	29	1,805	24
Loss on disposal of available-for-sale financial assets	(1,552)	-	(1,552)	-
Total other (losses)/gains – net	(2,364)	(263)	(1,442)	1,413

(5) Finance costs

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest expenses				
- bank and other borrowings	665	499	1,805	1,522
- finance lease liabilities	183	86	414	266
Total finance costs	848	585	2,219	1,788

1(a) (ii) Notes to Income Statement (Cont'd):

(6) (Loss)/Profit before income tax is arrived at after charging the following:

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Amortisation of land use right	5	5	15	15
Depreciation of property, plant and equipment	3,951	3,950	12,014	11,850
Depreciation of investment properties	27	40	96	118
Employee compensation, including directors' remuneration	9,646	7,402	26,298	22,370
Rental on operating leases - premises	431	426	1,330	1,420
Professional fees	379	585	1,226	1,065

(7) Income tax expense

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- current period	310	153	675	805
- under provision in prior years	504	-	249	1
	814	153	924	806
Deferred income tax				
- current period	(509)	(2)	(554)	(23)
Total income tax expense	305	151	370	783

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.

Statements of Financial Position

	Note	Group		Company	
		As At 31/03/18	As At 30/06/17	As At 31/03/18	As At 30/06/17
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		13,509	21,980	33	1,790
Trade and other receivables	1	88,207	90,550	42,070	42,164
Inventories		18,380	18,769	-	-
Construction contract work-in-progress		35,505	13,190	-	-
		155,601	144,489	42,103	43,954
Non-current assets					
Investment in subsidiaries		-	-	51,310	51,310
Investment in associates		12,198	11,778	-	-
Investment in joint ventures		48	44	-	-
Club memberships		200	200	-	-
Available-for-sale financial assets		2,507	4,278	-	-
Property, plant and equipment		75,474	80,582	-	-
Investment properties		4,345	4,723	-	-
Land use right		766	831	-	-
Deferred income tax assets		9	9	-	-
Goodwill arising on consolidation		-	-	-	-
		95,547	102,445	51,310	51,310
TOTAL ASSETS		251,148	246,934	93,413	95,264
LIABILITIES					
Current liabilities					
Trade and other payables	2	62,130	65,278	299	2,168
Current income tax liabilities		885	715	5	24
Borrowings		73,472	64,907	5,500	5,000
		136,487	130,900	5,804	7,192
Non-current liabilities					
Borrowings		23,393	19,678	-	-
Deferred income tax liabilities		7,730	8,001	-	-
		31,123	27,679	-	-
TOTAL LIABILITIES		167,610	158,579	5,804	7,192
NET ASSETS		83,538	88,355	87,609	88,072
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		88,385	88,385	88,385	88,385
Treasury shares		(3,115)	(3,115)	(3,115)	(3,115)
Other reserves		2,460	(316)	-	-
Retained profits		(5,960)	1,685	2,339	2,802
		81,770	86,639	87,609	88,072
Non-controlling interests		1,768	1,716	-	-
TOTAL EQUITY		83,538	88,355	87,609	88,072

1(b) (i) Notes to Statements of Financial Position

(1) Trade and other receivables

	Group		
	As At 31/03/18 \$'000	As At 30/06/17 \$'000	Change \$'000
Trade receivables	21,295	23,655	(2,360)
Construction contracts			
- Due from customers	43,458	43,621	(163)
- Retentions	15,785	15,679	106
	59,243	59,300	(57)
Total trade receivables	80,538	82,955	(2,417)
Other receivables	7,669	7,595	74
Total trade and other receivables	88,207	90,550	(2,343)
Average trade receivables' turnover (days)	183	207	
Average trade receivables' turnover, excluding amount due from customers from construction contracts pending certification (days)	51	53	

(2) Trade and other payables

	Group		
	As At 31/03/18 \$'000	As At 30/06/17 \$'000	Change \$'000
Trade payables	39,837	43,059	(3,222)
Construction contract work-in-progress	2,674	1,480	1,194
Other payables and accruals	19,619	20,739	(1,120)
Total trade and other payables	62,130	65,278	(3,148)
Average trade payables' turnover (days)	144	142	

Note: For review of Statements of Financial Position, please refer to Item 8 of the Results Announcement.

1(b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	Group	
	As At 31/03/18	As At 30/06/17
	\$'000	\$'000
Amount repayable in one year or less (secured)		
- Bank and other borrowings	66,433	58,884
- Finance lease liabilities	7,039	6,023
	73,472	64,907
Amount repayable after one year (secured)		
- Bank and other borrowings	15,076	15,127
- Finance lease liabilities	8,317	4,551
	23,393	19,678
Total borrowings	96,865	84,585

Details of any collaterals:

- (a) Bank borrowings obtained by certain subsidiaries are secured by leasehold properties, investment properties, certain machinery and equipment of the Group, corporate guarantees from the Company and certain subsidiaries; and personal guarantee from non-controlling interests of certain subsidiary.
- (b) Finance lease liabilities of the Group are secured over the leased machinery and equipment, motor vehicles and corporate guarantees from the Company and certain subsidiaries.

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.
Consolidated Statement of Cash Flows for the Third Quarter and Nine Months Ended 31 March 2018

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
(Loss)/Profit before income tax	(6,420)	451	(5,977)	1,575
Adjustments for:				
Interest income	(214)	(156)	(501)	(461)
Dividend income	(1)	-	(2)	(2)
Share of results of associates	619	-	695	-
Loss on disposal of available-for-sale financial assets	1,552	-	1,552	-
Gain on disposal of property, plant and equipment	(192)	(29)	(1,805)	(24)
Amortisation of land use rights	5	5	15	15
Depreciation of property, plant and equipment	3,951	3,950	12,014	11,850
Depreciation of investment properties	27	40	96	118
Interest expenses	848	585	2,219	1,788
Operating profit before working capital changes	175	4,846	8,306	14,859
Changes in working capital				
Trade and other receivables	14,987	(5,295)	1,629	(4,188)
Inventories	788	(1,077)	389	(1,302)
Construction contract work-in-progress	(12,225)	(5,160)	(22,345)	(7,751)
Trade and other payables	2,448	5,903	(522)	893
Cash generated from/(used in) operations	6,173	(783)	(12,543)	2,511
Income tax paid	(307)	(16)	(747)	(38)
Net cash provided by/(used in) operating activities	5,866	(799)	(13,290)	2,473
Cash flows from investing activities:				
Interest received	66	17	81	41
Dividend received	1	-	2	2
Proceed from:				
- disposals of property, plant and equipment	247	318	2,179	645
- disposal of available-for-sale financial assets	1,040	-	1,040	-
- cessation of club membership	-	18	-	18
Redemption of available-for-sale financial assets	-	-	829	1,384
Loan to associates	(108)	-	(856)	-
Purchases of and/or additions to:				
- available-for-sale financial assets	-	(185)	-	(458)
- property, plant and equipment	(3,272)	(931)	(5,316)	(3,628)
- Investment in associate	-	(4)	-	(4)
Investment in joint venture	-	-	(8)	(3)
Net cash used in investing activities	(2,026)	(767)	(2,049)	(2,003)
Cash flows from financing activities:				
Proceeds from bank borrowings	45,570	28,276	158,147	110,172
Dividends paid to:				
- equity holders of the Company	-	-	(1,188)	(890)
- non-controlling interests	-	-	(295)	-
Interest paid	(848)	(585)	(2,219)	(1,788)
Repayments of:				
- bank borrowings	(50,732)	(32,547)	(141,855)	(119,236)
- finance lease liabilities	(2,222)	(1,605)	(5,792)	(4,820)
Net cash (used in)/provided by financing activities	(8,232)	(6,461)	6,798	(16,562)
Net decrease in cash and cash equivalents	(4,392)	(8,027)	(8,541)	(16,092)
Cash and cash equivalents				
Beginning of financial period	17,561	21,935	21,680	30,012
Effect of currency translation on cash and cash equivalents	40	26	70	14
End of financial period	13,209	13,934	13,209	13,934

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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. (Cont'd)

Consolidated Statement of Cash Flows for the Third Quarter and Nine Months Ended 31 March 2018 (Cont'd)

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	12,176	11,604	12,176	11,604
Short-term bank deposits	1,333	2,630	1,333	2,630
	13,509	14,234	13,509	14,234
Less: Bank deposits pledged to secure banking facilities	(300)	(300)	(300)	(300)
Cash and cash equivalents as per consolidated statement of cash flows	13,209	13,934	13,209	13,934



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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.

Statements of Changes in Equity

GROUP	Share capital	Treasury shares	Retained profits	Fair value reserves	Currency translation reserves	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1/07/16	88,385	(3,115)	1,774	(1,911)	2,324	87,457	1,621	89,078
Total comprehensive loss for the period	-	-	713	(256)	(954)	(497)	(230)	(727)
Dividends paid	-	-	(891)	-	-	(891)	-	(891)
Balance at 31/03/17	88,385	(3,115)	1,596	(2,167)	1,370	86,069	1,391	87,460
Balance at 1/07/17	88,385	(3,115)	1,685	(443)	127	86,639	1,716	88,355
Total comprehensive loss for the period	-	-	(6,457)	1,370	1,406	(3,681)	347	(3,334)
Dividends paid	-	-	(1,188)	-	-	(1,188)	(295)	(1,483)
Balance at 31/03/18	88,385	(3,115)	(5,960)	927	1,533	81,770	1,768	83,538



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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.

Statements of Changes in Equity (Cont'd)

COMPANY	Share capital	Treasury shares	Retained profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1/07/16	88,385	(3,115)	1,578	86,848
Total comprehensive income for the period	-	-	(12)	(12)
Dividends paid	-	-	(891)	(891)
Balance at 31/03/17	88,385	(3,115)	675	85,945
Balance at 1/07/17	88,385	(3,115)	2,802	88,072
Total comprehensive loss for the period	-	-	725	725
Dividends paid	-	-	(1,188)	(1,188)
Balance at 31/03/18	88,385	(3,115)	2,339	87,609

- 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 was no new share issued during the financial period.

Treasury shares

During the three months ended 31 March 2018, the Company did not purchase any shares under the share buyback mandate from the market. The Company held 9,458,160 treasury shares as at the end of the financial period (31 March 2017: 9,458,160).

	Group and Company		Group and Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Number of shares		\$'000	
Issued and fully paid				
At beginning/end of period	9,458,160	9,458,160	3,115	3,115

- 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 ordinary shares (excluding treasury shares) as at 31 March 2018 was 296,649,136 (31 March 2017: 296,649,136).

- 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 2018.

- 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. 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 financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2017.

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 Standard 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 2018.

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

	Group		Group	
	3 Months Ended 31 March 2018	2017	9 Months Ended 31 March 2018	2017
<u>(Loss)/Earnings per share</u>				
(i) Basic (cent)	(2.19)	0.04	(2.18)	0.24
(ii) On a fully diluted basis (cent)	(2.19)	0.04	(2.18)	0.24

(Loss)/Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares in issue during the period of 296,649,136 (31 March 2017: 296,649,136).

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.

	Group		Company	
	As at 31/03/18	As at 30/06/17	As at 31/03/18	As at 30/06/17
Net assets value per ordinary share based on issued share capital (excluding treasury share) (cents)	28.16	29.78	29.53	29.69
Number of shares in issue (excluding treasury shares)	296,649,136	296,649,136	296,649,136	296,649,136

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 affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review on Group's Financial Results

9 months ended 31 March 2018 (9M2018) vs 9 months ended 31 March 2017 (9M2017)

The Group reported revenue of \$122.7 million in 9M2018, an increase of \$20.7 million or 20.3% from \$102.0 million in 9M2017. The increase was primarily from the Group's bored piling operation as a result of higher value of work undertaken in the current period.

Cost of sales increased from \$87.8 million in 9M2017 to \$111.6 million in 9M2018, in tandem with the increase in business activities.

The Group registered a gross profit of \$11.1 million in 9M2018. The gross profit margin decreased as a result of higher operating costs incurred for projects during the current period.

Other income increased from \$1.7 million in 9M2017 to \$2.9 million in 9M2018, mainly due to the increase in sales of minor and other assets.

The increase in administrative expenses from \$14.0 million in 9M2017 to \$15.5 million in 9M2018 was mainly due to the increase in administrative staff costs.

The Group reversed from other gains of \$1.4 million in 9M2017 to other losses of \$1.4 million in 9M2018. Other losses in 9M2018 include loss on disposal of available-for-sale financial assets of \$1.6 million and exchange loss of \$1.7 million. The losses were offset by a gain on disposal of property, plant and equipment of \$1.8 million. Other gains in 9M2017 was mainly related to exchange gain of \$1.4 million.

The higher finance costs in 9M2018 was as a result of increase in borrowings.

The income tax expense was in relation to the profitable entities within the Group.

As a result of the above, the Group registered a loss for the period of \$6.3 million in 9M2018.

8. Review on Group's Financial Results**3 months ended 31 March 2018 (3Q2018) vs 3 months ended 31 March 2017 (3Q2017)**

The Group reported revenue of \$28.0 million in 3Q2018, a decrease of \$11.7 million or 29.5% from \$39.7 million in 3Q2017. The decrease in revenue was due to lower value of work undertaken in the current period and prolong work phase of some projects.

Cost of sales decreased from \$34.1 million in 3Q2017 to \$25.8 million in 3Q2018, in tandem with the decrease in business activities.

The Group registered a decrease gross profit of \$3.4 million in 3Q2018 compared to 3Q2017. The decrease in gross profit was as a result of decrease in revenue and higher operating costs incurred for projects during the current period. Accordingly, the gross profit margin decrease from 14.2% in 3Q17 to 7.9% in 3Q18.

Other income increased from \$0.4 million in 3Q2017 to \$1.1 million in 3Q2018, mainly due to the increase in sales of minor and other assets.

The increase in administrative expenses from \$4.7 million in 3Q2017 to \$5.9 million in 3Q2018 was mainly due to increase in administrative staff costs.

The increase in other losses was mainly due to loss on disposal of available-for-sale financial assets of \$1.6 million and an increase in exchange loss of \$0.7 million.

The income tax expense was in relation to the profitable entities within the Group.

As a result of the above, the Group registered a loss for the period of \$6.7 million in 3Q2018.

8. Review of Statements of Financial Position and Cash Flow

Statements of Financial Position	As At	As At	Change
	31/03/18	30/06/17	
	\$'000	\$'000	\$'000
Total Assets	251,148	246,934	4,214
Current Assets	155,601	144,489	11,112
Non-Current Assets	95,547	102,445	(6,898)
Current Liabilities (excluding borrowings)	63,015	65,993	(2,978)
Total Borrowings	96,865	84,585	12,280
Shareholders' Equity	81,770	86,639	(4,869)
Net Working Capital	19,114	13,589	5,525

Current Assets

Current assets increased by \$11.1 million were mainly attributable to the followings:

- (i) Increase in construction work-in-progress of \$22.3 million mainly due to higher costs incurred in excess of value of work done for the on-going projects.

Partially offset by:

- (ii) Decrease in cash and cash equivalents of approximately \$8.5 million as a result of cash flow generated from financing activities of \$6.8 million offset by cash flow used in operating activities and investing activities amounted to \$15.3 million.
- (iii) Decrease in trade receivables of \$2.4 million was mainly due to collection received.

Non-Current Assets

Non-current assets decreased by \$6.9 million were mainly attributable to the followings:

- (i) Decrease in property, plant and equipment of \$5.1 million mainly due to depreciation charge of \$12.0 million, which was partially offset by additions of property, plant and equipment of \$7.4 million.
- (ii) Decrease in available-for-sale financial assets of \$1.8 million mainly due to funds received and disposal.

Current Liabilities (excluding borrowings)

Decrease in trade and other payables of \$3.1 million was mainly due to decrease in accruals and payments made to trade payables during the current period.

Total Borrowings

Net increase in total borrowings was in line with the increase in business activities during the period.

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

The current results reflect with the commentary made in paragraph 10 of the Second Quarter and Half Year 2018 Result Announcement dated 9 February 2018, as well as the loss on disposal of available-for-sale financial assets.

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**

Outlook

Ministry of Trade and Industry Singapore announced on 13 April 2018 that the growth in the construction sector contracted by 4.4 per cent on a year-on-year basis in the first quarter of 2018, extending the 5.0 per cent decline in the previous quarter. The contraction was largely due to a fall in both private sector and public sector construction activities.

The Group's net order book as at 31 March 2018 stood at \$168.9 million, comprising projects from public infrastructure, public housing, residential, commercial and geoservices.

The Group expects the construction sector to remain challenging. External factors such as keen competition, rising costs and the tight labour market will continue to add pressure on the Group's performance. Accordingly, it is unlikely that there will be an improvement in the Group's financial performance in the next reporting period.

11. **If no dividend has been declared (recommended), a statement to that effect.**

No interim dividend for the nine months ended 31 March 2018 is recommended (31 March 2017: Nil).

12. **Interested Persons Transactions**

The Company does not have a shareholders' mandate under Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The following is the aggregate value of all transactions with interested persons for the Third Quarter and Nine Months ended 31 March 2018:

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	
	3 months ended 31 March 2018	9 months ended 31 March 2018
	\$'000	\$'000
<u>HL Suntek Insurance Brokers Pte Ltd</u> ⁽¹⁾ - Insurance expense	185	606
<u>Mandarin Road Pty Ltd</u> ⁽²⁾ - Rental of premise	41	123
<u>Tanglin Capital Pte.Ltd.</u> ⁽³⁾ - Interest expense	53	159



RYOBI KISO HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
Company Registration No. 200803985D

12. Interested Persons Transactions (Cont'd)

Note:

- (1) Mr Lee Yiok Seng, Chairman and Non-Executive Director of the Company, is a director of HL Suntek Insurance Brokers Pte Ltd.
- (2) Mr Ong Tiong Siew, Chief Executive Officer and Executive Director of the Company, is a director and deemed shareholder of Mandarin Road Pty Ltd.
- (3) Mr Ong Tiong Siew, Chief Executive Officer and Executive Director of the Company and Mr Ong Teng Choon, Executive Director of the Company, are the directors and shareholders of Tanglin Capital Pte. Ltd.

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 attention of the Board of Directors which may render the unaudited financial statements of the Company and the Group for the Third Quarter and Nine Months ended 31 March 2018 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 confirmed 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

Ong Tiong Siew
Chief Executive Officer/Executive Director
14 May 2018