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

THIRD QUARTER AND NINE MONTHS 2016 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, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

INCOME STATEMENT FOR THE THIRD QUARTER ("3Q2016") AND NINE MONTHS ENDED 31 MARCH 2016 ("9M2016")

		Group					
		3 Months Ended 31 March			9 Months Ended 31 March		
		2016	2015	Change	2016	2015	Change
	Note	$'000	$'000	%	$'000	$'000	%
Revenue	1	42,241	42,086	0.4	141,720	139,785	1.4
Cost of sales	2	(35,280)	(37,581)	(6.1)	(126,068)	(122,757)	2.7
Gross profit		6,961	4,505	54.5	15,652	17,028	(8.1)
Other income	3	319	680	(53.1)	1,329	1,346	(1.3)
Administrative expenses		(5,261)	(4,819)	9.2	(15,092)	(15,461)	(2.4)
Other (losses)/gains – net	4	(421)	402	(204.7)	(7,489)	(249)	2,907.6
Finance costs	5	(684)	(543)	26.0	(2,097)	(1,607)	30.5
		914	225	306.2	(7,697)	1,057	(828.2)
Share of results of joint venture		(1)	-	NM	-	(22)	(100.0)
Profit/(loss) before income tax	6	913	225	305.8	(7,697)	1,035	(843.7)
Income tax expense	7	(374)	(19)	1,868.4	(501)	(73)	586.3
Profit/(loss) for the period		539	206	161.7	(8,198)	962	(952.2)
Attributable to:							
Equity holders of the Company		263	215	22.3	(7,540)	617	(1,322.0)
Non-controlling interests		276	(9)	NM	(658)	345	(290.7)
Profit/(loss) for the period		539	206	161.7	(8,198)	962	(952.2)
Gross profit margin		16.5%	10.7%		11.0%	12.2%	
Net profit/(loss) margin		1.3%	0.5%		(5.8%)	0.7%	
Effective tax rate		36.7%	14.2%		NM	10.0%	
NM – Not Meaningful							

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1(a) (i) Statement of Comprehensive Income for the Third Quarter and Nine Months Ended 31 March 2016

	Group					
	3 Months Ended 31 March			9 Months Ended 31 March		
	2016	2015	Change	2016	2015	Change
	$'000	$'000	%	$'000	$'000	%
Profit/(loss) for the period	539	206	161.7	(8,198)	962	(952.2)
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit and loss						
Currency translation differences arising from Consolidation -Gains	15	349	(95.7)	34	1,622	(97.9)
Available-for-sale financial assets						
- Currency translation differences	(1,030)	-	NM	(1,115)	-	NM
- Fair value gain/(loss)	6	(41)	114.6	(136)	(112)	21.4
Other comprehensive (loss)/ income, net of tax	(1,009)	308	(427.6)	(1,217)	1,510	(180.6)
Total comprehensive (loss)/income for the period	(470)	514	(191.4)	(9,415)	2,472	(480.9)
Attributable to:						
Equity holders of the Company	(469)	443	(205.9)	(8,463)	1,725	(590.6)
Non-controlling interests	(1)	71	(101.4)	(952)	747	(227.4)
Total comprehensive (loss)/income for the period	(470)	514	(191.4)	(9,415)	2,472	(480.9)
NM – Not Meaningful						

1(a) (ii) Notes to Income Statement

(1) Revenue

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Bored piling	19,873	26,543	78,084	104,550
Eco-friendly piling, geoservices and others	21,225	14,549	60,001	31,413
Plant engineering services	759	866	2,875	3,449
Property investment	384	128	760	373
Total revenue	42,241	42,086	141,720	139,785

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	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
(Reversal of amortisation)/amortisation of land use right, net	(64)	11	(42)	32
Depreciation of machinery and equipment	3,490	3,394	10,301	9,786
Depreciation of investment properties	40	30	120	86
Unrecoverable costs	-	-	1,880	-

(3) Other income

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Interest income from deposits and receivable	228	9	690	28
Rental income	-	139	-	258
Dividend income	-	2	5	10
Scrap sales	67	153	198	330
Miscellaneous income	24	377	436	720
Total other income	319	680	1,329	1,346

(4) Other (losses)/gains – net

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Foreign exchange (loss)/gain, net	(628)	394	(415)	(48)
Gain on disposal of available-for-sale financial assets	-	8	-	8
Gain on disposal of property, plant and equipment	207	-	300	206
Impairment loss on available-for-sale financial assets	-	-	-	(25)
Loss on deemed disposal on interest in subsidiary	-	-	-	(390)
Unrecoverable progress claim written off	-	-	(7,374)	-
Total other (losses)/gains – net	(421)	402	(7,489)	(249)

(5) Finance costs

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Interest expenses				
- bank borrowings	587	458	1,803	1,360
- finance lease liabilities	97	85	294	247
Total finance costs	684	543	2,097	1,607

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

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

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
(Reversal of amortisation)/amortisation of land use right, net	(64)	11	(42)	32
Depreciation of property, plant and equipment	4,050	4,008	11,918	11,642
Depreciation of investment properties	40	30	120	86
Employee compensation, including directors' remuneration	8,347	7,344	22,315	25,067
Rental on operating leases - premises	232	253	740	800
Professional fees	313	340	1,581	1,743

(7) Income tax expense

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Current income tax				
- current period	334	32	438	96
- under provision in prior years	1	-	48	7
	335	32	486	103
Deferred income tax				
- current period	39	(13)	15	(30)
Total income tax expense	374	19	501	73

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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 31/03/16	As At 30/06/15	As At 31/03/16	As At 30/06/15
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents		22,699	18,869	327	1,992
Trade and other receivables	1	83,178	90,393	49,584	47,950
Inventories		13,630	12,870	-	-
Construction contract work-in-progress		7,526	3,701	-	-
		127,033	125,833	49,911	49,942
Non-current assets					
Investment in subsidiaries		-	-	42,029	41,894
Investment in joint ventures		41	*	-	-
Club memberships		220	220	-	-
Available-for-sale financial assets		16,641	20,717	-	-
Property, plant and equipment		94,127	100,125	-	-
Investment properties		4,931	5,085	-	-
Land use right		859	1,912	-	-
Deferred income tax assets		41	41	-	-
Goodwill arising on consolidation		5,561	5,561	-	-
		122,421	133,661	42,029	41,894
TOTAL ASSETS		249,454	259,494	91,940	91,836
LIABILITIES					
Current liabilities					
Trade and other payables	2	50,675	53,369	2,308	315
Current income tax liabilities		449	309	6	186
Derivative financial instruments		116	3	-	-
Borrowings		62,695	52,216	-	-
		113,935	105,897	2,314	501
Non-current liabilities					
Borrowings		32,434	38,036	-	-
Deferred income tax liabilities		8,572	8,591	-	-
		41,006	46,627	-	-
TOTAL LIABILITIES		154,941	152,524	2,314	501
NET ASSETS		**94,513**	**106,970**	**89,626**	**91,335**
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)	(3,039)	(3,115)	(3,039)
Other reserves		610	1,533	-	-
Retained profits		5,605	16,111	4,356	5,989
		91,485	**102,990**	**89,626**	**91,335**
Non-controlling interests		3,028	3,980	-	-
TOTAL EQUITY		**94,513**	**106,970**	**89,626**	**91,335**

* Amount less than $1,000

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

(1) Trade and other receivables

	Group		
	As At 31/03/16	As At 30/06/15	Change
	$'000	$'000	$'000
Trade receivables	25,120	25,398	(278)
Construction contracts			
- Due from customers	35,330	39,058	(3,728)
- Retentions	16,539	16,213	326
	51,869	55,271	(3,402)
Total trade receivables	76,989	80,669	(3,680)
Other receivables	6,189	9,724	(3,535)
Total trade and other receivables	83,178	90,393	(7,215)
Average trade receivables' turnover (days)	154	153	
Average trade receivables' turnover, excluding amount due from customers from construction contracts pending certification (days)	48	43	

(2) Trade and other payables

	Group		
	As At 31/03/16	As At 30/06/15	Change
	$'000	$'000	$'000
Trade payables	26,864	24,661	2,203
Other payables and accruals	23,811	28,708	(4,897)
Total trade and other payables	50,675	53,369	(2,694)
Average trade payables' turnover (days)	73	85	

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 31/03/16	As At 30/06/15
	$'000	$'000
Amount repayable in one year or less (secured)		
- Bank overdrafts	-	582
- Bank borrowings	56,425	45,868
- Finance lease liabilities	6,270	5,766
	62,695	52,216
Amount repayable after one year (secured)		
- Bank borrowings	21,615	25,223
- Finance lease liabilities	10,819	12,813
	32,434	38,036
Total borrowings	95,129	90,252

Details of any collaterals:

(a) Bank borrowings obtained by certain subsidiaries are secured by certain machinery and equipment of the Group and the corporate guarantees from the Company and a subsidiary; and personal guarantee from a non-controlling interest of a subsidiary.

(b) Finance lease liabilities of the Group are effectively secured over the leased machinery and equipment and motor vehicles and corporate guarantees from the Company and certain subsidiaries; and personal guarantees from the directors of certain subsidiaries.

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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.

Consolidated Statement of Cash Flows for Third Quarter and Nine Months Ended 31 March 2016

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Cash flows from operating activities:				
Profit/(Loss) before income tax	913	225	(7,697)	1,035
Adjustments for:				
Interest income	(228)	(9)	(690)	(28)
Dividend income	-	(2)	(5)	(10)
Share of results of joint venture	1	-	-	22
Gain on disposals of:				
- property, plant and equipment	(207)	-	(300)	(206)
- available-for-sale financial assets	-	(8)	-	(8)
(Reversal of amortisation)/amortisation of land use right	(64)	11	(42)	32
Depreciation of property, plant and equipment	4,050	4,008	11,918	11,642
Depreciation of investment properties	40	30	120	86
Interest expenses	684	543	2,097	1,607
Impairment loss on available-for-sale financial assets	-	-	-	25
Loss on deemed disposal on interest in subsidiary	-	-	-	390
Currency translation losses/(gains)	149	28	(99)	751
Operating profit before working capital changes	5,338	4,826	5,302	15,338
Changes in working capital				
Trade and other receivables	4,139	(569)	7,215	(13,907)
Inventories	(669)	(889)	(759)	(3,661)
Construction contract work-in-progress	(975)	(1,951)	(3,825)	(2,167)
Trade and other payables	(11,956)	(8)	(1,471)	7,747
Cash (used in)/generated from operations	(4,123)	1,409	6,462	3,350
Income tax paid	(97)	(58)	(347)	(120)
Net cash (used in)/provided by operating activities	(4,220)	1,351	6,115	3,230
Cash flows from investing activities:				
Interest received	228	9	690	28
Dividend received	-	2	5	10
Proceeds from:				
- disposals of property, plant and equipment	378	1	660	505
- issuance of shares to non-controlling interests	-	-	-	300
Redemption of available-for-sale financial assets	-	1,108	7,929	1,108
Purchases of and/or additions to:				
- available-for-sale financial assets	(1,906)	(274)	(4,937)	(276)
- property, plant and equipment	(1,397)	(3,525)	(3,023)	(8,093)
- land used rights	(35)	-	(35)	-
Investment in joint venture	(7)	-	(41)	(22)
Net cash (used in)/provided by investing activities	(2,739)	(2,679)	1,248	(6,440)
Cash flows from financing activities:				
Proceeds from bank borrowings	34,800	15,909	104,485	44,176
Dividends paid to:				
- equity holders of the Company	-	-	(2,966)	(2,227)
- non-controlling interests	-	-	-	(231)
Deposit pledged to bank	-	-	50	-
Interest paid	(684)	(543)	(2,097)	(1,607)
Repayments of:				
- bank borrowings	(36,459)	(9,286)	(97,538)	(27,865)
- finance lease liabilities	(1,569)	(1,793)	(4,786)	(5,010)
Purchase of treasury shares	-	-	(76)	(388)
Net cash (used in)/provided by financing activities	(3,912)	4,287	(2,928)	6,848

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 Third Quarter and Nine Months Ended 31 March 2016 (Cont'd)

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Net (decrease)/increase in cash and cash equivalents	(10,871)	2,959	4,435	3,638
Cash and cash equivalents				
Beginning of financial period	33,273	15,525	17,936	14,818
Effect of currency translation on cash and cash equivalents	(3)	(14)	28	14
End of period	22,399	18,470	22,399	18,470
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	19,309	17,405	19,309	17,405
Short-term bank deposits	3,390	1,365	3,390	1,365
	22,699	18,770	22,699	18,770
Less: Bank deposits pledged to secure banking facilities	(300)	(300)	(300)	(300)
Cash and cash equivalents as per consolidated statement of cash flows	22,399	18,470	22,399	18,470

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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 1/07/14	88,385	(2,651)	18,235	(195)	478	104,252	2,381	106,633
Total comprehensive income/(loss) for the period	-	-	617	(112)	1,220	1,725	747	2,472
Disposal of interest to non-controlling interests	-	-	-	-	-	-	690	690
Purchase of treasury shares	-	(388)	-	-	-	(388)	-	(388)
Dividends paid	-	-	(2,227)	-	-	(2,227)	(231)	(2,458)
Balance at 31/03/15	88,385	(3,039)	16,625	(307)	1,698	103,362	3,587	106,949
Balance at 1/07/15	88,385	(3,039)	16,111	(238)	1,771	102,990	3,980	106,970
Purchase of treasury shares	-	(76)	-	-	-	(76)	-	(76)
Total comprehensive (loss)/income for the period	-	-	(7,540)	(982)	59	(8,463)	(952)	(9,415)
Dividends paid	-	-	(2,966)	-	-	(2,966)	-	(2,966)
Balance at 31/03/16	88,385	(3,115)	5,605	(1,220)	1,830	91,485	3,028	94,513

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 1/07/14	88,385	(2,651)	2,995	88,729
Purchase of treasury shares	-	(388)	-	(388)
Total comprehensive income for the period	-	-	64	64
Dividends paid	-	-	(2,227)	(2,227)
Balance at 31/03/15	88,385	(3,039)	832	86,178
Balance at 1/07/15	88,385	(3,039)	5,989	91,335
Purchase of treasury shares	-	(76)	-	(76)
Total comprehensive income for the period	-	-	1,333	1,333
Dividends paid	-	-	(2,966)	(2,966)
Balance at 31/03/16	88,385	(3,115)	4,356	89,626

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 2016, the Company did not purchase any shares under the share buyback mandate from the market. As at 31 March 2016, the Company held 9,458,160 treasury shares (31 March 2015: 9,168,000*).

	Group and Company		Group and Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Number of shares		$'000	
Issued and fully paid				
At beginning of period*	9,458,160	9,168,000	3,115	3,039
Acquired during period	-	-	-	-
At end of period*	9,458,160	9,168,000	3,115	3,039

** Number of shares stated had been adjusted to post Share Consolidation for comparison purpose.*

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 2016 was 296,649,136 (31 March 2015: 296,939,296*).

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 2016.

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 2015.

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 2016.

6. 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		9 Months Ended 31 March	
	2016	2015	2016	2015
Earnings/(Loss) per share				
(i) Based on weighted average number of ordinary shares in issue (cents)	0.09	0.07	(2.5)	0.21
(ii) On a fully diluted basis (cents)	0.09	0.07	(2.5)	0.21

Earnings/(Loss) 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 296,673,143 (31 March 2015: 297,499,194*).

There is no difference between the basic and diluted earnings/(loss) 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 31/03/16	As at 30/06/15	As at 31/03/16	As at 30/06/15
Net assets value per ordinary share based on issued share capital (excluding treasury share) (cents)	31.86	36.02	30.21	30.76
Number of shares in issue (excluding treasury shares)*	296,649,136	296,939,296	296,649,136	296,939,296

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 2016 (9M2016) vs 9 months ended 31 March 2015 (9M2015)

The Group reported revenue of $141.7 million in 9M2016, an increase of 1.4% from $139.8 million in 9M2015. Revenue contribution from the Group's bored piling operations decreased by $26.5 million or 25.3% from $104.6 million in 9M2015 to $78.1 million in 9M2016, mainly due to lower value of work undertaken for the projects in Australia in the current period. However, revenue contribution from its eco-friendly piling, geoservices and other operations increased by $28.6 million or 91.0% from $31.4 million in 9M2015 to $60.0 million in 9M2016, was mainly attributable to higher value of work undertaken in Singapore.

The increase in business activities and additional costs recognised for certain completed projects in Singapore in 9M2016 resulted in the increased of cost of sales by $3.3 million or 2.7% to S$126.1 million from S$122.8 million in 9M2015.

Gross profit decrease by $1.3 million or 8.1% from $17.0 million in 9M2015 to $15.7 million in 9M2016, mainly due to increase in cost of sales. Accordingly, the gross profit margin decrease from 12.2% in 9M2015 to 11.0% in 9M2016.

Administrative expenses for 9M2016 was $15.1 million which was comparable to $15.5 million in 9M2015 .

Other losses increased by $7.3 million from $0.2 million in 9M2015 to $7.5 million in 9M2016, mainly due to unrecoverable progress claims written off of about $7.4 million recognised in December 2015. The unrecoverable progress claims written off was in relation to an out-of-court settlement between the Group and one of its main contractor.

Finance costs increased by $0.5 million from $1.6 million in 9M2015 to $2.1 million in 9M2016 was in line with the increased in bank borrowing.

Despite the overall losses registered by the Group, the income tax expense was in relation to the profitable entities within the Group.

As a result of the above, the Group reported a loss before income tax of $7.7 million in 9M2016 as compared to a profit of $1.0 million in 9M2015, a decrease by $8.7 million. The loss for the period was $8.2 million as compared to a profit of $1.0 million in 9M2015.

8. Review on Group's Financial Results

3 months ended 31 March 2016 (3Q2016) vs 3 months ended 31 March 2015 (3Q2015)

The Group reported revenue for 3Q2016 reported at $42.2 million which was comparable to $42.1 million in 3Q2015. The marginal increase in revenue was mainly contributed by the increased in revenue of the Group's property investment operation of $0.3 million, eco-friendly piling, geoservices and other operations of $6.7 million and offset with the revenue decreased from its bored piling operations of $6.7 million.

Cost of sales decreased by $2.3 million or 6.1% to $35.3 million in 3Q2016 from $37.6 million in 3Q2015. Gross profit increased by $2.5 million or 54.5% from $4.5 million in 3Q2015 to $7.0 million in 3Q2016. Hence, the Group achieved a higher gross profit margin of 16.5% in 3Q2016 as compared to 10.7% in 3Q2015.

Other income decreased by 53.1% from $0.7 million in 3Q2015 to $0.3 million in 3Q2016 mainly due to decrease in rental and dormitory service income.

Administrative expenses increased by 9.2% from $4.8 million in 3Q2015 to $5.3 million in 3Q2016, mainly due to increase in employee compensation, including directors' remuneration.

Finance costs for 3Q2016 was $0.7 million which was comparable to $0.5 million in 3Q2015 .

The higher effective tax rate registered in 3Q2016 was mainly due to losses incurred by some entities which could not be offset against profit earned by other companies within the Group.

As a result of the above, the Group reported a profit before income tax of $0.9 million in 3Q2016 as compared to a profit of $0.2 million in 3Q2015, an increase by $0.7 million or 305.8%. The profit for the period was $0.5 million as compared to $0.2 million in 3Q2015.

8. Review of Statements of Financial Position and Cash Flow

Statements of Financial Position	As At 31/03/16	As At 30/06/15	Change
	$'000	$'000	$'000
Total Assets	249,454	259,494	(10,040)
Current Assets	127,033	125,833	1,200
Non-Current Assets	122,421	133,661	(11,240)
Current Liabilities (excluding borrowings)	51,240	53,681	(2,441)
Total Borrowings	95,129	90,252	4,877
Shareholders' Equity	91,485	102,990	(11,505)
Net Working Capital	13,098	19,936	(6,838)

Current Assets

Current assets increased by $1.2 million were mainly attributable to the followings:

(i) Positive cash flow generated from operations of $6.1 million and investing activities of $1.2 million offset with cash flow used in financing activities of $2.9 million resulting in increase in cash and cash equivalents of $4.4 million in 9M2016.

(ii) Increase in construction contract work-in-progress of $3.8 million was mainly due to higher costs incurred in excess of value of work done for the on-going projects.

(iii) Decrease in due from customers on construction contracts of $3.7 million as a result of decrease in work undertaken for oversea projects.

(iv) Decrease in other receivables of $3.5 million as a result of decrease in deposit and certain other receivable was transferred to available-for-sales financial assets.

Non-Current Assets

Non-current assets decreased by $11.2 million were mainly attributable to the followings:

(i) Decrease in property, plant and equipment of $6.0 million. The decrease was mainly due to depreciation charge of $11.9 million which was partially offset with the purchase of property, plant and equipment of $6.3 million.

(ii) Decrease in available-for-sales financial assets of $4.1 million mainly due to repayment of funds received.

Current Liabilities (excluding borrowings)

Decrease in other payables and accruals of $4.9 million were mainly due to repayment made during the current period.

Total Borrowings

The increase in total borrowings by $4.9 million was in line with the increase in business activities in 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.

The current results are in line with the commentary in paragraph 10 of the Second Quarter 2016 Results Announcement dated 2 February 2016 as well as the SGXNET announcements released by the Company on 15 January 2016 and 16 January 2016.

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

MTI announced on 24 February 2016 that the construction sector grew by 4.9 per cent year-on-year, faster than 3.0 per cent growth in the previous quarter. The growth was supported by public sector construction activities. The Group expects the outlook for the construction industry to remain challenging due to keen competition and tight labour market. Therefore, the Group will remain cautious about the local and regional markets where it operates and will continue to strive to secure more projects.

The Group's net order book as at 31 March 2016 stood at $127.9 million, comprising public infrastructure projects, public housing projects, residential projects, commercial projects, as well as geoservices.

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

No interim dividend for the nine months ended 31 March 2016 is recommended (31 March 2015: 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 2016:

Interested Persons Transactions **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 2016	**9 months ended 31 March 2016**
	$'000	**$'000**
HL Suntek Insurance Brokers Pte Ltd [(1)] - Insurance expense	187	629
Mandarin Road Pty Ltd [(2)] - Rental of premise	39	118

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 shareholder of Mandarin Road Pty 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 2016 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
10 May 2016