

THIRD QUARTER AND NINE MONTHS 2015 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 ("3Q2015") AND NINE MONTHS ENDED 31 MARCH 2015 ("9M2015")

	Note	Group					
		3 Months Ended 31 March		Change	9 Months Ended 31 March		Change
		2015 \$'000	2014 \$'000		2015 \$'000	2014 \$'000	
Revenue	1	42,109	29,836	41.1	139,644	100,470	39.0
Cost of sales	2	(36,665)	(24,962)	46.9	(120,371)	(85,453)	40.9
Gross profit		5,444	4,874	11.7	19,273	15,017	28.3
Other income	3	656	333	97.0	1,487	1,004	48.1
Administrative expenses		(5,734)	(6,378)	(10.1)	(17,847)	(17,569)	1.6
Other operating income/(expenses) – net	4	402	231	74.0	(249)	400	NM
Finance costs	5	(543)	(475)	14.3	(1,607)	(1,421)	13.1
		225	(1,415)	NM	1,057	(2,569)	NM
Share of results of joint venture		-	-	NM	(22)	-	NM
Profit/(loss) before income tax	6	225	(1,415)	NM	1,035	(2,569)	NM
Income tax expense	7	(19)	(195)	(90.3)	(73)	(74)	(1.4)
Profit/(loss) for the period		206	(1,610)	NM	962	(2,643)	NM
Attributable to:							
Equity holders of the Company		215	(850)	NM	617	(1,682)	NM
Non-controlling interests		(9)	(760)	(98.8)	345	(961)	NM
Profit/(loss) for the period		206	(1,610)	NM	962	(2,643)	NM
Gross profit margin		12.9%	16.3%		13.8%	14.9%	
Net profit margin		0.5%	(5.4%)		0.7%	(2.6%)	
Effective tax rate		8.4%	NM		6.4%	NM	
NM – Not Meaningful							

1(a) (i) Statement of Comprehensive Income for the Third Quarter and Nine Months Ended 31 March 2015

	Group					
	3 Months Ended 31 March		Change	9 Months Ended 31 March		Change
	2015	2014		2015	2014	
	\$'000	\$'000		\$'000	\$'000	
Profit/(loss) for the period	206	(1,610)	NM	962	(2,643)	NM
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit and loss						
Currency translation differences arising from consolidation	349	(217)	NM	1,622	172	843.0
Fair value loss on available-for-sale financial assets	(41)	(78)	(47.4)	(112)	(191)	(41.4)
Other comprehensive income/(loss), net of tax	308	(295)	NM	1,510	(19)	NM
Total comprehensive income/(loss) for the period	514	(1,905)	NM	2,472	(2,662)	NM
Attributable to:						
Equity holders of the Company	443	(1,176)	NM	1,725	(1,888)	NM
Non-controlling interests	71	(729)	NM	747	(770)	NM
Total comprehensive income/(loss) for the period	514	(1,905)	NM	2,472	(2,662)	NM
<i>NM – Not Meaningful</i>						

1(a) (ii) Notes to Income Statement

(1) Revenue

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Bored piling	26,543	19,400	104,550	76,201
Eco-friendly piling, geoservices and others	14,572	9,779	31,272	22,427
Plant engineering services	866	605	3,449	1,694
Property investment	128	52	373	148
Total revenue	42,109	29,836	139,644	100,470

(2) Cost of sales includes the following:

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Amortisation of land use right	11	11	32	32
Depreciation of machinery and equipment	3,394	3,012	9,786	8,843
Depreciation of investment properties	30	29	86	85

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

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest income from bank deposits	9	8	28	103
Rental income	75	22	399	111
Dividend income	2	-	10	16
Scrap sales	153	85	330	252
Miscellaneous income	417	218	720	522
Total other income	656	333	1,487	1,004

(4) Other operating income/(expenses) – net

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Foreign exchange gain/(loss), net	394	232	(48)	263
Gain on disposal of available-for-sale financial assets	8	-	8	-
(Loss)/gain on disposal of property, plant and equipment	-	(1)	206	137
Impairment loss on available-for-sale financial assets	-	-	(25)	-
Loss on deemed disposal on interest in subsidiary	-	-	(390)	-
Total other operating income/(expenses) - net	402	231	(249)	400

(5) Finance costs

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest expenses				
- bank borrowings	458	410	1,360	1,222
- finance lease liabilities	85	65	247	199
Total finance costs	543	475	1,607	1,421

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

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Amortisation of land use right	11	11	32	32
Depreciation of property, plant and equipment	4,008	3,589	11,642	10,615
Depreciation of investment properties	30	29	86	85
Employee compensation, including directors' remuneration	7,344	6,845	25,067	21,927
Rental on operating leases - premises	253	111	800	455
Professional fees	340	565	1,743	1,754

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

(7) Income tax expense

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- current period	32	68	96	124
- under/(over) provision in prior years	-	(48)	7	(203)
	32	20	103	(79)
Deferred income tax				
- current period	(13)	305	(30)	283
- over provision in prior years	-	(130)	-	(130)
	(13)	175	(30)	153
Total income tax expense	19	195	73	74

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 31/03/15 \$'000	As At 30/06/14 \$'000	As At 31/03/15 \$'000	As At 30/06/14 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	18,770	15,750	266	1,903
Trade and other receivables		89,667	75,788	44,464	45,403
Inventories		12,756	9,095	-	-
Construction contract work-in-progress		8,439	6,272	-	-
Derivative financial instruments		32	4	-	-
		129,664	106,909	44,730	47,306
Non-current assets					
Investment in subsidiaries		-	-	41,894	41,894
Club memberships		220	220	-	-
Available-for-sale financial assets		11,683	12,666	-	-
Property, plant and equipment		100,916	95,980	-	-
Investment properties		5,255	4,880	-	-
Land use right		2,011	1,867	-	-
Goodwill arising on consolidation		5,561	5,561	-	-
		125,646	121,174	41,894	41,894
TOTAL ASSETS		255,310	228,083	86,624	89,200
LIABILITIES					
Current liabilities					
Trade and other payables	2	58,742	51,022	283	308
Current income tax liabilities		275	292	163	163
Derivative financial instruments		27	-	-	-
Borrowings		53,185	38,630	-	-
		112,229	89,944	446	471
Non-current liabilities					
Borrowings		27,429	22,751	-	-
Deferred income tax liabilities		8,703	8,755	-	-
		36,132	31,506	-	-
TOTAL LIABILITIES		148,361	121,450	446	471
NET ASSETS		106,949	106,633	86,178	88,729
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		88,385	88,385	88,385	88,385
Treasury shares		(3,039)	(2,651)	(3,039)	(2,651)
Other reserves		1,391	283	-	-
Retained profits		16,625	18,235	832	2,995
		103,362	104,252	86,178	88,729
Non-controlling interests		3,587	2,381	-	-
TOTAL EQUITY		106,949	106,633	86,178	88,729

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

(1) Trade and other receivables

	Group		
	As At 31/03/15	As At 30/06/14	Change
	\$'000	\$'000	\$'000
Trade receivables	24,370	15,765	8,605
Construction contracts			
- Due from customers	41,898	38,013	3,885
- Retentions	15,190	15,140	50
	57,088	53,153	3,935
Total trade receivables	81,458	68,918	12,540
Other receivables	8,209	6,870	1,339
Total trade and other receivables	89,667	75,788	13,879
Average trade receivables' turnover (days)	148	182	
Average trade receivables' turnover, excluding amount due from customers from construction contracts pending certification (days)	41	47	

(2) Trade and other payables

	Group		
	As At 31/03/15	As At 30/06/14	Change
	\$'000	\$'000	\$'000
Trade payables	31,889	29,420	2,469
Other payables and accruals	26,853	21,602	5,251
Total trade and other payables	58,742	51,022	7,720
Average trade payables' turnover (days)	91	98	

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 31/03/15	As At 30/06/14
	\$'000	\$'000
Amount repayable in one year or less (secured)		
- Bank overdrafts	-	632
- Bank borrowings	48,108	32,758
- Finance lease liabilities	5,077	5,240
	53,185	38,630
Amount repayable after one year (secured)		
- Bank borrowings	18,504	18,113
- Finance lease liabilities	8,925	4,638
	27,429	22,751
Total borrowings	80,614	61,381

Details of any collaterals:

- 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.
- 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.

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 2015

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
Profit/(Loss) before income tax	225	(1,415)	1,035	(2,569)
Adjustments for:				
Interest income	(9)	(8)	(28)	(103)
Dividend income	(2)	-	(10)	(16)
Share of results of joint venture	-	-	22	-
Gain on disposals of:				
- property, plant and equipment	-	1	(206)	(137)
- available-for-sale financial assets	(8)	-	(8)	-
Amortisation of land use right	11	11	32	32
Depreciation of property, plant and equipment	4,008	3,589	11,642	10,615
Depreciation of investment properties	30	29	86	85
Interest expenses	543	475	1,607	1,421
Impairment loss on available-for-sale financial assets	-	-	25	-
Loss on deemed disposal on interest in subsidiary	-	-	390	-
Foreign exchange arising from translation	28	(259)	751	137
Operating profit before working capital changes	4,826	2,423	15,338	9,465
Changes in working capital				
Trade and other receivables	(569)	3,864	(13,907)	11,436
Inventories	(889)	(2,490)	(3,661)	(2,730)
Construction contract work-in-progress	(1,951)	(1,581)	(2,167)	(6,214)
Trade and other payables	(8)	3,081	7,747	(415)
Cash generated from operations	1,409	5,297	3,350	11,542
Income tax (paid)/refund	(58)	(31)	(120)	87
Net cash from operating activities	1,351	5,266	3,230	11,629
Cash flows from investing activities:				
Interest received	9	8	28	103
Dividend received	2	-	10	16
Proceeds from:				
- disposals of property, plant and equipment	1	-	505	140
- issuance of shares to non-controlling interests	-	-	300	-
- disposals of available-for-sale financial assets	1,108	-	1,108	-
Purchases of and/or additions to:				
- available-for-sale financial assets	(274)	(5,002)	(276)	(11,302)
- property, plant and equipment	(3,525)	(3,398)	(8,093)	(8,288)
Investment in joint venture	-	-	(22)	-
Net cash used in investing activities	(2,679)	(8,392)	(6,440)	(19,331)
Cash flows from financing activities:				
Proceeds from bank borrowings	15,909	17,421	44,176	55,676
Dividends paid to:				
- equity holders of the Company	-	-	(2,227)	(2,243)
- non-controlling interests	-	(299)	(231)	(299)
Interest paid	(543)	(475)	(1,607)	(1,421)
Repayments of:				
- bank borrowings	(9,286)	(17,343)	(27,865)	(48,466)
- finance lease liabilities	(1,793)	(1,208)	(5,010)	(3,667)
Purchase of treasury shares	-	-	(388)	(66)
Net cash from/(used in) financing activities	4,287	(1,904)	6,848	(486)

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 2015 (Cont'd)

	Group			
	3 Months Ended 31 March		9 Months Ended 31 March	
	2015	2014	2015	2014
Net increase/(decrease) in cash and cash equivalents	2,959	(5,030)	3,638	(8,188)
Cash and cash equivalents				
Beginning of financial period	15,525	17,463	14,818	20,608
Effect of currency translation on cash and cash equivalents	(14)	(2)	14	11
End of period	18,470	12,431	18,470	12,431
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	17,405	12,984	17,405	12,984
Short-term bank deposits	1,365	331	1,365	331
	18,770	13,315	18,770	13,315
Less: Bank deposits pledged to secure banking facilities	(300)	(300)	(300)	(300)
Bank overdrafts	-	(584)	-	(584)
Cash and cash equivalents as per consolidated statement of cash flows	18,470	12,431	18,470	12,431



RYOBI KISO HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Company Registration No. 200803985D

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 \$'000	Treasury shares \$'000	Retained profits \$'000	Fair value reserves \$'000	Currency translation reserves \$'000	Total attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1/07/13	88,385	(2,458)	25,510	(37)	649	112,049	4,759	116,808
Total comprehensive income for the period	-	-	338	(94)	(51)	193	(2)	191
Balance at 30/09/13	88,385	(2,458)	25,848	(131)	598	112,242	4,757	116,999
Purchase of treasury shares	-	(66)	-	-	-	(66)	-	(66)
Total comprehensive (loss)/income for the period	-	-	(1,170)	(19)	280	(909)	(39)	(948)
Dividends paid	-	-	(2,243)	-	-	(2,243)	-	(2,243)
Balance at 31/12/13	88,385	(2,524)	22,435	(150)	878	109,024	4,718	113,742
Total comprehensive (loss)/income for the period	-	-	(850)	(78)	(248)	(1,176)	(729)	(1,905)
Dividends paid	-	-	-	-	-	-	(299)	(299)
Balance at 31/03/14	88,385	(2,524)	21,585	(228)	630	107,848	3,690	111,538
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	-	-	270	(10)	616	876	194	1,070
Balance at 30/09/14	88,385	(2,651)	18,505	(205)	1,094	105,128	2,575	107,703
Disposal of interest to non-controlling interests	-	-	-	-	-	-	690	690
Purchase of treasury shares	-	(388)	-	-	-	(388)	-	(388)
Total comprehensive income/(loss) for the period	-	-	132	(61)	335	406	482	888
Dividends paid	-	-	(2,227)	-	-	(2,227)	(231)	(2,458)
Balance at 31/12/14	88,385	(3,039)	16,410	(266)	1,429	102,919	3,516	106,435
Total comprehensive income/(loss) for the period	-	-	215	(41)	269	443	71	514
Balance at 31/03/15	88,385	(3,039)	16,625	(307)	1,698	103,362	3,587	106,949



RYOBI KISO HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Company Registration No. 200803985D

- 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 1/07/13	88,385	(2,458)	2,516	88,443
Total comprehensive income for the period	-	-	164	164
Balance at 30/09/13	88,385	(2,458)	2,680	88,607
Purchase of treasury shares	-	(66)	-	(66)
Total comprehensive income for the period	-	-	38	38
Dividends paid	-	-	(2,243)	(2,243)
Balance at 31/12/13	88,385	(2,524)	475	86,336
Total comprehensive income for the period	-	-	260	260
Balance at 31/03/14	88,385	(2,524)	735	86,596
Balance at 1/07/14	88,385	(2,651)	2,995	88,729
Total comprehensive income for the period	-	-	(197)	(197)
Balance at 30/09/14	88,385	(2,651)	2,798	88,532
Purchase of treasury shares	-	(388)	-	(388)
Total comprehensive income for the period	-	-	87	87
Dividends paid	-	-	(2,227)	(2,227)
Balance at 31/12/14	88,385	(3,039)	658	86,004
Total comprehensive income for the period	-	-	174	174
Balance at 31/03/15	88,385	(3,039)	832	86,178

* amount less than \$500

- 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 since 31 December 2014.

Treasury shares

During the three months ended 31 March 2015, the Company did not purchase any shares under the share buyback mandate from the market. As at 31 March 2015, the Company held 22,920,000 treasury shares (31 March 2014: 18,251,000).

	Group and Company		Group and Company	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	Number of shares		\$'000	
Issued and fully paid				
At beginning of period	22,920,000	18,251,000	3,039	2,524
Acquired during period	-	-	-	-
At end of period	<u>22,920,000</u>	<u>18,251,000</u>	<u>3,039</u>	<u>2,524</u>

- 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 2015 was 742,348,240 (31 March 2014: 747,017,240).

- 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 2015.

- 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 2014.

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 2015.

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	
	2015	2014	2015	2014
Earnings/(Loss) per share				
(i) Based on weighted average number of ordinary shares in issue (cents)	0.03	(0.11)	0.08	(0.23)
(ii) On a fully diluted basis (cents)	0.03	(0.11)	0.08	(0.23)

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 743,747,985 (31 March 2014: 747,327,864).

There is no difference between the basic and diluted 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 31/03/15	As at 30/06/14	As at 31/03/15	As at 30/06/14
Net assets value per ordinary share based on issued share capital (excluding treasury share) (cents)	14.41	14.30	11.61	11.90
Number of shares in issue (excluding treasury shares)	742,348,240	745,788,240	742,348,240	745,788,240

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 2015 (9M2015) vs 9 months ended 31 March 2014 (9M2014)

The Group reported **Revenue** of \$139.6 million in 9M2015, an increase of \$39.1 million or 39.0% from \$100.5 million in 9M2014. The revenue contribution from the Group's bored piling operations increased by \$28.4 million or 37.2% from \$76.2 million (9M2014) to \$104.6 million (9M2015), mainly due to higher value of work undertaken for the projects in Singapore and Australia in the current period. In addition, revenue contribution from its eco-friendly piling, geoservices and other operations increased by \$8.9 million or 39.4% from \$22.4 million (9M2014) to \$31.3 million (9M2015), was mainly attributable to higher value of work undertaken in Singapore.

In tandem with the increase in business activities in Singapore and Australia in 9M2015, **Cost of Sales** increased by \$34.9 million or 40.9% to \$120.4 million (9M2015) from \$85.5 million (9M2014). **Gross Profit** increased by \$4.3 million or 28.3% from \$15.0 million (9M2014) to \$19.3 million (9M2015). Hence, the Group achieved a **Gross Profit Margin** of 13.8% (9M2015) as compared to 14.9% (9M2014).

The Group registered a **Profit before Income Tax** of \$1.0 million (9M2015) as compared to a loss of \$2.6 million (9M2014), an increase by \$3.6 million or 140.3%. The increase was mainly attributed to higher gross profit earned of \$4.3 million, which was offset by the loss on deemed disposal on interests in a subsidiary of \$0.4 million and the increase in exchange loss of \$0.3 million. The exchange loss of \$0.05 million in 9M2015 (as compared to an exchange gain of \$0.3 million in 9M2014) arose as a result of the Group's balances held in Australian Dollar depreciated against the Singapore Dollar during this period.

8. Review on Group's Financial Results

3 months ended 31 March 2015 (3Q2015) vs 3 months ended 31 March 2014 (3Q2014)

The Group reported **Revenue** of \$42.1 million in 3Q2015, an increase of \$12.3 million or 41.1% from \$29.8 million in 3Q2014. The revenue contribution from the Group's bored piling operations increased by \$7.1 million or 36.8% from \$19.4 million (3Q2014) to \$26.5 million (3Q2015), mainly due to higher value of work undertaken for the projects in Singapore and Australia in the current period. In addition, revenue contribution from its eco-friendly piling, geoservices and other operations increased by \$4.8 million or 49.0% from \$9.8 million (3Q2014) to \$14.6 million (3Q2015), was mainly attributable to higher value of work undertaken in Singapore.

In tandem with the increase in business activities in Singapore and Australia in 3Q2015, **Cost of Sales** increased by \$11.7 million or 46.9% to \$36.7 million (3Q2015) from \$25.0 million (3Q2014). **Gross Profit** increased by \$0.5 million or 11.7% from \$4.9 million (3Q2014) to \$5.4 million (3Q2015). Hence, the Group achieved a lower **Gross Profit Margin** of 12.9% (3Q2015) as compared to 16.3% (3Q2014).

The Group registered a **Profit before Income Tax** of \$0.2 million (3Q2015) as compared to a loss of \$1.4 million (3Q2014), an increase by \$1.6 million or 115.9%. The increase was mainly attributed to higher gross profit earned of \$0.5 million, the increase in other income of \$0.3 million, the decrease in administrative staff costs of \$0.4 million and the increase in exchange gain of \$0.2 million. The exchange gain increased by \$0.2 million from \$0.2 million (3Q2014) to \$0.4 million (3Q2015) as the Group's balances held in Vietnamese Dong appreciated against the Singapore Dollar during this period.

8. Review of Statements of Financial Position and Cash Flow

Statements of Financial Position	As At 31/03/15	As At 30/06/14	Change
	\$'000	\$'000	\$'000
Total Assets	255,310	228,083	27,227
Current Assets	129,664	106,909	22,755
Non-Current Assets	125,646	121,174	4,472
Current Liabilities (excluding borrowings)	59,044	51,314	7,730
Total Borrowings	80,614	61,381	19,233
Shareholders' Equity	103,362	104,252	(890)
Net Working Capital	17,435	16,965	470

Current Assets

Current assets increased by \$22.8 million were mainly attributable to the followings:

- (i) Positive cash flow generated from operations of \$3.4 million, proceeds received from bank borrowings (including finance lease liabilities) of \$44.2 million and proceeds received from disposal of plant and equipment of \$0.5 million, proceeds from disposals of available-for-sale of financial assets of \$1.1 million and proceeds from issuance of shares to non-controlling interests of \$0.3 million, were utilised for the repayment of bank borrowings (including finance lease liabilities) of \$32.9 million, cash purchase of property, plant and equipment of \$8.1 million, purchase of treasury shares of \$0.4 million, purchase of available-for-sale financial assets of \$0.3 million, net tax paid of \$0.1 million, net interest paid of \$1.6 million; and payment of dividends to shareholders and non-controlling interests of \$2.2 million and \$0.2 million respectively. Hence, resulting in increase in cash and cash equivalents of \$3.0 million in 3Q2015;
- (ii) Increase in trade receivables of \$12.5 million was mainly due to increase in amounts due from customers relating to piling works.

The Group's average trade receivables' turnover decreased to 148 days (as at 31 March 2015) from 182 days (as at 30 June 2014). Should the amount due from customers which relate to piling works which have been completed but are pending customers' certification and retention monies been excluded, the Group's average trade receivables' turnover would have been 41 days as at 31 March 2015 (as at 30 June 2014: 47 days). The Group has assessed and reviewed the collectability of the outstanding trade receivables and is of the opinion that the trade debts are collectible based on the historic payment trends and behavior;

- (iii) Increase in construction contract work-in-progress of \$2.2 million was mainly due to higher costs incurred in excess of value of work done for the on-going projects; and
- (iv) Increase in inventories of \$3.7 million was mainly due to increase in purchase of construction materials in view of the increase in business activities.



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8. Review of Statements of Financial Position and Cash Flow

Non-current assets increased by \$4.5 million were mainly as a result of the increase in property, plant and equipment of \$4.9 million. This increase was mainly due to purchase of machinery and equipment of \$17.2 million which was partially offset by the depreciation charge of \$11.6 million and disposals of machinery and equipment of \$0.3 million.

Current Liabilities (excluding borrowings)

Current liabilities increased by \$7.7 million were mainly attributable to the followings:

- (i) Increase in trade payables of \$2.5 million was mainly due to increase in business activities; and
- (ii) Increase in other payables and accruals of \$5.3 million were mainly due to increase in accrual of construction costs.

Total Borrowings

The increase in total borrowings by \$19.2 million was mainly due to proceeds received from banks of \$53.2 million which were utilised to finance Group's working capital and for the purchase of machinery and equipment. The increases were partially offset by the repayment of term loans and finance lease liabilities of \$34.0 million.

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 and Half Year 2015 results announcement dated 10 February 2015.

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 Group's net order book as at 31 March 2015 stood at \$194.1 million, comprising public infrastructure projects, public housing projects, private residential condominium projects, commercial and institutional projects, as well as geoservices.

The Building and Construction Authority of Singapore (BCA) released its report on Singapore Construction Prospects 2015 Review Report on 8 January 2015. BCA revised its forecast that Singapore's total construction demand in 2015 is likely to be between \$29 billion and \$36 billion. The total public sector construction demand in 2015 is projected to stay strong and reach between \$18 billion and \$21 billion while the private sector construction demand is expected to continue to soften to between \$11 billion and \$15 billion. The Group expects the construction demand in 2015 to be driven largely by institutional and other building developments; and civil engineering projects.

The Group remains cautious about the local and regional markets where it operates. External factors such as keen competition, rising costs and the tight labour market will continue to add pressure on the Group's performance. Nonetheless, the Group will continue to strive to secure projects with better margins and improve productivity, be vigilant in costs and working capital management.

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

No interim dividend for the nine months ended 31 March 2015 is recommended (31 March 2014: 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 2015:

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 2015	9 months ended 31 March 2015
	\$'000	\$'000
HL Suntek Insurance Brokers Pte Ltd ⁽¹⁾ - Insurance expense	241	513

Note:

(1) Mr Lee Yiok Seng, Chairman and Non-Executive Director of the Company, is a director of HL Suntek Insurance Brokers Pte Ltd.



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**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 2015 to be false or misleading, in any material aspect.

On Behalf of the Board of Directors,

Ong Tiong Siew
Chief Executive Officer/Executive Director

Ong Teng Choon
Executive Director

By Order of the Board
Ong Tiong Siew
Chief Executive Officer/Executive Director
8 May 2015