

FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND 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 FOURTH QUARTER (“4Q2018”) AND FINANCIAL YEAR ENDED 30 JUNE 2018 (“FY2018”)

	Note	Group					
		3 Months Ended 30 June		Change	12 Months Ended 30 June		Change
		2018	2017		2018	2017	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1	24,231	42,834	(43.4)	146,908	144,814	1.4
Cost of sales	2	(70,268)	(38,284)	83.5	(181,887)	(126,488)	43.8
Gross (loss)/profit		(46,037)	4,550	NM	(34,979)	18,326	(290.9)
Other income	3	686	718	(4.5)	3,542	2,851	24.2
Administrative expenses		(5,992)	(4,618)	29.8	(21,527)	(18,612)	15.7
Other (losses)/gains – net	4	(173)	(344)	(49.7)	(1,613)	1,104	(246.1)
Finance costs	5	(781)	(757)	3.2	(3,000)	(2,545)	17.9
Share of results of associates, net of tax		(132)	5	NM	(828)	5	NM
(Loss)/Profit before income tax	6	(52,429)	(446)	NM	(58,405)	1,129	NM
Income tax (expense)/credit	7	(46)	707	(106.5)	(417)	(76)	448.7
(Loss)/Profit for the period/year		(52,475)	261	NM	(58,822)	1,053	NM
Attributable to:							
Owners of the Company		(50,459)	88	NM	(56,916)	801	NM
Non-controlling interests		(2,016)	173	NM	(1,906)	252	NM
(Loss)/Profit for the period/year		(52,475)	261	NM	(58,822)	1,053	NM
Gross (loss)/profit margin		(190.0)%	10.6%		(23.8)%	12.7%	
Net (loss)/profit margin		(216.6)%	0.6%		(40.0)%	0.7%	
Effective tax rate		NM	NM		NM	56.2%	
<i>NM – Not Meaningful</i>							

1(a) (i) Statement of Comprehensive Income for the Fourth Quarter (“4Q2018”) and Financial Year Ended 30 June 2018 (“FY2018”)

	Group					Change
	3 Months Ended 30 June		Change	12 Months Ended 30 June		
	2018	2017		2018	2017	
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss)/Profit for the period/year	(52,475)	261	NM	(58,822)	1,053	NM
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from						
- Consolidation of foreign corporations	(227)	137	(265.7)	1,139	(1,027)	210.9
- Loan to associates	(226)	295	(176.6)	48	295	(83.7)
Available-for-sale financial assets						
- Currency translation differences	-	191	(100.0)	-	(200)	100.0
- Fair value gains	-	7	(100.0)	105	46	128.3
- Reclassification	-	-	-	1,265	-	NM
Other comprehensive (loss)/income, net of tax	(453)	630	(171.9)	2,557	(886)	388.6
Total comprehensive (loss)/income for the period/year	(52,928)	891	NM	(56,265)	167	NM
Attributable to:						
Owners of the Company	(50,853)	569	NM	(54,536)	72	NM
Non-controlling interests	(2,075)	322	(744.4)	(1,729)	95	NM
Total comprehensive (loss)/income for the period/year	(52,928)	891	NM	(56,265)	167	NM

NM – Not Meaningful

1(a) (ii) Notes to Income Statement

(1) Revenue

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Bored piling	18,619	19,481	98,567	68,974
Eco-friendly piling, geoservices and others	5,316	22,887	47,234	74,433
Property investment	296	466	1,107	1,407
Total revenue	24,231	42,834	146,908	144,814

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

(2) Cost of sales includes the following:

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Amortisation of land use right	5	5	20	20
Depreciation of machinery and equipment	3,359	3,524	13,549	13,709
Depreciation of investment properties	27	38	123	156

(3) Other income

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest income from deposit and receivable	160	153	661	614
Sales of minor and other assets	400	288	2,353	789
Government incentives	15	30	78	396
Recovery from insurance claim	78	85	354	205
Miscellaneous income	33	162	96	847
Total other income	686	718	3,542	2,851

(4) Other (losses)/gains-net

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Foreign exchange gain/loss, net	363	(468)	(1,330)	921
Loss on disposal of available-for-sale financial assets	-	-	(1,552)	-
Gain on disposal of property, plant and equipment	95	124	1,900	183
Impairment loss on investment in associates	(631)	-	(631)	-
Total other (losses)/gains-net	(173)	(344)	(1,613)	1,104

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

(5) Finance costs

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest expenses				
- bank and other borrowings	618	704	2,423	2,226
- finance lease liabilities	163	53	577	319
Total finance costs	781	757	3,000	2,545

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

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Amortisation of land use right	5	5	20	20
Depreciation of property, plant and equipment	3,963	4,110	15,977	15,960
Depreciation of investment properties	27	38	123	156
Employee compensation, including directors' remuneration	7,597	7,540	33,895	29,910
Impairment loss on trade and other receivables	1,932	-	1,932	-
Rental on operating leases - premises	421	403	1,751	1,712
Professional fees	336	395	1,562	1,460

(7) Income tax expense/(credit)

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- current period/year	76	(171)	751	634
- (Over)/Under provision in prior years	(16)	1	233	2
	60	(170)	984	636
Deferred income tax				
- current period/year	(14)	(504)	(539)	(527)
- Over provision in prior years	-	(33)	(28)	(33)
	(14)	(537)	(567)	(560)
Total income tax expense/(credit)	46	(707)	417	76

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 30/06/18	As At 30/06/17	As At 30/06/18	As At 30/06/17
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	8,938	21,980	4	1,790
Trade and other receivables		81,464	90,550	26,722	42,164
Inventories		15,444	18,769	-	-
Construction contract work-in-progress		2,446	13,190	-	-
		108,292	144,489	26,726	43,954
Non-current assets					
Investment in subsidiaries		-	-	4,476	51,310
Investment in associates		11,235	11,778	-	-
Investment in joint ventures		48	44	-	-
Club memberships		200	200	-	-
Available-for-sale financial assets		1,015	4,278	-	-
Property, plant and equipment		76,843	80,582	-	-
Investment properties		4,456	4,723	-	-
Land use right		786	831	-	-
Deferred tax assets		9	9	-	-
Goodwill arising on consolidation		-	-	-	-
		94,592	102,445	4,476	51,310
TOTAL ASSETS		202,884	246,934	31,202	95,264
LIABILITIES					
Current liabilities					
Trade and other payables	2	60,785	65,278	420	2,168
Current income tax liabilities		897	715	4	24
Borrowings		98,709	64,907	5,500	5,000
		160,391	130,900	5,924	7,192
Non-current liabilities					
Borrowings		4,713	19,678	-	-
Deferred income tax liabilities		7,709	8,001	-	-
		12,422	27,679	-	-
TOTAL LIABILITIES		172,813	158,579	5,924	7,192
NET ASSETS		30,071	88,355	25,278	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		2,064	(316)	-	-
Retained profits		(56,418)	1,685	(59,992)	2,802
		30,916	86,639	25,278	88,072
Non-controlling interests		(845)	1,716	-	-
TOTAL EQUITY		30,071	88,355	25,278	88,072

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

(1) Trade and other receivables

	Group		
	As At 30/06/18	As At 30/06/17	Change
	\$'000	\$'000	\$'000
Trade receivables	22,976	23,656	(680)
Construction contracts			
- Due from customers	38,452	43,621	(5,169)
- Retentions	13,312	15,679	(2,367)
	51,764	59,300	(7,536)
Total trade receivables	74,740	82,956	(8,216)
Other receivables	6,724	7,594	(870)
Total trade and other receivables	81,464	90,550	(9,086)
Average trade receivables' turnover (days)	196	207	
Average trade receivables' turnover, excluding amount due from customers from construction contracts pending certification (days)	87	53	

(2) Trade and other payables

	Group		
	As At 30/06/18	As At 30/06/17	Change
	\$'000	\$'000	\$'000
Trade payables	37,470	43,059	(5,589)
Construction contract work-in-progress	2,592	1,480	1,112
Other payables and accruals	20,723	20,739	(16)
Total trade and other payables	60,785	65,278	(4,493)
Average trade payables' turnover (days)	106	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 30/06/18	As At 30/06/17
	\$'000	\$'000
Amount repayable in one year or less		
Secured:		
- Bank borrowings	79,943	53,884
- Finance lease liabilities	13,266	6,023
	93,209	59,907
Unsecured:		
- Other borrowings	5,500	5,000
	98,709	64,907
Amount repayable after one year		
Secured:		
- Bank borrowings	3,535	15,127
- Finance lease liabilities	1,178	4,551
	4,713	19,678
Total borrowings	103,422	84,585

Details of any collateral:

- (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.



RYOBI KISO HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Company Registration No. 200803985D

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 Fourth Quarter (“4Q2018”) and Financial Year Ended 30 June 2018 (“FY2018”)

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
(Loss)/Profit before income tax	(52,429)	(446)	(58,405)	1,129
Adjustments for:				
Interest income	(160)	(153)	(661)	(614)
Dividend income	-	(9)	(2)	(11)
Loss on disposal of available-for-sale financial assets	-	-	1,552	-
Gain on disposal of property, plant and equipment	(95)	(124)	(1,900)	(183)
Amortisation of land use right	5	5	20	20
Share of results of associates	132	(5)	828	(5)
Depreciation of property, plant and equipment	3,963	4,110	15,977	15,960
Impairment loss on investment in associates	631	-	631	-
Depreciation of investment properties	27	38	123	156
Interest expenses	781	757	3,000	2,545
Operating (loss)/profit before working capital changes	(47,145)	4,173	(38,837)	18,997
Changes in working capital				
Trade and other receivables	7,291	1,963	8,918	(2,225)
Inventories	2,936	(4,359)	3,325	(5,661)
Construction contract work-in-progress	33,074	(6,826)	10,729	(14,577)
Trade and other payables	(2,128)	14,620	(2,650)	15,544
Cash generated from operations	(5,972)	9,571	(18,515)	12,078
Income tax refund/(paid)	12	4	(735)	(34)
Net cash (used in)/generated from operating activities	(5,960)	9,575	(19,250)	12,044
Cash flows from investing activities:				
Interest received	12	9	93	50
Dividend received	-	9	2	11
Proceed from:				
- disposals of property, plant and equipment	411	612	2,590	1,257
- disposal of available-for-sale financial assets	-	-	1,040	-
- cessation of club membership	-	-	-	20
Redemption of available-for-sale financial assets	1,492	-	2,321	1,384
Purchases of and/or additions to:				
- available-for-sale financial assets	-	-	-	(458)
- property, plant and equipment	(198)	(1,578)	(2,451)	(5,206)
Investment in associates	-	-	-	(4)
Investment in joint ventures	-	-	(7)	(1)
Loan to associates	-	(349)	(856)	(349)
Net cash generated from/(used in) investing activities	1,717	(1,297)	2,732	(3,296)
Cash flows from financing activities:				
Proceeds from bank borrowings	40,527	35,616	195,610	145,788
Dividends paid to:				
- equity holders of the Company	-	-	(1,187)	(890)
- non-controlling interests	(537)	-	(832)	-
Interest paid	(781)	(757)	(3,000)	(2,545)
Repayments of:				
- bank borrowings	(38,038)	(33,802)	(179,894)	(153,038)
- finance lease liabilities	(1,485)	(1,590)	(7,277)	(6,410)
Net cash (used in)/generated from financing activities	(314)	(533)	3,420	(17,095)
Net (decrease)/increase in cash and cash equivalents	(4,557)	7,745	(13,098)	(8,347)



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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 Fourth Quarter ("4Q2018") and Financial Year Ended 30 June 2018 ("FY2018")

	Group			
	3 Months Ended 30 June		12 Months Ended 30 June	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents				
Beginning of financial period/year	13,209	13,934	21,680	30,012
Effect of currency translation on cash and cash equivalents	(14)	1	56	15
Cash and cash equivalents at end of period/year	8,638	21,680	8,638	21,680
Consolidated cash and cash equivalents are represented by:				
Cash and bank balances	8,605	19,520	8,605	19,520
Short-term bank deposits	333	2,460	333	2,460
	8,938	21,980	8,938	21,980
Less: Bank deposits pledged to secure banking facilities	(300)	(300)	(300)	(300)
Cash and cash equivalents as per consolidated statement of cash flows	8,638	21,680	8,638	21,680



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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	Foreign exchange reserves	Total attributable to owners 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 income for the year	-	-	801	(103)	(626)	72	95	167
Reclassification	-	-	-	1,571	(1,571)	-	-	-
Dividends	-	-	(890)	-	-	(890)	-	(890)
Balance at 30/06/17	88,385	(3,115)	1,685	(443)	127	86,639	1,716	88,355
Balance at 1/07/17	88,385	(3,115)	1,685	(443)	127	86,639	1,716	88,355
Total comprehensive income for the year	-	-	(56,916)	1,370	1,010	(54,536)	(1,729)	(56,265)
Dividends	-	-	(1,187)	-	-	(1,187)	(832)	(2,019)
Balance at 30/06/18	88,385	(3,115)	(56,418)	927	1,137	30,916	(845)	30,071

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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 loss for the year	-	-	2,114	2,114
Dividends	-	-	(890)	(890)
Balance at 30/06/17	88,385	(3,115)	2,802	88,072
Balance at 1/07/17	88,385	(3,115)	2,802	88,072
Total comprehensive income for the year	-	-	(61,607)	(61,607)
Dividends	-	-	(1,187)	(1,187)
Balance at 30/06/18	88,385	(3,115)	(59,992)	25,278



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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 30 June 2018, the Company did not purchase any ordinary shares under share buyback mandate from the market. As at 30 June 2018, the Company held 9,458,160 treasury shares (30 June 2017: 9,458,160).

	Group and Company		Group and Company	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Number of shares		\$'000	
Issued and fully paid				
At beginning/end of the year	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 year and as at the end of the immediately preceding year.

The total number of issued ordinary shares (excluding treasury shares) as at 30 June 2018 was 296,649,136 (30 June 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 financial year ended 30 June 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.

We refer to the SGXNET announcements made on 31 July 2018 and 3 August 2018. The Company and certain of its subsidiaries have made applications to the High Court of the Republic of Singapore to commence a court supervised reorganisation process with the intention of proposing a scheme of arrangement to reorganise the liabilities of the Company and its subsidiary (“Reorganisation”).

The unaudited results were prepared on a going concern basis based on the best available information, assumptions and estimates available to-date. Subsequent to this Announcement, should there be material adjustments as compare to the audited results due to the Reorganisation and/or other unforeseen circumstances, we will make the necessary announcement and explain the variances accordingly.

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 ended 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			
	3 Months Ended 30 June		12 Months Ended 30 June	
<u>(Loss)/Earnings per share</u>	2018	2017	2018	2017
(i) Basic (cent)	(17.01)	0.03	(19.19)	0.27
(ii) On a fully diluted basis (cent)	(17.01)	0.03	(19.19)	0.27

(Loss)/Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the financial year of 296,649,136 (30 June 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 30/06/18	As at 30/06/17	As at 30/06/18	As at 30/06/17
Net assets value per ordinary share based on issued share capital (excluding treasury share) (cents)	10.14	29.78	8.52	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

Full Year ended 30 June 2018 (FY2018) vs Full Year ended 30 June 2017 (FY2017)

The Group reported revenue of \$146.9 million in FY2018, an increase of \$2.1 million or 1.5% from \$144.8 million in FY2017. The increase was primarily from the Group's bored piling segment offset with the decrease in revenue of eco-friendly piling, geoservices and others segment.

Cost of sales increased from \$126.5 million in FY2017 to \$181.9 million in FY2018. Based on the current financial situation faced by the Group, the management has reassessed the project costs incurred to-date for all of its current projects. The higher than expected project costs was due to difficult ground conditions stumbled upon by certain major projects, coupled with stringent regulatory requirements and adverse working conditions, which has resulted in project cost overrun. Accordingly, there was a significant reduction in the estimated project margins from certain of the major projects.

In addition, the Group has to operate under unfavourable trade terms and purchase prices granted by its major suppliers and main contractors and this was aggravated following the announcement made on the receipt of letters of demand from the various financial institutions and creditors since June 2018, which has elevated the project costs estimated to complete the on-going projects.

Consequently, the Group recorded a gross loss of approximately \$35.0 million in FY2018.

Other income increased was mainly due to the increase in sales of minor and other assets.

The increase in administrative expenses was mainly due to the increase in administrative staff costs and impairment loss made in relation to the trade and other receivables during the financial year.

8. Review on Group's Financial Results (Cont'd)

The Group reversed from other gains of \$1.1 million in FY2017 to other losses of \$1.6 million in FY2018. Other losses in FY2018 include loss on disposal of available-for-sale financial assets of \$1.6 million, exchange loss of \$1.3 million and impairment loss made on investment in associates of \$0.6 million. The losses were partially offset by a gain on disposal of property, plant and equipment of \$1.9 million. Other gains in FY2017 was mainly related to exchange gain of \$0.9 million.

The higher finance costs was as a result of increase in borrowings and higher interest rates.

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 year of \$58.8 million.

3 months ended 30 June 2018 (4Q2018) vs 3 months ended 30 June 2017 (4Q2017)

The Group reported revenue of \$24.2 million in 4Q2018, a decrease of \$18.6 million or 43.5% from \$42.8 million in 4Q2017. The decreased was mainly contributed by bored piling, eco-friendly piling, geoservices and others segments.

The cost of sales increased from \$38.3 million in 4Q2017 to \$70.3 million in 4Q2018. Based on the current financial situation faced by the Group, the management has reassessed the project costs incurred to-date for all of its current projects. The higher than expected project costs was due to difficult ground conditions stumbled upon by certain major projects, coupled with stringent regulatory requirements and adverse working conditions, which has resulted in project cost overrun. Accordingly, there was a significant reduction in the estimated project margins from certain of the major projects.

In addition, the Group has to operate under unfavourable trade terms and purchase prices granted by its major suppliers and main contractors and this was aggravated following the announcement made on the receipt of letters of demand from the various financial institutions and creditors since June 2018, which has elevated the project costs estimated to complete the on-going projects.

Consequently, the Group recorded a gross loss of approximately \$46.0 million during the period.

Administrative expenses increased was mainly due to impairment loss made on the trade and other receivables during the period.

Other losses in 4Q2018 was mainly comprised of impairment loss made on investment in associates of \$0.6 million offset with foreign exchange gain of \$0.4 million. Other losses in 4Q2017 was mainly related to exchange loss of \$0.5 million offset with gain on disposal of property, plant and equipment of \$0.1 million.

As a result of the above, the Group registered a loss for the period of \$52.5 million.

8. Review of Statements of Financial Position and Cash Flow (Cont'd)

Statements of Financial Position	As At 30/06/18	As At 30/06/17	Change
	\$'000	\$'000	\$'000
Total Assets	202,884	246,934	(44,050)
Current Assets	108,292	144,489	(36,197)
Non-Current Assets	94,592	102,445	(7,853)
Current Liabilities (excluding borrowings)	61,682	65,993	(4,311)
Total Borrowings	103,422	84,585	18,837
Shareholders' Equity	30,916	86,639	(55,723)
Net Working Capital	(52,099)	13,589	(65,688)

Current Assets

Current assets decreased by \$36.2 million were mainly due to the followings:

- (i) Decrease in trade and other receivables of \$9.1 million was mainly due to collection and impairment loss made on trade and other receivables.
- (ii) Decrease in inventories of \$3.3 million mainly due to inventories written down to its net realisable value.
- (iii) Decrease in construction contract work-in-progress of \$10.7 million mainly due to projects completed during the year.
- (iv) Decrease in cash and cash equivalents of approximately \$13.1 million as a result of total cashflow generated from investing and financing activities of \$6.2 million offset with net cash used in operating activities amounted to \$19.3 million.

Non-Current Assets

Non-current assets decreased by \$7.9 million were mainly attributable to the followings:

- (i) Decrease in property, plant and equipment of \$3.7 million. The decrease was mainly due to depreciation charge of \$16.0 million which was partially offset with the purchase of property, plant and equipment of \$13.0 million.
- (ii) Decrease in available-for-sales financial assets mainly due to funds received and disposal.

Current Liabilities (excluding borrowings)

Decrease in trade and other payables of \$4.5 million was mainly due to payments made to the trade payables during the year.

Total Borrowings

Net increase in total borrowings were mainly due to fund drawdown for working capital purpose.



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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 Third Quarter and Nine Months 2018 Results Announcement dated 14 May 2018 and the profit guidance announced dated 15 August 2018.

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

The business environment for the next 12 months remains uncertain and challenging due to the Reorganisation as mentioned in Para 4 to the announcement. The Company will continue to update the SGX-ST, shareholders and the investing public on any material developments on a timely basis.

Currently, the Group continue to operate focusing on expeditious completion of its on-going projects as well as prudent cost management. The Group's net order book as at 30 June 2018 stood at \$146.9 million, comprising projects from public infrastructure, public housing, residential, commercial and geoservices. External factors such as keen competition, rising costs and tight labour market will continue to add pressure on the Group's performance. The Group will continue to pursue new project selectively as and when opportunity is available.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend is recommended for the current financial year.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	:	Final
Dividend Type	:	Cash
Dividend Amount per Share	:	\$0.004
Tax Rate	:	Tax exempt



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11. Dividend (Cont'd)

(c) A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	<u>FY2018</u>	<u>FY2017</u>
Total Annual Dividend	\$	\$
Ordinary*		
- Final	-	1,186,597

* Final dividend for the financial year ended 30 June 2017 was calculated based on share capital of 296,649,136 ordinary shares (excluding treasury shares).

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

(f) If no dividend has been declared/recommendeded, a statement to that effect.

No final dividend has been declared or recommended for the year ended 30 June 2018.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)
12. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.
Business Segments

FY2018 Group	Bored Piling \$'000	Eco-friendly Piling, Geoservices and Others \$'000	Property Investment \$'000	Elimination \$'000	Total \$'000
Revenue					
External sales	98,567	47,234	1,107	-	146,908
Inter-segment sales	-	8,449	815	(9,264)	-
Total revenue	<u>98,567</u>	<u>55,683</u>	<u>1,922</u>	<u>(9,264)</u>	<u>146,908</u>
Segment results	(49,693)	(2,272)	(73)		(52,038)
Interest income					661
Unallocated loss					(1,220)
Unallocated expense					(1,980)
Finance costs					(3,000)
					<u>(57,577)</u>
Share of results of associates					(828)
Loss before income tax					<u>(58,405)</u>
Income tax expense					(417)
Loss for the year					<u>(58,822)</u>
Assets					
Segment assets	128,450	49,380	18,080		195,910
Unallocated assets					6,974
Total assets					<u>202,884</u>
Liabilities					
Segment liabilities	44,683	13,714	3,834		62,231
Unallocated liabilities					110,582
Total liabilities					<u>172,813</u>
Other segment information					
Capital expenditure	10,604	2,407	2		<u>13,013</u>
Depreciation	11,169	4,799	132		<u>16,100</u>
Amortisation	-	-	20		<u>20</u>
(Gain)/Loss on disposal of property, plant and equipment	(1,914)	14	-		<u>(1,900)</u>
Impairment loss on investment in associates	-	-	631		<u>631</u>



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12. Business Segments (Cont'd)

FY2017 Group	Bored Piling \$'000	Eco-friendly Piling, Geoservices and Others \$'000	Property Investment \$'000	Elimination \$'000	Total \$'000
Revenue					
External sales	68,974	74,433	1,407	-	144,814
Inter-segment sales	-	8,711	894	(9,605)	-
Total revenue	<u>68,974</u>	<u>83,144</u>	<u>2,301</u>	<u>(9,605)</u>	<u>144,814</u>
Segment results	(4,960)	6,273	465		1,778
Interest income					614
Unallocated income					1,769
Unallocated expense					(492)
Finance costs					<u>(2,545)</u>
					1,124
Share of results of associates					<u>5</u>
Profit before income tax					1,129
Income tax expense					<u>(76)</u>
Profit for the year					<u>1,053</u>
Assets					
Segment assets	117,495	97,313	21,554		236,362
Unallocated assets					10,572
Total assets					<u>246,934</u>
Liabilities					
Segment liabilities	36,415	24,815	3,680		64,910
Unallocated liabilities					93,669
Total liabilities					<u>158,579</u>
Other segment information					
Capital expenditure	1,819	4,825	39		<u>6,683</u>
Depreciation	8,641	7,304	171		<u>16,116</u>
Amortisation	-	-	20		<u>20</u>
Gain on disposal of property, plant and equipment	(180)	(3)	-		<u>(183)</u>

12. Geographical Segments

Group	Revenue		Non-current assets		Total assets	
	FY2018 \$'000	FY2017 \$'000	FY2018 \$'000	FY2017 \$'000	FY2018 \$'000	FY2017 \$'000
Singapore	140,689	141,404	89,143	93,414	187,169	222,712
Vietnam	1,727	2,040	5,370	5,973	12,500	17,645
Others	4,492	1,370	79	3,058	3,215	6,577
Total	<u>146,908</u>	<u>144,814</u>	<u>94,592</u>	<u>102,445</u>	<u>202,884</u>	<u>246,934</u>

13. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Items 8 and 12 of the Results Announcement.

14. A breakdown of sales

Group	FY2018 \$'000	FY2017 \$'000	%
a) Sales reported for first half year	94,659	62,032	52.6
b) Operating profit after tax before deducting non-controlling interest reported for first half year	378	492	(23.2)
c) Sales reported for second half year	52,249	82,782	(36.9)
d) Operating (loss)/profit after tax before deducting non-controlling interest reported for second half year	(59,200)	561	NM

15. 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 fourth quarter and financial year ended 30 June 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 30 June 2018	12 months ended 30 June 2018
	\$'000	\$'000
<u>HL Suntek Insurance Brokers Pte. Ltd.</u> ⁽¹⁾ - Insurance expense	62	668
<u>Mandarin Road Pty Ltd</u> ⁽²⁾ - Office rental expense	40	163

15. Interested Persons Transactions (Cont'd)

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 30 June 2018	12 months ended 30 June 2018
	\$'000	\$'000
Tanglin Capital Pte. Ltd. ⁽³⁾ - Interest expenses	54	213

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.
- (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..

16. 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 under Rule 720(1).

17. Persons Occupying Managerial Positions Who are Related to the Directors, Chief Executive Officer or Substantial Shareholders

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, we set out below the persons holding managerial positions in the Group who are related to the Directors, Chief Executive Officer or Substantial Shareholders of the Company or any of its principal subsidiaries:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was held	Details of changes in duties and position held, if any, during the year
Lee Yiok Seng @ Lee Geok Seng @ Lee Yok Seng ("Lee Yiok Seng")	79	Brother-in-law of Ong Huay Chin who is sister of Ong Tiong Siew and Ong Teng Choon	Chairman and Non-Executive Director of Ryobi Kiso Holdings Ltd. since 2009 Duties: Member of Audit, Nominating and Remuneration Committees	No change

17. Persons Occupying Managerial Positions Who are Related to the Directors, Chief Executive Officer or Substantial Shareholders (Cont'd)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was held	Details of changes in duties and position held, if any, during the year
Ong Tiong Siew	64	Brother of Ong Teng Choon, Ong Yee Khong and Ong Huay Chin	<p>Chief Executive Officer and Executive Director of Ryobi Kiso Holdings Ltd. since 2008</p> <p>Duties: Oversee the formulation of the Group's strategic direction and expansion plans, and the management of the Group's overall business development</p>	No change
Ong Teng Choon	60	Brother of Ong Tiong Siew, Ong Yee Khong and Ong Huay Chin	<p>Executive Director of Ryobi Kiso Holdings Ltd. since 2008</p> <p>Duties: Oversee the procurement, resources planning and expansion of the Group</p>	No change
Tan Ghee Hwa	61	Sister-in-law of spouse of Ong Teng Choon	<p>Director, Corporate Development of Ryobi Kiso Holdings Ltd. since 2009</p> <p>Director of Ryobi Plant Engineering Pte. Ltd. since 2012</p> <p>Duties: Oversee the corporate development, communications and investor relations of the Group</p>	No change
Ong Yee Khong	62	Brother of Ong Tiong Siew, Ong Teng Choon and Ong Huay Chin	<p>Executive Director of Ryobi Machinery Pte. Ltd. since 1999</p> <p>Director of Ryobi Plant Engineering Pte. Ltd. since 2012</p> <p>Duties: Oversee the business operations of Ryobi Machinery Pte. Ltd.</p>	No change
Lee Yan Beng	38	Son of Ong Huay Chin. Nephew of Ong Tiong Siew, Ong Teng Choon and Lee Yiok Seng	<p>Manager of the Business Excellence Unit of Ryobi Kiso (S) Pte. Ltd. since 2012</p> <p>Duties: Support various business units of the Group in reviewing initiatives and projects for improvement as well as to lead and monitor the implementation of these projects</p>	No change



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17. Persons Occupying Managerial Positions Who are Related to the Directors, Chief Executive Officer or Substantial Shareholders (Cont'd)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was held	Details of changes in duties and position held, if any, during the year
Li ChangGe	35	Son of Ong Huay Chin. Nephew of Ong Tiong Siew, Ong Teng Choon and Lee Yiok Seng	Manager of Ryobi Development Pte. Ltd. since 2013 Director of PT. Mulia Indah Perkasa since 2013 Duties: Oversee the property development projects of the Group	No change

By Order of the Board

Ong Tiong Siew
Chief Executive Officer/Executive Director

23 August 2018