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

FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2016 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, 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 FIRST QUARTER ENDED 30 SEPTEMBER 2016 ("1Q2017")

	Note	Group		
		3 Months Ended 30 September		
		2016	2015	Change
		$'000	$'000	%
Revenue	1	28,167	45,256	(37.8)
Cost of sales	2	(24,303)	(39,026)	(37.7)
Gross profit		3,864	6,230	(38.0)
Other income	3	831	671	23.8
Administrative expenses		(4,680)	(5,106)	(8.3)
Other gains/ (losses) – net	4	993	(738)	234.6
Finance costs	5	(560)	(829)	(32.4)
		448	228	96.5
Share of results of joint venture		-	22	(100.0)
Profit before income tax	6	448	250	79.2
Income tax expense	7	(197)	(44)	347.7
Profit for the period		251	206	21.8
Attributable to:				
Equity holders of the Company		172	134	28.4
Non-controlling interests		79	72	9.7
Profit for the period		251	206	21.8
Gross profit margin		13.7%	13.8%	
Net profit margin		0.9%	0.5%	
Effective tax rate		45.8%	22.4%	

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

1(a)(i) Statement of Comprehensive Income for the First Quarter Ended 30 September 2016

	Group		
	3 Months Ended 30 September		
	2016	2015	Change
	$'000	$'000	%
Profit for the period	251	206	21.8
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation			
- (Losses)/Gains	(730)	826	(188.4)
Available-for-sale financial assets			
- Currency translation differences	(241)	284	(184.9)
- Fair value gains/(losses)	9	(124)	107.3
Other comprehensive (loss)/income, net of tax	(962)	986	(197.6)
Total comprehensive (loss)/income for the period	(711)	1,192	(159.6)
Attributable to:			
Equity holders of the Company	(601)	877	(168.5)
Non-controlling interests	(110)	315	(134.9)
Total comprehensive (loss)/income for the period	(711)	1,192	(159.6)

1(a)(ii) Notes to Income Statement

(1) Revenue

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Bored piling	12,870	25,473
Eco-friendly piling, geoservices and others	14,395	18,553
System engineering and process automation	738	1,048
Property investment	164	182
Total revenue	28,167	45,256

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

(2) Cost of sales includes the following:

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Amortisation of land use right	4	11
Depreciation of machinery and equipment	3,395	3,417
Depreciation of investment properties	38	40

(3) Other income

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Interest income from deposits and receivable	160	334
Rental income	247	100
Dividend income	1	3
Scrap sales	170	70
Miscellaneous income	253	164
Total other income	831	671

(4) Other gains/(losses) – net

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Foreign exchange gain/(loss), net	930	(739)
Gain on disposal of property, plant and equipment	63	1
Total other gains/(losses) - net	993	(738)

(5) Finance costs

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Interest expenses		
- bank and other borrowings	470	730
- finance lease liabilities	90	99
Total finance costs	560	829

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

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

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Amortisation of land use right	4	11
Depreciation of property, plant and equipment	3,952	3,962
Depreciation of investment properties	38	40
Employee compensation, including directors' remuneration	7,480	6,971
Rental on operating leases-premises	339	259
Professional fees	263	377

(7) Income tax expense

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Current income tax		
- current period	205	56
- under provision in prior years	3	-
	208	56
Deferred income tax		
- current period	(11)	(12)
	(11)	(12)
Total income tax expense	197	44

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

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 30/09/16	As At 30/06/16	As At 30/09/16	As At 30/06/16
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents		26,550	30,312	4,431	1,880
Trade and other receivables	1	84,150	87,290	42,110	39,950
Inventories		13,567	13,100	-	-
Construction contract work-in-progress		3,933	1,365	-	-
Derivative financial instruments		-	8	-	-
		128,200	132,075	46,541	41,830
Non-current assets					
Investment in subsidiaries		-	-	45,719	45,719
Investment in joint ventures		45	43	-	-
Club memberships		220	220	-	-
Available-for-sale financial assets		15,215	16,696	-	-
Property, plant and equipment		88,677	90,752	-	-
Investment properties		4,873	4,858	-	-
Land use right		849	847	-	-
Goodwill arising on consolidation		-	-	-	-
Deferred income tax assets		15	15	-	-
		109,894	113,431	45,719	45,719
TOTAL ASSETS		238,094	245,506	92,260	87,549
LIABILITIES					
Current liabilities					
Trade and other payables	2	47,675	50,922	422	696
Current income tax liabilities		313	112	5	5
Derivative financial instruments		61	25	-	-
Borrowings		66,130	68,631	5,000	-
		114,179	119,690	5,427	701
Non-current liabilities					
Borrowings		27,000	28,179	-	-
Deferred income tax liabilities		8,548	8,559	-	-
		35,548	36,738	-	-
TOTAL LIABILITIES		149,727	156,428	5,427	701
NET ASSETS		**88,367**	**89,078**	**86,833**	**86,848**
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		(360)	413	-	-
Retained profits		1,946	1,774	1,563	1,578
		86,856	**87,457**	**86,833**	**86,848**
Non-controlling interests		1,511	1,621	-	-
TOTAL EQUITY		**88,367**	**89,078**	**86,833**	**86,848**

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

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

(1) Trade and other receivables

	Group		
	As At 30/09/16	As At 30/06/16	Change
	$'000	$'000	$'000
Trade receivables, net of impairment	22,562	20,225	2,337
Construction contracts			
- Due from customers	38,134	44,250	(6,116)
- Retentions	16,522	15,920	602
	54,656	60,170	(5,514)
Total trade receivables	77,218	80,395	(3,177)
Other receivables	6,932	6,895	37
Total trade and other receivables	84,150	87,290	(3,140)
Average trade receivables' turnover (days)	259	155	
Average trade receivables' turnover, excluding amount due from customers from construction contracts pending certification (days)	59	46	

(2) Trade and other payables

	Group		
	As At 30/09/16	As At 30/06/16	Change
	$'000	$'000	$'000
Trade payables	21,731	25,216	(3,485)
Other payables and accruals	25,944	25,706	238
Total trade and other payables	47,675	50,922	(3,247)
Average trade payables' turnover (days)	159	69	

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 30/09/16	As At 30/06/16
	$'000	$'000
Amount repayable in one year or less (secured)		
- Bank and other borrowings	60,127	62,338
- Finance lease liabilities	6,003	6,293
	66,130	68,631
Amount repayable after one year (secured)		
- Bank and other borrowings	18,668	18,964
- Finance lease liabilities	8,332	9,215
	27,000	28,179
Total borrowings	93,130	96,810

Details of any collateral:

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

(b) Finance lease liabilities of the Group are 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.

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 First Quarter Ended 30 September 2016

	Group	
	3 Months Ended 30 September	
	2016	2015
	$'000	$'000
Cash flows from operating activities:		
Profit before income tax	448	250
Adjustments for:		
Interest income	(160)	(334)
Dividend income	(1)	(3)
Share of loss of joint venture	-	(22)
Gain on disposal of property, plant and equipment	(63)	(1)
Amortisation of land use right	4	11
Depreciation of property, plant and equipment	3,952	3,962
Depreciation of investment properties	38	40
Interest expense	560	829
Operating profit before working capital changes	4,778	4,732
Changes in working capital		
Trade and other receivables	3,856	(5,832)
Inventories	(459)	811
Construction contract work-in-progress	(2,567)	(6,149)
Trade and other payables	(4,625)	10,317
Cash generated from operations	983	3,879
Income tax paid	(7)	(71)
Net cash provided by operating activities	976	3,808
Cash flows from investing activities:		
Interest received	16	334
Dividend received	1	3
Proceeds from disposal of property, plant and equipment	380	26
Purchases of and/or additions to:		
- available-for-sale financial assets	(132)	(2,473)
- property, plant and equipment	(1,707)	(2,187)
Redemption of available-for-sale financial assets	1,384	1,924
Investment in joint venture	(2)	(9)
Net cash used in investing activities	(60)	(2,382)
Cash flows from financing activities:		
Proceeds from bank borrowings	43,430	23,949
Interest paid	(560)	(829)
Repayments of:		
- bank borrowings	(45,974)	(28,308)
- finance lease liabilities	(1,572)	(1,652)
Deposit pledged to bank	-	50
Purchase of treasury shares	-	(76)
Net cash used in financing activities	(4,676)	(6,866)
Net decrease in cash and cash equivalents	(3,760)	(5,440)
Cash and cash equivalents		
Beginning of financial period	30,012	17,937
Effects of currency translation on cash and cash equivalents	(2)	38
End of financial period	26,250	12,535
Consolidated cash and cash equivalents are represented by:		
Cash and bank balances	21,178	11,503
Short-term bank deposits	5,372	1,332
	26,550	12,835
Less: Bank deposit pledged to secure banking facilities	(300)	(300)
Cash and cash equivalents as per consolidated statement of cash flows	26,250	12,535

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	Treasury shares	Retained profits	Fair value reserve	Currency translation reserve	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1/07/15	88,385	(3,039)	16,111	(238)	1,771	102,990	3,980	106,970
Purchase of treasury shares	-	(76)	-	-	-	(76)	-	(76)
Total comprehensive income for the period	-	-	134	160	583	877	315	1,192
Balance at 30/09/15	88,385	(3,115)	16,245	(78)	2,354	103,791	4,295	108,086
Balance at 1/07/16	88,385	(3,115)	1,774	(1,911)	2,324	87,457	1,621	89,078
Total comprehensive loss for the period	-	-	172	(172)	(601)	(601)	(110)	(711)
Balance at 30/09/16	88,385	(3,115)	1,946	(2,083)	1,723	86,856	1,511	88,367

COMPANY	Share capital	Treasury shares	Retained profits	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1/07/15	88,385	(3,039)	5,989	91,335
Purchase of treasury shares	-	(76)	-	(76)
Total comprehensive loss for the period	-	-	(435)	(435)
Balance at 30/09/15	88,385	(3,115)	5,554	90,824
Balance at 1/07/16	88,385	(3,115)	1,578	86,848
Total comprehensive loss for the period	-	-	(15)	(15)
Balance at 30/09/16	88,385	(3,115)	1,563	86,833

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 September 2016, the Company did not purchase any ordinary shares under share buyback mandate from the market. As at 30 September 2016, the Company held 9,458,160 treasury shares (30 September 2015: 9,458,160).

	Group and Company		Group and Company	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	Number of shares		$'000	
Issued and fully paid				
At beginning of the year	9,458,160	9,168,000	3,115	3,039
Acquired during the period	-	290,160	-	76
At end of the period	9,458,160	9,458,160	3,115	3,115

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

The total number of issued ordinary shares (excluding treasury shares) as at 30 September 2016 was 296,649,136 (30 September 2015: 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 three months ended 30 September 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 2016.

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 2017.

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	
	3 Months Ended 30 September	
	2016	2015
Earnings per share		
(i) Basic (cent)	0.06	0.05
(ii) On a fully diluted basis (cent)	0.06	0.05

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares in issue during the year of 296,649,136 (30 September 2015: 296,720,896).

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 30/09/16	As at 30/06/16	As at 30/09/16	As at 30/06/16
Net assets value per ordinary share based on issued share capital (excluding treasury share) (cents)	29.79	30.03	29.27	29.28
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

3 months ended 30 September 2016 (1Q2017) vs 3 months ended 30 September 2015 (1Q2016)

The Group reported revenue of $28.2 million in 1Q2017, a decrease of $17.1 million or 37.7% from $45.3 million in 1Q2016. The revenue contribution from the Group's bored piling operations decreased by $12.6 million or 49.4% from $25.5 million in 1Q2016 to $12.9 million in 1Q2017. Revenue contribution from its eco-friendly, geo-services and other operations decreased by $4.2 million or 22.6% from $18.6 million in 1Q2016 to $14.4 million in 1Q2017. The decrease in revenue was mainly due to substantial completion for majority of the projects whilst most of the new projects are in the initial stage of work.

Cost of sales decreased by $14.7 million or 37.7% from $39.0 million in 1Q2016 to $24.3 million in 1Q2017, in tandem with the decrease in business activities.

Gross profit decreased by $2.3 million or 37.1% from $6.2 million in 1Q2016 to $3.9 million in 1Q2017. However, gross profit margin of 13.7% in 1Q2017 was comparable to 13.8% in 1Q2016.

Other income increased from $0.7 million in 1Q2016 to $0.8 million in 1Q2017, was mainly due to the increase in rental income and government grants received.

Administrative expenses decreased from $5.1 million in 1Q2016 to $4.7 million in 1Q2017 was mainly due to decrease in professional fees and insurance expense.

The Group reversed from other losses of $0.7 million in 1Q2016 to other gains of $1.0 million in 1Q2017. This was mainly due to exchange gain of $0.9 million registered in 1Q2017 as compared to exchange loss of $0.7 million in 1Q2016. The exchange gain derived was as a result of the appreciation of Australian Dollar and Vietnamese Dong against Singapore Dollar during the period.

Finance costs decreased from $0.8 million in 1Q2016 to $0.6 million in 1Q2017 was in line with the decreased in borrowing.

The income tax expense was in relation to the profitable entities within the group. The higher effective tax rate was mainly due to certain losses which cannot be offset for income tax purpose.

As a result of the above, the Group profit before income tax increased from $0.3 million in 1Q2016 to $0.4 million in 1Q2017. The profit for the period increased from $0.2 million in 1Q2016 to $0.3 million in 1Q2017.

8. Review of Statements of Financial Position and Cash Flow

Statements of Financial Position	As At 30/09/16	As At 30/06/16	Change
	$'000	$'000	$'000
Total Assets	238,094	245,506	(7,412)
Current Assets	128,200	132,075	(3,875)
Non-Current Assets	109,894	113,431	(3,537)
Current Liabilities (excluding borrowings)	48,049	51,059	(3,010)
Total Borrowings	93,130	96,810	(3,680)
Shareholders' Equity	86,856	87,457	(601)
Net Working Capital	14,021	12,385	1,636

Current Assets

Current assets decreased by $3.9 million were mainly attributable to the followings:

(i) Positive cash flow generated from operations of $1.0 million, offset with net cash flows used in investing activities and financing activities of $0.1 million and $4.7 million respectively resulting in net decrease in cash and cash equivalents of $3.8 million in 1Q2017.

(ii) Decrease in due from customers on construction contracts of $5.5 million as a result of decrease in business activities during the period.

Partially offset by:

(i) Increase in trade receivables of $2.3 million mainly due to progress billings issued to customers towards the end of the financial period.

(ii) Increase in construction work-in-progress of $2.6 million mainly due to higher costs incurred in excess of value of work done for the on-going projects.

Non-Current Assets

Non-current assets decreased by $3.5 million were mainly attributable to the followings:

(i) Decrease in property, plant and equipment of $2.1 million as a result of depreciation charge of $3.9 million which was partially offset by additions in property, plant and equipment of $1.7 million.

(ii) Decrease in available-for-sale financial assets of $1.5 million mainly due to repayment of funds received.

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

Current Liabilities (excluding borrowings)

Decrease in trade payables of $3.5 million were in line with the decrease in business activities and repayment made in the current period.

Total Borrowings

Net decreased of $3.7 million were mainly due to repayment made 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 Full Year 2016 Results Announcement dated 26 August 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

Outlook

Ministry of Trade and Industry Singapore announced on 14 October 2016 that the growth in the construction sector slowed marginally to 2.5 per cent on a year-on-year basis in the third quarter, from 2.6 per cent in the previous quarter. The slowdown was due to a sharper decline in private sector construction activities. On a quarter-on-quarter basis, the sector expanded at an annualised rate of 0.5 per cent, moderating from the 1.1 per cent expansion in the preceding quarter.

The Group's net order book as at 30 September 2016 stood at $175.2 million, comprising projects from public infrastructure, public housing, residential, commercial and geoservices.

The Group remains cautious about the local and regional markets where it operates and will continue to secure more projects. External factors such as keen competition, rising costs and the tight labour market will continue to add pressure on the Group's performance.

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

No interim dividend for the three months ended 30 September 2016 is recommended (30 September 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 first quarter and three months ended 30 September 2016:

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 September 2016
	$'000
HL Suntek Insurance Brokers Pte Ltd(1) - Insurance expense	177

Note:

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

13. Negative Confirmation of Interim Financial Results Pursuant to Rule 705(5) of the SGX-ST Listing Manual

The Directors of the Company confirm that to the best of their knowledge, nothing has come to attention of the Board of Directors which may render the unaudited financial statements of the Company and the Group for the first quarter and three months ended 30 September 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 and Executive Director

4 November 2016