

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	GROUP					
		3 months ended		Change	9 months ended		Change
		30/09/2018	30/09/2017 (restated)		30/09/2018	30/09/2017 (restated)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Revenue		95,034	96,097	-1%	214,005	216,502	-1%
Cost of sales		(90,651)	(91,593)	-1%	(203,250)	(204,973)	-1%
Gross profit		4,383	4,504	-3%	10,755	11,529	-7%
Other income	1	46	100	-54%	208	836	-75%
Other gains/(losses) - net	2	753	(222)	N.M.	2,631	(839)	N.M.
Selling and distribution expenses		(304)	118	N.M.	(647)	155	N.M.
Administrative expenses		(3,155)	(2,709)	16%	(7,944)	(7,098)	12%
Finance expenses		(276)	(152)	81%	(624)	(461)	35%
Share of profit from an associated company, net of tax		-	-	N.M.	9	-	N.M.
Profit before income tax	3	1,447	1,639	-12%	4,388	4,122	6%
Income tax expense	4	(64)	(277)	-77%	(502)	(477)	5%
Profit after income tax		1,383	1,362	2%	3,886	3,645	7%
Other comprehensive (loss)/income, net of tax:							
Fair value gain/(loss) on financial assets, at FVOCI		41	(78)	N.M.	84	(171)	N.M.
Currency translation differences arising from consolidation		(364)	53	N.M.	83	(72)	N.M.
Other comprehensive (loss)/income, net of tax		(323)	(25)	1191%	167	(243)	N.M.
Total comprehensive income		1,060	1,337	-21%	4,053	3,402	19%
Profit attributable to:							
Equity holders of the Company		1,327	1,356	-2%	3,624	3,569	2%
Non-controlling interests		56	6	796%	262	76	245%
Total comprehensive income/(loss) attributable to:		1,383	1,362	2%	3,886	3,645	7%
Profit attributable to:							
Equity holders of the Company		1,079	1,320	-18%	3,796	3,316	14%
Non-controlling interests		(19)	17	N.M.	257	86	199%
		1,060	1,337	-21%	4,053	3,402	19%

N.M. - Not meaningful

Notes to the Statement of Comprehensive Income (for the Group)

Note 1

Other income includes the following :

Rental income
Interest income
Other income

Note 2

Other gains/(losses) includes the following :

Fair value loss on financial assets at fair value through profit or loss
Fair value (loss)/gain on long term financial assets and financial liabilities
Gain on disposal of property, plant and equipment
Net foreign exchange gains/(losses)

Note 3

Profit before income tax is stated after (charging)/crediting the following items:

(Allowance for)/write-back of allowance for impairment of trade and non-trade receivables
Depreciation of property, plant and equipment

Note 4

Income tax expense includes the following :

Current income tax
- in respect of current period
- over provision in respect of prior period

GROUP			
3 months ended		9 months ended	
30/09/2018	30/09/2017 (restated)	30/09/2018	30/09/2017 (restated)
S\$'000	S\$'000	S\$'000	S\$'000
-	41	42	122
42	45	127	160
4	14	39	554
46	100	208	836
-	-	(11)	(5)
-	(57)	484	(128)
515	-	1,953	7
238	(165)	205	(713)
753	(222)	2,631	(839)
(134)	262	(126)	507
(117)	(144)	(424)	(421)
85	277	523	527
(21)	-	(21)	(50)
64	277	502	477

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.

	GROUP			COMPANY	
	30/09/2018 S\$'000	31/12/2017 (restated) S\$'000	01/01/2017 (restated) S\$'000	30/09/2018 S\$'000	31/12/2017 S\$'000
ASSETS					
CURRENT ASSETS					
Cash and bank balances	38,074	24,864	20,460	7,904	5,977
Trade and other receivables	63,058	70,137	76,816	27,537	4,052
Inventories	283	190	646	-	-
Contract assets	77,875	60,577	47,158	-	-
Financial assets, at fair value through profit or loss	26	37	40	-	-
Financial assets, at FVOCI / Available-for-sale financial assets	798	765	7,529	-	-
	180,114	156,570	152,649	35,441	10,029
NON-CURRENT ASSETS					
Trade and other receivables	-	-	-	10,000	10,000
Contract assets	31,952	24,589	15,187	-	-
Investments in an associated company	1,457	1,448	1,355	640	640
Investments in subsidiaries	-	-	-	37,238	37,238
Property, plant and equipment	28,408	31,269	28,636	8	1,623
Goodwill	6,857	6,857	6,857	-	-
Deferred tax asset	809	394	119	-	-
	69,483	64,557	52,154	47,886	49,501
TOTAL ASSETS	249,597	221,127	204,803	83,327	59,530
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	73,153	52,143	38,391	73,153	52,143
Other reserves	3,936	1,827	(441)	4,507	2,482
Retained profits	13,401	10,824	3,240	2,405	1,730
Currency translation reserve	(2,201)	(2,289)	(2,458)	-	-
	88,289	62,505	38,732	80,065	56,355
Non-controlling interests	3,028	3,045	3,033	-	-
TOTAL EQUITY	91,317	65,550	41,765	80,065	56,355
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	76,172	92,394	91,118	3,262	3,175
Current income tax liabilities	79	751	680	-	-
Contract liabilities	27,392	36,557	36,893	-	-
Short term borrowings and finance leases	35,079	11,191	16,709	-	-
	138,722	140,893	145,400	3,262	3,175
NON-CURRENT LIABILITIES					
Trade and other payables	17,046	11,483	14,829	-	-
Finance lease	2,147	2,731	2,237	-	-
Deferred tax liabilities	365	470	572	-	-
	19,558	14,684	17,638	-	-
TOTAL LIABILITIES	158,280	155,577	163,038	3,262	3,175
TOTAL EQUITY AND LIABILITIES	249,597	221,127	204,803	83,327	59,530

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

As at 30/09/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,779	32,300	2,391	8,800
2,147	-	2,731	-

Amount repayable in one year or less, or on demand
Amount repayable after one year

Details of any collateral

The Group's secured borrowings are secured by the Group's plant and machinery and motor vehicles.

1(c) CONSOLIDATED CASH FLOW STATEMENT

	9 months ended	
	30/09/2018	30/09/2017 (restated)
	S\$'000	S\$'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit after income tax	3,886	3,645
Adjustments for non-cash items :		
Income tax expense	502	477
Depreciation of property, plant and equipment	424	421
Fair value loss on financial assets at fair value through profit or loss	11	5
Fair value (gain)/loss on long term financial assets and financial liabilities	(484)	128
Gain on disposal of property, plant and equipment	(1,953)	(7)
Share of profit from an associated company	(9)	-
Interest expense	624	461
Interest income	(127)	(160)
Unrealised foreign exchange (gain)/loss	(132)	543
Operating profit before working capital changes	2,742	5,513
Working capital changes :		
- Receivables	7,580	34,577
- Inventories	(93)	520
- Contract assets	(20,558)	(50,617)
- Contract liabilities	(9,166)	4,443
- Payables	(10,977)	8,073
Cash (used in)/generated from operations	(30,472)	2,509
Income tax paid	(2,176)	(751)
Interest paid	(661)	(476)
Net cash (used in)/generated from operating activities	(33,309)	1,282
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment	(711)	(2,773)
Proceeds from disposal of property, plant and equipment	3,571	8
Proceeds from redemption of financial assets, at FVOCI	50	-
Proceeds from redemption of available-for-sale financial assets	-	6,525
Interest received	106	358
Net cash generated from investing activities	3,016	4,118
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Deposit released/(pledged)	1,355	(182)
Proceeds from issuance of rights cum warrants	23,287	-
Share issuance expenses	(252)	-
Proceeds from bank borrowings	23,500	8,000
Payment of finance lease instalments	(1,920)	(1,652)
Dividends paid to equity holders of the Company	(1,047)	(449)
Dividends paid to non-controlling interest	(274)	(158)
Net cash generated from financing activities	44,649	5,559
NET CHANGE IN CASH AND BANK BALANCES	14,356	10,959
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL PERIOD	23,509	19,323
EFFECTS OF CURRENCY TRANSLATION ON CASH AND BANK BALANCES	209	(615)
CASH AND BANK BALANCES AT END OF THE FINANCIAL PERIOD	38,074	29,667
Represented by :		
CASH AND BANK BALANCES		
Cash and bank balances	38,074	30,986
Restricted cash	-	(1,319)
	38,074	29,667

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.

	Attributable to equity holders of the Group					TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	Share Capital	Warrants Reserve	Other Reserves	Retained Profits	Currency Translation Reserve			
GROUP (S\$'000)								
Balance as at 01/01/2018								
As previously reported	52,143	2,482	(655)	10,524	(2,289)	62,205	3,045	65,250
Effects of adoption of SFRS(I) 15	-	-	-	300	-	300	-	300
As restated at 01/01/2018	52,143	2,482	(655)	10,824	(2,289)	62,505	3,045	65,550
Issuance of rights cum warrants #	21,262	2,025	-	-	-	23,287	-	23,287
Share issuance expenses	(252)	-	-	-	-	(252)	-	(252)
Profit for the financial period	-	-	-	3,624	-	3,624	262	3,886
Other comprehensive income for the period	-	-	84	-	88	172	(5)	167
Dividend paid	-	-	-	(1,047)	-	(1,047)	(274)	(1,321)
Balance as at 30/09/2018	73,153	4,507	(571)	13,401	(2,201)	88,289	3,028	91,317
Balance as at 01/01/2017	38,391	-	(441)	3,877	(2,458)	39,369	3,033	42,402
Effects of adoption of SFRS(I) 15	-	-	-	(637)	-	(637)	-	(637)
As restated at 01/01/2017	38,391	-	(441)	3,240	(2,458)	38,732	3,033	41,765
Profit for the financial period	-	-	-	3,569	-	3,569	76	3,645
Other comprehensive loss for the period	-	-	(171)	-	(82)	(253)	10	(243)
Acquisition of non-controlling interests without a change in control	-	-	-	50	6	56	(56)	-
Dividend paid	-	-	-	(449)	-	(449)	(158)	(607)
Balance as at 30/09/2017	38,391	-	(612)	6,410	(2,534)	41,655	2,905	44,560

	Attributable to equity holders of the Company			TOTAL
	Share Capital	Warrants Reserve	Retained Profits	
COMPANY (S\$'000)				
Balance as at 01/01/2018	52,143	2,482	1,730	56,355
Issuance of rights cum warrants #	21,262	2,025	-	23,287
Share issuance expenses	(252)	-	-	(252)
Profit for the financial period	-	-	1,722	1,722
Dividend paid	-	-	(1,047)	(1,047)
Balance as at 30/09/2018	73,153	4,507	2,405	80,065
Balance as at 01/01/2017	38,391	-	1,091	39,482
Profit for the financial period	-	-	493	493
Dividend paid	-	-	(448)	(448)
Balance as at 30/09/2017	38,391	-	1,136	39,527

The issuance of rights cum warrants was approved by way of the renewal of the Share Issue Mandate at the Annual General Meeting held on 26 April 2018. The share capital increase was effected on 27 September 2018.

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 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.

Total number of issued shares
Number of shares that may be issued on exercise of warrants

No. of shares	
30/09/2018	31/12/2017
1,564,128,735	1,046,635,889
816,454,528	298,961,682

Warrants

(a) Pursuant to the renounceable non-underwritten rights cum warrants issue announced on 15 May 2017, the Company issued 299,021,682 warrants on 14 November 2017. Each warrant carries the right to subscribe for one (1) ordinary share in the capital of the Company at the exercise price ranging from S\$0.09 to S\$0.11 per warrant for each new share depending on the date of exercise. Each warrant may be exercised at any time during the period of four (4) years commencing on and including the date of issue of the warrants and expiring on the 4th anniversary of the date of issue of the warrants. 60,000 warrants were exercised at S\$0.09 per warrant for each new share as at 30 September 2018. The remaining 298,961,682 warrants ("Existing Warrants") will expire on 11 November 2022. As announced by the Company on 13 April 2018, the net proceeds raised from the renounceable non-underwritten rights cum warrants issue have been fully utilised.

Pursuant to the terms and conditions of the deed poll dated 13 October 2017 (the "Deed Poll"), the Proposed Rights cum Warrants Issue, as announced by the Company on 29 June 2018, constitutes an event giving rise to an adjustment to the exercise price and the number of the Existing Warrants. Accordingly, 39,192,649 Adjustment Warrants have been issued and allotted on 18 October 2018. Following the allotment and issuance of the Adjustment Warrants, the total number of Existing Warrants has increased from 298,961,682 to 338,154,331. Each one adjustment warrant carrying the right to subscribe for one (1) new ordinary shares in the capital of the Company (the "Adjustment Warrant Share(s)") at exercise price ranging from S\$0.08 to S\$0.10.

(b) Following the proposed renounceable non-underwritten rights cum warrants issue announced on 29 June 2018, the Company issued 517,492,846 warrants on 26 September 2018. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.050 for each new share. Each warrant may be exercised at any time during the period of five (5) years commencing on and including the date of issue of the warrants and expiring on the 5th anniversary of the date of issue of the warrants. No warrants have been exercised as at 30 September 2018. On 10 October 2018, the Company announced that the net proceeds raised from the proposed renounceable non-underwritten rights cum warrants issue was partially utilised for business expansion and general working capital purposes.

Shares

(a) Pursuant to the proposed renounceable non-underwritten rights cum warrants issue announced on 15 May 2017, the Company issued 299,021,682 rights shares in the capital of the Company on 14 November 2017 at the issue price of S\$0.055 for each ordinary share. The new shares rank pari passu in all respects with all other existing shares in issue. Following the completion of the above issuance, the total number of issued shares in the capital of the Company increased from 747,554,207 shares to 1,046,575,889 shares.

On 4 December 2017, the Company issued 60,000 rights shares in the capital of the Company pursuant to the exercise of warrants at a exercise price of S\$0.09 per warrant, under the Deed Poll. The new shares rank pari passu in all respects with all other existing shares in issue. Following the completion of the above issuance, the total number of issued shares in the capital of the Company increased from 1,046,575,889 shares to 1,046,635,889 shares.

(b) Following the proposed renounceable non-underwritten rights cum warrants issue announced on 29 June 2018, the Company issued 517,492,846 rights shares in the capital of the Company on 26 September 2018 at the issue price of S\$0.045 for each ordinary share. The new shares rank pari passu in all respects with all other existing shares in issue. Following the completion of the above issuance, the total number of issued shares in the capital of the Company increased from 1,046,575,889 shares to 1,564,128,735 shares.

Save as disclosed above, the Company has no outstanding convertibles and no treasury shares as at 30 September 2018 and 31 December 2017.

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.

Total number of issued shares excluding treasury shares

No. of shares	
30/09/2018	31/12/2017
1,564,128,735	1,046,635,889

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

Not applicable as there were no treasury shares as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to be 'Singapore Financial Reporting Standards (International)' ["SFRS(I)s"] hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and has issued its first set of financial information prepared under SFRS(I) for the period ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group also concurrently applied new major SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers.

The estimated impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Sales
Cost of sales
Gross profit
Profit attributable to:
Equity holders of the Company

GROUP 9 months ended 30/09/2017 Increase/ (Decrease) S\$'000
25,575
(25,905)
(330)
(330)

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS

Trade and other receivables
Due from customers on construction contracts
Contract assets
Available-for-sale financial assets
Financial assets, at FVOCI

NON-CURRENT ASSETS

Trade and other receivables
Contract assets

TOTAL ASSETS

LIABILITIES

CURRENT LIABILITIES

Trade and other payables
Due to customers on construction contracts
Contract liabilities

TOTAL LIABILITIES

NET ASSETS

GROUP		
01/01/2018 Increase/ (Decrease) S\$'000	31/12/2017 Increase/ (Decrease) S\$'000	01/01/2017 Increase/ (Decrease) S\$'000
-	(5,847)	(10,278)
-	(53,440)	(36,533)
-	60,577	47,158
(765)	-	-
765	-	-
-	1,290	347
-	(24,589)	(15,187)
-	24,589	15,187
-	-	-
-	1,290	347
-	(25,012)	(6,395)
-	(10,555)	(29,514)
-	36,557	36,893
-	990	984
-	990	984
-	300	(637)

The Group is still in the progress of finalising its assessment of impact arising from adoption of SFRS (I) 15 and thus the finalised impact may differ from the provisional figures determined at the moment.

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.

Earnings per ordinary share for the period after deducting any provision for preference dividends:

- (i) Basic
- (ii) On a fully diluted basis

GROUP			
3 months ended		9 months ended	
30/09/2018 (cent)	30/09/2017 (restated) (cent)	30/09/2018 (cent)	30/09/2017 (restated) (cent)
0.12	0.15	0.34	0.41
0.12	0.15	0.34	0.41

The basic earning per share is calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial period of 1,054,218,202 ordinary shares (financial period ended 30 September 2017: based on adjusted 860,893,071 ordinary shares).

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effect on the exercise of all outstanding warrants.

- 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 as at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

GROUP		COMPANY	
30/09/2018	31/12/2017 (restated)	30/09/2018	31/12/2017
(cents)	(cents)	(cents)	(cents)
5.64	5.97	5.12	5.38

Net asset value per ordinary share based on total number of issued shares at the end of period

The net asset value per ordinary share is computed based on the issued share capital of 1,564,128,735 ordinary shares as at 30 September 2018 (31 December 2017: 1,046,635,889 ordinary shares).

- 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 currency financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

Review of operating result

Revenue

The Group reported total revenue of S\$95.0 million for the 3-month period ended 30 September 2018 ("3Q 2018"), a marginal decrease from S\$96.1 million for the 3-month period ended 30 September 2017 ("3Q 2017").

The Group's revenue decreased marginally from S\$216.5 million for the nine months ended 30 September 2017 ("9M 2017") to S\$214.0 million for the nine months ended 30 September 2018 ("9M 2018").

Cost of sales

In line with the reduction in revenue, the Group's cost of sales showed a marginal decrease from S\$91.6 million in 3Q 2017 to S\$90.7 million in 3Q 2018 and from S\$205.0 million in 9M 2017 to S\$203.3 million in 9M 2018.

Gross profit

Overall gross profit retreated by 3% to S\$4.4 million in 3Q 2018 as compared to 3Q 2017 whereas a decrease of 7% to S\$10.8 million was recorded in 9M 2018 as compared to 9M 2017.

Other income

Other income reduced by 54% to S\$46,000 in 3Q 2018 and 75% to S\$0.2 million in 9M 2018 as compared to the corresponding period 3Q 2017 and 9M 2017. This is primarily due to the forfeiture of deposit received from a customer a year ago.

Other gains/(losses) - net

Gain on disposal of property, plant and equipment, together with net foreign exchange gain and fair value gain on long term financial assets and financial liabilities were the main contributors to the Group's other gains of S\$0.8 million in 3Q 2018 and S\$2.6 million in 9M 2018.

Selling and distribution expenses

Higher selling and distribution expenses were reported due to increase in advertisement and promotion expenses and the absence of write-back of allowance for doubtful debts a year ago.

Administrative expenses

Administrative expenses increased from S\$2.7 million in 3Q 2017 to S\$3.2 million in 3Q 2018 and from S\$7.1 million in 9M 2017 to S\$7.9 million in 9M 2018. This was mainly due to higher tender expenses incurred for potential projects.

Finance expenses

Increase in finance expenses for both 3Q 2018 and 9M 2018 comparisons was mainly due to increase in the Group's borrowings.

Profit before income tax

Overall, the Group's profit before income tax showed a decline of 12% from S\$1.6 million in 3Q 2017 to S\$1.4 million in 3Q 2018 and an increase of 6% from S\$4.1 million in 9M 2017 to S\$4.4 million in 9M 2018.

Review of financial position

The Group's net asset value attributable to shareholders increased from S\$62.5 million as at 31 December 2017 to S\$88.3 million as at 30 September 2018.

The Group's current assets recorded an increase of S\$23.5 million mainly due to increase in cash and bank balances and contract assets, offset by decrease in trade and other receivables.

The Group's non-current assets recorded an increase of S\$4.9 million mainly due to increase in retention due from customers for construction contracts recorded in contract assets.

The Group's current liabilities recorded a decrease of S\$2.2 million, resulted from decrease in trade and other payables of S\$16.2 million and contract liabilities of S\$9.2 million, offset by increase in short term borrowings and finance leases of S\$23.9 million.

The Group's non-current liabilities showed an increase of S\$4.9 million mainly due to increase in retention due to subcontractors for construction contracts recorded in trade and other payables.

Review of cash flow

The Group reported a net increase in cash and bank balances of S\$14.4 million mainly due to proceeds from issuance of rights cum warrants and bank borrowings under financing activities, offset by net cash used in operating activities. The net cash used in operating activities was mainly due to decrease in contract liabilities and trade and other payables and increase in contract assets.

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

The current announced results are in line with the general prospect commentary previously disclosed in the results announcement for the financial period ended 30 June 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.

Engineering and Construction Sector

According to the latest advance estimates from the Ministry of Trade and Industry published on 12 October 2018, the Singapore economy grew by 2.6% on a year-on-year basis in the third quarter of 2018, moderating from 4.1% growth in the previous quarter. The construction sector contracted by 3.1% on a year-on-year basis in the third quarter, extending the 4.2% decline in the previous quarter. This was weighed down by the weakness in public sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew by 1.7%, a turnaround from the contraction of 14.5% in the second quarter. However, the construction industry remains challenging due to keen competition and higher costs.

Despite the above, the Group's total outstanding order book of construction project in progress stood at S\$765.9 million as at 30 September 2018. As an established building and engineering contractor, we will continue to leverage on our strength to secure more projects in order to replenish our order book for sustainable long term growth.

Bio-refining and Bio-energy Sector

Oiltek Sdn. Bhd., our subsidiary, is an integrated supplier with process expertise that covers the complete supply chain in the edible oil industry, renewable and bioenergy sector, as well as high value downstream processes. Oiltek continues to develop new proprietary technology in the refining process to provide continual innovation to the industry. Although the current commodities industry is facing challenges, Oiltek remains optimistic on the long term growth prospects.

11 Dividend

(a) Current Financial Period Reported On:

(i) Any dividend declared for the current financial period reported on?

No.

(ii) Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Interested Person Transaction

The general mandate for interested persons transactions was approved at the Annual General Meeting held on 26 April 2018.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$ 100,000)
	\$'000	\$'000
<u>Transactions for the Sale of Goods and Services</u>		
KBD Westwood Pte Ltd	-	128
<u>Transactions for the Purchase of Goods and Services</u>		
G & W Ready-Mix Pte Ltd	-	5,016
G & W Precast Pte Ltd	-	656
G & W Industries Pte Ltd	-	521
Hi Con (S) Pte Ltd	-	149
Koh Brothers Group Limited	-	3,087
Koh Brothers Holdings Pte Ltd	-	174

14 Requirement under Rule 705(5) of the Listing Manual Section B: Rules of Catalyst

We, Koh Keng Siang and Koh Choon Leng, being Directors of Koh Brothers Eco Engineering Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to our attention which may render the financial statements for the third quarter and nine months ended 30 September 2018 to be false or misleading in any material aspect.

15 Requirement under Rule 720(1) of the Listing Manual Section B: Rules of Catalyst

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The contact person for the Sponsor is Mr Ng Joo Khin:
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