

LEY CHOON GROUP HOLDINGS LTD

(Company Registration No. 198700318G)

ANNOUNCEMENT OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

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

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LEY CHOON GROUP HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3, Q4), HALF-YEAR AND FULL YEAR RESULTS

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

	2 nd Quarter ended			6 Months		
	30 Sep 2018 S\$'000	30 Sep 2017 S\$'000	Change %	30 Sep 2018 S\$'000	30 Sep 2017 S\$'000	Change %
Revenue	23,058	27,774	(17.0)	48,825	52,110	(6.3)
Cost of sales	<u>(22,396)</u>	<u>(23,184)</u>	(3.4)	<u>(44,126)</u>	<u>(44,424)</u>	(0.7)
Gross profit	662	4,590	(85.6)	4,699	7,686	(38.9)
Other income	514	491	4.7	1,466	1,635	(10.3)
Selling and distribution expenses	(48)	(226)	(78.8)	(151)	(381)	(60.4)
Administrative expenses	(3,025)	(3,451)	(12.3)	(6,638)	(6,670)	(0.5)
Other operating expenses	(678)	(223)	204.0	(722)	(558)	29.4
Finance costs	<u>(759)</u>	<u>(654)</u>	16.1	<u>(1,501)</u>	<u>(704)</u>	113.2
(Loss)/profit before taxation	(3,334)	527	n/m	(2,847)	1,008	n/m
Taxation	-	-	-	-	-	-
(Loss)/profit for the period	<u>(3,334)</u>	527	n/m	<u>(2,847)</u>	1,008	n/m
Other comprehensive (loss)/income after tax:						
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	<u>(592)</u>	203	n/m	<u>(855)</u>	418	n/m
Other comprehensive (loss)/income for the period, net of tax of nil	<u>(592)</u>	203	n/m	<u>(855)</u>	418	n/m
Total comprehensive (loss)/income for the period	<u>(3,926)</u>	730	n/m	<u>(3,702)</u>	1,426	n/m

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	2 nd Quarter ended			6 Months		
	30 Sep	30 Sep	Change	30 Sep	30 Sep	Change
	2018	2017		2018	2017	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/profit attributable to:						
Owners of the Company	(3,334)	527	n/m	(2,847)	1,008	n/m
(Loss)/profit for the period	<u>(3,334)</u>	<u>527</u>	n/m	<u>(2,847)</u>	<u>1,008</u>	n/m
Total comprehensive (loss)/income attributable to:						
Owners of the Company	<u>(3,926)</u>	<u>730</u>	n/m	<u>(3,702)</u>	<u>1,426</u>	n/m
Total comprehensive (loss)/income for the period	<u>(3,926)</u>	<u>730</u>	n/m	<u>(3,702)</u>	<u>1,426</u>	n/m

n/m – not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

The statement of comprehensive income is arrived at after charging/(crediting) the following:

	2 nd Quarter ended			6 Months		
	30 Sep	30 Sep	Change	30 Sep	30 Sep	Change
	2018	2017		2018	2017	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Impairment losses on trade receivables (reversed)/made	(14)	13	n/m	(14)	13	n/m
Amortisation of land use rights	16	18	(11.1)	34	35	(2.9)
Depreciation of property, plant and equipment	2,171	2,297	(5.5)	4,459	4,604	(3.1)
Foreign exchange loss, net	677	218	210.6	716	524	36.6
Change in fair value of financial assets at fair value through profit or loss	1	9	(88.9)	6	5	20.0
Interest income	5	-	n/m	-	(1)	n/m
Dividend income from other investments	-	-	-	(1)	(1)	-
Loss/(gain) on disposal of property, plant and equipment	84	(24)	n/m	41	(32)	n/m
Finance costs	759	654	16.1	1,501	704	113.2
Provision for legal claims and damages made	-	200	n/m	-	200	n/m
Operating lease expenses	441	317	39.1	855	705	21.3

n/m – not meaningful

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	
	As at 30 Sep 2018 S\$'000	As at 31 Mar 2018 S\$'000	As at 30 Sep 2018 S\$'000	As at 31 Mar 2018 S\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	50,877	55,913	-	-
Land use rights	2,928	3,105	-	-
Subsidiaries	-	-	82,954	82,954
Club membership	229	229	-	-
Deferred tax assets	614	625	-	-
	54,648	59,872	82,954	82,954
Current Assets				
Inventories	13,854	12,839	-	-
Contract assets	22,193	17,690	-	-
Trade and other receivables	27,826	31,543	5,284	4,157
Other investments	52	58	-	-
Cash and bank balances	4,169	4,665	12	6
Fixed deposits	2,013	2,537	-	-
	70,107	69,332	5,296	4,163
Total assets	124,755	129,204	88,250	87,117
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	79,807	79,807	146,026	146,026
Accumulated losses	(49,322)	(46,475)	(102,205)	(101,225)
Other reserves	221	1,076	(884)	(884)
Total equity	30,706	34,408	42,937	43,917
Non-Current Liabilities				
Borrowings	50,371	44,509	15,672	15,614
Deferred tax liabilities	49	48	-	-
	50,420	44,557	15,672	15,614
Current Liabilities				
Borrowings	8,375	14,870	-	-
Trade and other payables	32,714	32,816	29,641	27,586
Current tax payable	99	112	-	-
Provisions	2,441	2,441	-	-
	43,629	50,239	29,641	27,586
Total liabilities	94,049	94,796	45,313	43,200
Total equity and liabilities	124,755	129,204	88,250	87,117

1(b)(ii) Aggregate amount of the Group's borrowing and debt securities

(a) Amount repayable in one year or less, or on demand

	Group	
	As at	As at
	30 Sep 2018	31 Mar 2018
	S\$'000	S\$'000
<u>Secured</u>		
Bank loans	7,644	14,096
Finance lease liabilities	731	774
Total	8,375	14,870

(b) Amount repayable after one year

	As at	As at
	30 Sep 2018	31 Mar 2018
	S\$'000	S\$'000
<u>Secured</u>		
Bank loans	34,295	28,149
Convertible bond (Murabaha Facility)	15,672	15,614
Finance lease liabilities	404	746
Total	50,371	44,509

(c) Details of any collateral

Bank overdrafts, bills payable and bank loans are secured by the following:

- (i) legal mortgage over the Group's leasehold properties;
- (ii) charge over certain of the Group's plant and equipment;
- (iii) charge over shares in the Company's subsidiaries;
- (iv) charge over certain of the Group's bank accounts;
- (v) fixed deposits of the Group;
- (vi) floating charge over all other assets; and/or
- (vii) corporate guarantees by the Company.

The Group's lease obligations under finance leases are secured by the lessors' title to the leased assets. The carrying amount of the assets under finance lease is S\$2.9 million as at 30 September 2018.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	6 Months Period ended	
	30 Sep 2018	30 Sep 2017
	S\$'000	S\$'000
Cash Flows from Operating Activities:		
(Loss)/profit before taxation	(2,847)	1,008
Adjustments for:		
Amortisation of land use rights	34	35
Depreciation of property, plant and equipment	4,459	4,604
Provision for legal claims and damages made	-	200
Impairment losses on trade receivables (reversed)/made, net	(14)	13
Loss/(gain) on disposal of property, plant and equipment	41	(32)
Fair value loss on other investments	6	5
Dividend income from other investments	(1)	(1)
Interest income	-	(1)
Finance costs	1,501	704
Operating profit before working capital changes	3,179	6,535
Changes in inventories	(1,042)	(769)
Changes in contract assets	(4,616)	80
Changes in trade and other receivables	2,363	915
Changes in trade and other payables	950	(1,015)
Cash generated from operations	834	5,746
Income taxes (paid)/refunded	(8)	3
Net cash generated from operating activities	826	5,749
Cash Flows from Investing Activities:		
Interest received	-	1
Purchase of property, plant and equipment	(179)	(1,925)
Dividend received from other investments	1	1
Proceeds from disposal of property, plant and equipment	268	267
Net cash generated from/(used in) investing activities	90	(1,656)

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	6 Months Period ended	
	30 Sep 2018	30 Sep 2017
	S\$'000	S\$'000
Cash Flows from Financing Activities:		
Interest paid	(1,274)	(1,834)
Proceeds from loans from financial institutions	1,240	1,229
Proceeds from rights issue	-	8,886
Share issuance expenses	-	(196)
Repayment of loans from financial institutions	(1,501)	(4,369)
Repayment of finance lease liabilities	(385)	(1,165)
Loan from controlling shareholders	-	(3,465)
Fixed deposits pledged with banks	523	(831)
Net cash used in financing activities	<u>(1,397)</u>	<u>(1,745)</u>
Net (decrease)/increase in cash and cash equivalents	(481)	2,348
Cash and cash equivalents at beginning of period	4,665	(3,398)
Restructuring of bank overdrafts to loans from financial institutions	-	10,036
Exchange differences on translation of cash and cash equivalents	(15)	(69)
Cash and cash equivalents at end of period	<u>4,169</u>	<u>8,917</u>

Reconciliation from cash and cash equivalents in statement of cash flows to cash and bank balances and fixed deposits in statement of financial position

	6 Months Period ended	
	30 Sep 2018	30 Sep 2017
	S\$'000	S\$'000
Cash and cash equivalents	4,169	8,917
Fixed deposits pledged	2,013	2,551
	<u>6,182</u>	<u>11,468</u>

1(d)(i) A statement 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

Group	Share capital	Accumulated losses	Equity component of convertible bonds	Foreign currency translation reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Apr 2017	71,117	(47,980)	243	(233)	23,147
Profit for the period	-	1,008	-	-	1,008
Other comprehensive loss for the period					
- Currency translation differences	-	-	-	418	418
Total comprehensive income for the period	-	1,008	-	418	1,426
Contributions by and distributions to owners					
-Issue of shares pursuant to rights issue	8,886	-	-	-	8,886
-Share issuance expenses	(196)	-	-	-	(196)
Transactions with owners in their capacity as owners	8,690	-	-	-	8,690
Balance at 30 September 2017	79,807	(46,972)	243	185	33,263
Balance at 1 April 2018	79,807	(46,475)	243	833	34,408
Loss for the period	-	(2,847)	-	-	(2,847)
Other comprehensive loss for the period					
- Currency translation differences	-	-	-	(855)	(855)
Total comprehensive loss for the period	-	(2,847)	-	(855)	(3,702)
Balance at 30 September 2018	79,807	(49,322)	243	(22)	30,706

1(d)(i) A statement showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

<u>Company</u>	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Apr 2017	137,336	(884)	(104,673)	31,779
Loss for the period/Total comprehensive loss for the period	-	-	(7)	(7)
Contributions by and distributions to owners				
-Issue of shares pursuant to rights issue	8,886	-	-	8,886
-Share issuance expenses	(196)	-	-	(196)
Transactions with owners in their capacity as owners	8,690	-	-	8,690
Balance at 30 September 2017	146,026	(884)	(104,680)	40,462
Balance at 1 April 2018	146,026	(884)	(101,225)	43,917
Loss for the period/Total comprehensive loss for the period	-	-	(980)	(980)
Balance at 30 September 2018	146,026	(884)	(102,205)	42,937

1(d)(ii) Details of any changes in the company’s share capital arising from right 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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 period. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 change in the Company’s as well as the Group’s share capital since the end of the previous period reported on.

As at 30 September 2018 (and 31 March 2018), the Company’s issued and paid-up share capital was S\$146,026,238 (and S\$146,026,238).

There were no treasury shares held by the Company.

There were no subsidiary shareholdings as at 30 September 2018 (and 31 March 2018).

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.

Actual	30 September 2018	31 March 2018
Total number of issued shares excluding treasury shares	1,184,813,992	1,184,813,992

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

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

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

The figures have not been audited or reviewed.

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.

There were no significant changes in accounting policies and methods of computation adopted in financial statements for the current reporting period as compared to the most recent audited annual financial statements for the period ended 31 March 2018, except for the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments* with effect from 1 April 2018. There is no significant impact to the financial statements for the six-month period ended 30 September 2018 arising from the adoption of SFRS (I) 15 and SFRS(I) 9.

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

As explained above, there is no significant impact to the financial statements for the six-month period ended 30 September 2018 arising from the adoption of SFRS (I) 15 and SFRS(I) 9.

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.

As at 30 September 2018, the convertible bonds do not have a dilutive effect because the average market price of the Company's ordinary shares for the period does not exceed the conversion price.

	2 nd Quarter ended		6 Months	
	30 Sep	30 Sep	30 Sep	30 Sep
Earnings per share (EPS in cents)	2018	2017	2018	2017
<u>Continuing operations</u>				
EPS based on weighted average number of ordinary shares on issue (cents)	(0.28)	0.04	(0.24)	0.10
EPS based on a fully diluted basis (cents)	(0.28)	0.04	(0.24)	0.10
Weighted average number of shares	1,184,813,992	1,184,813,992	1,184,813,992	1,032,665,748

7. **Net assets 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 Sep 2018	As at 31 Mar 2018	As at 30 Sep 2018	As at 31 Mar 2018
Net asset value (NAV in cents)				
NAV per ordinary share	2.59	2.90	3.62	3.71
Number of shares	1,184,813,992	1,184,813,992	1,184,813,992	1,184,813,992

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 earning of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

Consolidated statement of comprehensive income

Second quarter review – Q2FY19 vs Q2FY18

Revenue

Revenue decreased by approximately S\$4.7 million or 17.0% to S\$23.1 million for the second quarter ended 30 September 2018 ("Q2FY19") compared to the corresponding quarter ended 30 September 2017 ("Q2FY18") of S\$27.8 million. The decrease was due mainly to the decrease in revenue from airport projects, pipe diversion project and gas transmission pipe projects by S\$3.0 million, S\$2.2 million and S\$1.6 million respectively as a result of substantial completion of those projects, partially offset by increase in revenue from distribution cable projects by S\$2.3 million.

Gross profit

Gross profit was S\$0.7 million with a gross profit margin of 2.9% for Q2FY19 compared to S\$4.6 million with a gross profit margin of 16.5% for Q2FY18. The decrease in gross profit and gross profit margin was due mainly to lower revenue as explained above, increase in certain fixed operating overhead costs as well as completion of higher margin projects during the period.

Other income

Other income for Q2FY19 increased by approximately S\$0.02 million or 4.7% to S\$0.5 million compared to Q2FY18 due mainly to sale of scrap materials during the period.

Selling and distribution expenses

Selling and distribution expenses for Q2FY19 decreased by approximately S\$0.2 million or 78.8% to S\$0.05 million compared to Q2FY18 due mainly to lower commission expenses incurred during the period.

Administrative expenses

Administrative expenses for Q2FY19 decreased by approximately S\$0.4 million or 12.3% to S\$3.0 million compared to Q2FY18 due mainly to the decrease in professional fees expenses during the period.

Other operating expenses

Other operating expenses for Q2FY19 increased by approximately S\$0.5 million or 204.0% to S\$0.7 million compared to Q2FY18 due mainly to higher unrealized foreign exchange losses during the period.

Finance costs

Finance costs for Q2FY19 increased by approximately S\$0.1 million or 16.1% to S\$0.8 million compared to Q2FY18 due mainly to absence of reversal of over accrued finance costs during the period as well as increase in interest expenses due to higher SIBOR.

Net loss after tax

The Group reported a net loss after tax of S\$3.3 million for Q2FY19 due to the various reasons as explained above.

Six months review – 6MFY19 vs 6MFY18

Revenue

Revenue decreased by approximately S\$3.3 million or 6.3% to S\$48.8 million for the six months ended 30 September 2018 ("6MFY19") compared to the corresponding period ended 30 September 2017 ("6MFY18") of S\$52.1 million. The decrease was due mainly to the decrease in revenue from airport projects, pipe diversion project, gas transmission pipe projects and transmission cable projects by S\$4.4 million, S\$2.8 million, S\$2.6 million and S\$2.2 million respectively as a result of substantial completion, partially offset by increase in revenue from big diameter pipe projects and distribution cable projects by S\$5.0 million and S\$4.5 million respectively.

Gross profit

Gross profit was S\$4.7 million with a gross profit margin of 9.6% for 6MFY19 compared to S\$7.7 million with a gross profit margin of 14.7% for 6MFY18. The decrease in gross profit and gross profit margin was due mainly to lower revenue, increase in certain fixed operating overhead costs as well as completion of higher margin projects during the period.

Other income

Other income for 6MFY19 decreased by approximately S\$0.2 million or 10.3% to S\$1.5 million compared to 6MFY18 due mainly to absence of income from repair work during the period.

Selling and distribution expenses

Selling and distribution expenses for 6MFY19 decreased by approximately S\$0.2 million or 60.4% to S\$0.2 million compared to 6MFY18 due mainly to lower commission expenses incurred during the period.

Administrative expenses

Administrative expenses for 6MFY19 decreased by approximately S\$0.03 million or 0.5% to S\$6.6 million compared to 6MFY18 due mainly to the decrease in professional fees expenses, partially offset by increase in legal fees expenses during the period.

Other operating expenses

Other operating expenses for 6MFY19 increased by approximately S\$0.2 million or 29.4% to S\$0.7 million compared to 6MFY18 due mainly to higher unrealized foreign exchange losses during the period.

Finance costs

Finance costs for 6MFY19 increased by approximately S\$0.8 million or 113.2% to S\$1.5 million compared to 6MFY18 due mainly to absence of reversal of over accrued finance costs during the period as well as increase in interest expenses due to higher SIBOR.

Net loss after tax

The Group reported a net loss after tax of S\$2.8 million for 6MFY19 due to the various reasons as explained above.

Consolidated statements of financial position

Non-current assets

The Group's property, plant and equipment decreased by S\$5.0 million from S\$55.9 million as at 31 March 2018 to S\$50.9 million as at 30 September 2018, due mainly to depreciation of S\$4.5 million during the period.

Current assets

The Group's current assets increased by S\$0.8 million from S\$69.3 million as at 31 March 2018 to S\$70.1 million as at 30 September 2018, attributable mainly to the following:

- (a) increase in contract assets by S\$4.5 million to S\$22.2 million as at 30 September 2018 compared to S\$17.7 million as at 31 March 2018 due mainly to decrease in billings from projects;
- (b) increase in inventories by S\$1.0 million to S\$13.8 million as at 30 September 2018 compared to S\$12.8 million as at 31 March 2018 due mainly to less usage of materials for projects;

which have been partially offset by the following:

- (c) decrease in trade and other receivables by S\$3.7 million to S\$27.8 million as at 30 September 2018 compared to S\$31.5 million as at 31 March 2018 due mainly to less billings to customers during the period;
- (d) decrease in cash and cash equivalents by S\$1.0 million to S\$6.2 million as at 30 September 2018 compared to S\$7.2 million as at 31 March 2018 due mainly to lower collections.

Current liabilities

The Group's current liabilities decreased by S\$6.6 million from S\$50.2 million as at 31 March 2018 to S\$43.6 million as at 30 September 2018, due mainly to the decrease in borrowings by S\$6.5 million as a result of reclassification of certain bank borrowings to non-current liabilities.

Non-current liabilities

The Group's non-current liabilities increased by S\$5.8 million from S\$44.6 million as at 31 March 2018 to S\$50.4 million as at 30 September 2018 due mainly to reclassification of certain bank borrowings from current liabilities.

Consolidated statement of cash flow

The Group's cash and cash equivalents stood at S\$4.2 million as at 30 September 2018, as compared to S\$8.9 million as at 30 September 2017.

Net cash generated from operating activities

Net cash generated from operating activities was S\$0.8 million, comprising operating profit before working capital changes of S\$3.2 million, partially offset by net working capital investment of S\$2.4 million.

The net working capital investment of S\$2.4 million was due mainly to the following:

- (a) increase in contract assets of approximately S\$4.6 million due mainly to decrease in billings from projects as a result of substantial completion of some projects;
- (b) increase in inventories of approximately S\$1.0 million due to less usage of materials for projects; partially offset by
- (c) decrease in trade and other receivables of approximately S\$2.3 million due to less billings to customers;
- (d) increase in trade and other payables of approximately S\$0.9 million due to less payments to the creditors.

Net cash generated from investing activities

Net cash generated from investing activities of approximately S\$0.09 million was due mainly to proceeds from disposal of property, plant and equipment.

Net cash used in financing activities

Net cash used in financing activities of approximately S\$1.4 million was due mainly to repayment of borrowings and finance lease liabilities.

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

The results reported herein are in line with the profit guidance announcement released by the Company on 7 November 2018. Furthermore, there is no deviation from paragraph 10 of the previous financial results announcement.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The public sector construction demand remains strong with increased investment in the public sector infrastructure and construction projects.

The Group has recently secured contracts worth approximately S\$36.6 million for utilities installation and resurfacing works. To-date, the Group's unfulfilled order book based on secured contracts stands at approximately S\$145.4 million. The Group will continue to tender for more projects to sustain the order book, but the outlook remains challenging.

11. Dividends

(a) Current financial period

Any dividend declared for the current financial period reported on? No.

(b) Previous corresponding financial period

Any dividend declared for the previous corresponding financial period reported on? No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested party transactions. The Group had no interested party transaction during the period.

14. Disclosure on the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of the proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

Not applicable.

15. Confirmation pursuant to Rule 705(5) of the listing manual

On behalf of the Board of Directors of the Company, we, Toh Choo Huat and Ling Chung Yee Roy, being Directors of the Company, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six-months period ended 30 September 2018 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers

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

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer

9 November 2018