

# **LEY CHOON GROUP HOLDINGS LTD**

(Company Registration No. 198700318G)

## **ANNOUNCEMENT OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

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 ("SGXST"). The Sponsor has not independently verified the contents of this announcement.

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The details of the contact person for the Sponsor is: Name: Mr. Nathaniel C.V. (Registered Professional, RHT Capital Pte. Ltd.) Address: 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619 Tel: 6381 6757

## LEY CHOON GROUP HOLDINGS LIMITED

### UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2019

#### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q4, 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**

	1 <sup>st</sup> Quarter ended		Change %
	30 Jun 2019 S\$'000	30 Jun 2018 S\$'000	
Revenue	25,630	25,767	(0.5)
Cost of sales	(23,512)	(21,730)	8.2
<b>Gross profit</b>	<u>2,118</u>	<u>4,037</u>	(47.5)
Other income	745	952	(21.7)
Selling and distribution expenses	(28)	(103)	(72.8)
Administrative expenses	(2,550)	(3,613)	(29.4)
Impairment losses on trade receivables reversed	108	-	n/m
Other operating expenses	(6)	(44)	(86.4)
Finance costs	(837)	(742)	12.8
<b>(Loss)/profit before taxation</b>	(450)	487	n/m
Taxation	5	-	n/m
<b>(Loss)/profit for the period</b>	<u>(445)</u>	<u>487</u>	n/m
<b>Other comprehensive (loss)/income after tax:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Currency translation differences	(436)	(263)	65.8
<b>Other comprehensive loss for the period, net of tax of nil</b>	<u>(436)</u>	<u>(263)</u>	65.8
<b>Total comprehensive (loss)/income for the period</b>	<u>(881)</u>	<u>224</u>	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)**

	1 <sup>st</sup> Quarter ended		
	30 Jun	30 Jun	
	2019	2018	Change
	S\$'000	S\$'000	%
<b>(Loss)/profit attributable to:</b>			
Owners of the Company	(445)	487	n/m
<b>(Loss)/profit for the period</b>	<u>(445)</u>	<u>487</u>	n/m
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(881)	224	n/m
<b>Total comprehensive (loss)/income for the period</b>	<u>(881)</u>	<u>224</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:

	<b>1<sup>st</sup> Quarter ended</b>		
	<b>30 Jun</b>	<b>30 Jun</b>	<b>Change</b>
	<b>2019</b>	<b>2018</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Impairment losses on trade receivables (reversed)	(108)	-	n/m
Amortisation of land use rights	17	18	(5.6)
Depreciation of property, plant and equipment	2,111	2,288	(7.7)
Depreciation of right-of-use assets	363	-	n/m
Foreign exchange (gain)/ loss, net	(194)	39	n/m
Change in fair value of financial assets at fair value through profit or loss	6	5	20.0
Interest income	-	(5)	n/m
Dividend income from other investments	(1)	(1)	-
Gain on disposal of property, plant and equipment	(5)	(43)	(88.4)
Finance costs	837	742	12.8
Provision for fines and penalty reversed	(200)	-	n/m
Operating lease expenses	189	414	(54.3)

*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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 2019 S\$'000</b>	<b>As at 31 Mar 2019 S\$'000</b>	<b>As at 30 Jun 2019 S\$'000</b>	<b>As at 31 Mar 2019 S\$'000</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	46,640	46,981	-	-
Land use rights	2,846	2,930	-	-
Right-of-use assets	4,020	-	-	-
Subsidiaries	-	-	78,734	78,734
Club membership	229	229	-	-
Deferred tax assets	-	-	-	-
	<u>53,735</u>	<u>50,140</u>	<u>78,734</u>	<u>78,734</u>
<b>Current Assets</b>				
Inventories	7,149	6,882	-	-
Contract assets	36,441	35,147	-	-
Trade and other receivables	14,052	15,836	3,891	4,118
Prepayments	3,443	3,669	7	15
Other investments	43	49	-	-
Cash and bank balances	3,300	3,568	5	5
Fixed deposits	1,600	1,601	-	-
	<u>66,028</u>	<u>66,752</u>	<u>3,903</u>	<u>4,138</u>
<b>Total assets</b>	<u>119,763</u>	<u>116,892</u>	<u>82,637</u>	<u>82,872</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Share capital	79,807	79,807	146,026	146,026
Accumulated losses	(57,807)	(57,214)	(112,820)	(112,348)
Other reserves	171	607	(884)	(884)
<b>Total equity</b>	<u>22,171</u>	<u>23,200</u>	<u>32,322</u>	<u>32,794</u>
<b>Non-Current Liabilities</b>				
Borrowings	50,751	50,579	15,760	15,731
Lease liabilities	2,739	-	-	-
Deferred tax liabilities	35	35	-	-
	<u>53,525</u>	<u>50,614</u>	<u>15,760</u>	<u>15,731</u>
<b>Current Liabilities</b>				
Borrowings	6,904	7,469	-	-
Lease liabilities	1,445	-	-	-
Trade and other payables	33,393	33,083	34,555	34,347
Current tax payable	84	85	-	-
Provisions	2,241	2,441	-	-
	<u>44,067</u>	<u>43,078</u>	<u>34,555</u>	<u>34,347</u>
<b>Total liabilities</b>	<u>97,592</u>	<u>93,692</u>	<u>50,315</u>	<u>50,078</u>
<b>Total equity and liabilities</b>	<u>119,763</u>	<u>116,892</u>	<u>82,637</u>	<u>82,872</u>

## 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 30 Jun 2019 S\$'000	As at 31 Mar 2019 S\$'000
<b><u>Secured</u></b>		
Bank loans	5,501	6,710
Finance lease liabilities	1,403	759
<b>Total</b>	<b>6,904</b>	<b>7,469</b>

(b) Amount repayable after one year

	As at 30 Jun 2019 S\$'000	As at 31 Mar 2019 S\$'000
	<b><u>Secured</u></b>	
Bank loans	34,694	34,736
Convertible bond (Murabaha Facility)	15,760	15,731
Finance lease liabilities	297	112
<b>Total</b>	<b>50,751</b>	<b>50,579</b>

(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\$4.1 million as at 30 June 2019.

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

	<b>3 Months Period ended</b>	
	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows from Operating Activities:</b>		
(Loss)/profit before taxation	(450)	487
Adjustments for:		
Amortisation of land use rights	17	18
Depreciation of property, plant and equipment	2,111	2,288
Depreciation of right-of-use assets	363	-
Provision for fines and penalty reversed	(200)	-
Impairment losses on trade receivables reversed	(108)	-
Gain on disposal of property, plant and equipment	(5)	(43)
Fair value loss on other investments	6	5
Dividend income from other investments	(1)	(1)
Interest income	-	(5)
Finance costs	837	742
<b>Operating profit before working capital changes</b>	<b>2,570</b>	<b>3,491</b>
Changes in inventories	(269)	564
Changes in contract assets	(1,318)	(2,793)
Changes in trade and other receivables	1,435	1,960
Changes in prepayments	226	-
Changes in trade and other payables	540	(1,258)
<b>Net cash generated from operating activities</b>	<b>3,184</b>	<b>1,964</b>
<b>Cash Flows from Investing Activities:</b>		
Interest received	-	5
Purchase of property, plant and equipment	(884)	(41)
Dividend received from other investments	1	1
Proceeds from disposal of property, plant and equipment	28	157
<b>Net cash (used in)/generated from investing activities</b>	<b>(855)</b>	<b>122</b>

**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)**

	<b>3 Months Period ended</b>	
	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash Flows from Financing Activities:</b>		
Interest paid	(739)	(636)
Proceeds from loans from financial institutions	-	1,240
Repayment of loans from financial institutions	(1,260)	(1,318)
Repayment of finance lease liabilities	(248)	(187)
Repayment of lease liabilities	(346)	-
Fixed deposits pledged with banks	1	829
<b>Net cash used in financing activities</b>	<u>(2,592)</u>	<u>(72)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(263)	2,014
<b>Cash and cash equivalents at beginning of period</b>	3,568	4,665
Exchange differences on translation of cash and cash equivalents	(5)	8
<b>Cash and cash equivalents at end of period</b>	<u>3,300</u>	<u>6,687</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**

<u>Group</u>	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
<b>Balance at 1 April 2018</b>	79,807	(46,475)	243	833	34,408
Profit for the period	-	487	-	-	487
Other comprehensive income for the period					
- Currency translation differences	-	-	-	(263)	(263)
<b>Total comprehensive income/(loss) for the period</b>	-	487	-	(263)	224
<b>Balance at 30 June 2018</b>	79,807	(45,988)	243	570	34,632
<b>Balance at 1 April 2019</b>	79,807	(57,214)	243	364	23,200
Adjustment on initial application of SFRS (I) 16 (net of tax)	-	(148)	-	-	(148)
<b>Adjusted balance at 1 April 2019</b>	79,807	(57,362)	243	364	23,052
Loss for the period	-	(445)	-	-	(445)
Other comprehensive loss for the period					
- Currency translation differences	-	-	-	(436)	(436)
<b>Total comprehensive loss for the period</b>	-	(445)	-	(436)	(881)
<b>Balance at 30 June 2019</b>	79,807	(57,807)	243	(72)	22,171

**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>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1 April 2018</b>	146,026	(884)	(101,225)	43,917
Loss for the period/Total comprehensive loss for the period	-	-	(488)	(488)
<b>Balance at 30 June 2018</b>	<u>146,026</u>	<u>(884)</u>	<u>(101,713)</u>	<u>43,429</u>
<b>Balance at 1 April 2019</b>	146,026	(884)	(112,348)	32,794
Loss for the period/Total comprehensive loss for the period	-	-	(472)	(472)
<b>Balance at 30 June 2019</b>	<u>146,026</u>	<u>(884)</u>	<u>(112,820)</u>	<u>32,322</u>

**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 Group's share capital since the end of the previous period reported on.

As at 30 June 2019 (and 31 March 2019), 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 as at 30 June 2019 (and 30 June 2018).

There were no subsidiary shareholdings as at 30 June 2019 (and 30 June 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.**

<b>Actual</b>	<b>30 June 2019</b>	<b>31 March 2019</b>
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.**

Except as disclosed in Note 5, there were no significant changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recently audited annual financial statements for the year ended 31 March 2019.

**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.**

The Group adopted SFRS(I) 16 *Leases* on 1 April 2019, using the modified retrospective approach with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings at 1 April 2019. There is no restatement of comparative information.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The Group has office and factory premises under operating leases, which are recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. As at 1 April 2019, ROU assets have increased by S\$4.0 million and lease liabilities have increased by S\$4.2 million, with an adjustment of S\$0.1 million to the opening balance of accumulated losses.

**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 June 2019, the convertible bonds are excluded from the calculation of diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive.

	<b>1<sup>st</sup> Quarter ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
<b>Earnings per share (EPS in cents)</b>	<b>2019</b>	<b>2018</b>
EPS based on weighted average number of ordinary shares on issue (cents)	(0.04)	0.04
EPS based on a fully diluted basis (cents)	(0.04)	0.04
Weighted average number of shares	1,184,813,992	1,184,813,992

**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**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>Net asset value (NAV in cents)</b>	<b>30 Jun</b>	<b>31 Mar</b>	<b>30 Jun</b>	<b>31 Mar</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
NAV per ordinary share	1.87	1.96	2.73	2.77
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.**

### **Comprehensive income statement**

#### Revenue

Revenue marginally decreased by approximately S\$0.2 million or 0.5% to S\$25.6 million for the three months ended 30 June 2019 ("**Q1FY20**") compared to the corresponding period ended 30 June 2018 ("**Q1FY20**") of S\$25.8 million. This was due mainly to the decrease in revenue from big diameter pipe projects by S\$4.6 million, partially offset by the increase in revenue from small diameter pipe projects by S\$4.3 million.

#### Gross profit

Gross profit was S\$2.1 million with a gross profit margin of 8.3% for Q1FY20 compared to S\$4.0 million with a gross profit margin of 15.7% for Q1FY19. The decrease in gross profit and gross profit margin was due mainly to the increase in material cost by S\$1.5 million and subcontractor costs by S\$1.0 million for ongoing projects which resulted in a deteriorating margin.

#### Other income

Other income for Q1FY20 decreased by approximately S\$0.2 million or 21.7% to S\$0.7 million compared to Q1FY19 due mainly to the decrease in sales of scrap materials during the period.

#### Selling and distribution expenses

Selling and distribution expenses for Q1FY20 decreased by approximately S\$0.08 million or 72.8% to S\$0.03 million compared to Q1FY19 due mainly to lower commission expenses and travelling expenses incurred during the period.

#### Administrative expenses

Administrative expenses for Q1FY20 decreased by approximately S\$1.1 million or 29.4% to S\$2.5 million compared to Q1FY19 due mainly to the decrease in professional fees expenses by S\$0.7 million and administrative staff cost by S\$0.3 million during the period.

### Other operating expenses

Other operating expenses for Q1FY20 decreased by approximately S\$0.04 million or 86.4% to S\$0.01 million compared to Q1FY19 due mainly to lower foreign exchange losses during the period.

### Finance costs

Finance costs for Q1FY20 increased by approximately S\$0.1 million or 12.8% to S\$0.8 million compared to Q1FY19 due mainly to the increase in interest rates during the period.

### Net loss after tax

The Group reported a net loss after tax of S\$0.4 million for Q1FY20 due to the various reasons as explained above.

## **Consolidated statements of financial position**

### Non-current assets

The Group's non-current assets increased by S\$3.6 million from S\$50.1 million as at 31 March 2019 to S\$53.7 million as at 30 June 2019, attributable mainly to the following:

- (a) decrease in property, plant and equipment by S\$0.4 million to S\$46.6 million as at 30 June 2019 compared to S\$47.0 million as at 31 March 2019 due mainly to depreciation of S\$2.1 million, partially offset by additions of plant and machinery amounting to S\$2.0 million during the period; partially offset by
- (b) increase in right-of-use assets by S\$4.0 million relating to the adoption of SFRS(I) 16.

### Current assets

The Group's current assets decreased by S\$0.7 million from S\$66.7 million as at 31 March 2019 to S\$66.0 million as at 30 June 2019, attributable mainly to the following:

- (a) increase in contract assets by S\$1.3 million to S\$36.4 million as at 30 June 2019 compared to S\$35.1 million as at 31 March 2019 due mainly to the decrease in billings for projects which have been substantially completed;
- (b) increase in inventories by S\$0.2 million to S\$7.1 million as at 30 June 2019 compared to S\$6.9 million as at 31 March 2019 due mainly to the increase in purchases of materials for projects;

which have been partially offset by the following:

- (c) decrease in trade and other receivables by S\$1.7 million to S\$14.1 million as at 30 June 2019 compared to S\$15.8 million as at 31 March 2019 due mainly to the decrease in billings to customers during the period;
- (d) decrease in cash and cash equivalents by S\$0.3 million to S\$4.9 million as at 30 June 2019 compared to S\$5.2 million as at 31 March 2019 due mainly to repayment of borrowings;

- (e) decrease in prepayment by S\$0.2 million to S\$3.4 million as at 30 June 2019 compared to S\$3.6 million as at 31 March 2019 due mainly to reclassification to fixed asset during the period.

#### Current liabilities

The Group's current liabilities increased by S\$1.0 million from S\$43.1 million as at 31 March 2019 to S\$44.1 million as at 30 June 2019, due mainly to the increase in lease liabilities by S\$1.4 million arising from the adoption of SFRS(I) 16.

#### Non-current liabilities

The Group's non-current liabilities increased by S\$2.9 million from S\$50.6 million as at 31 March 2019 to S\$53.5 million as at 30 June 2019 due mainly to the increase in lease liabilities by S\$2.7 million arising from the adoption of SFRS(I) 16.

### **Consolidated statement of cash flow**

The Group's cash and cash equivalents stood at S\$3.3 million as at 30 June 2019, as compared to S\$6.7 million as at 30 June 2018.

#### Net cash generated from operating activities

Net cash generated from operating activities was S\$3.2 million, comprising operating profit before working capital changes of S\$2.6 million and net working capital inflow of S\$0.6 million.

The net working capital inflow of S\$0.6 million was due mainly to the following:

- (a) decrease in trade and other receivables of approximately S\$1.4 million due to the decrease in billings to customers;
- (b) increase in trade and other payables of approximately S\$0.5 million due to less payments to creditors;
- (c) decrease in prepayments of approximately S\$0.2 million due to reclassification to fixed asset; partially offset by
- (d) increase in contract assets of approximately S\$1.3 million due to the decrease in billings for projects;
- (e) increase in inventories of approximately S\$0.2 million due to the increase in purchases of materials for projects.

#### Net cash used in investing activities

Net cash used in investing activities of approximately S\$0.8 million was due mainly to purchase of property, plant and equipment.

#### Net cash used in financing activities

Net cash used in financing activities of approximately S\$2.6 million was due mainly to repayment of borrowings, lease liabilities, finance lease liabilities and interest payments.

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

No forecast or prospect statement has been previously disclosed. 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 outlook for construction industry is expected to be buoyant particularly in public sector construction which is supported by big infrastructure projects such as Cross Island Line, developments at Jurong Lake District and Changi Airport Terminal 5. The Group will continue to bid for projects to increase the order book and improve productivity to stay ahead of competition.

As of to date, the Group's unfulfilled order book stands at approximately S\$161.6 million.

**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 and the reason(s) for the decision.**

No dividend has been declared as the Group has reported a net loss.

**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 transactions 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 three-month period ended 30 June 2019 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

14 August 2019