

## LEY CHOON GROUP HOLDINGS LIMITED

### FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 March 2014

#### 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**

	1 <sup>st</sup> Quarter ended		Change %
	31 Mar 2014	31 Mar 2013	
	\$'000	\$'000	
Revenue	44,898	36,443	23.2
Cost of sales	(38,735)	(27,064)	43.1
<b>Gross profit</b>	6,163	9,379	(34.3)
Other income	939	544	72.6
Distribution expenses	(391)	(247)	58.3
Administrative expenses	(3,689)	(4,107)	(10.2)
Other operating expenses	(2)	-	n/m
<b>Results from operating activities</b>	3,020	5,569	(45.8)
Finance costs	(1,441)	(1,019)	41.4
<b>Profit before tax</b>	1,579	4,550	(65.3)
Tax expense	(534)	(444)	20.3
<b>Profit for the period</b>	1,045	4,106	(74.5)
<b>Other comprehensive (expense) / income</b>			
Foreign currency translation differences – foreign operations	(786)	257	n/m
<b>Total comprehensive income for the period</b>	259	4,363	(94.1)

**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		Change %
	31 Mar 2014	31 Mar 2013	
	\$'000	\$'000	
<b>Profit attributable to:</b>			
Owners of the Company	1,007	3,885	(74.1)
Non-controlling interests	38	221	(82.8)
<b>Profit for the period</b>	<u>1,045</u>	<u>4,106</u>	(74.5)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	221	4,142	(94.7)
Non-controlling interests	38	221	(82.8)
<b>Total comprehensive income for the period</b>	<u>259</u>	<u>4,363</u>	(94.1)

*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:

	1 <sup>st</sup> Quarter ended		Change %
	31 Mar 2014	31 Mar 2013	
	\$'000	\$'000	
Amortisation of lease prepayment	17	-	n/m
Depreciation of property, plant and equipment	2,291	2,037	12.5
Depreciation of investment property	7	-	n/m
Foreign exchange loss, net	-	101	n/m
Change in fair value of financial assets designated at fair value through profit or loss	-	(3)	n/m
Interest income	(7)	(3)	133.3
Loss/(gain) on disposal of property, plant and equipment	28	(15)	n/m
Finance costs	1,441	1,019	41.4
Operating lease expenses	696	547	27.2

*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 31 Mar 2014 \$'000	As at 31 Dec 2013 \$'000	As at 31 Mar 2014 \$'000	As at 31 Dec 2013 \$'000
<b>Assets</b>				
Lease prepayment	3,283	3,405	-	-
Property, plant and equipment	85,688	82,191	-	-
Investment property	2,034	2,045	-	-
Investments in subsidiaries	-	-	110,000	110,000
Club membership	271	271	-	-
<b>Non-current assets</b>	<b>91,276</b>	<b>87,912</b>	<b>110,000</b>	<b>110,000</b>
Inventories	6,097	5,827	-	-
Development property	13,729	13,708	-	-
Contracts work-in-progress	113,059	113,393	-	-
Trade and other receivables	41,870	46,990	29,807	30,028
Financial assets designated at fair value through profit or loss	89	88	-	-
Cash and cash equivalents	18,440	33,721	623	597
<b>Current assets</b>	<b>193,284</b>	<b>213,727</b>	<b>30,430</b>	<b>30,625</b>
<b>Total assets</b>	<b>284,560</b>	<b>301,639</b>	<b>140,430</b>	<b>140,625</b>
<b>Equity</b>				
Share capital	71,117	71,117	137,336	137,336
Capital reserve	-	-	(1,127)	(1,127)
Foreign currency translation reserve	(210)	576	-	-
Accumulated profits	36,138	35,131	3,616	3,825
<b>Equity attributable to owners of the Company</b>	<b>107,045</b>	<b>106,824</b>	<b>139,825</b>	<b>140,034</b>
<b>Non-controlling interests</b>	<b>389</b>	<b>351</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>107,434</b>	<b>107,175</b>	<b>139,825</b>	<b>140,034</b>
<b>Liabilities</b>				
Loans and borrowings	43,442	48,027	-	-
Deferred tax liabilities	3,721	4,485	-	-
<b>Non-current liabilities</b>	<b>47,163</b>	<b>52,512</b>	<b>-</b>	<b>-</b>
Loans and borrowings	97,153	106,342	-	-
Trade and other payables	29,066	32,877	605	581
Provisions	106	106	-	-
Current tax payable	3,638	2,627	-	10
<b>Current liabilities</b>	<b>129,963</b>	<b>141,952</b>	<b>605</b>	<b>591</b>
<b>Total liabilities</b>	<b>177,126</b>	<b>194,464</b>	<b>605</b>	<b>591</b>
<b>Total equity and liabilities</b>	<b>284,560</b>	<b>301,639</b>	<b>140,430</b>	<b>140,625</b>

## 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 31 Mar 2014	As at 31 Dec 2013
	\$'000	\$'000
<b><u>Secured</u></b>		
Bank overdrafts	8,139	1,454
Bank loans	45,415	53,267
Bills payable	36,821	45,465
Finance lease liabilities	6,778	6,156
	<hr/>	<hr/>
<b>Total</b>	<b>97,153</b>	<b>106,342</b>

(b) Amount repayable after one year

	Group	
	As at 31 Mar 2014	As at 31 Dec 2013
	\$'000	\$'000
<b><u>Secured</u></b>		
Bank loans	34,532	39,224
Finance lease liabilities	8,910	8,803
	<hr/>	<hr/>
<b>Total</b>	<b>43,442</b>	<b>48,027</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 buildings and certain amount of construction in progress;
- (ii) charge over certain of the Group's plant and equipment;
- (iii) legal mortgage over the Group's development property;
- (iv) corporate guarantees by the Company; and/or and
- (v) fixed deposits of the Group.

The Group's lease obligations under finance lease are secured by the lessor's title to the leased assets. The carrying value of the assets under finance lease is \$24.1 million as at 31 March 2014.

**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>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities:</b>		
Profit for the year	1,045	4,106
Adjustments for:		
Amortisation of lease prepayment	17	-
Depreciation of investment property	7	-
Depreciation of property, plant and equipment	2,291	2,037
Change in fair value of financial assets designated at fair value through profit or loss	-	(3)
Loss/(Gain) on disposal of property, plant and equipment	28	(15)
Interest income	(7)	(3)
Finance costs	1,441	1,019
Tax expense	534	444
	<u>5,356</u>	<u>7,585</u>
<b>Changes in working capital:</b>		
Development property	(21)	(13,622)
Inventories	(270)	638
Contracts work-in-progress	334	(7,410)
Trade and other receivables	4,672	2,074
Trade and other payables	(3,906)	(6,472)
	<u>6,165</u>	<u>(17,207)</u>
<b>Cash generated from/(used in) operating activities</b>	<b>6,165</b>	<b>(17,207)</b>
Tax paid	(225)	(403)
	<u>5,940</u>	<u>(17,610)</u>
<b>Net cash generated from/(used in) operating activities</b>	<b>5,940</b>	<b>(17,610)</b>
<b>Cash flows from investing activities:</b>		
Interest received	7	3
Acquisition of property, plant and equipment	(3,727)	(4,047)
Proceeds from disposal of property, plant and equipment	377	57
Effect of acquisition of a subsidiary	-	(389)
	<u>(3,343)</u>	<u>(4,376)</u>
<b>Net cash used in investing activities</b>	<b>(3,343)</b>	<b>(4,376)</b>
<b>Cash flows from financing activities:</b>		
Interest paid	(1,441)	(1,019)
Proceeds from bank borrowings	2,000	13,874
Proceeds from bill payables	27,929	10,612
Repayment of bank borrowings	(14,544)	(5,863)
Repayment of bill payables	(36,573)	(9,284)
Repayment of finance lease liabilities	(1,843)	(1,326)
Balances with related parties (non-trade)	95	231
Decrease in fixed deposits pledged with bank	7,000	101
	<u>(17,377)</u>	<u>7,326</u>
<b>Net cash (used in)/generated from financing activities</b>	<b>(17,377)</b>	<b>7,326</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>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net decrease in cash and cash equivalents</b>	(14,780)	(14,660)
<b>Cash and cash equivalents at beginning of period</b>	19,768	17,136
Effect of exchange rate fluctuations on cash held	(186)	247
<b>Cash and cash equivalents at end of period</b>	<u>4,802</u>	<u>2,723</u>
 <b>Cash and cash equivalents</b>		
Cash at bank and on hand	12,941	12,827
Fixed deposits	<u>5,499</u>	<u>6,388</u>
	18,440	19,215
Bank overdrafts	(8,139)	(10,104)
Deposits pledged	<u>(5,499)</u>	<u>(6,388)</u>
Cash and cash equivalents in the unaudited consolidated statement of cash flows	<u>4,802</u>	<u>2,723</u>

During the 3 months period ended 31 March 2014, the Group acquired property, plant and equipment with an aggregate cost of \$6,299,000 (3 months period ended 31 March 2013: \$5,137,000), of which \$2,572,000 (3 months period ended 31 March 2013: \$1,090,000) were acquired under finance leases.

**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**

<b>Actual Group</b>	<b>Share capital \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Equity attributable to owners of the Company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total \$'000</b>
At 1 January 2013	55,527	21,763	(307)	76,983	1,020	78,003
<b>Total comprehensive income for the period</b>						
Profit for the period	-	3,885	-	3,885	221	4,106
<b>Other comprehensive income</b>						
Foreign currency translation differences	-	-	257	257	-	257
Total other comprehensive income for the period	-	-	257	257	-	257
<b>Total comprehensive income</b>	-	3,885	257	4,142	221	4,363
<b>Transactions with owners recognised directly in equity</b>						
One-tier tax exempt interim dividend of \$0.0025 per ordinary share in respect of the year ended 31 December 2012	-	(1,235)	-	(1,235)	-	(1,235)
Total transactions with owners	-	(1,235)	-	(1,235)	-	(1,235)
<b>Changes in ownership interests in subsidiaries</b>						
Acquisition of non-controlling interests without a change in control	-	258	-	258	(647)	(389)
Total changes in ownership interests in subsidiaries	-	258	-	258	(647)	(389)
<b>At 31 March 2013</b>	<b>55,527</b>	<b>24,671</b>	<b>(50)</b>	<b>80,148</b>	<b>594</b>	<b>80,742</b>

**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)**

<b>Actual Group</b>	<b>Share capital \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Equity attributable to owners of the Company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total \$'000</b>
At 1 January 2014	71,117	35,131	576	106,824	351	107,175
<b>Total comprehensive income for the period</b>						
Profit for the period	-	1,007	-	1,007	38	1,045
<b>Other comprehensive expense</b>						
Foreign currency translation differences	-	-	(786)	(786)	-	(786)
Total other comprehensive expense for the period	-	-	(786)	(786)	-	(786)
<b>Total comprehensive income/(expense)</b>	-	1,007	(786)	221	38	259
<b>At 31 March 2014</b>	<b>71,117</b>	<b>36,138</b>	<b>(210)</b>	<b>107,045</b>	<b>389</b>	<b>107,434</b>

**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 \$'000	Capital reserve \$'000	Accumulated (losses)/profits \$'000	Total \$'000
At 1 January 2013	121,746	(969)	(993)	119,784
<b>Total comprehensive income for the period</b>				
Profit for the period/Total comprehensive income	-	-	3,828	3,828
<b>Transactions with owners recognized directly in equity</b>				
One-tier tax exempt interim dividend of \$0.0025 per ordinary share in respect of the year ended 31 December 2013	-	-	(1,235)	(1,235)
Total transactions with owners	-	-	(1,235)	(1,235)
<b>At 31 March 2013</b>	<b>121,746</b>	<b>(969)</b>	<b>1,600</b>	<b>122,377</b>
At 1 January 2014	137,336	(1,127)	3,825	140,034
<b>Total comprehensive expense for the period</b>				
Loss for the period/Total comprehensive expense	-	-	(209)	(209)
<b>At 31 March 2014</b>	<b>137,336</b>	<b>(1,127)</b>	<b>3,616</b>	<b>139,825</b>

**1(d)(ii) Details of any changes in the company's share capital arising from right issues, bonus issue, share buy-back, exercise of share option 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 change in the Company's share capital since the end of the previous period reported on.

As at 31 March 2014 (and 31 December 2013), the Company's issued and paid-up share capital was S\$137,336,285 (and S\$137,336,285).

There was no treasury share held by the Company.

As announced via SGXNET on 13 February 2014, the Company had on 13 February 2014 entered into a master murabaha facility agreement (the "**Master Murabaha Facility Agreement**") with The Islamic Bank of Asia Limited (the "**Bank**") for the provision of a Singapore dollar murabaha facility (the "**Facility**") in an aggregate amount of up to S\$15,000,000. Under the terms of the Master Murabaha Facility Agreement, the Bank shall have an option to convert the Deferred Sale Price (as defined in the Master Murabaha Facility Agreement) into 77,760,498 fully-paid ordinary shares of the Company ("**Conversion Shares**") at a conversion price of S\$0.1929 per Conversion Share (subject to adjustments as set out in the Master Murabaha Facility Agreement (the "**Proposed Issue of Conversion Rights**"). As announced via SGXNET on 11 April 2014, SGX-ST has granted its approval-in-principle ("**AIP**") for the Company's application for the listing and quotation of up to 77,760,498 new ordinary shares in the capital of the Company to be issued upon the conversion of a Conversion Right pursuant to the Master Murabaha Facility Agreement ("the **Conversion Shares**"). The Company has obtained the approval from the shareholders at an extraordinary general meeting held on 7 May 2014 for the Proposed Issue of Conversion Rights and the issue of the Conversion Shares. As of the date of this announcement, the Facility has yet to be drawn down and there are currently no options granted to the Bank.

**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>31 March 2014</b>	<b>31 December 2013</b>
Total number of issued shares excluding treasury shares (after share consolidation)	592,406,996	592,406,996

**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.**

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 December 2013.

**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.**

Not applicable.

**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 share (EPS)	1 <sup>st</sup> Quarter ended	
	31 Mar 2014	31 Mar 2013
<b><u>Continuing operations</u></b>		
EPS based on weighted average number of ordinary shares on issue (cents)	0.17	0.79
EPS based on a fully diluted basis	0.17	0.79
Weighted average number of shares (after Share Consolidation)	592,406,996	493,672,996

**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

Net asset value (NAV)	Group		Company	
	As at 31 Mar 2014	As at 31 Dec 2013	As at 31 Mar 2014	As at 31 Dec 2013
NAV per ordinary share (cents)	18.07	18.03	23.60	23.64
Number of shares (after Share Consolidation)	592,406,996	592,406,996	592,406,996	592,406,996

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 increased by approximately \$8.5 million or 23.2% to \$44.9 million for the three months ended 31 March 2014 ("Q1FY14") compared to the corresponding period ended 31 March 2013 ("Q1FY13") of \$36.4 million. The increase was due mainly to revenue recognition from the on-going road construction and maintenance projects which were secured in 2013 and higher sale of construction materials to new customers.

#### Gross profit

Gross profit decreased by approximately 34.3% to \$6.2 million for Q1FY14 compared to approximately \$9.4 million for Q1FY13 mainly due to lower gross profit margin for some projects.

Gross profit margin also decreased from approximately 25.7% for Q1FY13 to approximately 13.7% for Q1FY14 primarily due to increase in subcontract cost and direct labour costs.

#### Other income

Other income for Q1FY14 increased by approximately \$0.4 million or 72.6% to \$0.9 million compared to Q1FY13 due mainly to higher sales of scrap and receipt of wage credits from the tax authority.

#### Distribution expenses

Distribution expenses for Q1FY14 increased by approximately \$0.1 million or 58.3% to \$0.4 million compared to Q1FY13 due mainly to higher travelling, insurance and commission expenses.

#### Administrative expenses

Administrative expenses for Q1FY14 decreased by approximately \$0.4 million or 10.2% to \$3.7 million compared to Q1FY13 due mainly to lower performance-based bonus accrued for FY13.

### Finance costs

Finance costs for Q1FY14 increased by approximately \$0.4 million or 41.4% to \$1.4 million compared to Q1FY13 due mainly to higher short term borrowings during the period

### Net profit after tax

The Group reported a net profit after tax of \$1.0 million for Q1FY14 compared to a net profit after tax of \$4.1 million for Q1FY13 due to the various reasons as disclosed above.

## **Consolidated Statement of financial position**

### Non-current assets

The Group's property, plant and equipment increased by \$3.5 million from \$82.2 million as at 31 December 2013 to \$85.7 million as at 31 March 2014, mainly due to the following:

- (a) the purchase of motor vehicles and plant and equipment for project usage; and
- (b) the construction expenditure incurred to the Group's leasehold building located at No. 3 Sungei Kadut Drive, Singapore; and
- (c) the construction expenditure incurred to the Group's construction waste recycling plant at Yantai, People's Republic of China.

### Current assets

The Group's current assets decreased by \$20.4 million from \$213.7 million as at 31 December 2013 to \$193.3 million as at 31 March 2014, mainly attributable to the following:

Decrease in cash and cash equivalents by \$15.3 million to \$18.4 million as at 31 March 2014 compared to \$33.7 million as at 31 December 2013 due to repayment of bank borrowings; and

Decrease in trade and other receivables by \$5.1 million to \$41.9 million as at 31 March 2014 compared to \$47.0 million as at 31 December 2013 due to higher collection from customers.

### Liabilities

The Group's liabilities decreased due mainly to decrease in loans and borrowings as a result of repayment of bank borrowings.

## **Consolidated Statement of Cash flow**

The Group's cash and cash equivalents was \$4.8 million for Q1FY14 compared to \$2.7 million for Q1FY13.

### **Net cash from operating activities**

Net cash generated from operating activities was \$5.9 million, comprising cash from operating activities before working capital changes of \$5.3 million, net working capital inflow of \$0.8 million and net income tax paid of \$0.2 million.

The net working capital inflow of \$0.8 million was due mainly to the following:

- (a) decrease in contract work-in-progress of approximately \$0.3 million due to increase in billing for projects,
- (b) decrease in trade and other payables of approximately \$3.9 million mainly due to increase in payment to the creditors during the period;
- (c) decrease in trade and other receivables of approximately \$4.7 million mainly due to higher collection from the customers during the period; and
- (d) increase in inventories of approximately \$0.3 million due to more materials purchased for projects.

### **Net cash used in investing activities**

Net cash used in investing activities of approximately \$3.3 million was due mainly to purchase of motor vehicles and plant and equipment for project usage; and construction expenditure paid for leasehold building at No. 3 Sungei Kadut Drive, Singapore and the construction waste recycling at Yantai, People's Republic of China.

### **Net cash used in financing activities**

Net cash used in financing activities of approximately \$17.4 million was due mainly to repayment of bank borrowings.

## **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. The actual results in 1QFY2014 are in line with the commentary made on 28 February 2014 in paragraph 10 of the results announcement for the full year ended 31 December 2013.

**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 Group has been actively bidding for tenders and seeking out projects that utilize its technical skills such as the trenchless technology, and the internally produced asphalt premix. As an example, the Group recently secured S\$7.3 million worth of contracts from the Public Utilities Board for water pipe/main laying works. This, together with other contract wins, brings the Group's order book to approximately S\$161 million as of the date of the announcement.

The Group also continuously strives to achieve better cost advantage through its in-house production of asphalt premix. However, labour cost remains challenging.

The demand for underground infrastructure construction and road maintenance services in Singapore and the region remains positive and the Group is hopeful to take advantage of the demand for underground infrastructure construction and road maintenance services to strengthen its footprint in local market and abroad.

**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? Yes

Name of dividends	Interim
Dividend Type	Cash
Dividend amount per share	\$0.0025, Tax exempt, one-tier

**(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).**

Dividend is tax exempt, one tier.

**(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.**

Not applicable.

**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 originally obtained a general mandate for the recurrent interested/related party transactions from the shareholders in the extraordinary general meeting held on 13 July 2012 and it was subsequently renewed in the recent Annual General Meeting held on 25 April 2014. The approved interested/related parties are a) Pan Asian Holdings Limited (formerly known as Pan Asia Water Solutions Limited), b) Hen Sheng Civil Engineering Pte. Ltd., and c) Sing & San Construction Pte Ltd and their respective Associates.

The aggregate values of such transactions are as follow:

	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<b>Name of Interested Person and/or Related Person</b>	<b>1<sup>st</sup> Quarter ended 31 Mar 2014 \$'000</b>	<b>1<sup>st</sup> Quarter ended 31 Mar 2014 \$'000</b>
Purchases from: Pan Asian Holdings Limited	Nil	1,153
Sales to: Sing & San Construction Pte Ltd	Nil	106

**14. 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 Koh Tiam Teng, 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-months period ended 31 March 2014 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Toh Choo Huat  
Executive Chairman and Chief Executive Officer

9 May 2014