

## USP Group Limited

(Incorporated in Singapore)  
(Co. Reg. No: 200409104W)

### UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FULL YEAR RESULTS ENDED 31 MARCH 2021

#### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

|  | Group           |                |               |
|--|-----------------|----------------|---------------|
|  | 12 months ended |                |               |
|  | 31 March 2021   | 31 March 2020  | Change        |
|  | S\$'000         | S\$'000        | %             |
| Revenue  | 32,496          | 36,895         | (11.9%)       |
| Cost of Sales  | (21,201)        | (25,312)       | (16.2%)       |
| <b>Gross Profit</b>  | <b>11,295</b>   | <b>11,583</b>  | <b>(2.5%)</b> |
| Other income (Note 1)  | 155             | 62             | NM            |
| Other gain and losses (Note 2)                                       | 1,429           | (3,887)        | NM            |
| Selling and distribution expenses                                    | (415)           | (585)          | (29.1%)       |
| General and administrative expenses                                  | (9,930)         | (11,795)       | (15.8%)       |
| Finance costs  | (1,217)         | (2,346)        | (48.1%)       |
| <b>Profit/(Loss) before income tax from continuing operations</b>    | <b>1,317</b>    | <b>(6,968)</b> | <b>NM</b>     |
| Income tax   | (186)           | 332            | NM            |
| <b>Profit/(Loss) after income tax from continuing operations</b>     | <b>1,131</b>    | <b>(6,636)</b> | <b>NM</b>     |
| <b>Discontinued operation</b>  |                 |                |               |
| Profit/(Loss) from discontinued operations, net of tax               | 660             | (14)           | NM            |
| <b>Profit/(Loss) for the year</b>                                    | <b>1,791</b>    | <b>(6,650)</b> | <b>NM</b>     |
| <b>Other comprehensive (Loss)/Profit:</b>                            |                 |                |               |
| Items that are or may be reclassified subsequently to profit or loss |                 |                |               |
| Currency translation differences arising on consolidation            | (483)           | 212            | NM            |
| <b>Total comprehensive income/(loss) for the year</b>                | <b>1,308</b>    | <b>(6,438)</b> | <b>NM</b>     |
| <b>Profit/(loss) attributable to:</b>                                |                 |                |               |
| Owners of the Company  | 1,791           | (6,573)        | NM            |
| Non-controlling interests  | -               | (77)           | NM            |
| <b>Profit/(Loss) attributable to owners of the Company</b>           | <b>1,791</b>    | <b>(6,650)</b> | <b>NM</b>     |
| <b>Total comprehensive income/(loss) attributable to:</b>            |                 |                |               |
| Owners of the Company  | 1,308           | (6,361)        | NM            |
| Non-controlling interests  | -               | (77)           | NM            |
| <b>Total comprehensive income/(loss) attributable to the Company</b> | <b>1,308</b>    | <b>(6,438)</b> | <b>NM</b>     |

- 1(a)(ii) Notes to Group Consolidated Statement of Comprehensive Income

Profit from ordinary activities is stated after charging/(crediting):

|                            | 12 months ended | 12 months ended |
|----------------------------|-----------------|-----------------|
|                            | 31 March 2021   | 31 March 2020   |
|                            | S\$'000         | S\$'000         |
| Depreciation               | 1,411           | 1,209           |
| Amortization of intangible | -               | 170             |
| Directors remuneration     | 645             | 141             |
| Staff Costs                | 2,927           | 4,219           |
| Professional fees          | 1,985           | 821             |
| Rental expenses            | 190             | 112             |
| Others                     | 2,772           | 5,123           |

**1(a)(ii) Notes to Group Consolidated Statement of Comprehensive Income (contd)**

Breakdown of other income and expenses:

|  | 12 months ended<br>31 March 2021 | 12 months ended<br>31 March 2020 |
|--|----------------------------------|----------------------------------|
|  | S\$'000                          | S\$'000                          |
| <b>Note 1: Other income</b>  |                                  |                                  |
| Interest income  | 155                              | 62                               |
|  | <b>155</b>                       | <b>62</b>                        |
| <b>Note 2: Other gains and losses</b>                                    |                                  |                                  |
| Foreign exchange loss, net   | 896                              | 837                              |
| Gain/(Loss) on disposal of property, plant and equipment                 | 252                              | (64)                             |
| Gain on disposal of financial asset at fair value through profit or loss | 1,037                            | -                                |
| Bad debts written off  | (509)                            | (243)                            |
| Reversal/(Allowance) of impairment of receivables                        | 80                               | (1,013)                          |
| Fair value gain on derivative financial instruments                      | -                                | 1                                |
| Fair value loss on investment properties                                 | -                                | (2,000)                          |
| Impairment loss on construction in progress                              | -                                | (54)                             |
| Loss on disposal of investment properties                                | -                                | (149)                            |
| Obsolete stocks written off  | (28)                             | -                                |
| Write off of property, plant and equipment                               | (19)                             | (39)                             |
| Impairment loss on intangible asset                                      | -                                | (973)                            |
| Others   | (280)                            | (190)                            |
|  | <b>1,429</b>                     | <b>(3,887)</b>                   |

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       |               |
|---|---------------|---------------|---------------|---------------|
|   | S\$'000       |               | S\$'000       |               |
|   | Unaudited     | Audited       | Unaudited     | Audited       |
|   | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| <b>Non-current assets</b>   |               |               |               |               |
| Property, plant and equipment   | 14,956        | 18,022        | 96            | 67            |
| Investment properties   | 27,546        | 28,000        | -             | -             |
| Investment in subsidiaries  | -             | -             | 1,097         | 1,097         |
| Intangible assets   | -             | 1             | -             | -             |
| Deferred tax assets   | 146           | 82            | -             | -             |
| <b>Total non-current assets</b>   | <b>42,648</b> | <b>46,105</b> | <b>1,193</b>  | <b>1,164</b>  |
|   |               |               |               |               |
| <b>Current assets</b>   |               |               |               |               |
| Inventories   | 9,696         | 11,336        | -             | -             |
| Trade and other receivables   | 4,493         | 5,528         | 13,096        | 13,861        |
| Cash and short-term deposits  | 4,641         | 3,795         | 358           | 87            |
|   | <b>18,830</b> | <b>20,659</b> | <b>13,454</b> | <b>13,948</b> |
| Assets of disposal group classified as held for sale                            | 11,800        | 11,667        | -             | -             |
| <b>Total current assets</b>   | <b>30,630</b> | <b>32,326</b> | <b>13,454</b> | <b>13,948</b> |
|   |               |               |               | 892           |
| <b>Total assets</b>   | <b>73,278</b> | <b>78,431</b> | <b>14,647</b> | <b>15,112</b> |
|   |               |               |               |               |
| <b>Current liabilities</b>  |               |               |               |               |
| Trade payables and other payables   | 4,488         | 4,068         | 2,973         | 2,157         |
| Contract liabilities  | -             | 292           | -             | -             |
| Other financial liabilities   | 34,253        | 40,112        | -             | 1,500         |
| Tax payable   | 195           | 99            | -             | -             |
|   | <b>38,936</b> | <b>44,571</b> | <b>2,973</b>  | <b>3,657</b>  |
| Liabilities directly associated with disposal group classified as held for sale | 5,094         | 5,764         | -             | -             |
| <b>Total current liabilities</b>  | <b>44,030</b> | <b>50,335</b> | <b>2,973</b>  | <b>3,657</b>  |
|   |               |               |               |               |
| <b>Non-current liabilities</b>  |               |               |               |               |
| Other payables  | 632           | 172           | -             | -             |
| Other financial liabilities   | 2,697         | 3,215         | -             | -             |
| Deferred tax liabilities  | 1,018         | 1,018         | -             | -             |
| Liabilities for post-employment benefits  | -             | 98            | -             | -             |
| <b>Total non-current liabilities</b>  | <b>4,347</b>  | <b>4,503</b>  | -             | -             |
|   |               |               |               |               |
| <b>Total liabilities</b>  | <b>48,377</b> | <b>54,838</b> | <b>2,973</b>  | <b>3,657</b>  |
|   |               |               |               |               |
| <b>Equities</b>   |               |               |               |               |
| Share capital   | 51,172        | 51,172        | 51,172        | 51,172        |
| Treasury shares   | (99)          | (99)          | (99)          | (99)          |
| Other reserves  | 4,445         | 4,928         | (355)         | (355)         |
| Accumulated losses  | (30,624)      | (32,415)      | (39,044)      | (39,263)      |
| <b>Total equity attributable to owners of the parent</b>                        | <b>24,894</b> | <b>23,586</b> | <b>11,674</b> | <b>11,455</b> |
| Non-controlling interests   | 7             | 7             | -             | -             |
| <b>Total equity</b>   | <b>24,901</b> | <b>23,593</b> | <b>11,674</b> | <b>11,455</b> |
|   |               |               |               |               |
| <b>Total equity and liabilities</b>   | <b>73,278</b> | <b>78,431</b> | <b>14,647</b> | <b>15,112</b> |

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

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

| As at 31 March 2021 |           | As at 31 March 2020 |           |
|---------------------|-----------|---------------------|-----------|
| Secured             | Unsecured | Secured             | Unsecured |
| S\$'000             | S\$'000   | S\$'000             | S\$'000   |
| 34,197              | -         | 40,098              | -         |

**Amount repayable after one year**

| As at 31 March 2021 |           | As at 31 March 2020 |           |
|---------------------|-----------|---------------------|-----------|
| Secured             | Unsecured | Secured             | Unsecured |
| S\$'000             | S\$'000   | S\$'000             | S\$'000   |
| 2,697               | -         | 3,215               | -         |

**Details of any collateral**

Borrowings are secured by fixed charges on properties, shares in the subsidiaries, corporate guarantees of the Company, personal guarantees given by a former director of the Group, fixed deposits pledged to the banks and in respect of certain subsidiaries, the borrowings are also secured by a debenture with floating charge over their assets, past, present and future.

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

|  | Group                      |                          |
|--|----------------------------|--------------------------|
|  | S\$'000                    |                          |
|  | Unaudited<br>31 March 2021 | Audited<br>31 March 2020 |
|  | S\$'000                    | S\$'000                  |
| <b>Operating activities:</b>   |                            |                          |
| Profit /(Loss) before tax from continuing operations                       | 1,317                      | (6,968)                  |
| Profit before tax from discontinued operations                             | 749                        | 232                      |
| <b>Profit/(Loss) before income tax, total</b>                              | <b>2,066</b>               | <b>(6,736)</b>           |
| Adjustments for:   |                            |                          |
| Depreciation of property, plant and equipment                              | 1,411                      | 2,379                    |
| Amortization of intangibles  | -                          | 170                      |
| Loss on derivative financial instruments                                   | -                          | (1)                      |
| Interest income  | (155)                      | (65)                     |
| Gain on disposal of financial assets, at fair value through profit or loss | (1,037)                    | -                        |
| Interest expenses, net   | 1,465                      | 2,382                    |
| Interest expense on lease liabilities                                      | 47                         | 339                      |
| Gain on disposal of investment properties                                  | -                          | 149                      |
| Allowance for impairment of trade receivables                              | -                          | 979                      |
| (Reversal of allowance) / allowance for impairment of other receivables    | (80)                       | 34                       |
| Allowance for impairment of intangible assets                              | -                          | 973                      |
| Bad debt written off   | 509                        | 259                      |
| Impairment loss of property, plant and equipment                           | -                          | 54                       |
| Inventory written off  | 28                         | 141                      |
| Fair value loss on investment properties                                   | -                          | 2,000                    |
| Gain/(Loss) on disposal of property, plant and equipment                   | (252)                      | 64                       |
| Gain on derivative financial instruments                                   | -                          | (1)                      |
| Property, plant and equipment written off                                  | 19                         | 39                       |
| Write down of development properties                                       | -                          | -                        |
| Foreign currency translation   | 892                        | 279                      |
| <b>Operating cash flows before working capital changes</b>                 | <b>4,913</b>               | <b>3,438</b>             |
| Trade and other receivables  | 657                        | 1,753                    |
| Inventories  | 1,540                      | 3,427                    |
| Trade and other payables   | 1,190                      | (2,207)                  |
| Contract liabilities   | (292)                      | 109                      |
| Development properties   | -                          | 3,400                    |
| <b>Cash flows generated from operations</b>                                | <b>8,008</b>               | <b>9,920</b>             |
| Income tax refunded  | (234)                      | (872)                    |
| <b>Net cash flows generated from operating activities</b>                  | <b>7,774</b>               | <b>9,048</b>             |
|  |                            |                          |
| <b>Investing activities:</b>   |                            |                          |
| Purchase of property, plant and equipment                                  | (207)                      | (371)                    |
| Asset held for disposal  | 1,500                      | -                        |
| Proceeds from disposal of financial asset at FVTPL                         | 1,037                      | -                        |
| Payment of deferred consideration  | (233)                      | (1,182)                  |
| Proceeds on disposal of property, plant and equipment                      | -                          | 13                       |
| Proceeds on disposal of investment   | -                          | 1,454                    |
| Interest received  | 155                        | 65                       |
| <b>Net cash flows used in investing activities</b>                         | <b>2,252</b>               | <b>(21)</b>              |

|  | Group          |                |
|--|----------------|----------------|
|  | S\$'000        |                |
|  | Unaudited      | Audited        |
|  | 31 March 2021  | 31 March 2020  |
|  | S\$'000        | S\$'000        |
| <b>Financing activities:</b>                                 |                |                |
| Repayment of loans and borrowings                            | (5,022)        | (6,265)        |
| Repayment/Proceeds from loan from shareholder                | (1,500)        | 1,500          |
| Repayment/Proceeds from loan from third party                | (150)          | 150            |
| Decrease/(Increase) in fixed deposits pledged                | 167            | (182)          |
| Repayment of lease liabilities                               | (565)          | (399)          |
| Interest paid  | (1,457)        | (2,337)        |
| Interest paid on lease liabilities                           | (47)           | (339)          |
| <b>Net cash flows used in financing activities</b>           | <b>(8,574)</b> | <b>(7,872)</b> |
|  |                |                |
| Net increase in cash and cash equivalents                    | 1,452          | 1,155          |
| Cash and cash equivalents at beginning of the year           | 147            | (1,008)        |
| <b>Cash and cash equivalents at end of the year (Note 1)</b> | <b>1,599</b>   | <b>147</b>     |
|  |                |                |
| <b>(Note 1)</b>  |                |                |
| Cash and short term deposits                                 | 4,641          | 3,795          |
| Deposit pledged  | (2,517)        | (2,684)        |
| Bank overdraft   | (875)          | (1,017)        |
| Discontinued operation                                       | 350            | 53             |
|  | <b>1,599</b>   | <b>147</b>     |

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.

| Group   | Share capital | Treasury Shares | Other reserves | Accumulated losses | Equity attributable to owners of the Company | Non-controlling interests | Total Equity |
|---|---------------|-----------------|----------------|--------------------|--|---------------------------|--------------|
|   | S\$'000       |                 | S\$'000        | S\$'000            | S\$'000                                      | S\$'000                   | S\$'000      |
| <b>Current year:</b>  |               |                 |                |                    |  |                           |              |
| Opening Balance at 1 April 2020   | 51,172        | (99)            | 4,928          | (32,415)           | 23,586                                       | 7                         | 23,593       |
| Profit for the financial year   | -             | -               | -              | 1,791              | 1,791  | -                         | 1,791        |
| Other comprehensive income<br>Currency translation differences arising on consolidation | -             | -               | (483)          | -                  | (483)  | -                         | (483)        |
| Total comprehensive income for the year   | -             | -               | (483)          | 1,791              | 1,308  | -                         | 1,308        |
| Closing balance at 31 March 2021  | 51,172        | (99)            | 4,445          | (30,624)           | 24,894                                       | 7                         | 24,901       |
|   |               |                 |                |                    |  |                           |              |
| <b>Previous year:</b>   |               |                 |                |                    |  |                           |              |
| Opening Balance at 1 April 2019   | 50,913        | (99)            | 5,466          | (25,842)           | 30,438                                       | 84                        | 30,522       |
| Loss for the financial year   | -             | -               | -              | (6,573)            | (6,573)                                      | (77)                      | (6,650)      |
| Other comprehensive income<br>Currency translation differences arising on consolidation | -             | -               | 212            | -                  | 212  | -                         | 212          |
| Total comprehensive income for the year   | -             | -               | 212            | (6,573)            | (6,361)                                      | (77)                      | (6,438)      |

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|                                    |        |      |       |          |        |   |        |
|------------------------------------|--------|------|-------|----------|--------|---|--------|
| Issuance of shares pursuant to PSP | 259    | -    | -     | -        | 259    | - | 259    |
| Deferred equity consideration      | -      | -    | (750) | -        | (750)  | - | (750)  |
| Closing balance at 31 March 2020   | 51,172 | (99) | 4,928 | (32,415) | 23,586 | 7 | 23,593 |

**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. (contd)**

| Company  | Share Capital | Treasury shares | Other reserves | Accumulated profit/(losses) | Total Equity |
|--|---------------|-----------------|----------------|-----------------------------|--------------|
|  | S\$'000       | S\$'000         | S\$'000        | S\$'000                     | S\$'000      |
| <b>Current year:</b>   |               |                 |                |                             |              |
| Opening balance at 1 April 2020                              | 51,172        | (99)            | (355)          | (39,263)                    | 11,455       |
| Profit and total comprehensive profit for the financial year | -             | -               | -              | 219                         | 219          |
| Closing balance as at 31 March 2021                          | 51,172        | (99)            | (355)          | (39,044)                    | 11,674       |
|  |               |                 |                |                             |              |
| <b>Previous year:</b>  |               |                 |                |                             |              |
| Opening balance at 1 April 2019                              | 50,913        | (99)            | (355)          | (33,028)                    | 17,431       |
| Loss and total comprehensive loss for the financial year     | -             | -               | -              | (6,235)                     | (6,235)      |
| Issuance of shares pursuant to PSP                           | 259           | -               | -              | -                           | 259          |
| Closing balance as at 31 March 2020                          | 51,172        | (99)            | (355)          | (39,263)                    | 11,455       |

**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 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 year. 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.**

Ordinary Shares

7.4 million of performance shares were purportedly issued to a former CEO during the quarter ended 30 September 2019. The Company takes the view that the shares were improperly issued and/or subject to be forfeited upon the former CEO's resignation. A substantial shareholder had obtained an injunction against the former CEO from exercising his rights to these shares. The Company had also commenced legal proceedings to forfeit the shares. Both the legal actions by the substantial shareholder and the Company had been ordered by the High Court to be combined into a single action by way of a single writ for further disposition. The Company will make the necessary announcements and updates in due course. Recently, the Company was informed by a law firm that it had, pursuant to certain court proceedings commenced by another substantial shareholder that it had obtained an undertaking from the former CEO's counsel that he will not exercise his rights over the shares and will not dispose of the shares.

Performance Shares

There were no performance shares granted as at 31 March 2021 (31 March 2020: 7.4 million).

### Treasury Shares

As of 31 March 2021, the Company has 634,600 treasury shares (31 March 2020: 636,400) as of the end of the reported period.

None of the Company's subsidiaries hold any shares in the Company at the end of the period under review except for 4,252,920 shares registered in a third party's name where the ultimate beneficial interest in the shares belongs to the Company. The Company commenced legal action to recover the shares from the registered owner of these shares and had obtained a court injunction that restrained him from selling, transferring, charging, pledging, disposing or dealing with the 4,252,920 shares in any way; and he be restrained from exercising any voting or other rights as a member of the Company, in relation to these shares. The Company will make the necessary announcements and updates in due course.

The sum total of 634,600 plus 4,252,920 amounting to 4,887,520 shares represent 5.0% of the total number of shareholdings.

**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.**

|   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Total number of issued ordinary shares excluding treasury shares* | 90,287,403    | 90,287,403    |

\* This exclude the 7.4m number of shares issued to Dr Lim Boh Soon. See note 1(d)(ii) above.

**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.

**1(d)(v) A statement showing all sales, transfers, disposal, 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 standard or practice.**

These figures have not been audited or reviewed by the Company's auditor.

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion**

- a) updates on the efforts taken to resolve each outstanding audit issue.
- b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board's assessment of the Company's ability to continue as a going concern

- (a) The Group has on 7 August 2020 entered into a conditional sale and purchase agreement (the "SPA") with AJ Jetting Pte. Ltd. (the "Purchaser") in which the Purchaser has agreed to acquire the Group's entire shareholdings of 93.09% of Biofuel Research Pte Ltd (the "Proposed Disposal") for an aggregate consideration of S\$5,585,400 (the "Consideration"). The Purchaser has paid a sum of S\$1,500,000 (the "First Payment") as part of the Consideration to the Company by way of a Cashier's Order (the "Cashier's Order"). The Cashier's Order was in the possession of the Group's lawyers and the due date for the presentation of the Cashier's Order had lapsed on 10 November 2020.

On 11 December 2020, the Group and the Purchase have entered into a deed of addendum and released (the "Deed") to extend the Long Stop Date under the SPA to 12 June 2021 and to reissue the First Payment to the Group. The First Payment was released to the Group upon execution of the Deed.

The Group expects to complete the Proposed Disposal before the Long Stop Date upon satisfactory fulfilment of all conditions precedent to the SPA including satisfactory completion of due diligence by the Purchaser, and receipt of requisite regulatory and shareholder approvals.

- (b) On 31 March 2021, the Group obtained waiver from its principal banker, United Overseas Bank Ltd (“UOB”) on the breach of loan covenants on a one-off basis together with the revision of loan covenant to maintain a minimum consolidated tangible net worth of S\$20 million at all times.

As a result, UOB has assured that it will not request for immediate repayment of the outstanding loan amounts.

- (c) Despite the global Covid-19 pandemic, the Group has produced profitable results for all Quarters of FY2021, stemming the losses suffered by the Group of approximately S\$23.2 million for FY2019 and S\$6.7 million for FY2020.
- (d) The Group managed to return a vacant plot of land at 16 Joo Koon Circle (“JTC land”) to Jurong Town Corporation without any penalties, thereby reducing the monthly expenses incurred for the maintenance of JTC land which remained undeveloped for the past few years.
- (e) As part of its business expansion plan, the Group has, through its wholly owned subsidiary, PT Supratechnics Instrumentasi Indonesia, engaged in a series of business negotiation with potential business partners in Indonesia to expand the Indonesian markets for the Group’s marine engine and boat business. The Group believes the negotiation will lead to positive outcome and expects to complete the negotiation in 3<sup>rd</sup> quarter of 2021.

The Group has incorporated two (2) wholly owned subsidiaries known as Theme A Properties Pte Ltd (“Theme A Properties”) and Theme A Investment Holdings Pte Ltd (“Theme A Investment”) on 19 October 2020 and 13 January 2021 respectively.

- i. Theme A Properties has obtained CEHA-licensed property agency and in negotiations with landowners and developers in Indonesia to facilitate the redevelopment of their properties, and/or market or sell these properties. The Group expects to complete negotiation in 3<sup>rd</sup> quarter of 2021. The Group believes that Theme A Properties will help The Group to market its own properties for sale and rent.
- ii. The Group, through its subsidiary, Theme A Investment Holdings, is in negotiations with potential business partners in both Singapore and Indonesia, to facilitate identifying and investing in new business opportunities for the Group, The Group expects to complete negotiation with positive outcome by 4<sup>th</sup> quarter of 2021.

Based on the above mentioned, the Board is of the view that the FY2021 Audited Financial Statements is prepared on a going concern basis.

**4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

Other than the adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) as mentioned in paragraph 5 below, there were no changes in the accounting policies and methods of computation adopted in the financial statements of the Group for the current reporting period as compared to the most recently audited financial statements for the reporting year ended 31 March 2021.

**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 Group has adopted the new SFRS(I) and SFRS(I) Interpretations, (SFRS(1) INT), that are relevant to its operations and effective for annual periods beginning on or after 1 April 2020. The adoption of these new and revised SFRS(I) and SFRS(I) INT did not result in changes to the Group’s accounting policies.

**6. (Losses)/Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|   | Group         |               |
|---|---------------|---------------|
|   | 31 March 2021 | 31 March 2020 |
| Earnings per ordinary share from continuing operations of the group, after deducting any provision for preference dividends (in SGD cents): |               |               |
| (a) Based on weighted average number of ordinary shares on issue; and   | 1.18          | (7.3)         |
| Weighted average number of ordinary shares for basic earnings/(losses) per share computation ('000)   | 90,287        | 90,287        |
| (b) Based on a fully diluted basis  | 1.18          | (7.3)         |
| Weighted average number of ordinary shares adjusted for the effect for dilution ('000)  | 90,287        | 90,287        |

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Net asset value per ordinary share based on issued share capital at the end of the respective periods (in SGD cents): | 26.78         | 26.12         | 12.92         | 12.68         |
| No. of ordinary shares used in computing net asset value ('000)   | 90,287        | 90,287        | 90,287        | 90,287        |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **REVIEW OF PERFORMANCE**

##### **Revenue**

Consolidated revenue for the full year decreased by close to 12% due to the impacts of Covid 19 which impacted several segments of the business. This was partly offset by sales improvement in the calibration business unit as the need of healthcare products increased also as a result of the pandemic.

Contributions from Singapore and Indonesia declined by (S\$7.4 mil) 52% and (S\$0.6 mil) 32% offset by improvements in contribution from Malaysia by (S\$3.6 mil) 18%.

Sales reported for second half of FY2021 improved by (S\$3.5 mil) (23.8%) as compared to first half of FY2021 due to improved market sentiments.

Overall gross margin increased to 35% in FY2021 from 31% in FY2020. This was mainly due to careful cost control and streamlining by management via salary cut and other measure.

##### **Selling and distribution expenses**

S&D expenses decreased by S\$170,000 to S\$415,000 mainly due to the decrease in Marine sales.

##### **General and administrative expenses**

As compared to FY2020, G&A expenses decreased by 16% to S\$9.9 mil mainly due to increase in depreciation of S\$0.9 mil and professional fees of S\$1 mil.

### Finance costs

Overall finance costs decreased by 48% from S\$2.3 mil to S\$1.2 mil due to loan repayments during FY2021.

### Profit for the year

The Group recorded a profit after tax of S\$1.8 mil in FY2021 as compared to a loss of S\$6.7 mil in FY2020. The profit was achieved primarily on the reversal of fair value gain of S\$1.04 million recognised in FY2021 for Huan Hsin Holdings Limited shares and discontinuation of depreciation due to pending disposal of Biofuel Research Pte Ltd of S\$715,000.

## REVIEW OF FINANCIAL POSITION

### Current assets

Trade and other receivables declined due to improved collection efforts implemented by management.

This is in line with improved cash position as at FY2021 year end as compared to FY2020 year end.

Inventories previously stocked were also sold off during the year.

### Current liabilities

Current liabilities decreased by \$5.6 million as compared to prior year due to the repayment of bank borrowings during the year.

### Non current liabilities

Non current liabilities remained almost the same as prior year.

## REVIEW OF CASH FLOW

Net cash generated from operating activities is lower as compared to FY2020. This is due to overall lower sales achieved during the period.

Net cash generated from investing activities amounted to S\$2.2 mil higher than last year due to cashflow from sales of Huan Hsin Holding Limited shares and receipt of cashier's order of S\$1.5 mil being the first tranche of purchase consideration for disposal of Biofuel Research Pte Ltd.

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

Not applicable.

**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.**

The Group will continue to review and manage its investment portfolio; actively explore new opportunities for growth and expansion so as to maximise shareholder value.

### Distributorship

Our Marine business will continue to be our revenue driver for the current financial year while the Group continues to explore new business opportunities.

### Recycling of waste oil

The Group has entered into a Sale and Purchase Agreement with AJ Jetting to dispose its entire stake in Biofuel Research. The Group is currently in the process of obtaining regulatory approval and is expected to dispose the asset by 12 June 2021.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No dividend has been declared.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial year ended 31 March 2020 as the Group is slowly recovering from the impact of Covid 19 and reserves are set aside for future operations.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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 Company does not have any IPT mandate.

**14. Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers (In the format set out in Appendix 7.7) under Rule 720(1).**

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the preceding year.**

**(a) Analysis by business segments**

| 2021   | Property | Marine trading | Calibration of Environmental Equipment | Others  | Sub Total | (Discontinued operation) Recycling of waste oil | Total   |
|--|----------|----------------|--|---------|-----------|---|---------|
|  | S\$'000  | S\$'000        | S\$'000                                | S\$'000 | S\$'000   | S\$'000   | S\$'000 |
| <b>Revenue</b>                                       |          |                |  |         |           |   |         |
| -Sales to external customers                         | 3,176    | 26,915         | 2,216                                  | 189     | 32,496    | 1,990   | 34,486  |
| Interest income                                      | -        | 83             | 65                                     | 7       | 155       | -   | 155     |
| Depreciation of property, plant and equipment        | (489)    | (637)          | (213)                                  | (787)   | (2,126)   | -   | (2,126) |
| Write down on inventories                            | -        | -              | (28)                                   | -       | (28)      | -   | (28)    |
| Write off of property, plant and equipment           | -        | (7)            | -                                      | (12)    | (19)      | -   | (19)    |
| Bad debt written off                                 | -        | (509)          | -                                      | -       | (509)     | -   | (509)   |
| Reversal of impairment of trade receivables          | -        | -              | -                                      | 80      | 80        | -   | 80      |
| Segment profit/(loss)                                | 770      | 682            | 213                                    | (534)   | 1,131     | 660   | 1,791   |
| Total assets   | 16,492   | 29,636         | 4,881                                  | 10,469  | 61,478    | 11,800  | 73,278  |
| Total liabilities                                    | 1,672    | 16,595         | 2,022                                  | 22,994  | 43,283    | 5,094   | 48,377  |
| Capital expenditure on property, plant and equipment | 19       | 127            | -                                      | 61      | 207       | -   | 207     |

| 2020   | Property | Marine trading | Calibration of Environmental Equipment | Others  | Sub Total | (Discontinued operation) Recycling of waste oil | Total   |
|--|----------|----------------|--|---------|-----------|---|---------|
|  | S\$'000  | S\$'000        | S\$'000                                | S\$'000 | S\$'000   | S\$'000   | S\$'000 |
| <b>Revenue</b>                                       |          |                |  |         |           |   |         |
| -Sales to external customers                         | 6,945    | 27,762         | 2,188                                  | -       | 36,895    | 2,408   | 39,303  |
| Interest income                                      | 3        | 56             | -                                      | 3       | 62        | 3   | 65      |
| Depreciation of property, plant and equipment        | (17)     | (960)          | (214)                                  | (18)    | (1,209)   | (1,170)   | (2,379) |
| Fair value loss on investment properties             | (2,000)  | -              | -                                      | -       | (2,000)   | -   | (2,000) |
| Write down of inventories                            | -        | (141)          | -                                      | -       | (141)     | -   | (141)   |
| Write off of property, plant and equipment           | -        | -              | -                                      | -       | -         | (39)  | (39)    |
| Amortisation of intangible assets                    | -        | (170)          | -                                      | -       | (170)     | -   | (170)   |
| Bad debt written off                                 | -        | (243)          | -                                      | -       | (243)     | (16)  | (259)   |
| Impairment loss on property, plant and equipment     | -        | (54)           | -                                      | -       | (54)      | -   | (54)    |
| Impairment loss of intangible assets                 | -        | (973)          | -                                      | -       | (973)     | -   | (973)   |
| Impairment loss of trade receivables                 | -        | (974)          | (5)                                    | -       | (979)     | -   | (979)   |
| Impairment loss of other receivables                 | (34)     | -              | -                                      | -       | (34)      | -   | (34)    |
| Segment loss   | (602)    | (4,541)        | 358                                    | (2,183) | (6,968)   | 232   | (6,736) |
| Total assets   | 27,687   | 35,667         | 2,958                                  | 452     | 66,764    | 11,667  | 78,431  |
| Total liabilities                                    | 19,988   | 20,132         | 1,920                                  | 7,466   | 49,506    | 5,332   | 54,838  |
| Capital expenditure on property, plant and equipment | 20       | 145            | 281                                    | -       | 446       | 39  | 485     |

(b) Analysis by geographical segments

|                            | China/Hong Kong/Indonesia/India<br>S\$'000 | Malaysia<br>S\$'000 | Singapore<br>S\$'000 | Sub Total<br>S\$'000 | Discontinued operations<br>S\$'000 | Total<br>S\$'000 |
|----------------------------|--|---------------------|----------------------|----------------------|------------------------------------|------------------|
| <b>2021</b>                |  |                     |                      |                      |                                    |                  |
| <b>Segment revenue</b>     |  |                     |                      |                      |                                    |                  |
| -external                  | 2,770                                      | 22,828              | 6,898                | 32,496               | 1,990                              | 34,486           |
| Segment non-current assets | 940  | 3,996               | 37,566               | 42,502               | 9,867                              | 52,369           |
| <b>2020</b>                |  |                     |                      |                      |                                    |                  |
| <b>Segment revenue</b>     |  |                     |                      |                      |                                    |                  |
| -external                  | 3,358                                      | 19,232              | 14,305               | 36,895               | 2,408                              | 39,303           |
| Segment non-current assets | 972  | 4,548               | 40,502               | 46,022               | 10,582                             | 56,604           |

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Refer to paragraph 8 above.

**17. A breakdown of sales.**

|  | 12 months ended 31 March 2021<br>S\$'000 | 12 months ended 31 March 2020<br>S\$'000 | % Increase/ (Decrease) |
|--|--|--|------------------------|
|  | Group                                    | Group                                    | Group                  |
| <b>From continuing operations:</b>   |  |  |                        |
| (a) Sales reported for first half year   | 14,519                                   | 17,910                                   | (23.6%)                |
| (b) Operating profit/(loss) after tax before deducting minority interests reported for first half year | 492                                      | (573)                                    | NM                     |
| (c) Sales reported for second half year  | 17,977                                   | 18,985                                   | 11.7%                  |
| (d) Operating profit after tax before deducting minority interests reported for second half year       | 639                                      | (6,063)                                  | NM                     |

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

No dividends were declared or paid in the latest full year and the previous full year.

**19. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial year ended 31 March 2021 as the Group is slowing recovering from the impact of Covid 19 and reverses are set aside for future operations.

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

We confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tanoto Sau Ian  
Executive Director  
27 May 2021