

LEY CHOON GROUP HOLDINGS LTD

(Company Registration No. 198700318G)

ANNOUNCEMENT OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

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LEY CHOON GROUP HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2018

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

	4 th Quarter ended			12 Months		
	31 Mar	31 Mar		31 Mar	31 Mar	
	2018	2017	Change	2018	2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	27,137	29,178	(7.0)	105,662	115,377	(8.4)
Cost of sales	(22,763)	(24,219)	(6.0)	(89,070)	(92,348)	(3.5)
Gross profit	4,374	4,959	(11.8)	16,592	23,029	(28.0)
Other income	582	6,929	(91.6)	2,554	20,903	(87.8)
Selling and distribution expenses	(199)	(132)	50.8	(816)	(841)	(3.0)
Administrative expenses	(3,107)	(3,218)	(3.4)	(13,206)	(16,867)	(21.7)
Other operating expenses	(597)	(3,595)	(83.4)	(1,256)	(3,674)	(65.8)
Finance costs	(751)	(1,059)	(29.1)	(2,213)	(4,009)	(44.8)
Profit from continuing operations before taxation	302	3,884	(92.2)	1,655	18,541	(91.1)
Taxation	(140)	(147)	(4.8)	(150)	197	n/m
Profit from continuing operations after taxation	162	3,737	(95.7)	1,505	18,738	(92.0)
Loss from discontinued operations, net of tax (Note 1)	-	(45)	n/m	-	(992)	n/m
Profit for the period	162	3,692	(95.6)	1,505	17,746	(91.5)
Other comprehensive income/(loss) after tax:						
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	565	(599)	n/m	1,066	(722)	n/m
Other comprehensive income/(loss) for the period, net of tax of nil	565	(599)	n/m	1,066	(722)	n/m
Total comprehensive income for the period	727	3,093	(76.5)	2,571	17,024	(84.9)

Note 1 :Discontinued operations relate to the results of Ley Choon Development Pte Ltd which was disposed of on 30 November 2016

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)

	4th Quarter ended			12 Months		
	31 Mar	31 Mar		31 Mar	31 Mar	
	2018	2017	Change	2018	2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit/(loss) attributable to:						
Owners of the Company						
- Profit from continuing operations, net of tax	162	3,737	(95.7)	1,505	18,738	(92.0)
- Loss from discontinued operations, net of tax	-	(45)	n/m	-	(992)	n/m
Profit for the period	<u>162</u>	<u>3,692</u>	<u>(95.6)</u>	<u>1,505</u>	<u>17,746</u>	<u>(91.5)</u>
Total comprehensive income/(loss) attributable to:						
Owners of the Company						
- Profit from continuing operations, net of tax	727	3,138	(76.8)	2,571	18,016	(85.7)
- Loss from discontinued operations, net of tax	-	(45)	n/m	-	(992)	n/m
Total comprehensive income for the period	<u>727</u>	<u>3,093</u>	<u>(76.5)</u>	<u>2,571</u>	<u>17,024</u>	<u>(84.9)</u>

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:

	4th Quarter ended			12 Months		
				Period ended		
	31 Mar 2018 S\$'000	31 Mar 2017 S\$'000	Change %	31 Mar 2018 S\$'000	31 Mar 2017 S\$'000	Change %
Impairment losses on trade receivables (reversed)/made	-	1,367	n/m	(419)	1,339	n/m
Write-down on development property	-	-	-	-	957	n/m
Amortisation of land use rights	19	16	18.8	72	70	2.9
Depreciation of property, plant and equipment	2,371	2,178	8.9	9,337	9,797	(4.7)
Foreign exchange loss/(gain), net	489	59	728.8	1,126	(631)	n/m
Change in fair value of financial assets at fair value through profit or loss	(7)	(13)	(46.2)	(2)	(45)	(95.6)
Interest income	(30)	-	n/m	(31)	(18)	72.2
Dividend income from other investments	-	-	-	(1)	(1)	-
Loss on disposal of property, plant and equipment	55	345	(84.1)	13	14	(7.1)
Impairment loss on property, plant and equipment reversed	-	(6,377)	n/m	-	(6,377)	n/m
Impairment loss on property, plant and equipment	-	2,088	n/m	-	2,088	n/m
Gain on disposal of non-current assets classified as held for sale	-	-	-	-	(11,356)	n/m
Finance costs	751	1,059	(29.1)	2,213	4,058	(45.5)
Provision for legal claims and damages reversed	-	-	-	-	(122)	n/m
Provision for fines and penalty (reversed)/made	(160)	-	n/m	200	-	n/m
Write-down on inventories	85	-	n/m	85	-	n/m
Loss on disposal of subsidiary	-	-	-	-	45	n/m
Operating lease expenses	377	555	(32.1)	1,589	1,741	(8.7)

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	As at	As at	As at
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	55,913	62,164	-	-
Land use rights	3,105	3,085	-	-
Subsidiaries	-	-	82,954	77,383
Club membership	229	229	-	-
Deferred tax assets	891	1,036	-	154
	<u>60,138</u>	<u>66,514</u>	<u>82,954</u>	<u>77,537</u>
Current Assets				
Inventories	12,839	9,960	-	-
Contracts work in progress	17,690	19,782	-	-
Trade and other receivables	31,543	28,086	4,157	5,942
Other investments	58	56	-	-
Cash and bank balances	4,665	6,638	6	110
Fixed deposits	2,537	1,720	-	-
	<u>69,332</u>	<u>66,242</u>	<u>4,163</u>	<u>6,052</u>
Total assets	<u>129,470</u>	<u>132,756</u>	<u>87,117</u>	<u>83,589</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	79,807	71,117	146,026	137,336
Accumulated losses	(46,475)	(47,980)	(101,225)	(104,673)
Other reserves	1,076	10	(884)	(884)
Total equity	<u>34,408</u>	<u>23,147</u>	<u>43,917</u>	<u>31,779</u>
Non-Current Liabilities				
Borrowings	44,509	53,017	15,614	15,500
Deferred tax liabilities	314	314	-	-
	<u>44,823</u>	<u>53,331</u>	<u>15,614</u>	<u>15,500</u>
Current Liabilities				
Borrowings	14,870	18,262	-	3,465
Trade and other payables	32,816	35,715	27,586	32,845
Current tax payable	112	60	-	-
Provisions	2,441	2,241	-	-
	<u>50,239</u>	<u>56,278</u>	<u>27,586</u>	<u>36,310</u>
Total liabilities	<u>95,062</u>	<u>109,609</u>	<u>43,200</u>	<u>51,810</u>
Total equity and liabilities	<u>129,470</u>	<u>132,756</u>	<u>87,117</u>	<u>83,589</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	As at
	31 Mar 2018	31 Mar 2017
	S\$'000	S\$'000
<u>Unsecured</u>		
Loan from controlling shareholders	-	3,465
	-	3,465
<u>Secured</u>		
Bank loans	14,096	12,880
Finance lease liabilities	774	1,917
	14,870	14,797
Total	14,870	18,262

(b) Amount repayable after one year

	As at	As at
	31 Mar 2018	31 Mar 2017
	S\$'000	S\$'000
<u>Secured</u>		
Bank overdrafts *	-	10,036
Bank loans	28,149	26,117
Convertible bond (Murabaha Facility)	15,614	15,500
Finance lease liabilities	746	1,364
Total	44,509	53,017

*During the year, the bank overdraft was converted into bank loans.

(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\$3.0 million as at 31 March 2018.

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

	12 Months Period ended	
	31 Mar 2018	31 Mar 2017
	S\$'000	S\$'000
Cash Flows from Operating Activities:		
Profit before taxation from continuing operations	1,655	18,541
Loss before taxation from discontinued operations	-	(992)
Total profit before taxation	1,655	17,549
Adjustments for:		
Amortisation of land use rights	72	70
Depreciation of property, plant and equipment	9,337	9,797
Provision for legal claims and damages reversed	-	(122)
Provision for fines and penalty	200	-
Provision for foreseeable losses	30	434
Impairment losses on trade receivables reversed	(419)	1,339
Write-down on development property	-	957
Write-down on inventories	85	-
Loss on disposal of property, plant and equipment	13	14
Impairment losses on property, plant and equipment reversed, net	-	(4,289)
Gain on disposal of non-current assets classified as held for sale	-	(11,356)
Fair value gain on other investments	(2)	(45)
Dividend income from other investments	(1)	(1)
Interest income	(31)	(18)
Finance costs	2,213	4,058
Loss on disposal of a subsidiary	-	45
Operating profit before working capital changes	13,152	18,432
Changes in inventories	(2,990)	(4,777)
Changes in contracts work in progress	1,667	4,736
Changes in trade and other receivables	(2,753)	4,423
Changes in trade and other payables	(1,401)	(17,559)
Cash generated from operations	7,675	5,255
Income taxes paid	(33)	(31)
Net cash generated from operating activities	7,642	5,224
Cash Flows from Investing Activities:		
Interest received	31	18
Purchase of property, plant and equipment	(3,683)	(4,771)
Dividend received from other investments	1	1
Proceeds from disposal of property, plant and equipment	586	1,743
Proceeds from disposal of non-current assets classified as held for sale	-	19,010
Disposal of a subsidiary, net of cash disposed of	-	11,500
Net cash (used in)/generated from investing activities	(3,065)	27,501

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)

	12 Months Period ended	
	31 Mar 2018	31 Mar 2017
	S\$'000	S\$'000
Cash Flows from Financing Activities:		
Interest paid	(2,440)	(2,806)
Proceeds from loans from financial institutions	1,251	1,215
Proceeds from rights issue	8,886	-
Share issuance expenses	(196)	-
Repayment of loans from financial institutions	(7,961)	(25,221)
Repayment of bills payable	-	(12,758)
Repayment of finance lease liabilities	(1,761)	(4,449)
Loan from controlling shareholders	(3,465)	-
Cash restricted in use	-	3,262
Fixed deposits pledged with banks	(817)	2,090
Net cash used in financing activities	(6,503)	(38,667)
 Net increase/(decrease) in cash and cash equivalents	 (1,926)	 (5,942)
Cash and cash equivalents at beginning of period	(3,398)	2,572
Restructuring of bank overdrafts to loans from financial institutions	10,036	-
Exchange differences on translation of cash and cash equivalents	(47)	(28)
Cash and cash equivalents at end of period	4,665	(3,398)

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

	12 Months Period ended	
	31 Mar 2018	31 Mar 2017
	S\$'000	S\$'000
Cash and cash equivalents	4,665	(3,398)
Bank overdrafts *	-	10,036
Fixed deposits pledged	2,537	1,720
	<u>7,202</u>	<u>8,358</u>
 Comprising the following:		
Cash at bank and on hand	4,665	6,638
Fixed deposits	2,537	1,720
	<u>7,202</u>	<u>8,358</u>

*During the year, the bank overdraft was converted into bank loans.

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

Group	Share capital	Accumulated losses	Equity component of convertible bonds	Foreign currency translation reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Apr 2016	71,117	(65,726)	146	489	6,026
Profit for the year	-	17,746	-	-	17,746
Other comprehensive loss for the year					
- Currency translation differences	-	-	-	(722)	(722)
Total comprehensive income/(loss) for the year	-	17,746	-	(722)	17,024
Contributions by and distributions to owners					
-Changes in convertible bonds	-	-	97	-	97
Transactions with owners in their capacity as owners	-	-	97	-	97
Balance at 31 Mar 2017	71,117	(47,980)	243	(233)	23,147
Balance at 1 April 2017	71,117	(47,980)	243	(233)	23,147
Profit for the year	-	1,505	-	-	1,505
Other comprehensive income for the year					
- Currency translation differences	-	-	-	1,066	1,066
Total comprehensive income for the year	-	1,505	-	1,066	2,571
Contributions by and distributions to owners					
- Issue of shares pursuant to rights issue	8,886	-	-	-	8,886
- Share issuance expenses	(196)	-	-	-	(196)
Transactions with owners in their capacity as owners	8,690	-	-	-	8,690
Balance at 31 Mar 2018	79,807	(46,475)	243	833	34,408

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

<u>Company</u>	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Apr 2016	137,336	(981)	(126,963)	9,392
Profit for the year/Total comprehensive income for the year	-	-	22,290	22,290
Contributions by and distributions to owners				
-Changes in convertible bonds	-	97	-	97
Transactions with owners in their capacity as owners	-	97	-	97
Balance at 31 Mar 2017	137,336	(884)	(104,673)	31,779
Balance at 1 April 2017	137,336	(884)	(104,673)	31,779
Profit for the year/Total comprehensive income for the year	-	-	3,448	3,448
Contributions by and distributions to owners				
- Issue of shares pursuant to rights issue	8,886	-	-	8,886
- Share issuance expenses	(196)	-	-	(196)
Transactions with owners in their capacity as owners	8,690	-	-	8,690
Balance at 31 Mar 2018	146,026	(884)	(101,225)	43,917

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 31 March 2018 (and 31 March 2017), the Company's issued and paid-up share capital was S\$146,026,238 (and S\$137,336,285).

There were no treasury shares held by the Company.

There were no subsidiary shareholding as at 31 March 2018 (and 31 March 2017).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Actual	31 March 2018	31 March 2017
Total number of issued shares excluding treasury shares	1,184,813,992	592,406,996

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

Not applicable.

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

There were no significant changes in accounting policies and methods of computation adopted in financial statements for the current reporting period as compared to the most recent audited annual financial statements for the period ended 31 March 2017.

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.

As at 31 March 2018, the convertible bonds do not have a dilutive effect because the average market price of the Company's ordinary shares for the period does not exceed the conversion price.

	4th Quarter ended		12 Months	
	31 Mar	31 Mar	31 Mar	31 Mar
Earnings per share (EPS in cents)	2018	2017	2018	2017
<u>Continuing operations</u>				
EPS based on weighted average number of ordinary shares on issue (cents)	0.01	0.63	0.14	3.16
EPS based on a fully diluted basis (cents)	0.01	0.63	0.14	3.16
<u>Discontinued operations</u>				
EPS based on weighted average number of ordinary shares on issue (cents)	-	-	-	(0.17)
EPS based on a fully diluted basis (cents)	-	-	-	(0.17)
Weighted average number of shares	1,184,813,992	592,406,996	1,108,531,447	592,406,996

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**

	Group		Company	
	As at 31 Mar 2018	As at 31 Mar 2017	As at 31 Mar 2018	As at 31 Mar 2017
Net asset value (NAV in cents)				
NAV per ordinary share	2.90	3.91	3.50	5.36
Number of shares	1,184,813,992	592,406,996	1,184,813,992	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

Fourth quarter review – Q4FY18 vs Q4FY17

Revenue

Revenue decreased by approximately S\$2.1 million or 7.0% to S\$27.1 million for the fourth quarter ended 31 March 2018 ("Q4FY18") compared to the corresponding quarter ended 31 March 2017 ("Q4FY17") of S\$29.2 million. This was due mainly to the decrease in revenue from airport projects by S\$3.4 million and big pipe diameter projects by S\$1.4 million as a result of completion of these projects; which was partially offset by the increase in revenue from distribution cable projects by S\$2.1 million.

Gross profit

Gross profit was S\$4.4 million with a gross profit margin of 16.1% for Q4FY18 compared to S\$5.0 million with a gross profit margin of 17.0% for Q4FY17. The decrease in gross profit and gross profit margin is due mainly to lower revenue as explained above and higher operational costs.

Other income

Other income for Q4FY18 decreased by approximately S\$6.3 million or 91.6% to S\$0.6 million compared to Q4FY17 due mainly to the absence of reversal of impairment losses on property, plant and equipment during the period.

Selling and distribution expenses

Selling and distribution expenses for Q4FY18 increased by approximately S\$0.07 million or 50.8 % to S\$0.2 million compared to Q4FY17 due mainly to higher commission expenses incurred during the period.

Administrative expenses

Administrative expenses for Q4FY18 decreased by approximately S\$0.1 million or 3.4% to S\$3.1 million compared to Q4FY17 due mainly to the decrease in professional fees expenses during the period.

Other operating expenses

Other operating expenses for Q4FY18 decreased by approximately S\$3.0 million or 83.4% to S\$0.6 million compared to Q4FY17 due mainly to the absence of impairment losses on plant and equipment and motor vehicles and also impairment losses on trade receivables in Ley Choon Yantai of S\$2.1 million and S\$1.5 million respectively during the period.

Finance costs

Finance costs for Q4FY18 decreased by approximately S\$0.3 million or 29.1% to S\$0.7 million compared to Q4FY17 due mainly to the reduction in borrowings.

Income tax

Income tax for Q4FY18 amounted to tax expense of S\$0.1 million due mainly to the reversal of deferred tax assets during the period.

Net profit after tax

The Group reported a net profit after tax of S\$0.2 million for Q4FY18 compared to S\$3.7 million for Q4FY17 due to the various reasons as explained above.

Twelve months review – 12MFY18 vs 12MFY17

Revenue

Revenue decreased by approximately S\$9.7 million or 8.4% to S\$105.7 million for the twelve months ended 31 March 2018 ("12MFY18") compared to the corresponding period ended 31 March 2017 ("12MFY17") of S\$115.4 million. This was due mainly to the decrease in revenue from airport projects by S\$10.4 million and roadwork projects by S\$5.6 million as a result of completion of these projects; which was partially offset by the increase in revenue from big diameter pipe projects by S\$6.9 million.

Gross profit

Gross profit was S\$16.6 million with a gross profit margin of 15.7% for 12MFY18 compared to S\$23.0 million with a gross profit margin of 20.0% for 12MFY17. The decrease in gross profit and gross profit margin were due mainly to higher operational costs and lower margin for new projects.

Other income

Other income for 12MFY18 decreased by approximately S\$18.3 million or 87.8% to S\$2.6 million compared to 12MFY17 due mainly to the absence of gain on disposal of No. 4 Sungei Kadut Street 2 and at 55 Kranji Crescent amounting to S\$11.4 million coupled with the reversal of impairment losses on property, plant and equipment amounting to S\$6.4 million during the period.

Selling and distribution expenses

Selling and distribution expenses for 12MFY18 decreased by approximately S\$0.02 million or 3.0% to S\$0.8 million compared to 12MFY17 due mainly to lower commission expenses.

Administrative expenses

Administrative expenses for 12MFY18 decreased by approximately S\$3.7 million or 21.7% to S\$13.2 million compared to 12MFY17 due mainly to the decrease in professional fees expenses by S\$1.7 million, decrease in depreciation expenses by S\$0.9 million and also decrease in administrative staff costs by S\$0.6 million, amongst others.

Other operating expenses

Other operating expenses for 12MFY18 decreased by approximately S\$2.4 million or 65.8% to S\$1.3 million compared to 12MFY17 due mainly to the absence of impairment losses on plant and equipment and motor vehicles of S\$2.1 million during the period.

Finance costs

Finance costs for 12MFY18 decreased by approximately S\$1.8 million or 44.8% to S\$2.2 million compared to 12MFY17 due mainly to the reduction in borrowings.

Income tax

Income tax for 12MFY18 amounted to tax expense of S\$0.2 million as compared to tax credit of S\$0.2 million for 12MFY17 due mainly to the reversal of deferred tax assets during the period.

Net profit after tax

The Group reported a net profit after tax of S\$1.5 million for 12MFY18 compared to a S\$17.7 million for 12MFY17 due to the various reasons as explained above.

Consolidated statements of financial position

Non-current assets

The Group's property, plant and equipment decreased by S\$6.3 million from S\$62.2 million as at 31 March 2017 to S\$55.9 million as at 31 March 2018, due mainly to depreciation of S\$9.3 million, partially offset by additions of plant and machinery amounting S\$3.7 million during the period.

Current assets

The Group's current assets increased by S\$3.1 million from S\$66.2 million as at 31 March 2017 to S\$69.3 million as at 31 March 2018, attributable mainly to the following:

- (a) increase in inventories by S\$2.9 million to S\$12.8 million as at 31 March 2018 due to more materials purchased for new projects;
- (b) increase in trade and other receivables by S\$3.5 million to S\$31.5 million as at 31 March 2018 due to lower collection from customers as well as impairment loss on trade receivables reversed during the period;

which have been partially offset by the following:

- (c) decrease in cash and cash equivalents by S\$1.2 million to S\$7.2 million as at 31 March 2018 compared to S\$8.4 million as at 31 March 2017 due mainly to repayment of borrowings;
- (d) decrease in contracts work in progress by S\$2.1 million to S\$17.7 million as at 31 March 2018 due to increased billings.

Current liabilities

The Group's current liabilities decreased by S\$6.0 million from S\$56.3 million as at 31 March 2017 to S\$50.3 million as at 31 March 2018, due mainly to the decrease in borrowings by S\$3.4 million as well as the decrease in trade and other payables by S\$2.9 million.

Non-current liabilities

The Group's non-current liabilities decreased by S\$8.5 million from S\$53.3 million as at 31 March 2017 to S\$44.8 million as at 31 March 2018 due mainly to lower bank borrowings.

Consolidated statement of cash flow

The Group's cash and cash equivalents stood at a surplus of S\$4.7 million as at 31 March 2018, as compared to a deficit of S\$3.4 million as at 31 March 2017.

Net cash generated from operating activities

Net cash generated from operating activities was S\$7.6 million, comprising operating profit before working capital changes of S\$13.1 million, partially offset by net working capital investment of S\$5.5 million.

The net working capital investment of S\$5.5 million was due mainly to the following:

- (a) increase in inventories of approximately S\$3.0 million due to more materials purchased for new projects;
- (b) increase in trade and other receivables of approximately S\$2.8 million due to lower collection from customers;
- (c) decrease in trade and other payables of approximately S\$1.4 million due to increased payments to the creditors; partially offset by
- (d) decrease in contracts work in progress of approximately S\$1.7 million due to increased billings.

Net cash used in investing activities

Net cash used in investing activities of approximately S\$3.1 million was due mainly to purchase of property, plant and equipment amounting to S\$3.7 million, amongst others.

Net cash used in financing activities

Net cash used in financing activities of approximately S\$6.5 million was due mainly to net proceeds from rights issue of S\$8.7 million which was partially offset by repayment of loans with interest to financial institutions and controlling shareholders of S\$9.7 million and S\$3.5 million respectively.

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.

With the strong demand from the public sector, the construction sector will continue to be supported by major infrastructure projects which include various developments for Changi Airport Terminal 5 and land transport projects such as Cross Island Line, Jurong

Regional Line, Rapid Transit System and High Speed Rail. Ley Choon will continue to choose and bid for suitable tenders.

In a recent announcement dated 12 April 2018, the Group had secured contracts worth approximately S\$11.0 million in aggregate for road and pipe installation works. As at to date, the Group's unfulfilled order book based on secured contracts stands at approximately S\$145 million.

11. Dividends

(a) Whether an interim (final) ordinary has been declared (recommended); and

No.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

Not applicable.

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

Not applicable

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared.

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

The Group has no interested party transaction during the period.

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

S/N	Use of Proceeds	Amount Allocated (S\$'000)	Amount Utilised as at 31 Mar 2018 (S\$'000)	Amount Remaining as at 31 Mar 2018 (S\$'000)
1	Offsetting the ZC Outstanding Loan	3,400	3,400	-
2	Funding new projects or investments when opportunities arise for business expansion	2,100	2,100	-
3	General working capital ⁽¹⁾	3,100	3,100	-
	Total	8,600	8,600	-

Note:

(1) General working capital includes, *inter alia*, payment to supplier and salary related expenses

- 15. 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Business segment

For the 12 months period ended 31 Mar 2018

	Pipes and roads	Construction materials	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	96,505	9,157	-	105,662
Inter-segment revenue	37,280	8,228	-	45,508
Total revenue	133,785	17,385	-	151,170
Interest income	-	-	31	31
Interest expenses	(66)	(121)	(2,026)	(2,213)
Depreciation and amortization	(5,528)	(1,047)	(2,834)	(9,409)
Reportable segment profit/(loss) before income tax	12,202	1,210	(11,757)	1,655

For the financial year ended 31 Mar 2018

Reportable segment assets	77,818	14,830	36,822	129,470
Capital expenditure	3,442	3	238	3,683
Reportable segment liabilities	23,925	7,980	63,157	95,062

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

**For the 12 months period ended
31 Mar 2017**

	Pipes and roads	Construction materials	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	105,761	9,616	-	115,377
Inter-segment revenue	51,603	9,164	-	60,767
Total revenue	157,364	18,780	-	176,144
Interest income	-	-	18	18
Interest expenses	(144)	(139)	(3,775)	(4,058)
Depreciation and amortization	(5,796)	(1,147)	(2,924)	(9,867)
Impairment loss on property, plant and equipment (made)/reversed	(1,505)	(169)	5,963	4,289
Write-down on development property	-	-	(957)	(957)
Reportable segment profit/(loss) before income tax	18,378	1,077	(1,906)	17,549

**For the financial year ended
31 Mar 2017**

Reportable segment assets	74,789	17,151	40,816	132,756
Capital expenditure	4,338	69	364	4,771
Reportable segment liabilities	30,414	6,750	72,445	109,609

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

Revenue and profit from Pipes and Roads segment decreased due mainly to completion of some ongoing projects and higher operational costs incurred during the period.

Revenue from Construction Materials segment decreased due mainly to decline in sales to external customers. However gross profit increased due mainly to lower cost as a result of better usage of internal resources.

The increase in loss for Others segment was due mainly to absence of gain on disposal of buildings and reversal of impairment losses on property, plant and equipment during the period.

18. A breakdown of sales.

	12 months period ended 31-Mar-18 \$'000	12 months period ended 31-Mar-17 \$'000	Change %
(a) Sales reported for first 6 months *	52,110	58,564	-11.0%
(b) Operating profit after tax before deducting minority interests reported for first 6 months	1,008	5,298	-81.0%
(c) Sales reported for next 6 months *	53,552	56,813	-5.7%
(d) Operating profit after tax before deducting minority interests reported for first 6 months	497	12,448	-96.0%

*- Sales reported include amount from discontinued operation which is reflected in Note 1.

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

	12 months period ended 31 Mar 2018 \$'000	12 months period ended 31 Mar 2017 \$'000
Ordinary	-	-
Preference	-	-
Total	-	-

20. Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Company confirms that, as far as the Company is aware and save as set out below, there are no other persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company or its principal subsidiaries are as follows:

Name	Age	Family Relationship with any Director and/or Substantial Shareholder	Current Position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Toh Chew Leong	59	Brother of Mr. Toh Choo Huat ("TCH") who is the Executive Chairman & CEO	Deputy Chief Executive Officer from 29/09/2015	N.A
Toh Swee Kim	55	Brother of TCH	Chief Operating Officer of the Group from 29/09/2015	N.A
Toh Chew Chai	64	Brother of TCH	Deputy Chief Operating Officer, since 17/02/2014	N.A
Toh Chiew Boon	54	Brother of TCH	Senior Construction Manager, since 01/07/2017	Construction Manager from 01/04/2016 to 30/06/2017
Toh Kai Sheng	33	Nephew of TCH	Director, Operations & HR since 01/02/2017	N.A
Toh Kai Hock	36	Nephew of TCH	IT Director and Deputy CPO since 01/02/2016	N.A
Toh Kai Yang	29	Nephew of TCH	Operations Manager since 01/08/2017	Operations Command & Manpower Manager from 01/01/2017 to 31/07/2017
Toh Ting Xuan	29	Daughter of TCH	Senior Contracts Manager, since 01/04/2016	N.A

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer

28 May 2018