



KLW HOLDINGS LIMITED

Company Registration No.199504141D

UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.

This announcement has not been examined or approved by the SGX-ST. 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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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR FINANCIAL RESULTS

1 (a) (i) An income statement (for the group) together with a comparative statement for the corresponding year of the immediately preceding financial year.

Results for the twelve (12) months ended 31 March 2020 (hereinafter referred as "FY2020") and comparative figures for the twelve (12) months ended 31 March 2019 (hereinafter referred as "FY2019").

	Full Year		Increase/ (Decrease) %
	FY2020 \$'000	FY2019 \$'000	
Revenue	26,462	30,295	(13)
Cost of sales	(25,228)	(25,204)	N/M
Gross profit	1,234	5,091	(76)
Other income	463	4,165	N/M
Selling and distribution expenses	(760)	(731)	4
Administrative expenses	(9,940)	(9,284)	7
Loss from operations	(9,003)	(759)	N/M
Finance costs	(252)	(214)	18
Loss before tax	(9,255)	(973)	N/M
Tax expense	(222)	(513)	(57)
Loss for the year	(9,477)	(1,486)	N/M
Loss attributable to:			
Equity holders of the Company	(9,410)	(1,379)	N/M
Non-controlling interest	(67)	(107)	(37)
	(9,477)	(1,486)	N/M

N/M: Not Meaningful

	FY2020	FY2019	Increase/ (Decrease)
	\$'000	\$'000	%
Loss for the year	(9,477)	(1,486)	N/M
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation and representing other comprehensive income for the year, net of tax	(3,061)	(160)	N/M
Other comprehensive loss for the year, net of tax	(3,061)	(160)	N/M
Total comprehensive loss for the year	(12,538)	(1,646)	N/M
Total comprehensive loss attributable to:			
Equity holders of the Company	(11,425)	(1,510)	N/M
Non-controlling interest	(1,113)	(136)	N/M
	(12,538)	(1,646)	N/M

N/M: Not Meaningful

(ii) **The following items have been included in arriving at profit / (loss) from operations:-**

	FY2020	FY2019	Increase/ (Decrease)
	\$'000	\$'000	%
Depreciation of property, plant and equipment	796	1,065	(25)
Amortisation of right-of-use assets	559	-	N/M
Interest expense	252	214	18
Interest income	(165)	(185)	(11)
Loss on disposal of property, plant and equipment	1	90	(99)
Foreign currency exchange loss	964	781	23
Impairment loss on property, plant and equipment	509	-	N/M
Impairment on right-of-use assets	210	-	N/M
Provision for / (Write back of) inventories	283	(405)	N/M
Allowance for trade receivables	2	147	N/M
Write back on trade receivables	(144)	-	N/M
Reversal of impairment loss on other receivables	-	(3,750)	(100)

N/M: Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<u>The Group</u>		<u>The Company</u>	
	31-Mar-2020 \$'000	31-Mar-2019 \$'000	31-Mar-2020 \$'000	31-Mar-2019 \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	8,393	17,545	127	2,414
Right-of-use assets**	7,855	-	2,170	-
Subsidiaries	-	-	40,384	54,919
Financial assets at fair value through profit or loss	*	*	-	-
Contract assets	97	52	-	-
	16,345	17,597	42,681	57,333
Current assets				
Development properties	38,794	41,181	-	-
Prepayments, trade and other receivables	5,469	7,757	22,542	21,861
Contract assets	374	1,047	-	-
Inventories	6,337	5,388	-	-
Cash and cash equivalents	12,667	15,795	8,246	3,807
	63,641	71,168	30,788	25,668
Disposal group assets classified as held-for-sale	6,494	6,965	-	-
	70,135	78,133	30,788	25,668
Total assets	86,480	95,730	73,469	83,001
LIABILITIES				
Non-current liabilities				
Borrowings	3,095	3,118	-	-
Deferred income	-	14	-	-
Deferred tax liabilities	1,597	1,378	-	-
	4,692	4,510	-	-
Current liabilities				
Trade and other payables	8,893	6,414	168	11,948
Income tax payable	1	-	-	-
Borrowings	1,629	974	-	-
	10,523	7,388	168	11,948
Liabilities directly associated with disposal group classified as held-for-sale	56	85	-	-
	10,579	7,473	168	11,948
Total liabilities	15,271	11,983	168	11,948
Net assets	71,209	83,747	73,301	71,053
EQUITY				
Share capital	103,171	103,171	103,171	103,171
Revaluation and other reserves	(7,051)	(4,864)	-	-
Reserve of disposal group classified as held-for-sale	163	(9)	-	-
Accumulated losses	(33,641)	(24,231)	(29,870)	(32,118)
Equity holders of the company	62,642	74,067	73,301	71,053
Non-controlling interest	8,567	9,680	-	-
Total equity	71,209	83,747	73,301	71,053

* Amounts less than \$1,000

** The Group adopted SFRS(I) 16 Lease using the modified approach. Refer to Note 5 of this announcement.

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 Mar 2020		As at 31 March 2019	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
1,629	-	974	-

Amount repayable after one year

As at 31 Mar 2020		As at 31 March 2019	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
3,095	-	3,118	-

Details of any collateral

The obligations under finance leases are secured by a charge over the leased motor vehicles of the Group to the lessor.

The foreign currency loan against import of the Group is secured by the following:-

- (a) a corporate guarantee from the Company;
- (b) a negative pledge over certain asset of the Group; and
- (c) legal charges over certain properties of the Group.

The term loan of the Group is secured by the following:-

- (a) legal charges over the Group's leasehold land and building in Singapore; and
- (b) a corporate guarantee from the Company.

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

	<u>The Group</u>	
	FY2020 \$'000	FY2019 \$'000
Cash flows from operating activities		
Loss before income tax	(9,255)	(973)
Adjustments for:		
Depreciation of property, plant and equipment	796	1,065
Amortisation of right-of-use assets	559	-
Loss on disposal of property, plant and equipment	1	90
Interest expense	252	214
Interest income	(165)	(185)
Impairment loss on property, plant and equipment	509	-
Impairment on right-of-use assets	210	-
Reversal of impairment loss on other receivables	-	(3,750)
Operating loss before working capital changes	(7,093)	(3,539)
Changes in operating assets and liabilities		
Development properties	(1,784)	(21)
Inventories	(1,019)	1,019
Trade and other receivables	(231)	2,364
Trade and other payables	2,549	(193)
Currency translation adjustments	978	547
Cash (used in) / generated from operations	(6,600)	177
Interest income received	165	185
Income tax paid	(294)	(66)
Net cash (used in) / generated from operating activities	(6,729)	296
Cash flows from investing activities		
Purchase of property, plant and equipment	(258)	(680)
Other receivables - commitment fees	3,500	250
Deposit received relating to disposal group held-for-sale	-	1,366
Proceeds from disposal of property, plant and equipment	139	394
Net cash generated from investing activities	3,381	1,330
Cash flows from financing activities		
Repayments of borrowings	(3,711)	(3,632)
Loan from non-controlling interest	-	45
Proceeds from borrowings	3,517	3,018
Interest paid	(252)	(214)
Net cash used in financing activities	(446)	(783)
Net (decrease) / increase in cash and cash equivalents	(3,794)	843
Cash and cash equivalents at beginning of the year	16,466	15,471
Effect of exchange rate changes on cash and cash equivalents-disposal group	(6)	-
Effect of exchange rate changes on cash and cash equivalents-continuing operations	31	152
Cash and cash equivalents at end of the year	12,697	16,466

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	31 March 2020 \$'000	31 March 2019 \$'000
Cash and bank balances	4,528	11,822
Fixed deposits	8,139	3,973
Cash and cash equivalents as per balance sheets	12,667	15,795
Cash and cash equivalents		
- Continuing operations	12,667	15,795
- Disposal group assets classified as held for sale	30	671
Cash and cash equivalents as per consolidated statement of cash flows	12,697	16,466

1(d) 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 year of the immediately preceding financial year.

	← Attributable to equity holders of the Company →					Total	Non-controlling interest	Total equity
	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Reserves of disposal group classified as held for sale	Accumulated losses			
<u>The Group</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1-Apr-2019	103,171	-	(4,864)	(9)	(24,231)	74,067	9,680	83,747
Loss for the year	-	-	-	-	(9,410)	(9,410)	(67)	(9,477)
Other comprehensive loss	-	-	(2,015)	-	-	(2,015)	(1,046)	(3,061)
Total comprehensive loss for the year	-	-	(2,015)	-	(9,410)	(11,425)	(1,113)	(12,538)
Reserve attributable to disposal group classified as held for sale	-	-	(172)	172	-	-	-	-
Balance at 31-Mar-2020	103,171	-	(7,051)	163	(33,641)	62,642	8,567	71,209
Balance at 1-Apr-2018	103,171	4,766	(4,742)	-	(26,825)	76,370	9,816	86,186
Effect of adoption of SFRS(1)	-	(4,766)	-	-	3,973	(793)	-	(793)
At 1-Apr-2018, as restated	103,171	-	(4,742)	-	(22,852)	75,577	9,816	85,393
Loss for the year	-	-	-	-	(1,379)	(1,379)	(107)	(1,486)
Other comprehensive loss	-	-	(131)	-	-	(131)	(29)	(160)
Total comprehensive loss for the year	-	-	(131)	-	(1,379)	(1,510)	(136)	(1,646)
Reserve attributable to disposal group classified as held for sale	-	-	9	(9)	-	-	-	-
Balance at 31-Mar-2019	103,171	-	(4,864)	(9)	(24,231)	74,067	9,680	83,747

<u>The Company</u>	Share capital \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 1-Apr-2019	103,171	(32,118)	71,053
Profit and total comprehensive loss for the year	-	2,248	2,248
Balance at 31-Mar-2020	103,171	(29,870)	73,301
Balance at 1-Apr-2018	103,171	(31,352)	71,819
Loss and total comprehensive loss for the year	-	(766)	(766)
Balance at 31-Mar-2019	103,171	(32,118)	71,053

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 year 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 year reported on and as at the end of the corresponding year 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 year reported on and as at the end of the corresponding year of the immediately preceding financial year.**

Issued and fully paid ordinary share capital

	Number of shares '000	\$ '000
Balance as at 31 March 2020	5,380,556	103,171

No change in the Company's share capital since the end of the previous year reported on. The Company does not have any treasury shares and there were no subsidiary holdings as at 31 March 2020. (31 March 2019: nil)

The Company did not have any outstanding convertible securities as at 31 March 2020 (31 March 2019: nil).

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

The total number of issued shares in the capital of the Company as at the end of the current financial year ended 31 March 2020 was 5,380,556,316 (31 March 2019: 5,380,556,316). The Company does not have any treasury shares as at 31 March 2020. (31 March 2019: nil)

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

The Company did not have any sales, transfers, cancellation and/or use of treasury shares during the current financial year reported on.

There were no treasury shares held by the Company as at 31 March 2020 and 31 March 2019.

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

The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings during the current financial year reported on.

There were no subsidiary holdings as at 31 March 2020 and 31 March 2019.

- 2 Whether the figures have been audited, or reviewed and in accordance with which standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The financial statements have not been audited or reviewed by the Company's auditors.

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

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited annual financial statements for the financial year ended 31 March 2019, except for those disclosed under paragraph 5 below.

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.

Pursuant to the SGX-ST listing requirements, the Group has adopted new financial reporting standards and interpretations in Singapore effective for the financial period beginning 1 April 2019 as follows:-

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single lease accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a “right-of-use assets”) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expenses with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The Group has adopted the new standard on 1 April 2019 using the modified retrospective approach with no restatement to the comparative information.

The effect of adoption of SFRS(I) 16 on the Group’s financial statements on 1 April 2019 are summarised as follows:-

Group	Carrying amount at 31 March 2019	Remeasurement	Carrying amount at 1 April 2019
	\$’000	\$’000	\$’000
Right-of-use asset	-	8,513	8,513
Property, plant and equipment	17,545	(7,870)	9,675
Lease liability	(59)	(643)	(702)

Except for the above, the adoption of the new standard does not result in any significant changes to the accounting policies of the Group and the Company

6 Earnings per ordinary share of the group for the current year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends, (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Full year ended	
	31-Mar-2020	31-Mar-2019
Loss per share	Cents	Cents
- basic	(0.17)	(0.03)
- diluted	(0.17)	(0.03)

The weighted average number of ordinary shares for the purposes of basic and diluted loss per share is 5,380,556,316 shares for the financial year ended 31 March 2020 (31 March 2019: 5,380,556,316 shares).

Basic loss per share is calculated by dividing the loss after tax attributable to shareholders by the weighted average number of fully paid ordinary shares in issue during the financial year.

For the purposes of calculating diluted loss per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 March 2020 and 31 March 2019, the Company did not have any outstanding share options.

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 year reported on and (b) immediately preceding financial year

	31-Mar-2020	31-Mar-2019
Net asset value per ordinary share based on existing issued share capital as at end of/year	Cents	Cents
- Group	1.16	1.38
- Company	1.36	1.32

Net asset value per ordinary share is calculated based on 5,380,556,316 shares as at 31 March 2020. (31 March 2019: 5,380,556,316).

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

Income Statement Review

Revenue

The Group registered revenue of \$26.46 million for FY2020, representing a decrease of 13% as compared to \$30.30 million for FY2019. The decline was mainly due to a decrease in the export sales for the Door business resulting in weak sales revenue from the Door business. This was because of weakened macroeconomic demand due to (i) the exit of the United Kingdom from the European Union; (ii) the continued escalation of the trade war between the United States of America and the People's Republic of China; and (iii) the global impact caused by the COVID-19 pandemic which have had an adverse effect on the Group's main export markets including the United Kingdom and the United States. There were also order shipment disruptions in Malaysia, whereby the Group's factory in Johor had to be closed in order to comply with the various directives issued by the Malaysian federal government to restrict nationwide movement as part of their measures to contain the spread of the COVID-19 pandemic.

Cost of sales & Gross Profit

The Group's cost of sales increased from \$25.20 million in FY2019 to \$25.23 million in FY2020. This is mainly due to provisions for inventories of \$0.28 million in FY2020 as compared to the write back of inventories of \$0.40 million in FY2019, higher costs of materials, higher factory overheads incurred by our factory in Dong Guan, China and off-set by the write back of back-charges from project installation in FY2020. As a result, the Group's gross profit decreased from \$5.09 million in FY2019 to \$1.23 million in FY2020 and the gross profit margin decreased from 17% in FY2019 to 5% in FY2020.

Other income

Other income decreased from \$4.17 million in FY2019 to \$0.46 million in FY2020. The decrease was mainly due to the absence of the reversal of impairment loss on other receivable arising from the partial recovery of the legal claims for refundable deposits initiated by the Company against Mr. Michael Chan which commenced in FY2016, lower scrap sales, lower interest income earned which were offset by a reversal of impairment loss of a trade receivable in FY2020.

Administrative expenses

Administrative expenses increased by 7% from \$9.28 million in FY2019 to \$9.94 million in FY2020. The increase was largely due to the factory impairment on property, plant and equipment of \$0.51 million, impairment on right-of-use assets amounting to \$0.21 million and legal fees of \$0.26 million and offset against lower loss on disposal of property, plant and equipment of \$0.09 million and lower rental expenses of \$0.23 million.

Finance costs

Finance costs increased by 18% from \$0.21 million in FY2019 to \$0.25 million in FY2020. The increase was mainly due to interest expense on term loan, adoption of SFRS(I) 16 Leases, which resulted in the recognition of interest expense on lease liabilities and offset against a reduce in interest expense on banker's acceptance and foreign currency loan against import.

Tax expense

Tax expense decreased by 57% to \$0.22 million in FY2020 as compared to \$0.51 million in FY2019. The decrease was mainly due to lower provision for tax by a subsidiary of the Door division due to lower taxable income.

Loss for the year

The Group posted a loss of \$9.48 million in FY2020 as compared to \$1.49 million in FY2019.

Review of the Balance Sheet of the Group

Non-current assets

Property, plant and equipment decreased by 52% from \$17.55 million as at 31 March 2019 to \$8.39 million as at 31 March 2020 mainly due to depreciation of property, plant and equipment and adoption of SFRS(I) 16 Leases, which resulted in the recognition and reclassification to Right-of-use assets. This resulted in a reclassification of \$7.85 million in assets previously classified as Property, plant and equipment to Right-of use assets, when there was no such reclassification in FY2019 as SFRS(I) 16 Leases was not adopted then. Contract assets increased by 87% from \$0.05 million to \$0.10 million due to more work done for local supply and installation project.

Current assets

Development properties decreased by 6% from \$41.18 million as at 31 March 2019 to \$38.79 million as at 31 March 2020 due to the weakened exchange rate of the Indonesia Rupiah and the Australian dollar against the Singapore dollar, which is the reporting currency of the Group, and this effect was offset against the completion of the third tranche of land parcels in Jakarta in May 2019.

Prepayments, trade and other receivables decreased by 30% from \$7.76 million as at 31 March 2019 to \$5.47 million as at 31 March 2020 mainly due to the partial recovery of \$3.50 million being partial recovery of the legal claims for refundable deposits initiated by the Company against Mr. Michael Chan which commenced in FY2016, lower receivables (GST/VAT) of \$0.20 million offset against increase in prepayments of \$0.63 million for import on raw materials and trade receivables of \$0.82 million.

Contract asset decreased by 64% from \$1.05 million to \$0.37 million due to payment received for local supply and installation project. Inventories increased by 18% from \$5.39 million as at 31 March 2019 to \$6.34 million as at 31 March 2020 mainly due to higher purchase of raw materials for the export doors orders.

Cash and cash equivalents decreased by 20% from \$15.80 million as at 31 March 2019 to \$12.67 million as at 31 March 2020 due to working capital needs. Disposal group assets classified as held-for-sale refers to the assets held by Key Bay Furniture Co., Ltd in Vietnam as at 31 March 2020 which was completed on 9 May 2020.

Non-current liabilities

Deferred tax liabilities increased by 16% from \$1.38 million as at 31 March 2019 to \$1.60 million as at 31 March 2020 mainly due to under provision in prior year and increase in temporary difference arising from book value over tax value of Property, plant and equipment.

Current liabilities

Trade and other payables increased by 39% from \$6.41 million as at 31 March 2019 to \$8.89 million as at 31 March 2020 mainly due to accruals and provisions made for professional fees, legal fees and staff costs as the Company continues restructuring to adapt to the decreased global demand and supply chain

disruptions exacerbated by the ongoing COVID-19 pandemic and escalating trade war between China and the USA.

Borrowings increased by 67% from \$0.97 million as at 31 March 2019 to \$1.63 million as at 31 March 2020 mainly due to higher utilization of import loans for the Door business and recognition of lease liabilities of \$0.35 million attributable from the right-of-use assets arising for the adoption of SFRS(I) 16 Leases. Liabilities directly associated with disposal group classified as held-for-sale refers to the liabilities held by Key Bay Furniture Co., Ltd in Vietnam as at 31 March 2020 which was completed on 9 May 2020.

Equity

Total equity decreased by 15% from \$83.75 million as at 31 March 2019 to \$71.21 million as at 31 March 2020 mainly due to loss incurred in FY2020.

Cash Flow Statement Review

The Group's net cash used in operating activities for FY2020 was \$6.71 million as compared to net cash generated of \$0.30 million for FY2019. Net cash used in FY2020 was mainly due to the loss for the year and changes in working capital for inventories, receivables and payables.

Net cash generated from investing activities for FY2020 was \$3.38 million as compared to \$1.33 million for FY2019. Net cash generated from FY2020 was mainly due to recovery of commitment fee relating to the legal claims initiated by the Company against Mr. Michael Chan.

Net cash used in financing activities for FY2020 was \$0.47 million as compared to \$0.78 million for FY2019. Net cash used in FY2020 was mainly due to the lease payments and interest paid.

As a result of the above, the Group's net cash and cash equivalents stood at \$12.70 million as at 31 March 2020.

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 year and the next 12 months.

The COVID-19 pandemic is likely to continue to have an adverse impact on businesses worldwide, including the Group.

For the Door business, the sales and financial performance is likely to continue to be affected by difficult macroeconomic environment and weakened demand. The adverse effects of weakened macroeconomic demand due to (i) the exit of the United Kingdom from the European Union; (ii) the continued escalation of the trade war between the United States of America and the People's Republic of China; and (iii) the global impact caused by the COVID-19 pandemic which has had an adverse effect on the Group's main export markets including the United Kingdom and its supply chain cost of importing raw materials from the United States for use by our China factory will likely continue to be felt by the Group. In addition, the Ministry of Home Affairs in Malaysia has also issued a notice relating to a freeze on recruitment on new foreign workers until December 2020 in all business sectors which will materially affect the strength of the Group's workforce in Malaysia and consequently affect the Group's door production output and correspondingly its operation in Malaysia. Given the ongoing uncertainty in relation to the unfolding COVID-19 situation, which may likely be a long drawn recovery process, the Group will continue to streamline its operational processes, restructure, cease non-performing units and lower cost structure wherever possible with a view to improve productivity and bringing down costs, as we have done so with our disposal of Key Bay Furniture Co., Ltd. which completed on 9 May 2020.

For the Property business, the Group is moving ahead with the application of various permits and licenses for its proposed property development in Jakarta. Over in Melbourne, the Group is in the final stages of evaluating the best way of monetizing the Melbourne asset in light of the recent pandemic which has affected the Australian market as well.

The Group remains cautious with regards to market conditions and will continue to be vigilant in managing costs and improving operational efficiencies going forward.

11 If a decision regarding dividend has been made:

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

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding year

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 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 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for the financial year as the Group is currently not profit making.

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

The Group has not obtained a general mandate for interested person transactions.

Name of Interested Person	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)
Not applicable	-	-

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual of SGX-ST.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(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 annual financial statements, with comparative information for the immediately preceding year

	Investment	Door Business	Property Business	Total Group
	\$'000	\$'000	\$'000	\$'000
Year ended 31 March 2020				
Revenue:				
External sales	-	26,462	-	26,462
Segment loss	(2,033)	(4,939)	(2,494)	(9,466)
Other income				463
Finance cost				(252)
Loss before taxation				(9,255)
Income tax expense				(222)
Loss for the year				(9,477)
Consolidated total assets	10,627	35,624	40,229	86,480
Segment liabilities	169	7,376	1,404	8,949
-Deferred tax liabilities				1,597
-Income tax payable				1
-Borrowings, secured				4,724
Consolidated total liabilities				15,271
<u>Other segment items</u>				
Capital expenditure	7	286	1	294
Depreciation of property, plant and equipment	67	728	1	796
Amortisation of right-of-use assets	40	519	-	559
Provision for inventories	-	283	-	283
Loss on disposal of property, plant and equipment	-	1	-	1
Written back on trade receivables	-	(144)	-	(144)
Allowance for impairment of doubtful trade receivables	-	2	-	2
Impairment loss on property, plant and equipment	-	509	-	509
Impairment on right-of-use assets	17	193	-	210

	Investment	Door Business	Property Business	Total Group
	\$'000	\$'000	\$'000	\$'000
Year ended 31 March 2019				
Revenue:				
External sales	-	30,295	-	30,295
Segment loss	(1,915)	(1,254)	(1,755)	(4,924)
Other income				4,165
Finance cost				(214)
Loss before taxation				(973)
Income tax expense				(513)
Loss for the year				(1,486)
Consolidated total assets	6,310	36,888	52,532	95,730
Segment liabilities	176	4,688	1,649	6,513
-Deferred tax liabilities				1,378
-Borrowings, secured				4,092
Consolidated total liabilities				11,983
<u>Other segment items</u>				
Capital expenditure	1	679	-	680
Depreciation	107	957	1	1,065
Write back of inventories	-	(405)	-	(405)
Loss on disposal of property, plant and equipment	-	90	-	90
Allowance for impairment of doubtful trade receivables	-	147	-	147
Write back on impairment loss from other receivable	-	-	(3,750)	(3,750)

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) of this Announcement above.

17 **A breakdown of sales**

	<u>The Group</u>		
	FY2020	FY2019	Increase/ (Decrease)
	\$'000	\$'000	%
a) Sales reported for the first half year – Continuing operation	12,447	17,588	(29)
b) Operating loss after tax before deducting non-controlling interests reporting for first half year	(3,444)	(2,222)	55
c) Sales reported for the second half year – Continuing operation	14,015	12,707	10
d) Operating (loss) / profit after tax before deducting non-controlling interests reported for second half year	(6,033)	736	N/M

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

Total Annual Dividend

	FY 31 March 2020(\$\$)	FY 31 March 2019(\$\$)
Ordinary	-	-
Preference	-	-
Total	-	-

19 **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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or Substantial Shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Wong Gloria	37	Daughter of Mr Wong Ben Koon, sole shareholder of Sunny Wealth Limited, which is a substantial shareholder of the Company.	Executive Director. She is responsible for business development and the Property Business since 1 st August 2016.	NIL
Huang Dong Sheng	58	Brother of the substantial shareholder of the Company, Mr Wong Beng Koon and Uncle of the Executive Director of the Company, Ms Wong Gloria	Chief Operating Officer- Door Division. He is responsible for the management and operation of the Door Division.	As announced on 11 June 2020 via SGXNet, Mr. Huang Dong Sheng has tendered his resignation as Chief Operating Officer. His last day will be 31 July 2020.

On behalf of the Board

Ms Gloria Wong
Executive Director
10 July 2020