

LEY CHOON GROUP HOLDINGS LTD
(Company Registration No. 198700318G)

**ANNOUNCEMENT OF THE UNAUDITED
FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital 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.

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.

Pursuant to Rule 705(2C) of the Listing Manual Section B: Rules of Catalyst, the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.

The details of the contact person for the Sponsor is: Name: Mr. Nathaniel C.V. (Registered Professional, RHT Capital Pte. Ltd.) Address: 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

LEY CHOON GROUP HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2021

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3, Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	4 th Quarter ended		Change %	12 Months Period ended		Change %
	31 Mar 2021 S\$'000	31 Mar 2020 S\$'000		31 Mar 2021 S\$'000	31 Mar 2020 S\$'000	
Revenue	24,558	23,210	5.8%	75,594	94,448	-20.0%
Cost of sales	(20,001)	(22,826)	-12.4%	(69,655)	(87,318)	-20.2%
Gross profit	4,557	384	1086.7%	5,939	7,130	-16.7%
Other income	1,175	597	96.8%	7,429	2,158	244.3%
Selling and distribution expenses	(23)	(35)	-34.3%	(74)	(133)	-44.4%
Administrative expenses	(2,114)	(2,691)	-21.4%	(9,256)	(9,937)	-6.9%
Impairment losses on trade receivables reversed/(made)	59	(204)	n/m	59	136	-56.6%
Other operating expenses	(417)	(684)	-39.0%	(588)	(850)	-30.8%
Finance costs	(663)	(851)	-22.1%	(2,735)	(3,314)	-17.5%
Profit/(Loss) from continuing operations before taxation	2,574	(3,484)	n/m	774	(4,810)	n/m
Taxation	(5)	19	n/m	36	(20)	n/m
Profit/(Loss) from continuing operations after taxation	2,569	(3,465)	n/m	810	(4,830)	n/m
Profit/(Loss) from discontinued operation, net of tax (Note 1)	309	(615)	n/m	63	238	n/m
Profit/(Loss) for the period	2,878	(4,080)	n/m	873	(4,592)	n/m
Other comprehensive income/(loss) after tax:						
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	171	723	-76.3%	348	35	894.3%
Items that will not be reclassified subsequently to profit or loss						
Remeasurement loss on retirement benefit obligation	(9)	(43)	-79.1%	(9)	(43)	-79.1%
Other comprehensive profit/(loss) for the period, net of tax of nil	162	680	-76.2%	339	(8)	n/m
Total comprehensive profit/(loss) for the period	3,040	(3,400)	n/m	1,212	(4,600)	n/m

Note 1: Discontinued operation relates to result of Ley Choon (Yantai) Eco-Green Construction Material Ltd ("LCYT") which was proposed for disposal on 31 March 2020 (proposed disposal of 60% equity interest in LCYT vide our announcement dated 31 March 2020 and 21 May 2021).

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)

	4 th Quarter ended		Change %	12 Months Period ended		Change %
	31 Mar 2021	31 Mar 2020		31 Mar 2021	31 Mar 2020	
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit/(Loss) attributable to:						
Owners of the Company						
- Profit/(Loss) from continuing operations, net of tax	2,569	(3,465)	n/m	810	(4,830)	n/m
- Profit/(Loss) from discontinued operations, net of tax	309	(615)	n/m	63	238	n/m
Profit/(Loss) for the period	<u>2,878</u>	<u>(4,080)</u>	n/m	<u>873</u>	<u>(4,592)</u>	n/m
	-	-		(260)	-	
Total comprehensive profit/(loss) attributable to:						
Owners of the Company						
- Profit/(Loss) from continuing operations, net of tax	2,731	(2,785)	n/m	1,149	(4,838)	n/m
- Profit/(Loss) from discontinued operations, net of tax	309	(615)	n/m	63	238	n/m
Total comprehensive profit/(loss) for the period	<u>3,040</u>	<u>(3,400)</u>	n/m	<u>1,212</u>	<u>(4,600)</u>	n/m

n/m – not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

The statement of comprehensive income is arrived at after charging/(crediting) the following:

	4 th Quarter ended			12 Months Period ended		
	31 Mar 2021 S\$'000	31 Mar 2020 S\$'000	Change %	31 Mar 2021 S\$'000	31 Mar 2020 S\$'000	Change %
Impairment losses on trade receivables reversed, net	(64)	(100)	-36.0%	(241)	(372)	-35.2%
Depreciation of property, plant and equipment	3,241	3,448	-6.0%	6,676	7,550	-11.6%
Depreciation of right-of-use assets	1,296	1,261	2.8%	2,347	1,987	18.1%
Foreign exchange loss/(gain)	163	310	-47.4%	254	(103)	n/m
Fair value (gain)/loss on other investment	(3)	(3)	0.0%	(11)	10	n/m
Dividend income from other investments	-	-	n/m	(1)	(1)	0.0%
Loss/(Gain) on disposal of property, plant and equipment	31	(38)	n/m	95	(40)	n/m
Gain on disposal of subsidiary	(468)	-	n/m	(468)	-	n/m
Finance costs	1,348	1,688	-20.1%	2,772	3,367	-17.7%
Provision for fines and penalty reversed	-	(442)	n/m	-	(642)	n/m
Write-down on inventories	-	122	n/m	-	122	n/m
Short-term lease expenses	129	179	-27.9%	622	748	-16.8%

n/m – not meaningful

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

	Group		Company	
	As at 31 Mar 2021 S\$'000	As at 31 Mar 2020 S\$'000	As at 31 Mar 2021 S\$'000	As at 31 Mar 2020 S\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	26,072	31,394	-	-
Right-of-use assets	8,304	8,314	-	-
Subsidiaries	-	-	42,042	38,407
Associate	3,281	-	3,281	-
Club membership	229	229	-	-
	37,886	39,937	45,323	38,407
Current Assets				
Inventories	7,502	6,801	-	-
Contract assets	32,738	33,070	-	-
Trade and other receivables	15,876	16,211	368	90
Prepayments	3,410	2,880	25	57
Other investments	50	39	-	-
Cash and bank balances	7,009	2,834	2,874	1
Fixed deposits	162	161	-	-
	66,747	61,996	3,267	148
Assets of disposal group classified as held-for-sale	-	10,866	-	8,000
	66,747	72,862	3,267	8,148
Total assets	104,633	112,799	48,590	46,555
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	79,807	79,807	146,026	146,026
Accumulated losses	(61,081)	(61,954)	(146,173)	(146,451)
Other reserves	938	599	29,017	29,017
Total equity	19,664	18,452	28,870	28,592
Non-Current Liabilities				
Lease liabilities	2,813	2,740	-	-
Deferred tax liabilities	34	31	-	-
	2,847	2,771	-	-
Current Liabilities				
Borrowings	54,266	54,458	15,975	15,851
Lease liabilities	1,745	2,574	-	-
Trade and other payables	24,258	28,108	3,745	2,112
Current tax payable	54	54	-	-
Provisions	1,799	1,799	-	-
	82,122	86,993	19,720	17,963
Liabilities directly associated with disposal group classified as held-for-sale	-	4,583	-	-
	82,122	91,576	19,720	17,963
Total liabilities	84,969	94,347	19,720	17,963
Total equity and liabilities	104,633	112,799	48,590	46,555

1(b)(ii) Aggregate amount of the Group's borrowing and debt securities

Amount repayable in one year or less, or on demand

	Group	
	As at 31 Mar 2021 S\$'000	As at 31 Mar 2020 S\$'000
<u>Secured</u>		
Bank loans	38,291	38,607
Convertible bond (Murabaha Facility)	15,975	15,851
Total	54,266	54,458

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
- (vii) corporate guarantees by the Company.

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 2021	31 Mar 2020
	S\$'000	S\$'000
Cash Flows from Operating Activities:		
Profit/(Loss) before taxation		
- Continuing operations	774	(4,810)
- Discontinued operation	67	238
	<u>841</u>	<u>(4,572)</u>
Adjustments for:		
Depreciation of property, plant and equipment	6,676	7,550
Depreciation of right-of-use assets	2,347	1,987
Provision for fines and penalty reversed, net	-	(642)
Provision for foreseeable losses	10	-
Impairment losses on trade receivables reversed		
- Continuing operations	(59)	(136)
- Discontinuing operations	(182)	(236)
	<u>(241)</u>	<u>(372)</u>
Loss/(Gain) on disposal of property, plant and equipment	95	(40)
Gain on disposal of subsidiary	(468)	-
Impairment losses on property, plant and equipment	107	211
Impairment losses on right-of-use assets	137	291
Fair value (gain)/loss on other investments	(11)	10
Dividend income from other investments	(1)	(1)
Interest income	(13)	(58)
Finance costs	2,772	3,367
Write-down on inventories	-	122
Operating cash flows before working capital changes	<u>12,251</u>	<u>7,853</u>
Changes in inventories	(727)	(50)
Changes in contract assets	(129)	1,960
Changes in trade and other receivables	(1,317)	(1,227)
Changes in prepayments	(742)	348
Changes in trade and other payables	(1,463)	164
Cash generated from operations	<u>7,873</u>	<u>9,048</u>
Income taxes refunded/(paid)	41	(52)
Net cash generated from operating activities	<u>7,914</u>	<u>8,996</u>
Cash Flows from Investing Activities:		
Interest received	13	58
Purchase of property, plant and equipment and right-of-use assets	(1,551)	(1,761)
Dividend received from other investments	1	1
Disposal of subsidiary, net of cash disposed	2,479	-
Proceeds from disposal of property, plant and equipment	204	172
Net cash generated/(used) in investing activities	<u>1,146</u>	<u>(1,530)</u>
Cash Flows from Financing Activities:		
Interest paid	(2,402)	(3,035)
Repayment of loans from financial institutions	(180)	(2,830)
Repayment of lease liabilities	(2,928)	(3,130)
Fixed deposits pledged with banks	(17)	1,440
Net cash used in financing activities	<u>(5,527)</u>	<u>(7,555)</u>

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 2021	31 Mar 2020
	S\$'000	S\$'000
Net increase/(decrease) in cash and cash equivalents	3,533	(89)
Cash and cash equivalents at beginning of period	3,470	3,568
Exchange differences on translation of cash and cash equivalents	6	(9)
Cash and cash equivalents at end of period (Note 2)	<u>7,009</u>	<u>3,470</u>

Note 2: The cash and cash equivalents include assets of disposal group classified as held-for-sale which relates to the proposed disposal of Ley Choon (Yantai) Eco-Green Construction Material Ltd.

	12 Months Period ended	
	31 Mar 2021	31 Mar 2020
	S\$'000	S\$'000
Cash and bank balances - continuing operations	7,009	2,834
Cash and bank balances - discontinued operation	-	636
Cash and cash equivalents at end of period	<u>7,009</u>	<u>3,470</u>

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

Group	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Reserve of disposal group classified as held-for-sale S\$'000	Other reserve S\$'000	Equity component of convertible bonds S\$'000	Total equity S\$'000
Balance at 1 April 2019	79,807	(57,362)	364	-	-	243	23,052
Loss for the period	-	(4,592)	-	-	-	-	(4,592)
Other comprehensive loss for the period							
- Remeasurement of post-employment benefit obligation	-	-	-	-	(43)	-	(43)
- Currency translation differences	-	-	35	-	-	-	35
Total comprehensive loss for the period	-	(4,592)	35	-	(43)	-	(4,600)
Reclassification of currency translation reverse related to disposal group classified as held-for-sale	-	-	173	(173)	-	-	-
Balance at 31 March 2020	79,807	(61,954)	572	173	(43)	243	18,452
Balance at 1 April 2020	79,807	(61,954)	572	(173)	(43)	243	18,452
Profit for the period	-	873	-	-	-	-	873
Other comprehensive income/(loss) for the period							
- Currency translation differences	-	-	175	173	-	-	348
- Remeasurement of post-employment benefit obligation	-	-	-	-	(9)	-	(9)
Total comprehensive income for the period	-	873	175	173	(9)	-	1,212
Balance at 31 March 2021	79,807	(60,081)	747	-	(52)	243	19,664

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 (cont'd)

<u>Company</u>	Share capital S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance at 1 April 2019	146,026	(884)	(112,348)	32,794
Loss for the period/Total comprehensive loss for the period	-	-	(34,103)	(34,103)
Contributions by and distributions to owners				
Waiver of non-trade amount due to subsidiary		29,901	-	29,901
Transactions with owners in their capacity as owners	-	29,901	-	29,901
Balance at 31 March 2020	146,026	29,017	(146,451)	28,592
Balance at 1 April 2020	146,026	29,017	(146,451)	28,592
Profit for the period/Total comprehensive loss for the period	-	-	278	278
Balance at 31 March 2021	146,026	29,017	(146,173)	28,870

1(d)(ii) Details of any changes in the company’s share capital arising from right 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 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.

There was no change in the Company’s as well as the Group’s share capital since the end of the previous reporting period.

As at 31 March 2021 (and 31 March 2020), the Company’s issued and paid-up share capital was S\$146,026,238 (and S\$146,026,238).

There were no treasury shares held by the Company as at 31 March 2021 (and 31 March 2020).

There were no subsidiary shareholdings as at 31 March 2021 (and 31 March 2020).

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 2021	31 March 2020
Total number of issued shares excluding treasury shares	1,184,813,992	1,184,813,992

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

Not applicable.

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

Not applicable.

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

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications 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.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. Whilst the Group's latest audited financial statements for the financial year ended 31 March 2020 (the "**FY2020 Audited Financial Statements**") included a material uncertainty related to going concern in the Independent Auditor's Report, the FY2020 Audited Financial Statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

- 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 the financial statements for the current reporting period as compared to the FY2020 Audited Financial Statements.

- 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.**

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.

The convertible bonds are excluded from the calculation of diluted weighted average number of ordinary shares in issue. As at 31 March 2021, 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.

	4 th Quarter ended		12 Months Period ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Earnings per share (EPS in cents)				
<u>Continuing operations</u>				
EPS based on weighted average number of ordinary shares on issue (cents)	0.22	(0.29)	0.07	(0.41)
EPS based on a fully diluted basis (cents)	0.22	(0.29)	0.07	(0.41)
<u>Discontinued operations</u>				
EPS based on weighted average number of ordinary shares on issue (cents)	0.03	(0.05)	0.01	0.02
EPS based on a fully diluted basis (cents)	0.03	(0.05)	0.01	0.02
Weighted average number of shares	1,184,813,992	1,184,813,992	1,184,813,992	1,184,813,992

7. Net assets value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group		Company	
	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 Mar 2020
Net asset value (NAV in cents)				
NAV per ordinary share	1.66	1.56	2.44	2.41
Number of shares	1,184,813,992	1,184,813,992	1,184,813,992	1,184,813,992

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs and earnings 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 – Q4FY21 vs Q4FY20

Revenue

The revenue increased by approximately S\$1.4 million or 5.8% to S\$24.6 million for the fourth quarter ended 31 March 2021 ("**Q4FY21**") compared to the corresponding period ended 31 March 2020 ("**Q4FY20**") of S\$23.2 million. The increase in revenue is attributable mainly to higher volume of work done in small diameter pipe laying projects, despite the decrease in revenue from big diameter pipe and certain cable laying projects.

Gross profit

The gross profit was S\$4.6 million with a gross profit margin of 18.6% for Q4FY21 compared to the gross profit of S\$0.4 million with a gross profit margin of 1.7% for Q4FY20. The increase in gross profit and margin was mainly attributable to the higher revenue and margin from the projects referred above as well as absence of certain direct operating costs in Q4FY21 compared to Q4FY20.

Other income

The other income for Q4FY21 increased by approximately S\$0.6 million or 96.8% to S\$1.2 million compared to Q4FY20. This was due mainly to the grants and disbursements package received from the Singapore Government to support the businesses affected by COVID-19.

Selling and distribution expenses

The selling and distribution expenses for Q4FY21 decreased by 34.3% to S\$0.02 million compared to Q4FY20. This was due mainly to the lower business travel related expenses.

Administrative expenses

The administrative expenses for Q4FY21 decreased by approximately S\$0.6 million or 21.4% to S\$2.1 million compared to Q4FY20. This was due mainly to the decrease in administrative staff cost, depreciation and professional fees during the period.

Impairment losses on trade receivables reversed/(made)

The impairment losses on trade receivables reversed were S\$0.06 million for Q4FY2021 compared to impairment losses on trade receivables made of S\$0.2 million for Q4FY2020. This was due mainly to the bad debts recovered.

Other operating expenses

The other operating expenses for Q4FY21 decreased by approximately S\$0.3 million or 39.0% to S\$0.4 million compared to Q4FY20. This was due mainly to lower impairment loss related to property, plant and equipment and absence of inventory write off in Q4FY21.

Finance costs

Finance costs for Q4FY21 decreased by approximately S\$0.2 million or 22.1% to S\$0.7 million compared to Q4FY20 due mainly to the decrease in interest rates during the period.

Net profit after tax

The Group reported a net profit after tax of S\$2.9 million for Q4FY21 due to the various reasons as explained above.

Twelve months review – 12MFY21 vs 12MFY20

Revenue

The revenue decreased by approximately S\$18.8 million or 20.0% to S\$75.6 million for the twelve months ended 31 March 2021 (“**12MFY21**”) compared to the corresponding period ended 31 March 2020 (“**12MFY20**”) of S\$94.4 million. The decrease in revenue is attributable mainly to the halting of bulk of the Group’s construction activities, slow resumption of construction works and decrease in demand for construction materials during the Circuit Breaker and Phase-1 reopening periods.

Gross profit

Gross profit was S\$5.9 million with a gross profit margin of 7.9% for 12MFY21 compared to gross profit of S\$7.1 million with a gross profit margin of 7.5% for 12MFY20. The decrease in gross profit and a marginal increase in the gross profit margin were mainly attributable to the a) loss of revenue as a result of the reasons stated above despite the increase in revenue and gross profit in small diameter pipe laying projects following the Circuit Breaker and Phase-1 reopening periods and b) decrease in certain fixed direct operating cost.

Other income

Other income for 12MFY21 increased by approximately S\$5.3 million or 244.3% to S\$7.4 million compared to 12MFY20 mainly due to the grants and disbursements packages received from the Singapore Government to support the businesses affected by COVID-19.

Selling and distribution expenses

Selling and distribution expenses for 12MFY21 decreased by 44.4% to S\$0.07 million compared to 12MFY20 due mainly to the lower business travel related expenses incurred.

Administrative expenses

Administrative expenses for 12MFY21 decreased by approximately S\$0.7 million or 6.9% to S\$9.3 million compared to 12MFY20 due mainly to the decrease in administrative staff cost and property related expenses during the period.

Impairment losses on trade receivables reversed

Impairment losses on trade receivables reversed for 12MFY21 decreased by approximately S\$0.08 million compared to 12MFY20 due mainly to the lower reversal impairment losses on trade receivables reversed during the period.

Other operating expenses

Other operating expenses for 12MFY21 decreased by approximately S\$0.3 million or 30.8% to S\$0.6 million compared to 12MFY20 due mainly to lower impairment loss related to property, plant and equipment and absence of inventory write-off in 12MFY21.

Finance costs

Finance costs for 12MFY21 decreased by approximately S\$0.6 million or 17.5% to S\$2.7 million compared to 12MFY20 due mainly to the decrease in interest rates during the period.

Net profit after tax

The Group reported a net profit after tax of S\$0.9 million for 12MFY21 due to the various reasons as stated above.

Consolidated statements of financial position

Non-current assets

The Group's non-current assets decreased by S\$2.0 million from S\$39.9 million as at 31 March 2020 to S\$37.9 million as at 31 March 2021, due mainly to:

- (a) decrease in property, plant and equipment by S\$5.3 million to S\$26.1 million as at 31 March 2021 compared to S\$31.4 million as at 31 March 2020 due mainly to a depreciation of S\$6.7 million which was partially offset by additions of plant and machinery amounting to S\$1.3 million; and
- (b) inclusion of investment in associates of S\$3.3 million which represents the balance 40% equity interest in its subsidiary, Ley Choon (Yantai) Eco-Green Construction Material Ltd ("**LCYT**") following its disposal of 60% of its equity interest in LCYT on 31 March 2021.

Current assets

The Group's current assets decreased by S\$6.2 million from S\$72.9 million as at 31 March 2020 to S\$66.7 million as at 31 March 2021, attributable mainly to:

- (a) a decrease in trade and other receivables by S\$0.3 million to S\$15.9 million as at 31 March 2021 compared to S\$16.2 million as at 31 March 2020 due mainly to the increase in collections from customers; and
- (b) a decrease in contract assets by S\$0.4 million to S\$32.7 million as at 31 March 2021 compared to S\$33.1 million as at 31 March 2020 due mainly to the decrease in revenue from ongoing projects as a result of lower operational activities as stated above despite increase in the billing;
- (c) a decrease in assets of disposal group classified as held-for sale amounting to S\$10.9 million. This was due to the completion of the disposal of 60% of the Company's equity interest in LCYT; and
- (d) an increase in cash and cash equivalents by S\$4.1 million to S\$7.1 million as at 31 March 2021 compared to S\$3.0 million as at 31 March 2020 due mainly to the higher collections from customers and proceeds from the disposal of LCYT.

Current liabilities

The Group's current liabilities decreased by S\$9.5 million from S\$91.6 million as at 31 March 2020 to S\$82.1 million as at 31 March 2020 due mainly to:

- (a) decrease in trade and other payables by S\$3.9 million as a result of increase in payments made to the creditors; and
- (b) decrease in lease liabilities by S\$0.8 million as a result of lease payments; and
- (c) decrease in liabilities directly associated with the disposal of the Company's 60% interest in LCYT by S\$ 4.6 million as a result of the disposal of LCYT.

Non-current liabilities

The Group's non-current liabilities increased by S\$0.08 million due mainly to additional lease liabilities, arising from new leases entered into during the financial year.

Consolidated statement of cash flow

The Group's cash and cash equivalents stood at S\$7.0 million as at 31 March 2021, as compared to S\$3.5 million as at 31 March 2020.

Net cash generated from operating activities

The net cash generated by the Group from operating activities was S\$7.9 million which comprises the operating cash flows before working capital changes of S\$12.3 million and the net working capital outflow of S\$4.4 million.

The net working capital outflow of S\$4.3 million was due mainly to the following:

- (a) an increase in trade and other receivables of approximately S\$1.3 million due to more billing to customers;
- (b) a marginal increase in contract assets of approximately S\$0.1 million related to the work done from ongoing projects;
- (c) a decrease in trade and other payables of approximately S\$1.5 million due to the increase in payments to creditors;
- (d) an increase in inventories of approximately S\$0.7 million due to purchase of materials for the projects; and
- (e) an increase in prepayments of approximately S\$0.7 million due to more advance payment made.

Net cash used in investing activities

Net cash generated by the Group from investing activities of approximately S\$1.5 million was due mainly to the proceeds received from the disposal of the Company's 60% equity interest in LCYT which was partially offset by the purchase of property, plant and equipment and right-of-use assets.

Net cash used in financing activities

Net cash used in financing activities of approximately S\$5.5 million was due mainly to repayment of borrowings, lease liabilities and interest payments.

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

No forecast or prospect statement has been previously disclosed. Furthermore, there is no deviation from paragraph 10 of the previous financial results announcement.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic is likely to continue causing severe disruption to global economic activities for several years even with the increasing rate of vaccination in most of the countries. The construction sector in Singapore have been seriously affected and would continue to be affected by the disruptions in global supply chain and shortage of manpower due to tighter border control and activity restrictions.

The Building and Construction Authority ("BCA"), in their announcement dated 18 January 2021, projected that the total construction demand in 2021 (i.e. the value of construction contracts to be awarded) would range between S\$23 billion and S\$28 billion. The public sector is expected to drive the construction demand in 2021, with between S\$15 billion and S\$18 billion worth of public housing and infrastructure projects

scheduled for award this year which include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1, the Deep Tunnel Sewerage System Phase-2 and underground utilities infrastructure projects such as water, gas and power transmission and distribution lines.

Notwithstanding the difficult environment, the Group will strive to secure more underground utilities infrastructure projects/contracts with prudent tendering to build up and maintain a healthy order book for the coming years. To-date, the Group's unfulfilled order book stands at a healthy level of some S\$187 million.

Meanwhile, the Group will continue to track the on-going pandemic situation carefully, strictly follow the Government advisories and implement the necessary measures in response to these advisories and the COVID-19 pandemic.

11. Dividends

(a) Current financial period

Any dividend declared for the current financial period reported on? No.

(b) Previous corresponding financial period

Any dividend declared for the previous corresponding financial period reported on? No.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared by the Group due to the terms in the Debt Restructuring Agreement signed with all the Lenders (vide our announcements dated 26 September 2016 and 28 April 2021).

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

The Group has not obtained a general mandate from shareholders for interested party transactions. The Group had no interested party transactions during the period.

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

Not applicable.

- 15. Confirmation 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.

16. **Segmented revenue and results for operating 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

<u>For the 12 months period ended</u> <u>31 Mar 2021</u>	<u>Continuing operations</u>			<u>Discontinued operation</u>		<u>Total</u> <u>S\$'000</u>
	<u>Pipes and roads</u>	<u>Construction materials</u>	<u>Others</u>	<u>Construction materials</u>	<u>Others</u>	
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	
External revenue	72,054	3,540	-	-	-	75,594
Inter-segment revenue	30,667	6,287	-	-	-	36,954
Total revenue	102,721	9,827	-	-	-	112,548
Interest income	-	-	13	-	-	13
Interest expenses	(202)	-	(2,533)	(37)	-	(2,772)
Depreciation of property, plant and equipment	(3,519)	(337)	(2,196)	(624)	-	(6,676)
Depreciation and amortisation of right-of-use assets	(1,681)	(323)	(275)	(68)	-	(2,347)
Impairment losses on property, plant and equipment	(90)	(16)	(1)	-	-	(107)
Impairment losses on right-of-use assets	(137)	-	-	-	-	(137)
Reportable segment profit/(loss) before tax	4,240	836	(4,302)	67	-	841
<u>For the financial year ended</u> <u>31 Mar 2021</u>						
Reportable segment assets	66,826	5,958	28,568	3,281	-	104,633
Capital expenditure	1,174	-	112	63	-	1,349
Reportable segment liabilities	20,009	1,992	62,968	-	-	84,969

16. **Segmented revenue and results for operating 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)**

<u>For the 12 months period ended</u> <u>31 Mar 2020</u>	<u>Continuing operations</u>			<u>Discontinued operation</u>		Total S\$'000
	Pipes and roads	Construction materials	Others	Construction materials	Others	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
External revenue	85,217	9,231	-	1	-	94,449
Inter-segment revenue	35,493	7,259	-	-	-	42,752
Total revenue	120,710	16,490	-	1	-	137,201
Interest income	-	-	58	-	-	58
Interest expenses	(268)	-	(3,046)	(53)	-	(3,367)
Depreciation of property, plant and equipment	(4,152)	(297)	(2,473)	(628)	-	(7,550)
Depreciation and amortisation of right-of-use assets	(1,919)	-	-	(68)	-	(1,987)
Impairment losses on property, plant and equipment	(101)	(101)	(9)	-	-	(211)
Impairment losses on right-of-use assets	(291)	-	-	-	-	(291)
Reportable segment profit/(loss) before tax	2,765	1,868	(9,443)	238	-	(4,572)
<u>For the financial year ended</u> <u>31 Mar 2020</u>						
Reportable segment assets	73,498	7,368	21,067	10,866	-	112,799
Capital expenditure	1,150	-	143	-	-	1,293
Reportable segment liabilities	25,801	3,498	60,465	4,583	-	94,347

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

Revenue from Pipes and Roads segment decreased due mainly to the loss of revenue as a result of measures taken by the Group in response to the COVID-19 pandemic as explained under Paragraph 8 above. However, the profit from the Pipes and Roads segment increased to S\$4.2 million due mainly to increase in revenue and gross profit in small diameter pipe laying projects.

Revenue from Construction Materials segment decreased due mainly to decrease in sales to external customers. Profit from Construction Materials segment decreased to S\$0.8 million due mainly to decrease in revenue as a result of lower demand for construction materials during the Circuit Breaker and Phase-1 reopening periods.

The decrease in loss for Others segment was due mainly to decrease in professional fee expenses and administrative staff costs during the period.

18. A breakdown of sales.

	12 months period ended 31-Mar-21 \$'000	12 months period ended 31-Mar-20 \$'000	Change %
(a) Sales reported for first 6 months *	27,058	47,611	-43.2%
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first 6 months	(4,343)	(730)	494.9%
(c) Sales reported for next 6 months *	48,536	46,838	3.6%
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for next 6 months	5,216	(3,862)	n/m

* 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 2021 \$'000	12 months period ended 31 Mar 2020 \$'000
Ordinary	-	-
Preference	-	-
Total	-	-

- 20. Pursuant to Rule 704(10) 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:**

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	62	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	58	Brother of TCH	Chief Operating Officer of the Group from 29/09/2015	N.A
Toh Chew Chai	66	Brother of TCH	Deputy Chief Operating Officer, since 17/02/2014	N.A
Toh Chiew Boon	56	Brother of TCH	Senior Construction Manager, since 01/07/2017	N.A
Toh Kai Sheng	35	Nephew of TCH	Director, Operations & Human Resource since 01/02/2017	N.A
Toh Kai Hock	38	Nephew of TCH	Information Technology ("IT") Director & Head of Fleet Department since 01/02/2021	IT Director and Deputy Chief Project Officer till 31/10/2020, re-designated to IT Director from 01/11/2020 to 31/01/2021. Re-designated to IT Director & Head of Fleet Department since 01/02/2021.
Toh Ting Xuan	31	Daughter of TCH	Deputy Director, since 01/09/2019	N.A
Toh Wei Jie	31	Nephew of TCH	Senior Project Manager, since 01/04/2021	Project Manager till 31/03/2021, promoted to Senior Project Manager since 01/04/2021.
Toh Qiu Ling	30	Niece of TCH	Procurement cum Sales Manager since 01/04/2021	Assistant Procurement cum Sales Manager till 31/03/2021, promoted to Procurement cum Sales Manager since 01/04/2021.
Toh Wann	27	Daughter of TCH	Assistant IT Manager, 01/04/2021	Senior Management Executive till 31/03/2021, promoted to Assistant IT Manager since 01/04/2021.

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer

28 May 2021