

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

**ANNOUNCEMENT OF CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND HALF YEAR AND FULL YEAR ENDED 31 MARCH 2022**

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").

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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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	2 nd Half Year ended			Financial Year ended		
		31 Mar	31 Mar	Change	31 Mar	31 Mar	Change
		2022	2021		2022	2021	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Revenue	4	45,905	48,536	-5.4%	92,897	75,594	22.9%
Cost of sales		(41,683)	(39,804)	4.7%	(81,986)	(69,655)	17.7%
Gross Profit		4,222	8,732	-51.6%	10,911	5,939	83.7%
Other income		2,183	2,686	-18.7%	4,857	7,429	-34.6%
Selling and distribution expenses		(41)	(42)	-2.4%	(76)	(74)	2.7%
Administrative expenses		(4,385)	(4,586)	-4.4%	(8,891)	(9,256)	-3.9%
Impairment losses on trade receivables reversed		217	59	267.8%	217	59	267.8%
Other operating expenses		(434)	(493)	-12.0%	(459)	(591)	-22.3%
Finance costs		(1,152)	(1,326)	-13.1%	(2,399)	(2,732)	-12.2%
Profit from continuing operations before taxation	6	610	5,030	-87.9%	4,160	774	437.5%
Taxation		(4)	36	n/m	(4)	36	n/m
Profit from continuing operations after taxation		606	5,066	-88.0%	4,156	810	413.1%
Profit from discontinued operation, net of tax (Note 1)		(2)	150	n/m	(98)	63	n/m
Profit for the period		604	5,216	-88.4%	4,058	873	364.8%
Other comprehensive income after tax:							
Items that are or may be reclassified subsequently to profit or loss							
Foreign currency translation differences on consolidation		(1,798)	332	n/m	(1,807)	351	n/m
Foreign currency translation differences reclassified to profit or loss on disposal of subsidiary		—	(3)	n/m	—	(3)	n/m
		(1,798)	329	n/m	(1,807)	348	n/m
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of post-employment benefit obligations		3	(9)	n/m	3	(9)	n/m
Other comprehensive (loss)/income for the period, net of tax of nil		(1,795)	320	n/m	(1,804)	339	n/m
Total comprehensive (loss)/income for the year attributable to owners of the Company		(1,191)	5,536	n/m	2,254	1,212	86.0%

Note 1: Discontinued operation relates to results of Ley Choon (Yantai) Eco-Green Construction Material Ltd ("LCYT"). The disposal of 60% equity interest in LCYT was completed on 17 May 2021. As at 31 March 2021 and 31 March 2022, LCYT is an associate of the Group and the Company.

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	2nd Half Year ended			Financial Year ended		
	31 Mar	31 Mar	Change	31 Mar	31 Mar	Change
	2022	2021		2022	2021	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit attributable to owners of the Company						
- from continuing operations	606	5,066	-88.0%	4,156	810	413.1%
- from discontinuing operation	(2)	150	n/m	(98)	63	n/m
Profit for the year	<u>604</u>	<u>5,216</u>	-88.4%	<u>4,058</u>	<u>873</u>	364.8%
	—	—		—	—	
Total comprehensive (loss)/ income attributable to owners of the Company						
- from continuing operations	(1,189)	5,386	n/m	2,352	976	141.0%
- from discontinuing operation	(2)	150	n/m	(98)	236	n/m
Total comprehensive (loss)/ income for the period	<u>(1,191)</u>	<u>5,536</u>	n/m	<u>2,254</u>	<u>1,212</u>	86.0%
Earnings per share attributed to owners of the Company						
Basic and diluted						
- From continuing and discontinued operations	0.051	0.440		0.342	0.074	
- From continuing operations	0.051	0.428		0.350	0.068	
- From discontinued operations	—	0.013		(0.008)	0.005	

B. Condensed interim statements of financial position

	Group		Company	
	As at 31 Mar 2022 S\$'000	As at 31 Mar 2021 S\$'000	As at 31 Mar 2022 S\$'000	As at 31 Mar 2021 S\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	20,150	26,072	—	—
Right-of-use assets	8,717	8,304	—	—
Subsidiaries	—	—	47,147	42,042
Investment in associate	—	3,281	—	3,281
Club membership	229	229	—	—
	<u>29,096</u>	<u>37,886</u>	<u>47,147</u>	<u>45,323</u>
Current Assets				
Inventories	9,279	7,502	—	—
Contract assets	28,327	32,738	—	—
Trade and other receivables	15,328	16,095	2,886	368
Prepayments	3,666	3,191	25	25
Other investments	14	50	—	—
Cash and bank balances	4,334	7,009	5	2,874
Fixed deposits	573	162	—	—
	<u>61,521</u>	<u>66,747</u>	<u>2,916</u>	<u>3,267</u>
Assets of disposal group classified as held-for-sale	3,183	—	3,281	—
	<u>64,704</u>	<u>66,747</u>	<u>6,197</u>	<u>3,267</u>
Total assets	<u>93,800</u>	<u>104,633</u>	<u>53,344</u>	<u>48,590</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	97,889	79,807	164,108	146,026
Accumulated losses	(57,023)	(61,081)	(142,902)	(146,173)
Other reserves	(1,109)	938	28,774	29,017
Total equity	<u>39,757</u>	<u>19,664</u>	<u>49,980</u>	<u>28,870</u>
Non-Current Liabilities				
Borrowings	19,726	—	—	—
Lease liabilities	2,085	2,813	—	—
Deferred tax liabilities	31	34	—	—
	<u>21,842</u>	<u>2,847</u>	<u>—</u>	<u>—</u>
Current Liabilities				
Borrowings	8,209	54,266	—	15,975
Lease liabilities	2,501	1,745	—	—
Trade and other payables	21,433	24,258	3,364	3,745
Current tax payable	58	54	—	—
Provisions (Note 2)	—	1,799	—	—
	<u>32,201</u>	<u>82,122</u>	<u>3,364</u>	<u>19,720</u>
Total liabilities	<u>54,043</u>	<u>84,969</u>	<u>3,364</u>	<u>19,720</u>
Total equity and liabilities	<u>93,800</u>	<u>104,633</u>	<u>53,344</u>	<u>48,590</u>

Note 2: Provision for liquidated damages related to a completed project off-set against the final settlement claim.

C. Condensed interim statements of changes in equity

Group	Share capital	Accumulated losses	Foreign currency translation reserve	Reserve of disposal group classified as held-for-sale	Other reserve	Equity component of convertible bonds	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
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 year							
- Foreign currency translation differences	—	—	175	176	—	—	351
- Realisation of reverse upon disposal of a subsidiary	—	—	—	(3)	—	—	(3)
- Remeasurement of post-employment benefit obligations	—	—	—	—	(9)	—	(9)
Total comprehensive income/(loss) for the period	—	873	175	173	(9)	—	1,212
Balance at 31 March 2021	79,807	(61,081)	747	—	(52)	243	19,664
Balance at 1 April 2021	79,807	(61,081)	747	—	(52)	243	19,664
Profit for the period	—	4,058	—	—	—	—	4,058
Other comprehensive income/(loss) for the year							
- Foreign currency translation differences	—	—	(1,807)	—	—	—	(1,807)
- Remeasurement of post-employment benefit obligations	—	—	—	—	3	—	3
Total comprehensive income/(loss) for the period	—	4,058	(1,807)	—	3	—	2,254
Transactions with owners, recognised directly in equity contributions by and distributions to owners							
- Issue of shares	18,197	—	—	—	—	(243)	17,954
- Share issuance expenses	(115)	—	—	—	—	—	(115)
Total contributions by and distributions to owners/ Total transactions with owners	18,082	—	—	—	—	(243)	17,839
Balance at 31 March 2022	97,889	(57,023)	(1,060)	—	(49)	—	39,757

C. Condensed interim statements of changes in equity (cont'd)

<u>Company</u>	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2020	146,026	29,017	(146,451)	28,592
Profit for the period/Total comprehensive income for the period	—	—	278	278
Balance at 31 March 2021	146,026	29,017	(146,173)	28,870
Balance at 1 April 2021	146,026	29,017	(146,173)	28,870
Profit for the period/Total comprehensive income for the period	—	—	3,271	3,271
Transactions with owners, recognised directly in equity contributions by and distributions to owners				
- Issue of shares	18,197	(243)	—	17,954
- Share issuance expenses	(115)	-	—	(115)
Transactions with owners in their capacity as owners	18,082	(243)	—	17,839
Balance at 31 March 2022	164,108	28,774	(142,902)	49,980

D. Condensed interim consolidated statement of cash flows

	Financial Year ended	
	31 Mar 2022 S\$'000	31 Mar 2021 S\$'000
Cash Flows from Operating Activities:		
Profit before taxation		
- Continuing operations	4,160	774
- Discontinued operation	(98)	67
Profit before taxation	4,062	841
Adjustments for:		
Depreciation of property, plant and equipment	5,812	6,053
Depreciation of right-of-use assets	2,451	2,277
Share of loss of associated company	98	—
Provision for foreseeable losses	—	10
Impairment losses on trade receivables reversed, net		
- Continuing operations	(217)	(59)
- Discontinued operations	—	(182)
	(217)	(241)
(Gain)/ Loss on disposal of property, plant and equipment	(323)	95
Loss on disposal of subsidiary	—	222
Impairment losses on property, plant and equipment made, net	391	107
Impairment losses on right-of-use assets	(29)	137
Fair value loss/(gain) on other investments	36	(11)
Dividend income from other investments	—	(1)
Interest income	(24)	(13)
Interest expense	2,399	2,769
Operating cash flows before working capital changes	14,656	12,245
Changes in inventories	(2,011)	(675)
Changes in contract assets	4,294	435
Changes in trade and other receivables	598	341
Changes in prepayments	(567)	(262)
Changes in provision	(1,799)	—
Changes in trade and other payables	(1,704)	(4,226)
Cash generated from operations	13,467	7,858
Income taxes refunded	—	41
Net cash generated from operating activities	13,467	7,899
Cash Flows from Investing Activities:		
Interest received	24	13
Purchase of property, plant and equipment	(636)	(1,551)
Dividend received from other investments	—	1
Proceeds from disposal of property, plant and equipment	367	204
Disposal of a subsidiary, net of cash disposed of (Note 2)	—	2,479
Net cash (used in)/generated from investing activities	(245)	1,146

D. Condensed interim consolidated statement of cash flows (cont'd)

	Financial Year ended	
	31 Mar 2022	31 Mar 2021
	S\$'000	S\$'000
Cash Flows from Financing Activities:		
Interest paid	(2,365)	(2,402)
Share issuance expenses	(115)	—
Repayment of loans from financial institutions	(10,037)	(180)
Repayment of lease liabilities	(2,809)	(2,919)
Fixed deposits pledged with banks	(463)	(1)
Net cash used in financing activities	<u>(15,789)</u>	<u>(5,502)</u>
Net (decrease)/increase in cash and cash equivalents	(2,567)	3,543
Cash and cash equivalents at beginning of period	7,009	3,470
Exchange differences on translation of cash and cash equivalents	(108)	(4)
Cash and cash equivalents at end of period	<u>4,334</u>	<u>7,009</u>

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Ley Choon Group Holdings Ltd (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist board of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the full year ended 31 March 2022 and unaudited financial statement for the financial year ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are as below:

- Underground utilities infrastructure construction and maintenance services, which include water pipes, NEWater pipes, high-pressure gas pipes, high-voltage power cables, fiber optic cables and sewer pipeline rehabilitation;
- Road and airfield pavement construction and maintenance services, which include the supplying and laying of graded stones, cement treated base and milling and laying of asphalt premix; and
- Construction materials supply services, which include production of asphalt premix and recycled aggregates from construction and demolition waste and production of ready mix concrete and cement bricks.

2. Basis of Preparation

The condensed interim financial statements for the full year ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as follows:

- Note 9 - Depreciation of property, plant and equipment and right-of-use assets

There were no significant changes in critical judgements, estimates and assumptions as compared to the consolidated financial statements as at and for the year ended 31 March 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

Segment 1: Pipes & roads;

Segment 2: Construction materials; and Others

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segments

1 October 2021 to 31 March 2022

	Continuing operations			Discontinued operation		Total
	Pipes and roads	Construction materials	Other operations	Construction materials	Other operations	
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	44,948	957	—	—	—	45,905
Inter-segment revenue	10,190	2,729	—	—	—	12,919
Total revenue	55,138	3,686	—	—	—	58,824
Interest income	—	—	18	—	—	18
Interest expense	(59)	—	(1,093)	—	—	(1,152)
Depreciation of property, plant and equipment	(1,611)	(153)	(1,100)	—	—	(2,864)
Depreciation of right-of-use assets	(899)	(179)	(136)	—	—	(1,214)
Impairment (losses)/reversed on property, plant and equipment	(397)	19	(13)	—	—	(391)
Impairment losses reversed on right-of-use assets	29	—	—	—	—	29
Reportable segment profit/(loss) before tax	3,733	52	(3,175)	(2)	—	608
Reportable segment assets	60,067	7,377	20,830	5,526	—	93,800
Capital expenditure	450	—	29	—	—	479
Reportable segment liabilities	16,962	1,521	33,217	2,343	—	54,043

4.1. Reportable segments (cont'd)

1 October 2020 to 31 March 2021

	Continuing operations			Discontinued operation		Total
	Pipes and roads	Construction materials	Other operations	Construction materials	Other operations	
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	45,560	2,976	—	—	—	48,536
Inter-segment revenue	18,053	4,211	—	—	—	22,264
Total revenue	63,613	7,187	—	—	—	70,800
Interest income	—	—	5	—	—	5
Interest expense	(63)	—	(1,263)	(19)	—	(1,345)
Depreciation of property, plant and equipment	(1,659)	(168)	(1,093)	302	—	(2,618)
Depreciation of right-of-use assets	(942)	(172)	(145)	33	—	(1,226)
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	7,281	795	(3,046)	154	—	5,184
Reportable segment assets	66,826	5,958	31,849	—	—	104,633
Capital expenditure	768	—	5	1	—	774
Reportable segment liabilities	20,009	1,992	62,968	—	—	84,969

4.1. Reportable segments (cont'd)

1 April 2021 to 31 March 2022

	Continuing operations			Discontinued operation		Total
	Pipes and roads	Construction materials	Other operations	Construction materials	Other operations	
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	89,268	3,629	—	—	—	92,897
Inter-segment revenue	22,865	5,777	—	—	—	28,642
Total revenue	112,133	9,406	—	—	—	121,539
Interest income	—	—	24	—	—	24
Interest expense	(202)	—	(2,197)	—	—	(2,399)
Depreciation of property, plant and equipment	(3,297)	(312)	(2,203)	—	—	(5,812)
Depreciation of right-of-use assets	(1,824)	(347)	(280)	—	—	(2,451)
Impairment (losses)/reversed on property, plant and equipment	(397)	19	(13)	—	—	(391)
Impairment losses reversed on right-of-use assets	29	—	—	—	—	29
Reportable segment profit/(loss) before tax	9,521	653	(6,014)	(98)	—	4,062
Reportable segment assets	60,067	7,377	20,830	5,526	—	93,800
Capital expenditure	557	—	48	—	—	605
Reportable segment liabilities	16,962	1,521	33,217	2,343	—	54,043

4.1. Reportable segments (cont'd)

1 April 2020 to 31 March 2021

The Group	Continuing operations			Discontinued operation		Total
	Pipes and roads S\$'000	Construction materials S\$'000	Other operations S\$'000	Construction materials S\$'000	Other operations S\$'000	
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 expense	(199)	—	(2,533)	(37)	—	(2,769)
Depreciation of property, plant and equipment	(3,520)	(337)	(2,196)	—	—	(6,053)
Depreciation of right-of-use assets	(1,679)	(323)	(275)	—	—	(2,277)
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
Reportable segment assets	66,826	5,958	31,849	—	—	104,633
Capital expenditure	1,174	—	112	63	—	1,349
Reportable segment liabilities	20,009	1,992	62,968	—	—	84,969

4.2. Disaggregation of Revenue

The Group	2 nd Half Year ended 31 March 2022			2 nd Half Year ended 31 March 2021		
	Pipes and Roads	Construction materials	TOTAL	Pipes and Roads	Construction materials	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue from contracts with customers						
- Rendering of services	44,751	—	44,751	45,462	—	45,462
- Sale of construction materials	—	957	957	—	2,976	2,976
	44,751	957	45,708	45,462	2,976	48,438
Rental of motor vehicles and machinery	197	—	197	98	—	98
	44,948	957	45,905	45,462	2,976	48,536
Timing of transfer of goods and services						
- Over time	12,675	—	12,675	13,507	—	13,507
- At a point in time	32,273	957	33,230	32,053	2,976	35,029
	44,948	957	45,905	45,560	2,976	48,536
Geographical information						
Singapore	44,710	957	45,667	44,575	2,976	47,551
Sri Lanka	238	—	238	985	—	985
	44,948	957	45,905	45,560	2,976	48,536

4.2. Disaggregation of Revenue (cont'd)

	Financial Year ended 31 March 2022			Financial Year ended 31 March 2021		
	Pipes and Roads S\$'000	Construction materials S\$'000	TOTAL S\$'000	Pipes and Roads S\$'000	Construction materials S\$'000	TOTAL S\$'000
The Group						
Revenue from contracts with customers						
- Rendering of services	88,872	—	88,872	71,934	—	71,934
- Sale of construction materials	—	3,629	3,629	—	3,540	3,540
	88,872	3,629	92,501	71,934	3,540	75,474
Rental of motor vehicles and machinery	396	—	396	120	—	120
	89,268	3,629	92,897	72,054	3,540	75,594
Timing of transfer of goods and services						
- Over time	23,034	—	23,034	25,212	—	25,212
- At a point in time	66,234	3,629	69,863	46,842	3,540	50,382
	89,268	3,629	92,897	72,054	3,540	75,594
Geographical information						
Singapore	88,620	3,629	92,249	70,196	3,540	73,736
Sri Lanka	648	—	648	1,858	—	1,858
	89,268	3,629	92,897	72,054	3,540	75,594

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2021 and 31 March 2022:

	The Group		The Company	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>				
Financial assets at fair value through other comprehensive income (FVOCI)	14	50	—	—
Cash and bank balances and trade and other receivables (Amortised cost)	20,235	23,266	2,891	3,242
	<u>20,249</u>	<u>23,316</u>	<u>2,891</u>	<u>3,242</u>
<u>Financial liabilities</u>				
Trade and other payables and borrowings and lease liabilities (Amortised cost)	53,954	83,082	3,364	19,720

5.1 Fair value measurement

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

However, the Group and the Company do not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables, cash and bank balances and fixed deposits, borrowings (which are short-term or repayable on demand), and trade and other payables, are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

6. Profit before taxation

6.1. Significant items

	2 nd Half Year ended			Financial Year ended		
	31 Mar 2022 S\$'000	31 Mar 2021 S\$'000	Change %	31 Mar 2022 S\$'000	31 Mar 2021 S\$'000	Change %
The Group						
Fair value loss/(gain) on other investment	35	(3)	- n/m	36	(11)	n/m
Depreciation of property, plant and equipment	2,864	2,618	9.4%	5,812	6,053	-4.0%
Depreciation and amortisation of right-of-use assets	1,214	1,226	-1.0%	2,451	2,277	7.6%
Dividend income from other investments	—	—	n/m	—	(1)	n/m
Foreign exchange (gain)/loss	(161)	393	n/m	(350)	254	n/m
Finance costs	1,152	1,345	-14.3%	2,399	2,769	-13.4%
(Gain)/loss on disposal of property, plant and equipment	(115)	31	n/m	(323)	95	n/m
Loss on disposal of subsidiary	—	222	n/m	—	222	n/m
Operating lease expenses	240	297	-25.3%	551	622	-14.3%
Impairment losses on trade receivables reversed	(217)	(64)	239.1%	(217)	(241)	-10.0%
Impairment losses on property, plant and equipment made, net	391	107	260.7%	391	107	260.7%
Impairment (reversal)/losses on right-of-use assets	(29)	137	n/m	(29)	137	n/m
Interest income	(18)	(5)	260.0%	(24)	(13)	84.6%

6.2. Related party transactions

There is no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	2nd Half Year ended		Financial Year ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2022
The Group	S\$'000	S\$'000	S\$'000	S\$'000
<u>From continuing operations</u>				
Current income tax expense	4	(39)	4	(39)
Deferred income tax expense relating to origination and reversal of temporary differences	—	3	—	3
	<u>4</u>	<u>(36)</u>	<u>4</u>	<u>(36)</u>
<u>From discontinued operations</u>				
Current income tax expense	—	4	—	4
Deferred income tax expense relating to origination and reversal of temporary differences	—	—	—	—
	<u>—</u>	<u>4</u>	<u>—</u>	<u>4</u>

8. Net Asset Value

	Group		Company	
	As at 31 Mar 2022	As at 31 Mar 2021	As at 31 Mar 2022	As at 31 Mar 2021
Net asset value (NAV in cents)				
NAV per ordinary share	2.64	1.66	3.32	2.44
Number of shares	1,505,767,572	1,184,813,992	1,505,767,572	1,184,813,992

9. Property, plant and equipment

During the financial year ended 31 March 2022, the Group acquired property, plant and equipment amounting to S\$605,000 (2020: S\$1,286,000) and disposed of property, plant and equipment amounting to S\$44,000 (2020: S\$285,000).

10. Borrowings

	The Group and the Company	
	31 Mar 2022 S\$'000	31 Mar 2021 S\$'000
Amount repayable within one year or on demand		
Secured	8,209	54,266
Unsecured	—	—
	<hr/>	<hr/>
	8,209	54,266
Amount repayable after one year		
Secured	19,726	—
Unsecured	—	—
	<hr/>	<hr/>
	19,726	—

The bank borrowings and credit facilities of the Group 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.

11. Share capital

	The Group and the Company			
	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount \$'000	No. of Shares	Amount \$'000
Beginning and end of interim period	1,505,767,572	97,889	1,184,813,992	79,807

On 29 March 2022, the Company announced that it had issued an aggregate of 320,953,580 new ordinary shares via the exercise of the conversion rights by Zheng Choon Holding Pte. Ltd pursuant to each of the four Master Murabaha Facility Agreements at the conversion price of S\$0.0567 per share.

The Company did not hold any treasury shares as at 31 March 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2021 and 31 March 2022.

12. A breakdown of sales as follows:

		Latest Financial Year \$'000	Previous Financial Year \$'000	% increase/ (decrease)
(a)	Sales reported for first half year	46,992	27,058	73.7%
(b)	Operating profit/loss after tax before deducting non-controlling interests reported for first half year	3,454	(4,343)	n/m
(c)	Sales reported for second half year	45,905	48,536	-5.4%
(d)	Operating profit/loss after tax before deducting non-controlling interests reported for second half year	604	5,216	-88.4%

F. Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The condensed consolidated statement of financial position of Ley Choon Group Holdings Limited and its subsidiaries as at 31 March 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the full year ended 31 March 2022 and certain explanatory notes have not been audited or reviewed.

1A. 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.

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

The financial statements referred above were not reviewed or audited.

3. 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.

4. 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 operating period and the next 12 months

The Building and Construction Authority ("BCA"), vide their announcement dated 26 January 2022, projects the total construction demand in 2022 to be between S\$27 billion and S\$32 billion. Over the medium-term, BCA expects the total construction demand to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026. The public sector is expected to contribute about 60 per cent of the total construction demand, between S\$16 billion and S\$19 billion. This is supported by the strong pipeline of public housing projects including those under the Home Improvement Programme, as well as healthcare developments and infrastructure works such as the Cross Island MRT Line (Phase 1).¹

The outlook for construction industry is expected to be buoyant particularly in public sector construction. The Group will continue to leverage its strong track record and expertise to strive to secure more contracts in underground infrastructure utilities construction with prudent tendering. However, the construction sector in Singapore is expected to remain challenging due to manpower crunch, higher cost of construction materials and global supply chain disruptions. To-date, the Group's unfulfilled order book stands at a healthy level of approximately S\$119 million.

¹ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2022/01/26/sustained-construction-demand-in-2022-supported-by-public-sector-projects>

5. Dividend Information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No.

5b. Corresponding Period of the Immediate Preceding Financial Year

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

No.

5c. Date Payable

Not Applicable.

5d. Books Closure Date

Not Applicable.

6. 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 18 August 2021).

7. Interested person transactions

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

8. Review of performance of the Group

Comprehensive income statement for the second half year ended 31 March 2022

Revenue

Revenue decreased by approximately S\$2.6 million or 5.4% to S\$45.9 million for the second half year ended 31 March 2022 ("2H2022") compared to the corresponding period ended 31 March 2021 ("2H2021") of S\$48.5 million. The decrease in revenue is largely attributable to a) lower construction activities in one of the airport projects as well as certain small pipe/cable laying projects due to completion and b) decline in sale of construction materials resulting from strategic reduction of credit risk exposure. However, the decrease in revenue was partially offset by increase in revenue from big diameter pipe and cable laying projects.

Gross profit/(loss)

Gross profit was S\$4.2 million with a gross profit margin of 9.2% for 2H2022 compared to gross profit of S\$8.7 million with a gross profit margin of 18.0% for 2H2021. The decline in gross profit and margin was mainly resulted from a) lower revenue from the projects mentioned above, b) decline in sale of construction materials as explained above and c) the rising cost of goods for the construction works arising from the supply chain disruptions.

Other income

Other income for 2H2022 decreased by approximately S\$0.5 million or 18.7% to S\$2.2 million compared to S\$2.7 million in 2H2021 mainly due to lower grants and disbursements package received from the Singapore Government to support the businesses affected by COVID-19.

Selling and distribution expenses

Selling and distribution expenses for 2H2022 decreased by 2.4% to S\$0.04 million compared to 2H2021 due mainly to lower insurance expenses incurred during the period.

Administrative expenses

Administrative expenses for 2H2022 decreased by approximately S\$0.2 million or 4.4% to S\$4.4 million compared to 2H2021 of S\$4.6 million due mainly to decrease in administrative staff related expenses and professional fees amongst others during the period.

Impairment losses on trade receivables reversed

Impairment losses on trade receivables reversed for 2H2022 increased by approximately S\$0.2 million compared to 2H2021 due mainly to recovery of overdue collections.

Other operating expenses

Other operating expenses for 2H2022 decreased by approximately S\$0.06 million or 12.0% to S\$0.4 million compared to 2H2021 mainly due to absence of impairment loss on right-of-use assets in 2H2022.

Finance cost

Finance costs for 2H2022 decreased by approximately S\$0.2 million or 13.1% to S\$1.2 million compared to 2H2021 of S\$1.3 million due mainly to the decrease in borrowings.

Net profit/(loss)

The Group reported a net profit after tax of S\$0.6 million for 2H2022 due to the various reasons as explained above.

Comprehensive income statement for the financial year ended 31 March 2022

Revenue

Revenue increased by approximately S\$17.3 million or 22.9% to S\$92.9 million for the financial year ended 31 March 2022 ("FY2022") compared to the corresponding period ended 31 March 2021 ("FY2021") of S\$75.6 million. The increase in revenue is attributable mainly to higher constructions activities in big/small diameter pipe laying, maintenance and cable laying projects. Further, the lower construction activities in the previous year was mainly due to halting and slow resumption of construction activities as well as lower demand for construction materials during circuit breaker and subsequent reopening periods particularly during the first half of FY2021.

Gross profit/(loss)

Gross profit was S\$10.9 million with a gross profit margin of 11.7% for FY2022 compared to gross profit of S\$5.9 million with a gross profit margin of 7.9% for FY2021. The increase in gross profit and margin were mainly attributable to the increase in revenue and margin from the projects referred above.

Other income

Other income for FY2022 decreased by approximately S\$2.6 million or 34.6% to S\$4.9 million compared to FY2021 due mainly to lower grants and disbursements package received from Singapore Government to support the businesses affected by COVID-19.

Selling and distribution expenses

Selling and distribution expenses for FY2022 increased by 2.7% to S\$0.08 million compared to FY2021 due mainly to insurance expenses incurred during the period.

Administrative expenses

Administrative expenses for FY2022 decreased by approximately S\$0.4 million or 3.9% to S\$8.9 million compared to FY2021 of S\$9.3 million due mainly to the decrease in administrative staff related expenses and professional fees amongst others during the period.

Impairment losses on trade receivables reversed

Impairment losses on trade receivables reversed for FY2022 increased by approximately S\$0.2 million compared to FY2021 mainly due to recovery of overdue collections.

Other operating expenses

Other operating expenses for FY2022 decreased by approximately S\$0.1 million or 22.3% to S\$0.5 million compared to FY2021 mainly due to absence of impairment loss on right-of-use assets and one-off loss on disposal of property, plant & equipment items in FY2022.

Finance cost

Finance costs for FY2022 decreased by approximately S\$0.3 million or 12.2% to S\$2.4 million compared to FY2021 due mainly to the decrease in borrowings as well as interest rates during the period.

Net profit/(loss)

The Group reported a net profit after tax of S\$4.1 million for FY2022 due to the various reasons as explained above.

Consolidated statements of financial position

Non-current assets

The Group's non-current assets decreased by S\$8.8 million from S\$37.9 million as at 31 March 2021 to S\$29.1 million as at 31 March 2022, attributable mainly to:

- (a) decrease in property, plant and equipment by S\$5.9 million to S\$20.2 million as at 31 March 2022 compared to S\$26.1 million as at 31 March 2021, as a result of depreciation of S\$5.8 million, impairment loss of S\$0.4 million, disposal of property, plant and equipment amounting to S\$0.04 million and partially offset by additions of plant and machinery amounting to S\$0.6 million;
- (b) increase in right-of-use assets by S\$0.4 million to S\$8.7 million as at 31 March 2022 compared to S\$8.3 million as at 31 March 2021, as a result of (net of) additions of right-of-use assets amounting to S\$2.9 million and amortization of S\$2.5 million; and

- (c) reclassification of assets of disposal group as held-for-sale.

Current assets

The Group's current assets decreased by S\$2.0 million from S\$66.7 million as at 31 March 2021 to S\$64.7 million as at 31 March 2022, attributable mainly to:

- (a) decrease in contract assets by S\$4.4 million to S\$28.3 million as at 31 March 2022 compared to S\$32.7 million as at 31 March 2021 due mainly to the increase in billing during the period;
- (b) decrease in cash and cash equivalents by S\$2.7 million to S\$4.3 million as at 31 March 2022 compared to S\$7.0 million as at 31 March 2021 due mainly to the repayment of borrowings and payment of trade and other payables;
- (c) decrease in trade and other receivables by S\$0.8 million to S\$15.3 million as at 31 March 2022 compared to S\$16.1 million as at 31 March 2021 due mainly to the increase in collections from customers;
- (d) increase in fixed deposits by S\$0.4 million to S\$0.6 million as at 31 March 2022 compared to S\$0.2 million as at 31 March 2021 due to increase in cash collaterals related to certain bonds submitted to the clients;
- (e) increase in prepayment by S\$0.5 million to S\$3.7 million as at 31 March 2022 compared to S\$3.2 million as at 31 March 2021 due mainly to the advance payment of material purchase for projects;
- (f) Increase in inventories by S\$1.8 million to S\$9.3 million as at 31 March 2022 compared to S\$7.5 million as at 31 March 2021 due mainly to purchase of materials for projects; and
- (g) Increase in assets of disposal group classified as held-for-sale by S\$3.2 million as at 31 March 2022 resulting from reclassification of associate under non-current assets to current assets held for sale.

Current liabilities

The Group's current liabilities decreased by S\$49.9 million from S\$82.1 million as at 31 March 2021 to S\$32.2 million as at 31 March 2022 due mainly to:

- (a) decrease in borrowings by S\$46.1 due to a) reclassification of borrowings of S\$19.8 million (repayable after one year) to non-current liabilities, b) conversion of Murabaha facility into shares of \$16 million and c) repayment of borrowings of \$10 million;
- (b) decrease in trade and other payables by S\$2.8 million as a result of increase in payments made to the creditors and conversion of accrued interest related to the Murabaha facility referred above into shares;
- (c) decrease in provision by S\$1.8 million (provided in the prior years for liquidated damages related to a completed project) due to the off-set against the final settlement of claims; and
- (d) increase in lease liabilities by S\$0.8 million due mainly to additional lease.

Non-current liabilities

The Group's non-current liabilities increased by S\$19.0 million due mainly to reclassification of borrowings of S\$19.8 million (repayable after one year) from current liabilities and repayment of lease liabilities of S\$0.8 million.

Consolidated statement of cash flow

The Group's cash and cash equivalents stood at S\$4.3 million as at 31 March 2022, as compared to S\$7.0 million as at 31 March 2021.

Net cash generated from operating activities

Net cash generated from operating activities was S\$13.5 million, comprising operating cash flows before working capital changes of S\$14.7 million and net working capital outflow of S\$1.2 million.

The net working capital outflow of S\$1.2 million was due mainly to the following:

- (a) decrease in contract assets of approximately S\$4.3 million due to more billing during the period;
- (b) decrease in provision of approximately S\$1.8 million due to off-set against the final settlement of claims of a completed project;
- (c) decrease in trade and other payables of approximately S\$1.7 million due to the increase in payments to creditors;
- (d) decrease in trade and other receivables of approximately S\$0.6 million due to the increase in collection from customers;
- (e) increase in inventories of approximately S\$2.0 million due to purchase of materials for the projects; and
- (f) increase in prepayment of approximately S\$0.6 million due to advance payment to creditors related to purchase of materials for projects.

Net cash generated from investing activities

Net cash used from investing activities of approximately S\$0.2 million was due mainly to purchase of property, plant and equipment and right-of-use assets which was partially offset by proceed from disposal of property, plant and equipment.

Net cash used in financing activities

Net cash used in financing activities of approximately S\$15.8 million was due mainly to repayment of borrowings, lease liabilities and interest payments.

9. Disclosure of person occupying a managerial position in the issuer or nay 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 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 position was first held	Details of changes in duties and position held, if any, during the year
Toh Chew Leong	63	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	59	Brother of TCH	Chief Operating Officer of the Group from 29/09/2015	N.A
Toh Chew Chai	67	Brother of TCH	Deputy Chief Operating Officer, since 17/02/2014	N.A
Toh Chiew Boon	57	Brother of TCH	Senior Construction Manager, since 01/07/2017	N.A
Toh Kai Sheng	36	Nephew of TCH	Director, Operations & HR since 01/02/2017	N.A
Toh Kai Hock	39	Nephew of TCH	IT Director & Head of Fleet Department since 01/02/2021	N.A
Reanne Toh Ting Xuan	32	Daughter of TCH	Deputy Director, since 01/09/2019	N.A
Toh Wei Jie	32	Nephew of TCH	Senior Project Manager, since 01/04/2021	N.A
Toh Qiu Ling	31	Niece of TCH	Procurement cum Sales Manager, since 01/04/2021	N.A
Toh Wann	29	Daughter of TCH	Assistant IT Manager, since 01/04/2021	N.A

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

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer

Ling Chung Yee
Lead Independent Director

30 May 2022