

LEY CHOON GROUP HOLDINGS LTD

(Company Registration No. 198700318G)

ANNOUNCEMENT OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

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: 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619 Tel: 6381 6966.

LEY CHOON GROUP HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2020

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		
	31 Mar 2020	31 Mar 2019		31 Mar 2020	31 Mar 2019	Change
	S\$'000	S\$'000		S\$'000	S\$'000	%
Revenue	23,210	27,906	(16.8)	94,448	102,442	(7.8)
Cost of sales	(22,826)	(29,683)	(23.1)	(87,318)	(97,428)	(10.4)
Gross profit/(loss)	<u>384</u>	<u>(1,777)</u>	n/m	<u>7,130</u>	<u>5,014</u>	42.2
Other income	597	753	(20.7)	2,158	2,571	(16.1)
Selling and distribution expenses	(35)	(40)	(12.5)	(133)	(153)	(13.1)
Administrative expenses	(2,691)	(2,613)	3.0	(9,937)	(11,090)	(10.4)
Impairment losses on trade receivables (made)/reversed, net	(275)	(1,127)	(75.6)	370	(862)	n/m
Other operating expenses	(684)	(333)	105.4	(850)	(1,091)	(22.1)
Finance costs	(851)	(749)	13.6	(3,314)	(2,932)	13.0
Loss from continuing operations before taxation	<u>(3,555)</u>	<u>(5,886)</u>	(39.6)	<u>(4,576)</u>	<u>(8,543)</u>	(46.4)
Taxation	10	(651)	n/m	(20)	(474)	(95.8)
Loss from continuing operations after taxation	<u>(3,545)</u>	<u>(6,537)</u>	(45.8)	<u>(4,596)</u>	<u>(9,017)</u>	(49.0)
(Loss)/profit from discontinued operation, net of tax (Note 1)	(534)	693	n/m	4	(588)	n/m
Loss for the period	<u>(4,079)</u>	<u>(5,844)</u>	(30.2)	<u>(4,592)</u>	<u>(9,605)</u>	(52.2)
Other comprehensive income/(loss) after tax:						
Items that will not be reclassified to profit or loss						
Remeasurement loss on retirement benefit obligation	(43)	-	n/m	(43)	-	n/m
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	723	78	826.9	35	(469)	n/m
Other comprehensive income/(loss) for the period, net of tax of nil	<u>680</u>	<u>78</u>	771.8	<u>(8)</u>	<u>(469)</u>	(98.3)
Total comprehensive loss for the period	<u>(3,399)</u>	<u>(5,766)</u>	(41.1)	<u>(4,600)</u>	<u>(10,074)</u>	(54.3)

Note 1: Discontinued operation relates to result of Ley Choon (Yantai) Eco-Green Construction Material Ltd which was proposed for disposal on 31 March 2020

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			12 Months		
	31 Mar	31 Mar	Change	31 Mar	31 Mar	Change
	2020	2019		2020	2019	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss attributable to:						
Owners of the Company						-
- Loss from continuing operations, net of tax	(3,545)	(6,537)	(45.8)	(4,596)	(9,017)	(49.0)
- (Loss)/profit from discontinued operations, net of tax	(534)	693	n/m	4	(588)	n/m
Loss for the period	<u>(4,079)</u>	<u>(5,844)</u>	(30.2)	<u>(4,592)</u>	<u>(9,605)</u>	(52.2)
Total comprehensive loss attributable to:						
Owners of the Company						
- Loss from continuing operations, net of tax	(2,865)	(6,459)	(55.6)	(4,604)	(9,486)	(51.5)
- (Loss)/profit from discontinued operations, net of tax	(534)	693	n/m	4	(588)	n/m
Total comprehensive loss for the period	<u>(3,399)</u>	<u>(5,766)</u>	(41.1)	<u>(4,600)</u>	<u>(10,074)</u>	(54.3)

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	31 Mar	Change	31 Mar	31 Mar	Change
	2020	2019		2020	2019	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Impairment losses on trade receivables made/(reversed), net	275	1,124	(75.5)	(372)	858	n/m
Amortisation of land use rights	-	18	n/m	-	69	n/m
Depreciation of property, plant and equipment	1,795	2,121	(15.4)	7,550	8,645	(12.7)
Depreciation and amortisation of right-of-use assets	603	-	n/m	1,987	-	n/m
Foreign exchange loss/(gain), net	310	(859)	n/m	(103)	422	n/m
Change in fair value of financial assets at fair value through profit or loss	3	4	(25.0)	11	9	22.2
Interest income	(49)	(31)	58.1	(58)	(32)	81.3
Dividend income from other investments	-	-	-	(1)	(1)	-
Loss/(gain) on disposal of property, plant and equipment	2	147	(98.6)	(40)	171	n/m
Impairment losses on property, plant and equipment made, net	211	121	74.4	211	121	74.5
Impairment losses on right-of-use assets	291	-	n/m	291	-	n/m
Finance costs	862	776	11.1	3,367	3,040	10.8
Provision for fines and penalty reversed	-	-	-	(642)	-	n/m
Provision for onerous contracts	-	-	-	-	107	n/m
Write-down on inventories	102	-	n/m	122	-	n/m
Operating lease expenses	179	573	(68.8)	748	2,107	(64.5)

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 2020 S\$'000	As at 31 Mar 2019 S\$'000	As at 31 Mar 2020 S\$'000	As at 31 Mar 2019 S\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	31,394	46,981	-	-
Land use rights	-	2,930	-	-
Right-of-use assets	8,314	-	-	-
Subsidiaries	-	-	46,407	78,734
Club membership	229	229	-	-
	<u>39,937</u>	<u>50,140</u>	<u>46,407</u>	<u>78,734</u>
Current Assets				
Inventories	6,801	6,882	-	-
Contract assets	33,070	35,147	-	-
Trade and other receivables	16,211	15,836	90	4,118
Prepayments	3,130	3,669	57	15
Other investments	39	49	-	-
Cash and bank balances	2,834	3,568	1	5
Fixed deposits	161	1,601	-	-
	<u>62,246</u>	<u>66,752</u>	<u>148</u>	<u>4,138</u>
Assets of disposal group classified as held-for-sale	10,866	-	-	-
	<u>73,112</u>	<u>66,752</u>	<u>148</u>	<u>4,138</u>
Total assets	<u>113,049</u>	<u>116,892</u>	<u>46,555</u>	<u>82,872</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	79,807	79,807	146,026	146,026
Accumulated losses	(61,954)	(57,214)	(146,451)	(112,348)
Other reserves	599	607	29,017	(884)
Total equity	<u>18,452</u>	<u>23,200</u>	<u>28,592</u>	<u>32,794</u>
Non-Current Liabilities				
Borrowings	-	50,579	-	15,731
Lease liabilities	2,740	-	-	-
Deferred tax liabilities	31	35	-	-
	<u>2,771</u>	<u>50,614</u>	<u>-</u>	<u>15,731</u>
Current Liabilities				
Borrowings	54,458	7,469	15,851	-
Lease liabilities	2,574	-	-	-
Trade and other payables	28,358	33,083	2,112	34,347
Current tax payable	54	85	-	-
Provisions	1,799	2,441	-	-
	<u>87,243</u>	<u>43,078</u>	<u>17,963</u>	<u>34,347</u>
Liabilities directly associated with disposal group classified as held-for-sale	4,583	-	-	-
	<u>91,826</u>	<u>43,078</u>	<u>17,963</u>	<u>34,347</u>
Total liabilities	<u>94,597</u>	<u>93,692</u>	<u>17,963</u>	<u>50,078</u>
Total equity and liabilities	<u>113,049</u>	<u>116,892</u>	<u>46,555</u>	<u>82,872</u>

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

(a) Amount repayable in one year or less, or on demand

	Group	
	As at	As at
	31 Mar 2020	31 Mar 2019
	S\$'000	S\$'000
<u>Secured</u>		
Bank loans	38,607	6,710
Convertible bond (Murabaha Facility)	15,851	-
Finance lease liabilities	-	759
Total	54,458	7,469

(b) Amount repayable after one year

	As at	As at
	31 Mar 2020	31 Mar 2019
	S\$'000	S\$'000
<u>Secured</u>		
Bank loans	-	34,736
Convertible bond (Murabaha Facility)	-	15,731
Finance lease liabilities	-	112
Total	-	50,579

(c) Details of any collateral

Bank overdrafts, bills payable and bank loans are secured by the following:

- (i) legal mortgage over the Group's leasehold properties;
- (ii) charge over certain of the Group's plant and equipment;
- (iii) charge over shares in the Company's subsidiaries;
- (iv) charge over certain of the Group's bank accounts;
- (v) fixed deposits of the Group;
- (vi) floating charge over all other assets; and
- (vii) corporate guarantees by the Company.

g1(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 2020	31 Mar 2019
	S\$'000	S\$'000
Cash Flows from Operating Activities:		
Loss before taxation	(4,572)	(9,131)
Adjustments for:		
Amortisation of land use rights	-	69
Depreciation of property, plant and equipment	7,550	8,645
Depreciation and amortisation of right-of-use assets	1,987	-
Provision for onerous contracts	-	107
Provision for fines and penalty reversed	(642)	-
Impairment losses on trade receivables made/(reversed), net	(372)	858
Write-down on inventories	122	-
(Gain)/loss on disposal of property, plant and equipment	(40)	171
Impairment losses on property, plant and equipment made, net	211	121
Impairment losses on right-of-use assets	291	-
Fair value loss on other investments	11	9
Dividend income from other investments	(1)	(1)
Interest income	(58)	(32)
Finance costs	3,367	3,040
Operating cash flows before working capital changes	7,854	3,856
Changes in inventories	(50)	5,918
Changes in contract assets	1,960	(8,279)
Changes in trade and other receivables	(1,228)	(1,272)
Changes in prepayments	97	(66)
Changes in trade and other payables	415	2,141
Cash generated from operations	9,048	2,298
Income taxes paid/(refunded)	(52)	164
Net cash generated from operating activities	8,996	2,462
Cash Flows from Investing Activities:		
Interest received	58	32
Purchase of property, plant and equipment	(1,761)	(651)
Dividend received from other investments	1	1
Proceeds from disposal of property, plant and equipment	172	336
Net cash used in investing activities	(1,530)	(282)

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 2020	31 Mar 2019
	S\$'000	S\$'000
Cash Flows from Financing Activities:		
Interest paid	(3,035)	(2,597)
Proceeds from loans from financial institutions	-	1,240
Repayment of loans from financial institutions	(2,830)	(2,029)
Repayment of finance lease liabilities	-	(794)
Repayment of lease liabilities	(3,130)	-
Fixed deposits pledged with banks	1,440	936
Net cash used in financing activities	<u>(7,555)</u>	<u>(3,244)</u>
Net decrease in cash and cash equivalents	(89)	(1,064)
Cash and cash equivalents at beginning of period	3,568	4,665
Exchange differences on translation of cash and cash equivalents	(9)	(33)
Cash and cash equivalents at end of period (Note 2)	<u>3,470</u>	<u>3,568</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 2020	31 Mar 2019
	S\$'000	S\$'000
Cash and bank balances - continuing operations	2,834	3,568
Cash and bank balances - discontinued operation	636	-
Cash and cash equivalents at end of period	<u>3,470</u>	<u>3,568</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	Accumulated losses	Equity component of convertible bonds	Fair value reserve	Foreign currency translation reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2018	79,807	(46,475)	243	-	833	34,408
Adjustment on initial application of SFRS (I) 9 (net of tax)	-	(1,134)	-	-	-	(1,134)
	79,807	(47,609)	243	-	833	33,274
Loss for the period	-	(9,605)	-	-	-	(9,605)
Other comprehensive loss for the period						
- Currency translation differences	-	-	-	-	(469)	(469)
Total comprehensive loss for the period	-	(9,605)	-	-	(469)	(10,074)
Balance at 31 March 2019	79,807	(57,214)	243	-	364	23,200
Balance at 1 April 2019	79,807	(57,214)	243	-	364	23,200
Adjustment on initial application of SFRS (I) 16 (net of tax)	-	(148)	-	-	-	(148)
Adjusted balance at 1 April 2019	79,807	(57,362)	243	-	364	23,052
Loss for the period	-	(4,592)	-	-	-	(4,592)
Other comprehensive (loss)/income for the period						
- Remeasurement loss on retirement benefit obligation	-	-	-	(43)	-	(43)
- Currency translation differences	-	-	-	-	35	35
Total comprehensive (loss)/income for the period	-	(4,592)	-	(43)	35	(4,600)
Balance at 31 March 2020	79,807	(61,954)	243	(43)	399	18,452

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

<u>Company</u>	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2018	146,026	(884)	(101,225)	43,917
Loss for the period/Total comprehensive loss for the period	-	-	(11,123)	(11,123)
Balance at 31 March 2019	146,026	(884)	(112,348)	32,794
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

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 Group’s share capital since the end of the previous period reported on.

As at 31 March 2020 (and 31 March 2019), 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 2020 (and 31 March 2019).

There were no subsidiary shareholdings as at 31 March 2020 (and 31 March 2019).

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 2020	31 March 2019
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 2019 (the "**FY2019 Audited Financial Statements**") included a material uncertainty related to going concern in the Independent Auditor's Report, the FY2019 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.

Except as disclosed in Note 5, 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 most recently audited annual financial statements for the year ended 31 March 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted SFRS(I) 16 *Leases* on 1 April 2019, using the modified retrospective approach with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings at 1 April 2019. There is no restatement of comparative information.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The Group has office and factory premises under operating leases, which are recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. As at 1 April 2019, ROU assets have increased by S\$4.4 million and lease liabilities have increased by S\$4.5 million, with an adjustment of S\$0.1 million to the opening balance of accumulated losses.

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

As at 31 March 2020, the convertible bonds are excluded from the calculation of diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive.

	4 th Quarter ended		12 Months Period ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2020	2019	2020	2019
Earnings per share (EPS in cents)				
<u>Continuing operations</u>				
EPS based on weighted average number of ordinary shares on issue (cents)	(0.30)	(0.55)	(0.39)	(0.76)
EPS based on a fully diluted basis (cents)	(0.30)	(0.55)	(0.39)	(0.76)
<u>Discontinued operations</u>				
EPS based on weighted average number of ordinary shares on issue (cents)	(0.05)	0.06	0.00	(0.05)
EPS based on a fully diluted basis (cents)	(0.05)	0.06	0.00	(0.05)
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	As at	As at	As at
	31 Mar	31 Mar	31 Mar	31 Mar
	2020	2019	2020	2019
Net asset value (NAV in cents)				
NAV per ordinary share	1.56	1.96	2.41	2.77
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 or liabilities of the group during the current financial period reported on.**

Comprehensive income statement

Fourth quarter review – Q4FY20 vs Q4FY19

Revenue

Revenue decreased by approximately S\$4.7 million or 16.8% to S\$23.2 million for the fourth quarter ended 31 March 2020 ("**Q4FY20**") compared to the corresponding quarter ended 31 March 2019 ("**Q4FY19**") of S\$27.9 million. The decrease was due mainly to the decrease in revenue from big diameter pipe projects and premix sales by S\$5.3 million and S\$1.7 million respectively, partially offset by the increase in revenue from cable turnkey projects and sewer rehabilitation projects by S\$1.1 million and S\$0.9 million respectively.

Gross profit

Gross profit was S\$0.4 million with a gross profit margin of 1.7% for Q4FY20 compared to gross loss of S\$1.8 million with a gross loss margin of 6.4% for Q4FY19. The increases in gross profit and gross profit margin were mainly attributable to the decrease in material cost as a result of less consumption of materials for certain ongoing project mix.

Other income

Other income for Q4FY20 decreased by approximately S\$0.1 million or 20.7% to S\$0.6 million compared to Q4FY19 due mainly to the decrease in rental income during the period.

Selling and distribution expenses

Selling and distribution expenses for Q4FY20 decreased marginally by 12.5% to S\$0.04 million compared to Q4FY19 due mainly to lower business expenses incurred during the period.

Administrative expenses

Administrative expenses for Q4FY20 increased by approximately S\$0.08 million or 3.0% to S\$2.7 million compared to Q4FY19 due mainly to the increase in administrative office and staff expenses during the period.

Impairment losses on trade receivables (made)/reversed, net

Impairment losses on trade receivables made for Q4FY20 decreased by approximately S\$0.8 million or 75.6% to S\$0.3 million due mainly to lower impairment losses on trade receivables made during the period.

Other operating expenses

Other operating expenses for Q4FY20 increased by approximately S\$0.4 million or 105.4% to S\$0.7 million compared to Q4FY19 due mainly to impairment losses on property, plant and equipment during the period.

Finance costs

Finance costs for Q4FY20 increased by approximately S\$0.1 million or 13.6% to S\$0.8 million compared to Q4FY19 due mainly to the increase in interest rates during the period.

Net loss after tax

The Group reported a net loss after tax of S\$4.1 million for Q4FY20 due to the various reasons as explained above.

Twelve months review – 12MFY20 vs 12MFY19

Revenue

Revenue decreased by approximately S\$8.0 million or 7.8% to S\$94.4 million for the twelve months ended 31 March 2020 ("**12MFY20**") compared to the corresponding period ended 31 March 2019 ("**12MFY19**") of S\$102.4 million. The decrease was due mainly to the decrease in revenue from big diameter pipe projects and distribution cable projects by S\$16.4 million and S\$3.6 million respectively as a result of completion, partially offset by the increase in revenue from cable turnkey projects and small pipe projects by S\$6.6 million and S\$4.9 million respectively.

Gross profit

Gross profit was S\$7.1 million with a gross profit margin of 7.5% for 12MFY20 compared to S\$5.0 million with a gross profit margin of 4.9% for 12MFY19. The increases in gross profit and gross profit margin were mainly attributable to the decrease in material cost as a result of less consumption of materials for certain ongoing project mix.

Other income

Other income for 12MFY20 decreased by approximately S\$0.4 million or 16.1% to S\$2.2 million compared to 12MFY19 due mainly to the decrease in rental income during the period.

Selling and distribution expenses

Selling and distribution expenses for 12MFY20 decreased by approximately S\$0.02 million or 13.1% to S\$0.13 million compared to 12MFY19 due mainly to lower business expenses incurred during the period.

Administrative expenses

Administrative expenses for 12MFY20 decreased by approximately S\$1.2 million or 10.4% to S\$9.9 million compared to 12MFY19 due mainly to the decrease in professional fees expenses by S\$0.5 million, administrative staff cost by S\$0.4 million and rental expenses by S\$0.2 million during the period.

Impairment losses on trade receivables (made)/reversed, net

Impairment losses on trade receivables reversed were S\$0.4 million for 12MFY20 compared to impairment losses on trade receivables made of S\$0.9 million for 12MFY19 due mainly to the bad debt recovered more than offsetting the impairment losses made.

Other operating expenses

Other operating expenses for 12MFY20 decreased by approximately S\$0.2 million or 22.1% to S\$0.8 million compared to 12MFY19 due mainly to the absence of foreign exchange losses during the period.

Finance costs

Finance costs for 12MFY20 increased by approximately S\$0.4 million or 13.0% to S\$3.3 million compared to 12MFY19 due mainly to the increase in interest rates during the period.

Net loss after tax

The Group reported a net loss after tax of S\$4.6 million for 12MFY20 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\$10.2 million from S\$50.1 million as at 31 March 2019 to S\$39.9 million as at 31 March 2020, attributable mainly to the following:

- (a) decrease in property, plant and equipment by S\$15.6 million to S\$31.4 million as at 31 March 2020 compared to S\$47.0 million as at 31 March 2019 due mainly to depreciation of S\$7.9 million; reclassification of S\$6.3 million to assets of disposal group classified as held-for-sale; reclassification of S\$5.2 million to right-of-use assets; impairment losses on property, plant and equipment of S\$0.5 million and proceeds from disposal of property, plant and equipment of S\$0.2 million, partially offset by additions of plant and machinery amounting to S\$4.5 million during the period;
- (b) decrease in land use rights by S\$2.9 million due mainly to reclassification to assets of disposal group classified as held-for-sale;

which have been partially offset by the following:

- (c) increase in right-of-use assets by S\$8.3 million relating to the adoption of SFRS(I) 16.

Current assets

The Group's current assets increased by S\$6.4 million from S\$66.7 million as at 31 March 2019 to S\$73.1 million as at 31 March 2020, attributable mainly to the following:

- (a) increase in assets of disposal group classified as held-for-sale by S\$10.9 million as a result of the proposed disposal of Ley Choon (Yantai) Eco-Green Construction Material Ltd on 31 March 2020;
- (b) increase in trade and other receivables by S\$0.4 million to S\$16.2 million as at 31 March 2020 compared to S\$15.8 million as at 31 March 2019 due mainly to the decrease in collection from customers;

which have been partially offset by the following:

- (c) decrease in cash and cash equivalents by S\$2.2 million to S\$3.0 million as at 31 March 2020 compared to S\$5.2 million as at 31 March 2019 due mainly to repayment of borrowings;
- (d) decrease in contract assets by S\$2.1 million to S\$33.1 million as at 31 March 2020 compared to S\$35.2 million as at 31 March 2019 due mainly to the increase in billings for ongoing projects;
- (e) decrease in prepayments by S\$0.6 million to S\$3.1 million as at 31 March 2020 compared to S\$3.7 million as at 31 March 2019 due mainly to reclassification to assets of disposal group classified as held-for-sale.

Current liabilities

The Group's current liabilities increased by S\$48.7 million from S\$43.1 million as at 31 March 2019 to S\$91.8 million as at 31 March 2020, as a result of reclassification of borrowings from non-current liabilities to current liabilities; the increase in liabilities directly associated with disposal group classified as held-for-sale by S\$4.6 million as a result of the proposed disposal of Ley Choon (Yantai) Eco-Green Construction Material Ltd and the increase in lease liabilities by S\$2.6 million arising from the adoption of SFRS(I) 16, partially offset by the decrease in trade and other payables by S\$4.7 million and provisions by S\$0.7 million.

Non-current liabilities

The Group's non-current liabilities decreased by S\$47.8 million from S\$50.6 million as at 31 March 2019 to S\$2.8 million as at 31 March 2020 as a result of reclassification of borrowings to current liabilities, partially offset by the increase in lease liabilities by S\$2.7 million arising from the adoption of SFRS(I) 16.

Consolidated statement of cash flow

The Group's cash and cash equivalents stood at S\$3.5 million as at 31 March 2020, as compared to S\$3.6 million as at 31 March 2019.

Net cash generated from operating activities

Net cash generated from operating activities was S\$9.0 million, comprising operating cash flows before working capital changes of S\$7.8 million and net working capital inflow of S\$1.2 million.

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

- (a) decrease in contract assets of approximately S\$2.0 million due to the increase in billings for ongoing projects;
- (b) increase in trade and other payables of approximately S\$0.4 million due to the decrease in payments to creditors; and
- (c) decrease in prepayments of approximately S\$0.1 million due to expenses written off; which have been partially offset by
- (d) increase in trade and other receivables of approximately S\$1.2 million due to the decrease in collections from customers;

Net cash used in investing activities

Net cash used in investing activities of approximately S\$1.5 million was due mainly to purchase of property, plant and equipment.

Net cash used in financing activities

Net cash used in financing activities of approximately S\$7.6 million was due mainly to repayment of bank 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 Group has implemented the various health and safety measures recommended by the Ministry of Health to ensure the well-being of its employees and workers during the Covid-19 pandemic. The Group halted most of its operations during the circuit breaker and phase-1 periods, except for those Group's operations deemed as essential services, and the Group has been resuming all its operations gradually during phase 2 of the post-circuit breaker period. The halting of most of the Group's operations may have an impact on the financial performance of the Group for the current financial year ending 31 March 2021, and the impacts may be softened, in part, by the Government's various Covid-19 support schemes when realized.

In the recent announcements dated 28 April 2020 and 9 July 2020, the Group announced that it had secured contracts worth approximately S\$7.2 million and S\$36.9 million in aggregate respectively for urgent repair & maintenance works of underground services and underground infrastructure construction works.

To date, the Group's unfulfilled order book stands at approximately S\$131.7 million.

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 as the Group has reported a net loss.

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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 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 2020</u>	Pipes and roads	Construction materials	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	85,217	9,232	-	94,449
Inter-segment revenue	35,493	7,259	-	42,752
Total revenue	<u>120,710</u>	<u>16,491</u>	<u>-</u>	<u>137,201</u>
Interest income	-	-	58	58
Interest expenses	(268)	(50)	(3,049)	(3,367)
Depreciation of property, plant and equipment	(4,152)	(924)	(2,474)	(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	<u>2,765</u>	<u>2,106</u>	<u>(9,443)</u>	<u>(4,572)</u>
<u>For the financial year ended</u> <u>31 Mar 2020</u>				
Reportable segment assets	<u>73,497</u>	<u>18,234</u>	<u>21,318</u>	<u>113,049</u>
Capital expenditure	<u>4,390</u>	<u>-</u>	<u>143</u>	<u>4,533</u>
Reportable segment liabilities	<u>26,052</u>	<u>8,081</u>	<u>60,464</u>	<u>94,597</u>

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 2019</u>	Pipes and roads	Construction materials	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	91,273	11,700	-	102,973
Inter-segment revenue	33,259	7,976	-	41,235
Total revenue	<u>124,532</u>	<u>19,676</u>	<u>-</u>	<u>144,208</u>
Interest income	-	-	32	32
Interest expenses	(41)	(108)	(2,891)	(3,040)
Depreciation and amortisation	(5,091)	(1,019)	(2,604)	(8,714)
Impairment losses on property, plant and equipment	(55)	(44)	(22)	(121)
Reportable segment profit/(loss) before tax	<u>994</u>	<u>668</u>	<u>(10,793)</u>	<u>(9,131)</u>

For the financial year ended
31 Mar 2019

Reportable segment assets	<u>72,431</u>	<u>13,112</u>	<u>31,349</u>	<u>116,892</u>
Capital expenditure	<u>688</u>	<u>-</u>	<u>108</u>	<u>796</u>
Reportable segment liabilities	<u>23,647</u>	<u>7,507</u>	<u>62,538</u>	<u>93,692</u>

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 lower revenue from certain projects as a result of completion. However profit from Pipes and Roads segment increased to S\$2.8 million due mainly to decrease in material cost as a result of less consumption of materials for certain ongoing project mix.

Revenue from Construction Materials segment decreased due mainly to decrease in sales to external customers. However profit from Construction Materials segment increased to S\$2.1 million due mainly to decrease in material costs as a result of less consumption of materials for the period.

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-20 \$'000	12 months period ended 31-Mar-19 \$'000	Change %
(a) Sales reported for first 6 months *	47,611	48,825	-2.5%
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first 6 months	(730)	(2,847)	-74.4%
(c) Sales reported for next 6 months *	46,838	54,148	-13.5%
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for next 6 months	(3,862)	(6,758)	-42.9%

* 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 2020 \$'000	12 months period ended 31 Mar 2019 \$'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	61	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	57	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 & HR since 01/02/2017	N.A
Toh Kai Hock	38	Nephew of TCH	IT Director and Deputy CPO since 01/02/2016	N.A
Toh Ting Xuan	31	Daughter of TCH	Deputy Director, since 01/09/2019	Senior Contracts Manager till 31/08/2019, promoted to Deputy Director since 01/09/2019
Toh Wei Jie	30	Nephew of TCH	Project Manager, since 01/06/2020	Assistant Project Manager till 31/05/2020, promoted to Project Manager since 01/06/2020
Toh Qiu Ling	29	Niece of TCH	Assistant Procurement cum Sales Manager since 01/09/2019	N.A

BY ORDER OF THE BOARD

Toh Choo Huat
Executive Chairman and Chief Executive Officer
14 July 2020