



**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

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

On 29 January 2016, GDS Global Limited (the “**Company**”) announced the acquisition of 51% interest in the issued and paid-up share capital of Grimm Industries Pte. Ltd. (“**Grimm**”) for an aggregate purchase consideration of S\$2.04 million. Upon the completion of the acquisition, Grimm became a 51% subsidiary of the Company. For the purpose of this announcement, the financial information of Grimm has been included in the consolidated financial statements of the Company and its subsidiaries (the “**Group**”) with effect from January 2016. In accordance with FRS 103 Business Combinations, the Group has performed the purchase price allocation exercise upon the completion of the acquisition to assess the fair values of the identifiable assets acquired and the liabilities assumed by the Group. Goodwill which is the excess of the consideration transferred over the assets acquired and the liabilities assumed by the Group has been recorded in the consolidated statement of financial position as at 30 September 2016.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		Increase/ (Decrease) %
	Year ended 30 September 2016 S\$'000	2015 S\$'000	
Revenue	25,051	21,879	14.5
Cost of sales	(13,669)	(12,332)	10.8
Gross profit	11,382	9,547	19.2
Other operating income	254	301	(15.6)
Marketing and distribution expenses	(705)	(639)	10.3
Administrative expenses	(6,665)	(5,627)	18.4
Other operating expenses	(883)	(289)	205.5
Investment revenue	16	16	-
Other gains and losses	(92)	355	(126.0)
Finance costs	(15)	(1)	n.m ⁽¹⁾
Profit before tax	3,292	3,663	(10.1)
Income tax expense	(551)	(318)	73.3
Profit for the year	2,741	3,345	(18.1)
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	43	(65)	(166.2)
Other comprehensive loss for the year, net of tax	43	(65)	(166.2)
Total comprehensive income for the year	2,784	3,280	(15.1)
Profit (Loss) attributable to:			
Owners of the Company	2,838	3,288	(13.7)
Non-controlling interests	(97)	57	(270.2)
	2,741	3,345	(18.1)

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Group		Increase/ (Decrease) %
	Year ended 30 September 2016 S\$'000	2015 S\$'000	
Total comprehensive income (loss) attributable to:			
Owners of the Company	2,881	3,210	(10.2)
Non-controlling interests	(97)	70	(238.6)
	<u>2,784</u>	<u>3,280</u>	<u>(15.1)</u>
Basic and diluted earnings per share (cents)	<u>2.53</u>	<u>2.94</u>	<u>(13.9)</u>

Note:

(1) n.m. denotes not meaningful.

1(a)(ii) Notes to consolidated statement of profit or loss and other comprehensive income

Profit for the year has been arrived at after crediting (charging):

	Group		Increase/ (Decrease) %
	Year ended 30 September 2016 S\$'000	2015 S\$'000	
Other operating income:			
Rental income	20	20	-
Sundry income	234	281	(16.7)
	<u>254</u>	<u>301</u>	<u>(15.6)</u>
Investment revenue:			
Interest income from bank deposits	16	16	-
Finance costs	(15)	(1)	n.m. ⁽¹⁾
Depreciation of property, plant and equipment	(486)	(338)	43.8
Amortisation of intangible asset	(292)	(94)	210.6
Net foreign exchange (losses) / gains	(91)	317	128.7
(Loss) / gain on disposal of property, plant and equipment	(1)	38	102.6
Adjustments for over / (under) provision of tax in respect of prior years	10	(3)	433.3
Impairment loss (recognized) / reversed on trade receivables	(398)	6	n.m. ⁽¹⁾
Bad debts written off	(3)	-	n.m. ⁽¹⁾
	<u>(3)</u>	<u>-</u>	<u>n.m.⁽¹⁾</u>

Note:

(1) n.m. denotes not meaningful.

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

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.

Statements of Financial Position

	Group		Company	
	As at 30 September		As at 30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	10,084	8,095	485	684
Pledged bank deposits	-	1,000	-	-
Trade and other receivables	9,471	8,706	1,454	3,501
Inventories	3,288	2,226	-	-
Total current assets	22,843	20,027	1,939	4,185
Non-current assets				
Property, plant and equipment	3,082	2,550	-	-
Intangible asset	2,657	1,266	-	-
Pledged bank deposits	132	130	-	-
Subsidiaries	-	-	4,738	2,698
Total non-current assets	5,871	3,946	4,738	2,698
Total assets	28,714	23,973	6,677	6,883
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	139	131	-	-
Trade and other payables	4,543	3,116	214	212
Current portion of finance leases	47	-	-	-
Income tax payable	615	205	5	3
Total current liabilities	5,344	3,452	219	215
Non-current liabilities				
Bank borrowings	404	517	-	-
Deferred tax liabilities	605	424	-	-
Other payables	-	17	-	-
Total non-current liabilities	1,009	958	-	-
Total liabilities	6,353	4,410	219	215
Capital, reserves and non-controlling interests				
Share capital	5,245	5,245	5,245	5,245
Reserves	15,616	13,855	1,213	1,423
Equity attributable to owners of the Company	20,861	19,100	6,458	6,668
Non-controlling interests	1,500	463	-	-
Total equity	22,361	19,563	6,458	6,668
Total liabilities and equity	28,714	23,973	6,677	6,883

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	As at 30 September 2016		As at 30 September 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	139	-	131	-
Amount repayable after one year	404	-	517	-

Details of any collateral

As at 30 September 2016, secured borrowings comprised term loans of S\$543,000 (30 September 2015: S\$648,000) which were secured by a pledge of the Group's bank deposits of S\$132,000 (30 September 2015: S\$130,000).

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

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

Consolidated Statement of Cash Flows

	Group	
	Year ended 30 September	
	2016	2015
	S\$'000	S\$'000
Operating activities		
Profit before tax	3,292	3,663
Adjustments for:		
Interest income	(16)	(16)
Finance costs	15	1
Depreciation of property, plant and equipment	486	338
Amortisation of intangible assets	292	94
Allowance for doubtful receivables	398	-
Bad debts written off	3	-
Net foreign exchange loss	14	-
Loss / (gain) on disposal of property, plant and equipment	1	(38)
Operating cash flows before movements in working capital	4,485	4,042
Inventories	(951)	65
Trade and other receivables	(205)	243
Trade and other payables	1,279	(1,396)
Cash generated from operations	4,608	2,954
Income tax paid	(200)	(541)
Net cash from operating activities	4,408	2,413
Investing activities		
Purchase of property, plant and equipment	(891)	(1,338)
Proceeds from disposal of property, plant and equipment	2	67
Decrease / (Increase) in pledged bank deposits	1,009	(130)
Interest received	16	16
Repayment / (advance) of loan from / (to) a third party	504	(504)
Net cash flow from acquisition of subsidiary	(1,768)	-
Net cash used in investing activities	(1,128)	(1,889)
Financing activities		
Dividends paid	(1,120)	(1,456)
New bank loans raised	21	654
Repayment of bank borrowings	(129)	(6)
Repayment of obligations under finance leases	(34)	(3)
Interest paid	(15)	(1)
Capital contribution from non-controlling interests in a subsidiary	-	285
Net cash used in financing activities	(1,277)	(527)
Net (decrease) / increase in cash and cash equivalents	2,003	(3)
Cash and cash equivalents at beginning of year	8,095	8,098
Exchange effects on cash and cash equivalents	(14)	-
Cash and cash equivalents at end of year	10,084	8,095

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

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

Statements of Changes in Equity

The Group	Share capital S\$'000	Translation reserve S\$'000	Capital reserves S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 October 2015	5,245	(87)	277	19	13,646	19,100	463	19,563
Total comprehensive income (loss) for the year								
Profit for the year	-	-	-	-	2,838	2,838	(97)	2,741
Other comprehensive income for the year	-	43	-	-	-	43	-	43
Total	-	43	-	-	2,838	2,881	(97)	2,784
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(1,120)	(1,120)	-	(1,120)
Non-controlling interests arising from acquisition of a subsidiary	-	-	-	-	-	-	1,134	1,134
Total	-	-	-	-	(1,120)	(1,120)	1,134	14
Balance at 30 September 2016	5,245	(44)	277	19	15,364	20,861	1,500	22,361

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

The Group	Share capital S\$'000	Translation reserve S\$'000	Capital reserves S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 October 2014	5,245	(9)	277	19	11,814	17,346	108	17,454
Total comprehensive income (loss) for the year								
Profit for the year	-	-	-	-	3,288	3,288	57	3,345
Other comprehensive (loss) income for the year	-	(78)	-	-	-	(78)	13	(65)
Total	-	(78)	-	-	3,288	3,210	70	3,280
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(1,456)	(1,456)	-	(1,456)
Capital contribution from non-controlling interests in a subsidiary	-	-	-	-	-	-	285	285
Total	-	-	-	-	(1,456)	(1,456)	285	(1,171)
Balance at 30 September 2015	5,245	(87)	277	19	13,646	19,100	463	19,563

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

The Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 October 2015	5,245	1,423	6,668
Profit for the year, representing total comprehensive income for the year	-	910	910
Transactions with owners, recognised directly in equity			
Dividends	-	(1,120)	(1,120)
Balance at 30 September 2016	<u>5,245</u>	<u>1,213</u>	<u>6,458</u>
Balance at 1 October 2014	5,245	2,001	7,246
Profit for the year, representing total comprehensive income for the year	-	878	878
Transactions with owners, recognised directly in equity			
Dividends	-	(1,456)	(1,456)
Balance at 30 September 2015	<u>5,245</u>	<u>1,423</u>	<u>6,668</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There were no changes in the Company's share capital since the end of 30 September 2015 and there were no outstanding convertibles or treasury shares held by the Company as at 30 September 2016 and 30 September 2015. As at the date hereof, the Company does not have any share option scheme or performance share plan and also has not obtained any share buy-back mandate.

As at 30 September 2016 and 30 September 2015, the total number of issued shares excluding treasury shares of the Company was 112,000,000.

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.

	<u>No of ordinary shares</u>	
	<u>As at 30 September</u>	
	<u>2016</u>	<u>2015</u>
Total number of issued shares	112,000,000	112,000,000
Less: Total number of treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>112,000,000</u>	<u>112,000,000</u>

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

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

Not applicable. There were no treasury shares as at 30 September 2016 and 30 September 2015.

- 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 by the auditors of the Company.

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

Not applicable.

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

Save as disclosed in section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial year ended 30 September 2016 as its most recently audited financial statements for the financial year ended 30 September 2015.

- 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.**

In the financial year ended 30 September 2016, the Group has adopted all the new and revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are relevant to the Group and effective for the financial period beginning on 1 October 2015. The adoption of these new and revised FRS and INT FRS does not result in any substantive changes to the Group's accounting policies and has no material effect on the amounts reported for the financial year ended 30 September 2016.

- 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:**
(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

Earnings per share ("EPS")

	Group	
	Year ended 30 September	
	2016	2015
Profit attributable to owners of the Company (S\$'000)	2,838	3,288
Weighted average number of ordinary shares ('000)	112,000	112,000
EPS ⁽¹⁾ - Basic and diluted ⁽²⁾ (cents)	<u>2.53</u>	<u>2.94</u>

Notes:

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

- (1) EPS is calculated based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue.
- (2) The basic and diluted EPS are the same as the Company did not have any outstanding dilutive equity instruments for the financial years ended 30 September 2016 and 30 September 2015.

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

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

Net Asset Value (“NAV”)

	Group		Company	
	As at 30 September 2016	2015	As at 30 September 2016	2015
NAV per ordinary share (cents)	18.63	17.05	5.77	5.95
Number of ordinary shares used in computation of NAV per ordinary share ('000)	112,000	112,000	112,000	112,000

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) seasonal 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.

Review of the Group’s Financial Performance

Revenue

The Group typically experiences a fluctuation in revenue contribution from its customers from period to period due to the project based nature of its business. Such projects differ in their scope and size and are typically non-recurring.

The Group’s revenue for the financial year ended 30 September 2016 (“FY2016”) was S\$25.05 million, an increase of S\$3.17 million or 14.5% as compared to S\$21.88 million for the financial year ended 30 September 2015 (“FY2015”). The increase in revenue was mainly due to the maiden revenue contribution of S\$3.35 million from Grimm, a company engaged in the trading and design of production components, which was acquired by the Company on 29 January 2016. In addition to the aforementioned, the Group reported:

- (i) a net decrease in revenue from the sale of door and shutter systems of S\$0.51 million, as a result of (a) a decrease in sales of distributed products amounting to S\$4.30 million in the absence of similar security projects undertaken by the Group in Macau during FY2015; and (b) an increase in sales of manufactured products amounting to S\$3.79 million arising from higher demand from developers of industrial and commercial properties, in particular ramp up factories; and
- (ii) an increase in revenue from the provision of service and maintenance work amounting to S\$0.30 million.

In FY2016, Singapore, Europe, Greater China, Middle East and other markets contributed approximately 76.3%, 11.8%, 8.6%, 1.9%, and 1.5% to the Group’s total revenue. In comparison, in FY2015, Singapore, Greater China, Middle East and other markets contributed approximately 65.6%, 33.2%, 0.1% and 1.0% to the Group’s total revenue. There was an increase in sales contribution from the Singapore market in FY2016 as there was increased sale of manufactured products to developers of industrial and commercial properties in Singapore. There was a

decrease in sales contribution from the Greater China market as the Group secured fewer projects in Macau. There was a maiden revenue contribution from the European market in FY2016 as the Group acquired Grimm which mainly sells production components to the European market in January 2016.

Cost of sales

Cost of sales increased by S\$1.34 million or 10.8% from S\$12.33 million in FY2015 to S\$13.67 million in FY2016 mainly due to higher material costs of S\$0.93 million and higher labour cost of S\$0.33 million. The increase in material cost and labour cost is in line with the increase in revenue.

Gross profit

Gross profit increased by S\$1.83 million or 19.2% from S\$9.55 million in FY2015 to S\$11.38 million in FY2016. Gross profit margin increased from 43.6% in FY2015 to 45.4% in FY2016. The slightly higher gross profit margin was mainly due to higher sales of manufactured products which typically have better margins as compared to distributed products.

Other operating income

Other operating income decreased by S\$0.05 million or 15.6% from S\$0.30 million in FY2015 to S\$0.25 million in FY2016. The decrease in other operating income was mainly attributable to lower government grant received.

Marketing and distribution expenses

Marketing and distribution expenses increased by S\$0.07 million or 10.3% from S\$0.64 million in FY2015 to S\$0.71 million in FY2016. This was mainly due to an increase in transportation and freight charges of S\$0.06 million.

Administrative expenses

Administrative expenses increased by S\$1.04 million or 18.4% from S\$5.63 million in FY2015 to S\$6.67 million in FY2016. The increase in administrative expenses was mainly due to (i) higher personnel cost of S\$0.64 million as a result of higher headcount, including Grimm where their personnel cost accounted for S\$0.36 million; and (ii) higher amortization of intangible assets of S\$0.20 million. The acquisition of Grimm had contributed additional intangible assets to the Group as well as its related amortization on these intangible assets.

Other operating expenses

Other operating expenses increased by S\$0.59 million from S\$0.29 million in FY2015 to S\$0.88 million in FY2016. The increase in other operating expenses was mainly due to the increase in (i) impairment loss on trade receivables of S\$0.40 million; and (ii) research and development expenses of S\$0.15 million. The higher impairment loss on trade receivables was attributable to debts relating to customers in the Middle East.

Other gains and losses

Other gains and losses reversed from a net gain of S\$0.36 million in FY2015 to a net loss of S\$0.09 million in FY2016 mainly due to the increase in net foreign exchange losses of S\$0.41 million arising from the translation of trade receivables and bank balances denominated in US\$ in FY2016.

Finance costs

Finance costs increased by S\$14,000 from S\$1,000 in FY2015 to S\$15,000 in FY2016 mainly due to interest charges attributable a loan which was drawn down near the end of FY2015.

Income tax expense

Income tax expense increased by S\$0.23 million or 73.3% from S\$0.32 million in FY2015 to S\$0.55 million in FY2016. The higher income tax expense was mainly due to the absence of a tax allowance to offset against the taxable income for FY2016.

Profit for the year

As a result of the above, profit for the year decreased by S\$0.60 million or 18.1% from S\$3.34 million in FY2015 to S\$2.74 million in FY2016.

Review of the Group's Financial Position

Current assets

Current assets increased by S\$2.81 million from S\$20.03 million as at 30 September 2015 to S\$22.84 million as at 30 September 2016. The increase in current assets was a result of:

- (i) an increase in cash and cash equivalents of S\$1.99 million;
- (ii) an increase in trade and other receivables of S\$0.76 million; and
- (iii) an increase in inventories of S\$1.06 million.

Trade and other receivables were higher as a result of: (a) an increase in gross trade receivables of S\$0.97 million (of which Grimm contributed S\$0.85 million) offset by increase in impairment loss on trade receivables of S\$0.40 million; (b) an increase in prepayments and deposits of S\$0.63 million; and (c) a decrease in other receivables of S\$0.50 million as the Group received repayment of a loan advanced to a third party.

Non-current assets

Non-current assets increased by S\$1.92 million from S\$3.95 million as at 30 September 2015 to S\$5.87 million as at 30 September 2016, as a result of:

- (i) an increase in goodwill and intangible assets of S\$0.86 million and S\$0.63 million respectively arising from the acquisition of Grimm; and
- (ii) an increase in property, plant and equipment of S\$0.53 million.

Current liabilities

Current liabilities increased by S\$1.89 million from S\$3.45 million as at 30 September 2015 to S\$5.34 million as at 30 September 2016. The increase in current liabilities was mainly due to:

- (i) an increase in trade and other payables of S\$1.42 million mainly attributed to an increase in deposits received from customers of S\$0.82 million (as a result of higher percentage of deposit required for sales orders placed by customers) and an increase in trade payables of S\$0.57 million; and
- (ii) an increase in income tax payable of S\$0.41 million.

Non-current liabilities

Non-current liabilities increased by S\$0.05 million from S\$0.96 million as at 30 September 2015 to S\$1.01 million as at 30 September 2016 due to an increase in deferred tax liabilities of S\$0.19 million, partially offset by a decrease in bank borrowings of S\$0.11 million.

Capital, reserves and non-controlling interests

Total equity increased by S\$2.80 million from S\$19.56 million as at 30 September 2015 to S\$22.36 million as at 30 September 2016 mainly due to the profits earned and changes in non-controlling interests during FY2016, partially offset by the dividends paid.

Review of the Group's Cash Flows

Net cash from operating activities

In FY2016, the Group generated net cash of S\$4.49 million from operating activities before changes in working capital. The Group's net working capital inflow amounted to S\$0.12 million and was mainly due to the increase in trade and other payables of S\$1.28 million, offset by the increase in trade and other receivables of S\$0.21 million and the increase in inventories of S\$0.95 million. After payment of income tax of S\$0.20 million, the net cash from operating activities in FY2016 amounted to S\$4.41 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$1.13 million and was mainly due to (i) net cash outflow from the acquisition of Grimm of S\$1.77 million; and (ii) purchase of property, plant and equipment of S\$0.89 million. This was partially offset by a decrease in pledged bank deposits of S\$1.01 million where pledged bank deposit of S\$1.00 million was no longer required for existing Singapore banking facility and the repayment of a loan advanced by the Group to a third party of S\$0.50 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$1.28 million and was mainly due to payment of dividends of S\$1.12 million and repayment of bank borrowings and finance lease obligation of S\$0.13 million and S\$0.03 million respectively.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

The lacklustre economy in Singapore and the region will continue to pose challenges to the Group's business operations. Notwithstanding the continued uncertain economic outlook, the Group remains cautiously optimistic that the outlook on the door and shutter solutions industry in Singapore will remain positive in the next 12 months. The Group continues to be on the lookout for new projects to maintain or expand its order books. The Group's order book remains healthy as at 30 September 2016.

As announced on 2 November 2016, Gliderol Doors (S) Pte Ltd, the Company's wholly owned subsidiary, plans to invest approximately S\$1.5 million in machinery and equipment to automate certain productions process in the current financial year ending 30 September 2017. This is part of the Group's continuous efforts to automate production process amidst the tight labour market environment in Singapore.

11. Dividend

(a) Any dividend declared (recommended) for the current financial period reported on

Yes. The first and final dividend in respect of FY2016, as proposed below, is subject to the approval of shareholders at the Company's annual general meeting to be held in January 2017.

	FY2016
Name of dividend	First and final dividend
Type of dividend	Cash
Dividend per ordinary share	0.8 cent
Total annual dividend	S\$896,000

(b) Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year

Yes. The first and final dividend in respect of FY2015 was paid to the Company's shareholders on 12 February 2016.

	FY2015
Name of dividend	First and final dividend
Type of dividend	Cash
Dividend per ordinary share	1.0 cents
Total annual dividend	S\$1,120,000

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

Tax exempt (one-tier).

(d) Date payable

To be announced at a later date.

(e) Books closure date

To be announced at a later date.

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

Not applicable. The Company's board of directors is recommending to declare a dividend in respect of FY2016.

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 Company has not obtained a general mandate from its shareholders for IPTs. During FY2016, there were no interested person transactions entered into by the Group.

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

The Company confirms that it has already procured signed undertakings from all its directors and relevant executive officers in the format as set out in Appendix 7H of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”) in accordance with Rule 720(1) of the Catalist Rules, such format as revised by the SGX-ST on 21 January 2016.

Part II Additional Information Required for Full Year Announcement

15. 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.

By business segment

The Group operates and manages its business primarily as a single operating segment in the manufacture and supply of door and shutter systems and provision of service and maintenance works. As such, no operating segmental revenue and results have been prepared.

By geographical segment

The Group operates mainly in the geographical areas of Singapore, Middle East, Greater China, European and Others. The Group’s revenue from external customers by geographical locations are as below:

Revenue from external customers (based on location of customers)	Group	
	Year ended 30 September	
	2016 S\$’000	2015 S\$’000
Singapore	19,112	14,353
Greater China	2,143	7,274
Middle East	464	31
European	2,947	-
Others	385	221
Total	25,051	21,879

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

Please refer to section 8 of this announcement for the review of the performance of the Group.

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

17. A breakdown of sales as follows:

	Group		Increase/ (Decrease) %
	Year ended 30 September 2016 S\$'000	2015 S\$'000	
(a) Sales reported for first half year	11,461	10,516	9.0
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,530	1,299	17.8
(c) Sales reported for second half year	13,590	11,363	19.6
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	1,211	2,046	(40.8)

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

	Group	
	Year ended 30 September 2016 S\$'000	2015 S\$'000
Ordinary	896	1,120
Preference	-	-
Total	896	1,120

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10), the Company confirms that during FY2016 and up to the date hereof, there has not been any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Wong Lok Yung
Chairman and Chief Executive Officer
24 November 2016

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.