



**COSMOSTEEL HOLDINGS LIMITED**  
**Co. Reg. No. 200515540Z**

**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

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

	Group					
	<u>4QFY2019</u>	<u>4QFY2018</u>	%	<u>1-Oct-18</u>	<u>1-Oct-17</u>	%
	S\$'000	S\$'000		<u>30-Sep-19</u>	<u>30-Sep-18</u>	
			+ / (-)	S\$'000	S\$'000	+ / (-)
Revenue	17,847	16,005	11.5	91,582	82,249	11.3
Cost of sales	(13,583)	(12,451)	9.1	(72,895)	(68,590)	6.3
Gross profit	4,264	3,554	20.0	18,687	13,659	36.8
Financial income	-	9	(100.0)	17	99	(82.8)
Financial expense	(186)	(218)	(14.7)	(860)	(627)	37.2
Distribution costs	(1,293)	(1,288)	0.4	(4,700)	(4,837)	(2.8)
Administrative expenses	(1,502)	(1,765)	(14.9)	(6,457)	(6,071)	6.4
Depreciation expense	(1,184)	(1,077)	9.9	(4,247)	(5,220)	(18.6)
Other gains/ (losses)	202	(28,994)	NM	373	(31,026)	NM
<b>Profit/ (Loss) before income tax</b>	<b>301</b>	<b>(29,779)</b>	<b>(101.0)</b>	<b>2,813</b>	<b>(34,023)</b>	<b>(108.3)</b>
Income tax (expense)/ income	(5)	1,706	(100.3)	(5)	1,706	(100.3)
<b>Profit/ (Loss) for the year</b>	<b>296</b>	<b>(28,073)</b>	<b>(101.1)</b>	<b>2,808</b>	<b>(32,317)</b>	<b>(108.7)</b>
<b>Other Comprehensive Income:</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
(Losses)/ Gains on property revaluation, net of tax	(60)	2,055	(102.9)	(60)	2,055	(102.9)
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Exchange differences on translating foreign operations, net of tax	11	18	(38.9)	67	78	(14.1)
Other comprehensive (loss)/ income for the year, net of tax	(49)	2,073	(102.4)	7	2,133	(99.7)
<b>Total comprehensive income/ (loss) for the year, net of tax</b>	<b>247</b>	<b>(26,000)</b>	<b>(101.0)</b>	<b>2,815</b>	<b>(30,184)</b>	<b>(109.3)</b>

NM: Not meaningful

**1(a)(ii) The consolidated statement of comprehensive income is arrived after crediting / (charging) the following:**

	Group			
	<u>4QFY2019</u>	<u>4QFY2018</u>	<u>1-Oct-18</u>	<u>1-Oct-17</u>
	S\$'000	S\$'000	<u>30-Sep-19</u>	<u>30-Sep-18</u>
			S\$'000	S\$'000
Allowance for impairment on trade receivables - (loss)/ reversal	(6)	(16)	4	(19)
Inventories value written back/ (written down)	142	(29,054)	514	(30,763)
Bad debts (written off)/ recovered	(23)	1	(16)	(1)
Foreign exchange adjustment gains/ (losses)	85	72	(150)	(209)
Gain on disposal of plant and equipment	3	-	1	-
Interest on borrowings	(186)	(218)	(860)	(627)



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1(b)(i) Statements of financial position together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	<u>As at</u> <u>30/9/19</u> S\$'000	<u>As at</u> <u>30/9/18</u> S\$'000	<u>As at</u> <u>30/9/19</u> S\$'000	<u>As at 30/9/18</u> S\$'000
<b><u>ASSETS</u></b>				
<b><u>Non-Current Assets</u></b>				
Property, Plant and Equipment	26,778	29,119	-	-
Investments in Subsidiaries	-	-	60,107	60,107
<b>Total Non-Current Assets</b>	<b>26,778</b>	<b>29,119</b>	<b>60,107</b>	<b>60,107</b>
<b><u>Current Assets</u></b>				
Inventories	37,426	41,317	-	-
Trade and Other Receivables	31,977	26,903	2,467	1,561
Financial Assets at Fair Value Through Profit or Loss	107	199	-	-
Other Assets	370	319	48	32
Cash and Cash Equivalents	8,583	14,150	177	177
<b>Total Current Assets</b>	<b>78,463</b>	<b>82,888</b>	<b>2,692</b>	<b>1,770</b>
<b>Total Assets</b>	<b>105,241</b>	<b>112,007</b>	<b>62,799</b>	<b>61,877</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>Equity</u></b>				
Share Capital	56,325	56,325	56,325	56,325
Retained Earnings	10,847	7,060	6,219	5,312
Other Reserves	9,100	10,072	-	-
<b>Total Equity</b>	<b>76,272</b>	<b>73,457</b>	<b>62,544</b>	<b>61,637</b>
<b><u>Non-Current Liabilities</u></b>				
Provisions	1,650	40	-	-
Other Financial Liabilities	5,933	6,781	-	-
<b>Total Non-Current Liabilities</b>	<b>7,583</b>	<b>6,821</b>	<b>-</b>	<b>-</b>
<b><u>Current Liabilities</u></b>				
Income Tax Payable	-	-	-	7
Trade and Other Payables	9,039	9,088	255	233
Other Financial Liabilities	11,870	22,331	-	-
Other Non-Financial Liabilities	477	310	-	-
<b>Total Current Liabilities</b>	<b>21,386</b>	<b>31,729</b>	<b>255</b>	<b>240</b>
<b>Total Liabilities</b>	<b>28,969</b>	<b>38,550</b>	<b>255</b>	<b>240</b>
<b>Total Equity and Liabilities</b>	<b>105,241</b>	<b>112,007</b>	<b>62,799</b>	<b>61,877</b>



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**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30/09/2019		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
11,870	-	22,331	-

**Amount repayable after one year**

As at 30/09/2019		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
5,933	-	6,781	-

**Details of any collateral**

As at 30 September 2019, the Group's borrowings and debt securities consist of bills payable, finance leases and loans for the properties at 90 Second Lok Yang Road Singapore 628166 and 36 Tuas Crescent Singapore 638724.

The borrowings are secured by:

- (a) Legal mortgage on the Group's leasehold properties at 90 Second Lok Yang Road Singapore 628166 and 36 Tuas Crescent Singapore 638724;
- (b) Negative pledge over the assets of the Group;

and covered by corporate guarantees issued by the Company.

The obligations under finance leases are secured by the lessor's charge over the leased assets.



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

	<b>Group</b>			
	<u><b>4QFY2019</b></u>	<u><b>4QFY2018</b></u>	<u><b>1-Oct-18</b></u>	<u><b>1-Oct-17</b></u>
	<u><b>S\$'000</b></u>	<u><b>S\$'000</b></u>	<u><b>30-Sep-19</b></u>	<u><b>30-Sep-18</b></u>
	<u><b>S\$'000</b></u>	<u><b>S\$'000</b></u>	<u><b>S\$'000</b></u>	<u><b>S\$'000</b></u>
<b>Cash Flows From Operating Activities :</b>				
Profit/ (Loss) Before Tax	301	(29,779)	2,813	(34,023)
Adjustments for :				
Interest Income	-	(9)	(17)	(99)
Interest Expense	186	218	860	627
Depreciation of Property, Plant and Equipment	1,184	1,077	4,247	5,220
Gain on Disposal of Plant and Equipment	(3)	-	(1)	-
Operating Cash Flows before Changes in Working Capital	1,668	(28,493)	7,902	(28,275)
Inventories	2,768	30,365	3,891	27,554
Trade and Other Receivables	3,399	4,048	(5,010)	282
Financial Assets at Fair Value through Profit or Loss	(2)	(4)	92	1,375
Other Assets	(107)	(174)	(51)	164
Trade and Other Payables	(711)	(3,707)	(49)	3,885
Other Non-Financial Liabilities	(738)	(334)	167	(969)
Net Cash Flows From Operations	6,277	1,701	6,942	4,016
Income Taxes Refunded	6	-	10	228
Net Cash Flows From Operating Activities	6,283	1,701	6,952	4,244
<b>Cash Flows From Investing Activities :</b>				
Purchase of Property, Plant and Equipment	(58)	(549)	(370)	(7,836)
Proceeds From Disposal of Property, Plant and Equipment	3	-	3	-
Interest Received	-	9	17	99
Net Cash Flows Used in Investing Activities	(55)	(540)	(350)	(7,737)
<b>Cash Flows From Financing Activities :</b>				
Cash Restricted in Use Over 3 Months	(1)	(23)	1,314	(1,345)
Decrease in Other Financial Liabilities	(4,422)	(994)	(11,400)	(10,856)
Increase from New Borrowings	-	2,094	223	8,000
Finance Leases Repayments	(14)	(53)	(140)	(212)
Interest Paid	(185)	(215)	(852)	(615)
Net Cash Flows (Used in)/ From Financing Activities	(4,622)	809	(10,855)	(5,028)
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	1,606	1,970	(4,253)	(8,521)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	6,919	10,808	12,778	21,299
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	8,525	12,778	8,525	12,778



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	Group			
	<u>4QFY2019</u>	<u>4QFY2018</u>	<u>1-Oct-18</u>	<u>1-Oct-17</u>
	S\$'000	S\$'000	<u>30-Sep-19</u>	<u>30-Sep-18</u>
			S\$'000	S\$'000
Cash and Cash Equivalents	8,583	14,150	8,583	14,150
Cash Restricted in Use Over 3 Months	(58)	(1,372)	(58)	(1,372)
<b>Cash and Cash Equivalents for Statement of Cash Flows Purposes at End of the Year</b>	<b>8,525</b>	<b>12,778</b>	<b>8,525</b>	<b>12,778</b>

1(d)(i) A statement (for the issuer) 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.

<u>Group</u>	<u>Share Capital</u> S\$'000	<u>Currency Translation Reserve</u> S\$'000	<u>Revaluation Reserve</u> S\$'000	<u>Retained Earnings</u> S\$'000	<u>Total Equity</u> S\$'000
<b>Balance at 1 October 2017</b>	56,325	194	9,930	37,192	103,641
Total Comprehensive Loss for The Year	-	78	2,055	(32,317)	(30,184)
Transfer to Retained Earnings of Difference Between Depreciation on Carrying Revalued Amount and Depreciation Based on Original Cost	-	-	(2,185)	2,185	-
<b>Balance at 30 September 2018</b>	<b>56,325</b>	<b>272</b>	<b>9,800</b>	<b>7,060</b>	<b>73,457</b>
<b>Balance at 1 October 2018</b>	56,325	272	9,800	7,060	73,457
Total Comprehensive Income for The Year	-	67	(60)	2,808	2,815
Transfer to Retained Earnings of Difference Between Depreciation on Carrying Revalued Amount and Depreciation Based on Original Cost	-	-	(979)	979	-
<b>Balance at 30 September 2019</b>	<b>56,325</b>	<b>339</b>	<b>8,761</b>	<b>10,847</b>	<b>76,272</b>

<u>Company</u>	<u>Share Capital</u> S\$'000	<u>Retained Earnings</u> S\$'000	<u>Total Equity</u> S\$'000
<b>Balance at 1 October 2017</b>	56,325	5,224	61,549
Total Comprehensive Income for The Year	-	88	88
<b>Balance at 30 September 2018</b>	<b>56,325</b>	<b>5,312</b>	<b>61,637</b>
<b>Balance at 1 October 2018</b>	56,325	5,312	61,637
Total Comprehensive Income for The Year	-	907	907
<b>Balance at 30 September 2019</b>	<b>56,325</b>	<b>6,219</b>	<b>62,544</b>



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**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 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 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 30 June 2019. There were no outstanding convertibles and treasury shares as at 30 September 2019 and 30 September 2018.

**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.**

As at 30/09/19	As at 30/09/18
290,399,997	290,399,997

The Company did not have any treasury shares at the end of the current financial period and as at the end of the immediately preceding year.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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 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.**

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 30 September 2018.



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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 Accounting Standards Council (Singapore) has introduced a new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”), that is identical to the International Financial Reporting Standards issued by the International Accounting Standards Board, for the financial year beginning on or after 1 January 2018.

The Group has adopted SFRS(I) on 1 October 2018 and as a result, the Group’s financial statements for the financial year ending 30 September 2019 will be prepared in accordance with SFRS(I).

The adoption of SFRS(I) will have no material impact on the Group’s financial statements in this year of initial application.

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.**

	<b>Group</b>			
Earnings per ordinary share of the Group (in cents):	<b>4QFY2019</b>	<b>4QFY2018</b>	<b>FY2019</b>	<b>FY2018</b>
(a) Based on weighted average number of ordinary shares in issue	0.10	(9.67)	0.97	(11.13)
(b) On a fully diluted basis	0.10	(9.67)	0.97	(11.13)
Weighted average number of ordinary shares in issue	290,399,997	290,399,997	290,399,997	290,399,997

The fully diluted earnings per ordinary share is the same as the basic earnings per ordinary share as there were no options granted or outstanding during the financial period.

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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/09/2019</b>	<b>As at 30/09/2018</b>	<b>As at 30/09/2019</b>	<b>As at 30/09/2018</b>
Net asset value per ordinary share based on issued share capital at the end of the financial period (in cents):	26.26	25.30	21.54	21.22
Number of ordinary shares in issue	290,399,997	290,399,997	290,399,997	290,399,997



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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.**

**Statement of Comprehensive Income Review**

Revenue

Revenue had increased by \$1.8 million or 11.5% from \$16.0 million in 4QFY2018 to \$17.8 million in 4QFY2019. The increase was mainly due to increase in revenue from customers in the Energy and Trading Sectors, partly offset by a decrease in revenue from Marine Sector. There was an increase in revenue of \$9.4 million or 11.3% from \$82.2 million in FY2018 to \$91.6 million in FY2019 year on year. Revenue from Energy Sector had increased by \$5.9 million or 9.0% from \$66.5 million in FY2018 to \$72.4 million in FY2019. Likewise, revenue from Trading Sector had increased by \$5.6 million or 70.3% from \$8.1 million in FY2018 to \$13.7 million in FY2019. The increase was offset by a decrease in revenue from Marine Sector. Revenue from Marine Sector had decreased by \$1.0 million or 18.4% from \$5.7 million in FY2018 to \$4.7 million in FY2019.

Geographically, year on year, revenue had increased in all markets with the exception of Indonesia, Vietnam and Thailand. Singapore was the main contributor at 41.4% of the revenue generated in FY2019.

Gross Profit and Gross Profit Margin

In tandem to the increase in revenue, gross profit had increased by \$0.7 million or 20.0% from \$3.6 million in 4QFY2018 to \$4.3 million in 4QFY2019. Gross profit margin increased by 1.7 percentage point from 22.2% in 4QFY2018 to 23.9% in 4QFY2019. Likewise, year on year, gross profit had increased by \$5.0 million or 36.8% from \$13.7 million in FY2018 to \$18.7 million in FY2019. Gross profit margin had increased by 3.8 percentage points from 16.6% in FY2018 to 20.4% in FY2019.

Financial Income and Expense

Financial income had decreased by \$9 thousand quarter on quarter mainly from interest earned on fixed deposit in 4QFY2018. Year on year, financial income had decreased by \$82 thousand or 82.8% from \$99 thousand in FY2018 to \$17 thousand in FY2019 mainly from interest earned on an equity-linked structured investment in FY2018.

Financial expense remained relatively stable at \$0.2 million quarter on quarter. Year on year, financial expense had increased by \$0.3 million or 37.2% from \$0.6 million in FY2018 to \$0.9 million in FY2019 mainly due to higher interest rates.

Operating Expenses

Distribution costs remained relatively stable at \$1.3 million quarter on quarter. Year on year, distribution costs had decreased by \$0.1 million or 2.8% from \$4.8 million in FY2018 to \$4.7 million in FY2019 mainly from decrease in entertainment expenses and overseas travelling expenses, partly offset by an increase in warehouse rental.

Administrative expenses had decreased by \$0.3 million or 14.9% from \$1.8 million in 4QFY2018 to \$1.5 million in 4QFY2019 mainly from lower employee benefits expenses. Year on year, administrative expenses had increased by \$0.4 million or 6.4% from \$6.1 million in FY2018 to \$6.5 million in FY2019 mainly from professional and consultancy fee and property tax.





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Depreciation expense had increased by \$0.1 million or 9.9% from \$1.1 million in 4QFY2018 to \$1.2 million in 4QFY2019 mainly from amortisation on properties reinstatement costs. Year on year, depreciation expense had decreased by \$1.0 million or 18.6% from \$5.2 million in FY2018 to \$4.2 million in FY2019 mainly from lower depreciation on properties.

Other Gains /(Losses)

Other losses had decreased by \$29.2 million from a loss of \$29.0 million in 4QFY2018 to a gain of \$0.2 million in 4QFY2019 mainly from a provision for slow moving inventories in 4QFY2018. Year on year, other losses had decreased by \$31.4 million from a loss of \$31.0 million in FY2018 to a gain of \$0.4 million in FY2019 as per the reason contributing to the quarter on quarter decrease.

Profit /(Loss) Before Income Tax

Loss before income tax had decreased by \$30.1 million or 101.1% from a loss of \$29.8 million in 4QFY2018 to a profit of \$0.3 million in 4QFY2019. Year on year, there was a profit of \$2.8 million in FY2019 as compared to a loss of \$34.0 million in FY2018 due to the aforementioned reasons.

Other Comprehensive Income

Other comprehensive income had decreased by \$2.1 million or 102.4% from an income of \$2.1 million in 4QFY2018 to a loss of \$49 thousand in 4QFY2019, mainly due to downward revaluations of the properties. Year on year, other comprehensive income had decreased by \$2.1 million or 99.7% from \$2.1 million in FY2018 to \$7 thousand in FY2019 as per the reason contributing to the quarter on quarter decrease.

**Statement of Financial Position Review**

Non-Current Assets

Non-current assets had decreased by \$2.3 million or 8.0% from \$29.1 million as at 30 September 2018 to \$26.8 million as at 30 September 2019 mainly due to the depreciation charged in the current financial year, partly offset by increase in provision for reinstatement cost relating to leased properties.

Current Assets

Current assets had decreased by \$4.4 million or 5.3% from \$82.9 million as at 30 September 2018 to \$78.5 million as at 30 September 2019. The decrease was mainly due to decrease in inventories and cash and cash equivalent, partly offset by increase in trade and other receivables. Inventories had decreased by \$3.9 million or 9.4% from \$41.3 million as at 30 September 2018 to \$37.4 million as at 30 September 2019. Cash and cash equivalent had decreased by \$5.6 million or 39.3% from \$14.2 million as at 30 September 2018 to \$8.6 million as at 30 September 2019. On the other hand, trade and other receivables had increased by \$5.1 million or 18.9% from \$26.9 million as at 30 September 2018 to \$32.0 million as at 30 September 2019.

Non-Current Liabilities

Non-current liabilities had increased by \$0.8 million or 11.2% from \$6.8 million as at 30 September 2018 to \$7.6 million as at 30 September 2019 mainly from increase in provision for reinstatement cost relating to leased properties, partly offset by repayment of bank borrowings.



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Current Liabilities

Current liabilities had decreased by \$10.3 million or 32.6% from \$31.7 million as at 30 September 2018 to \$21.4 million as at 30 September 2019 mainly from decrease in other financial liabilities. Other financial liabilities had decreased by \$10.4 million or 46.9% from \$22.3 million as at 30 September 2018 to \$11.9 million as at 30 September 2019.

Equity

Total equity had increased by \$2.8 million or 3.8% from \$73.5 million as at 30 September 2018 to \$76.3 million as at 30 September 2019 mainly from the profit generated in FY2019.

**Statement of Cash Flows Review**

Cash Flows From Operating Activities

Cash from operating activities had increased by \$4.6 million from \$1.7 million in 4QFY2018 to \$6.3 million in 4QFY2019 mainly from increase in profit before tax and the working capital changes. Year on year, cash from operating activities had increased by \$2.8 million from \$4.2 million in FY2018 to \$7.0 million in FY2019 as per the reason contributing to the quarter on quarter increase.

Cash Flows Used In Investing Activities

Cash used in investing activities had decreased by \$0.5 million from \$0.5 million in 4QFY2018 to \$55 thousand in 4QFY2019 mainly from the lower capital expenditure in 4QFY2019. Year on year, cash used in investing activities had decreased by \$7.3 million from \$7.7 million in FY2018 to \$0.4 million in FY2019 as per the reason contributing to the quarter on quarter decrease.

Cash Flows (Used In)/ From Financing Activities

Cash from financing activities had decreased by \$5.4 million from an inflow of \$0.8 million in 4QFY2018 to an outflow of \$4.6 million in 4QFY2019 mainly from the repayment of bank borrowings. Year on year, cash used in financing activities had increased by \$5.9 million from \$5.0 million in FY2018 to \$10.9 million in FY2019 mainly from increase in repayment of bank borrowings and decrease in new bank borrowings.

**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 was previously disclosed.

**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.**

Barring unforeseen circumstances, we remain cautiously optimistic of maintaining profitability of the Group for FY2020. The Group will continue to increase its marketing efforts and also focus on the sales of its existing inventories. Cost management continues to be a priority.

Management will remain prudent and cautious in the business activities of the Group and at the same time, staying vigilant to identify new potential markets or suitable opportunities for growth.



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**11. Dividend**

**(a) Current Financial Period Reported On**

The Board of Directors has proposed a final dividend which is tax exempt in respect of the financial year ended 30 September 2019 as stated below:

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	\$0.0025

The dividend amount per share is computed based on 290,399,997 ordinary shares in issue and the dividends are not taxable in the hands of shareholders.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

No dividend has been declared by the Company for the corresponding period of the immediately preceding financial year.

**(c) Date payable**

To be advised.

**(d) Books closure date**

To be advised.

**12. If no dividend has been declared/recommended, a statement to that effect.**

See paragraph above.

**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.**

Name of interested person	1 July 2019 to 30 September 2019		1 October 2018 to 30 September 2019	
	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all interested person transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all interested person transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000)
	S\$'000	S\$'000	S\$'000	S\$'000
Hanwa Group *	-	618	-	9,277

\* Hanwa Co., Ltd and its subsidiaries, and (where applicable) its associated companies.



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**14. Confirmation pursuant to Rule 720 (1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer’s most recently audited annual financial statement, with comparative information for the immediately preceding year.**

**By Customer Types**

**Financial year ended 30 September 2019**

	<u>Energy</u> S\$'000	<u>Marine</u> S\$'000	<u>Trading</u> S\$'000	<u>Others</u> S\$'000	<u>Group</u> S\$'000
<b>REVENUE</b>					
Total Revenue	72,409	4,685	13,726	762	91,582
Segment Results	13,509	1,364	3,517	297	18,687
Unallocated corporate expenses					(15,404)
Loss from operations					3,283
Financial income					17
Financial expense					(860)
Other charges					373
Profit before income tax					2,813
Income tax expense					(5)
Profit for the year					2,808
<b>Balance Sheet</b>					
<b>As at 30 September 2019</b>					
<b>ASSETS</b>					
Unallocated corporate assets					105,241
<b>LIABILITIES</b>					
Unallocated corporate liabilities					28,969



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**Financial year ended 30 September 2018**

	<u>Energy</u> S\$'000	<u>Marine</u> S\$'000	<u>Trading</u> S\$'000	<u>Others</u> S\$'000	<u>Group</u> S\$'000
<b>REVENUE</b>					
Total Revenue	66,457	5,742	8,059	1,991	82,249
Segment Results	10,298	1,395	1,578	388	13,659
Unallocated corporate expenses					(16,128)
Loss from operations					(2,469)
Financial income					99
Financial expense					(627)
Other charges					(31,026)
Loss before income tax					(34,023)
Income tax income					1,706
Loss for the year					(32,317)
<b>Balance Sheet</b>					
<b>As at 30 September 2018</b>					
<b>ASSETS</b>					
Unallocated corporate assets					112,007
<b>LIABILITIES</b>					
Unallocated corporate liabilities					38,550

Others include customers in other industries such as manufacturing sector.



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**By Geographical Segments**

**Sales revenue by geographical market**  
**Financial year ended 30 September**

	FY2019 S\$'000	FY2018 S\$'000
Brunei	5,658	3,525
Europe	343	177
Indonesia	284	761
Japan	29,322	21,478
Malaysia	9,385	5,059
Middle East	234	111
Singapore	37,930	28,698
Thailand	241	1,662
Vietnam	5,370	18,429
Others	2,815	2,349
	<b>91,582</b>	<b>82,249</b>

Others include customers in Australia, China and the Philippines.

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

Please refer to paragraph 8.

**17. A breakdown of sales.**

	FY2019	FY2018	Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	49,654	46,053	7.8
(b) Operating profit/ (loss) after tax before deducting minority interest reported for first half year	1,286	(2,356)	(154.6)
(c) Sales reported for second half year	41,928	36,196	15.8
(d) Operating profit/ (loss) after tax before deducting minority interest reported for second half year	1,522	(29,961)	(105.1)



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

	FY2019 \$'000	FY2018 \$'000
Ordinary	726	-

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 office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to confirm that the persons occupying managerial positions of the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company as at 30 September 2019 are as follows:

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any during the year
Teoh Bee Choo	68	Mother of Mr Ong Tong Hai, Chief Executive Officer and Executive Director	Human Resource Manager, position first held in 2005	Nil

By order of the Board

Ong Tong Hai  
 Chief Executive Officer

14 November 2019