



COSMOSTEEL HOLDINGS LIMITED
Co. Reg. No. 200515540Z

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, & Q3), HALF-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>3QFY2017</u>	<u>3QFY2016</u>	%	1-Oct-16	1-Oct-15	%
	S\$'000	S\$'000	+ / (-)	<u>30-Jun-17</u>	<u>30-Jun-16</u>	+ / (-)
Revenue	25,584	16,497	55.1	53,828	55,265	(2.6)
Cost of sales	(22,442)	(12,297)	82.5	(44,983)	(42,912)	4.8
Gross profit	3,142	4,200	(25.2)	8,845	12,353	(28.4)
Financial income	5	39	(87.2)	21	46	(54.3)
Financial expense	(87)	(153)	(43.1)	(308)	(559)	(44.9)
Distribution costs	(1,291)	(1,504)	(14.2)	(4,152)	(4,726)	(12.1)
Administrative expenses	(1,589)	(1,745)	(8.9)	(5,121)	(5,447)	(6.0)
Depreciation expense	(1,472)	(1,381)	6.6	(4,541)	(4,115)	10.4
Other (charges)/ credits	(989)	(83)	1,091.6	(1,716)	1,567	(209.5)
Loss before income tax	(2,281)	(627)	263.8	(6,972)	(881)	691.4
Income tax expense	-	-	-	-	(96)	(100.0)
Loss for the period	(2,281)	(627)	263.8	(6,972)	(977)	613.6

Other Comprehensive (Loss)/ Income:
Items that will not be reclassified to profit or loss:

Loss on deemed disposal of property	(1,267)	-	NM	(1,267)	-	NM
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Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations, net of tax	28	53	(47.2)	(35)	10	(450.0)
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Other comprehensive (loss)/ income for the period, net of tax	(1,239)	53	(2,437.7)	(1,302)	10	NM
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Total comprehensive loss for the period, net of tax	(3,520)	(574)	513.2	(8,274)	(967)	755.6
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NM: Not meaningful

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

	Group			
	<u>3QFY2017</u>	<u>3QFY2016</u>	1-Oct-16	1-Oct-15
	S\$'000	S\$'000	<u>30-Jun-17</u>	<u>30-Jun-16</u>
(Allowance)/ Reversal for impairment on trade receivables	(7)	23	(4)	(12)
(Allowance)/ Reversal for slow-moving inventories and decline in net realisable values	(676)	190	(1,809)	1,820
Bad debts (written off)/ recovered	-	(8)	6	21
Foreign exchange (loss)/ gain	(318)	(283)	18	(280)
Gain/ (Loss) on disposal of plant and equipment	6	(9)	5	(2)
Interest on borrowings	(87)	(153)	(308)	(559)



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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>30/06/17</u> S\$'000	<u>As at</u> <u>30/09/16</u> S\$'000	<u>As at</u> <u>30/06/17</u> S\$'000	<u>As at</u> <u>30/09/16</u> S\$'000
<u>ASSETS</u>				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	22,858	28,361	-	-
Investments in Subsidiaries	-	-	60,107	60,107
Trade and Other Receivables	260	2,139	-	-
Available-For-Sale Financial Assets	92	92	-	-
Total Non-Current Assets	23,210	30,592	60,107	60,107
<u>Current Assets</u>				
Inventories	70,631	78,838	-	-
Trade and Other Receivables	24,306	16,768	1,277	1,156
Income Tax Recoverable	163	-	-	-
Financial Assets at Fair Value Through Profit or Loss	1,591	1,557	-	-
Other Assets	441	411	33	32
Cash and Cash Equivalents	18,031	17,108	331	701
Total Current Assets	115,163	114,682	1,641	1,889
Total Assets	138,373	145,274	61,748	61,996
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Share Capital	56,325	56,325	56,325	56,325
Retained Earnings	36,356	44,780	5,184	5,208
Other Reserves	12,814	14,116	-	-
Total Equity	105,495	115,221	61,509	61,533
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	2,600	2,859	-	-
Provisions	70	70	-	-
Other Financial Liabilities	1,915	2,750	-	-
Total Non-Current Liabilities	4,585	5,679	-	-
<u>Current Liabilities</u>				
Income Tax Payable	-	32	2	9
Trade and Other Payables	6,887	8,801	237	454
Other Financial Liabilities	21,078	15,433	-	-
Other Non-Financial Liabilities	328	108	-	-
Total Current Liabilities	28,293	24,374	239	463
Total Liabilities	32,878	30,053	239	463
Total Equity and Liabilities	138,373	145,274	61,748	61,996



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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 30/06/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
21,078	-	15,433	-

Amount repayable after one year

As at 30/06/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,915	-	2,750	-

Details of any collateral

As at 30 June 2017, the Group's borrowings and debt securities consist of bills payable, finance leases and loan for the property at 36 Tuas Crescent Singapore 638724.

The borrowings are secured by:

- (a) Legal mortgage on the Group's leasehold property at 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.

	Group			
	<u>3QFY2017</u> S\$'000	<u>3QFY2016</u> S\$'000	<u>1-Oct-16</u> <u>30-Jun-17</u> S\$'000	<u>1-Oct-15</u> <u>30-Jun-16</u> S\$'000
Cash Flows From Operating Activities :				
Loss Before Tax	(2,281)	(627)	(6,972)	(881)
Adjustments for :				
Interest Income	(5)	(39)	(21)	(46)
Interest Expense	87	153	308	559
Depreciation of Property, Plant and Equipment	1,472	1,381	4,541	4,115
(Gain)/ Loss on Disposal of Plant and Equipment	(6)	9	(5)	2
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	28	53	(35)	10
Fair Value (Gain)/ Loss on Financial Assets at Fair Value through Profit or Loss	(7)	43	(68)	69
Fair Value (Gain)/ Loss on Derivative Financial Instruments	-	(7)	-	7
Operating Cash Flows before Changes in Working Capital	(712)	966	(2,252)	3,835
Inventories	4,983	3,867	8,207	5,975
Trade and Other Receivables	(2,811)	3,633	(5,659)	8,588
Other Assets	(247)	(282)	(30)	(34)
Bills Payable	10,717	(6,201)	9,725	(14,097)
Trade and Other Payables	(3,698)	(3,475)	(1,914)	(3,025)
Other Non-Financial Liabilities	43	(32)	220	6
Net Cash Flows From/ (Used in) Operations	8,275	(1,524)	8,297	1,248
Income Taxes Paid	(71)	(27)	(195)	(65)
Net Cash Flows From/ (Used in) Operating Activities	8,204	(1,551)	8,102	1,183
Cash Flows From Investing Activities :				
Purchase of Property, Plant and Equipment	(147)	(184)	(408)	(592)
Disposal of Property, Plant and Equipment	7	8	61	38
Surrender Payment Received on Keyman Insurance	-	-	34	-
Interest Received	5	39	21	46
Net Cash Flows Used in Investing Activities	(135)	(137)	(292)	(508)
Cash Flows From Financing Activities :				
Cash Restricted in Use Over 3 Months	2	-	-	-
Decrease in Other Financial Liabilities	(1,526)	(917)	(4,981)	(6,649)
Finance Leases Repayments	(55)	(32)	(146)	(32)
Dividends Paid	-	-	(1,452)	(1,452)
Interest Paid	(87)	(153)	(308)	(559)
Net Cash Flows Used in Financing Activities	(1,666)	(1,102)	(6,887)	(8,692)
Net Increase/ (Decrease) in Cash and Cash Equivalents	6,403	(2,790)	923	(8,017)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	11,602	19,769	17,082	24,996
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	18,005	16,979	18,005	16,979



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	<u>3QFY2017</u> S\$'000	<u>3QFY2016</u> S\$'000	<u>1-Oct-16</u> <u>30-Jun-17</u> S\$'000	<u>1-Oct-15</u> <u>30-Jun-16</u> S\$'000
Cash and Cash Equivalents	18,031	17,004	18,031	17,004
Cash Restricted in Use Over 3 Months	(26)	(25)	(26)	(25)
Cash and Cash Equivalents for Statement of Cash Flows purposes at end of the period	18,005	16,979	18,005	16,979

Non-cash transactions:

There were acquisitions of certain assets under property, plant and equipment with a total cost of \$212,000 (3QFY2016: \$441,500) acquired by means of finance leases.

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
Balance at 1 October 2015	56,325	281	15,221	50,807	122,634
Total Comprehensive Loss for 3QFY2016	-	10	-	(977)	(967)
Dividends Paid	-	-	-	(1,452)	(1,452)
Balance at 30 June 2016	56,325	291	15,221	48,378	120,215
Balance at 1 October 2016	56,325	254	13,862	44,780	115,221
Total Comprehensive Loss for 3QFY2017	-	(35)	(1,267)	(6,972)	(8,274)
Dividends Paid	-	-	-	(1,452)	(1,452)
Balance at 30 June 2017	56,325	219	12,595	36,356	105,495

<u>Company</u>	<u>Share Capital</u> S\$'000	<u>Retained Earnings</u> S\$'000	<u>Total Equity</u> S\$'000
Balance at 1 October 2015	56,325	6,546	62,871
Total Comprehensive Income for 3QY2016	-	108	108
Dividends Paid	-	(1,452)	(1,452)
Balance at 30 June 2016	56,325	5,202	61,527
Balance at 1 October 2016	56,325	5,208	61,533
Total Comprehensive Income for 3QY2017	-	1,428	1,428
Dividends Paid	-	(1,452)	(1,452)
Balance at 30 June 2017	56,325	5,184	61,509



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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 September 2016. There were no outstanding convertibles and treasury shares as at 30 June 2017 and 30 June 2016.

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 30/06/17	As at 30/09/16
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.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as in the most recently audited financial statements for the financial year ended 30 September 2016.

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.

There were no changes in the accounting policies and methods of computation.



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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.**

	Group			
	3QFY2017	3QFY2016	FY2017	FY2016
Earnings per ordinary share of the Group (in cents):				
(a) Based on weighted average number of ordinary shares in issue	(0.79)	(0.22)	(2.40)	(0.34)
(b) On a fully diluted basis	(0.79)	(0.22)	(2.40)	(0.34)
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.

	Group		Company	
	As at 30/06/2017	As at 30/09/2016	As at 30/06/2017	As at 30/09/2016
Net asset value per ordinary share based on issued share capital at the end of the financial period (in cents):	36.33	39.68	21.18	21.19
Number of ordinary shares in issue	290,399,997	290,399,997	290,399,997	290,399,997

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 increased by \$9.1 million or 55.1% from \$16.5 million in 3QFY2016 to \$25.6 million in 3QFY2017. The increase was mainly due to increase in revenue from customers in the Energy Sector, partly offset by a decrease in revenue from Marine and Trading Sectors. There was a decrease in revenue of \$1.5 million or 2.6% from \$55.3 million in FY2016 to \$53.8 million in FY2017 year on year. Revenue from Marine Sector had decreased by \$12.1 million or 72.2% from \$16.8 million in FY2016 to \$4.7 million in FY2017 and offset by an increase in revenue from Energy and Trading Sectors. Revenue from Energy Sector had increased by \$7.8 million or 24.9% from \$31.2 million in FY2016 to \$39.0 million in FY2017. Meanwhile, revenue from Trading Sector had increased by \$3.3 million or 56.3% from \$5.9 million in FY2016 to \$9.2 million in FY2017.



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Geographically, despite being the main contributor at 39.7% of the revenue generated in FY2017, the Singapore market saw the largest decline in revenue of \$13.1 million or 38.0% from \$34.5 million FY2016 to \$21.4 million in FY2017. Revenue had increased in all markets with the exception of Singapore, Malaysia, Vietnam and Brunei.

Gross Profit and Gross Profit Margin

Despite of the increase in revenue, gross profit had decreased by \$1.1 million or 25.2% from \$4.2 million in 3QFY2016 to \$3.1 million in 3QFY2017. Gross profit margin decreased by 13.2 percentage point from 25.5% in 3QFY2016 to 12.3% in 3QFY2017 due to margin pressure from the market. Likewise, year on year, gross profit had decreased by \$3.6 million or 28.4% from \$12.4 million in FY2016 to \$8.8 million in FY2017 while gross profit margin had decreased by 6.0 percentage points from 22.4% in FY2016 to 16.4% in FY2017.

Financial Income and Expense

Financial income had decreased by \$34 thousand and \$25 thousand quarter on quarter and year on year respectively from lesser interest earned on fixed deposits and an equity-linked structured investment.

Financial expense had decreased by \$0.1 million from \$0.2 million in 3QFY2016 to \$0.1 million in 3QFY2017 mainly due to lower interest paid on reduced borrowings. Similarly, financial expense had decreased by \$0.3 million from \$0.6 million in FY2016 to \$0.3 million in FY2017 as per the reason contributing to the quarter on quarter decline.

Operating Expenses

Distribution costs had decreased by \$0.2 million or 14.2% from \$1.5 million in 3QFY2016 to \$1.3 million in 3QFY2017 mainly from decreases in entertainment expenses and employee benefits expenses. Year on year, distribution costs had decreased by \$0.5 million or 12.1% from \$4.7 million in FY2016 to \$4.2 million in FY2017 as per the reason contributing to the quarter on quarter decline.

Administrative expenses had decreased by \$0.1 million or 8.9% from \$1.7 million in 3QFY2016 to \$1.6 million in 3QFY2017 mainly from lower employee benefits expenses. Lower employee benefits expenses also accounted for the year on year decrease in administrative costs of \$0.3 million or 6.0% from \$5.4 million in FY2016 to \$5.1 million in FY2017.

Depreciation expense had increased by \$0.1 million or 6.6% from \$1.4 million in 3QFY2016 to \$1.5 million in 3QFY2017 mainly from higher depreciation on properties which also resulted in the year on year increase of \$0.4 million or 10.4% from \$4.1 million in FY2016 to \$4.5 million in FY2017.

Other (Charges)/Credits

Other charges had increased by \$0.9 million or 1,091.6% from \$0.1 million in 3QFY2016 to \$1.0 million in 3QFY2017 mainly from provision for slow moving inventories and foreign exchange loss. Year on year, other charges had increased by \$3.3 million or 209.5% from a credit of \$1.6 million in FY2016 to a charge of \$1.7 million in FY2017 mainly from provision for slow moving inventories.



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Loss Before Income Tax

Loss before income tax had increased by \$1.7 million or 263.8% from \$0.6 million in 3QFY016 to \$2.3 million in 3QFY2017. Year on year, loss before income tax had increased by \$6.1 million or 691.4% from \$0.9 million in FY2016 to \$7.0 million in FY2017 due to reasons as aforementioned.

Other Comprehensive Loss

Other comprehensive loss had increased by \$1.3 million, quarter on quarter and year on year, mainly from the loss on deemed disposal of property. The warehouse located at 90 Second Lok Yang Road ("Property") was demolished in May 2017 for the construction and development of a warehouse at the Property.

Statement of Financial Position Review

Non-Current Assets

Non-current assets had decreased by \$7.4 million or 24.1% from \$30.6 million as at 30 September 2016 to \$23.2 million as at 30 June 2017 mainly due to the demolition of warehouse located at 90 Second Lok Yang Road, depreciation charged in the current financial period and decrease in non-current portion of trade and other receivables.

Current Assets

Current assets had increased by \$0.5 million or 0.4% from \$114.7 million as at 30 September 2016 to \$115.2 million as at 30 June 2017. The increase was mainly due to the increase in trade and other receivables and cash and cash equivalents, partly offset by the decrease in inventories. Trade and other receivables increased by \$7.5 million or 45.0% from \$16.8 million as at 30 September 2016 to \$24.3 million as at 30 June 2017. Cash and cash equivalents had increased by \$0.9 million or 5.4% from \$17.1 million as at 30 September 2016 to \$18.0 million as at 30 June 2017. Conversely, inventories had decreased by \$8.2 million or 10.4% from \$78.8 million as at 30 September 2016 to \$70.6 million as at 30 June 2017.

Non-Current Liabilities

Non-current liabilities had decreased by \$1.1 million or 19.3% from \$5.7 million as at 30 September 2016 to \$4.6 million as at 30 June 2017 from repayment of bank borrowings.

Current Liabilities

Current liabilities had increased by \$3.9 million or 16.1% from \$24.4 million as at 30 September 2016 to \$28.3 million as at 30 June 2017 mainly from the increase in other financial liabilities, partly offset by the decrease in trade and other payables. Other financial liabilities, which consist of short-term borrowings and current portion of long-term borrowings and finance leases, had increased by \$5.7 million or 36.6% from \$15.4 million as at 30 September 2016 to \$21.1 million as at 30 June 2017. Trade and other payables had decreased by \$1.9 million or 21.7% from \$8.8 million as at 30 September 2016 to \$6.9 million as at 30 June 2017.



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Equity

Total equity decreased by \$9.7 million or 8.4% from \$115.2 million as at 30 September 2016 to \$105.5 million as at 30 June 2017 mainly from the loss incurred in the third quarter ended 30 June 2017, dividends paid of \$1.5 million and loss on deemed disposal of warehouse located at 90 Second Lok Yang Road.

Statement of Cash Flows Review

Cash Flows From/(Used in) Operating Activities

Cash from operating activities had increased by \$9.8 million from an outflow of \$1.6 million in 3QFY2016 to an inflow of \$8.2 million in 3QFY2017 mainly from the operating loss and the working capital changes. Year on year, cash from operating activities had increased by \$6.9 million from \$1.2 million in FY2016 to \$8.1 million in FY2017 as per the reason contributing to the quarter on quarter increase.

Cash Flows Used In Investing Activities

Cash used in investing activities had remained at \$0.1 million in both 3QFY2016 and 3QFY2017. Year on year, cash used in investing activities had decreased by \$0.2 million from \$0.5 million in FY2016 to \$0.3 million in FY2017 due to lower capital expenditure in current financial period, partly offset by the proceeds from disposal of plant and equipment and surrender payment received from Keyman Insurance.

Cash Flows Used In Financing Activities

Cash used in financing activities had increased by \$0.6 million from \$1.1 million in 3QFY2016 to \$1.7 million in 3QFY2017 mainly from the increase in bank borrowings.

Year on year, cash used in financing activities had decreased by \$1.8 million from \$8.7 million in FY2016 to \$6.9 million in FY2017 mainly from lower repayments for 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.

We expect to close the financial year ending 30 September 2017 with a loss.

As a result of the continued margin pressure from the unfavourable market condition, our gross profit margin is expected to continue to erode.

In order to lessen the impact of adverse financial performance in FY2017, we will continue to manage our cost effectively and actively identify new potential markets and suitable opportunities for growth.



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11. Dividend

(a) Current Financial Period Reported On

No dividend is declared by the Company for the current financial period reported on.

(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

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended.

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	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
Hanwa Group *	-	5,373

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

14. Confirmation by the Board of Directors

Pursuant to Rule 705 (5) of the Listing Manual, we, the undersigned, on behalf of the Board of Directors of the Company, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for 3QFY2017 to be false or misleading in any material aspect.



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15. 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.

16. Disclosure of proceeds from placement

Use of Proceeds	In circular		Actual	
	Estimated percentage allocation of net proceeds as set out in the Circular	Allocation of net proceeds	Proceeds utilised as at the date of this announcement	Balance of the proceeds as at the date of this announcement
	%	S\$'000	S\$'000	S\$'000
Financing the construction of a new building and acquisition of machinery and equipment at 90 Second Lok Yang Way	24.0%	3,400	192	3,208
Acquisition of machinery and equipment at 36 Tuas Crescent	8.0%	1,100	318	782
Repayment of short term loans	35.0%	5,000	5,000	-
General working capital purposes	33.0%	4,800	4,800	-
Total	100.0%	14,300	10,310	3,990

By order of the Board

Ong Chin Sum
 Chief Executive Officer

Ong Tong Hai
 Director

4 August 2017