



GDS
Global Limited

GDS GLOBAL LIMITED

(Company Registration No.: 201217895H)
(Incorporated in the Republic of Singapore on 19 July 2012)

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

- 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.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	Year ended 30 September	2018	Increase/
	2019	2018	(Decrease)
	S\$'000	S\$'000	%
Revenue	14,260	17,744	(19.6%)
Cost of sales	(10,016)	(12,310)	(18.6%)
Gross profit	4,244	5,434	(21.9%)
Other operating income	216	174	24.1%
Marketing and distribution expenses	(458)	(605)	(24.3%)
Administrative expenses	(5,420)	(5,528)	(2.0%)
Other operating expenses	(347)	(514)	(32.5%)
Investment revenue	32	19	68.4%
Other gains and losses	8	(26)	n.m ⁽¹⁾
Finance costs	-	(2)	n.m ⁽¹⁾
Loss before tax	(1,725)	(1,048)	64.6%
Income tax (expense) credit	(39)	418	n.m ⁽¹⁾
Loss for the year	(1,764)	(630)	n.m ⁽¹⁾
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(15)	(10)	50%
Other comprehensive loss for the year, net of tax	(15)	(10)	50%
Total comprehensive loss for the year	(1,779)	(640)	n.m ⁽¹⁾
Loss (income) attributable to:			
Owners of the Company	(2,143)	(999)	n.m ⁽¹⁾
Non-controlling interests	379	369	2.7%
	(1,764)	(630)	n.m ⁽¹⁾
Total comprehensive (loss) income attributable to:			
Owners of the Company	(2,158)	(1,009)	n.m ⁽¹⁾
Non-controlling interests	379	369	2.7%
	(1,779)	(640)	n.m ⁽¹⁾
Basic and diluted loss per share (cents)	(1.91)	(0.89)	n.m ⁽¹⁾

Note:

(1) n.m. denotes not meaningful.

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

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

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

	Group		
	Year ended 30 September	2018	Increase/
	2019	2018	(Decrease)
	S\$'000	S\$'000	%
Other operating income:			
Rental income	5	20	(75.0%)
Sundry income	211	154	37.0%
	<u>216</u>	<u>174</u>	<u>24.1%</u>
Investment revenue:			
Interest income from bank deposits	<u>32</u>	<u>19</u>	<u>68.4%</u>
Finance costs	-	(2)	n.m ⁽¹⁾
Depreciation of property, plant and equipment	(577)	(615)	(6.2%)
Amortisation of intangible asset	(239)	(239)	-
Net foreign exchange gains (losses)	18	(25)	n.m ⁽¹⁾
Loss on disposal of property, plant and equipment	(10)	(1)	n.m ⁽¹⁾
Adjustments for (under) over provision of tax in respect of prior year	(6)	250	n.m ⁽¹⁾
Loss allowance for receivables, net	(3)	(193)	(98.4%)
Allowance for inventory obsolescence	(21)	(26)	(19.2%)

Note:

(1) n.m. denotes not meaningful.

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

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			As at		
	30.09.19	30.09.18	01.10.17	30.09.19	30.09.18	01.10.17
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)	(Restated)			
<u>ASSETS</u>						
Current assets						
Cash and cash equivalents	8,314	10,162	9,816	4,455	4,041	542
Trade and other receivables	2,370	3,185	3,692	623	1,151	1,798
Contract assets	1,840	1,755	2,806	-	-	-
Inventories	2,743	2,478	2,905	-	-	-
Total current assets	15,267	17,580	19,219	5,078	5,192	2,340
Non-current assets						
Property, plant and equipment	3,355	3,805	4,269	-	-	-
Intangible assets	1,940	2,179	2,418	-	-	-
Subsidiaries	-	-	-	4,040	4,040	4,040
Total non-current assets	5,295	5,984	6,687	4,040	4,040	4,040
Total assets	20,562	23,564	25,906	9,118	9,232	6,380
<u>LIABILITIES AND EQUITY</u>						
Current liabilities						
Trade and other payables	1,486	1,753	2,586	216	202	207
Contract liabilities	262	231	242	-	-	-
Finance leases payable	-	-	60	-	-	-
Income tax payable	192	151	198	11	8	4
Total current liabilities	1,940	2,135	3,086	227	210	211
Non-current liabilities						
Deferred tax liabilities	217	334	624	-	-	-
Other payables	412	469	76	-	-	-
Total non-current liabilities	629	803	700	-	-	-
Total liabilities	2,569	2,938	3,786	227	210	211
Capital, reserves and non-controlling interests						
Share capital	5,245	5,245	5,245	5,245	5,245	5,245
Reserves	11,039	13,757	15,326	3,646	3,777	924
Equity attributable to owners of the Company	16,284	19,002	20,571	8,891	9,022	6,169
Non-controlling interests	1,709	1,624	1,549	-	-	-
Total equity	17,993	20,626	22,120	8,891	9,022	6,169
Total liabilities and equity	20,562	23,564	25,906	9,118	9,232	6,380

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

- (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 2019		As at 30 September 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-

Details of any collateral

Nil

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

- 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	
	2019	2018
	S\$'000	S\$'000
		Restated
Operating activities		
Loss before income tax	(1,725)	(1,048)
Adjustments for:		
Interest income	(32)	(19)
Finance costs	-	2
Depreciation of property, plant and equipment	577	615
Amortisation of intangible asset	239	239
Amortisation of deferred income	(57)	(40)
Loss allowance on trade receivables and contract assets, net	3	193
Allowance for inventory obsolescence	21	26
Net foreign exchange (gain) loss	(16)	5
Loss on disposal of property, plant and equipment	10	1
Operating cash flows before movements in working capital	(980)	(26)
Inventories	(286)	401
Trade and other receivables	815	329
Contract assets	(88)	1,036
Trade and other payables	(281)	(411)
Contract liabilities	31	(11)
Cash (used in) generated from operations	(789)	1,318
Income tax (paid) refund	(116)	82
Net cash (used in) generated from operating activities	(905)	1,400
Investing activities		
Purchase of property, plant and equipment	(139)	(158)
Interest received	32	19
Proceeds from disposal of property, plant and equipment	2	6
Net cash used in investing activities	(105)	(133)
Financing activities		
Dividends paid by the Company	(560)	(560)
Dividends paid to non-controlling shareholders by subsidiary	(294)	(294)
Repayment of obligations under finance leases	-	(60)
Interest paid	-	(2)
Net cash used in financing activities	(854)	(916)
Net (decrease) increase in cash and cash equivalents	(1,864)	351
Cash and cash equivalents at beginning of year	10,162	9,816
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	16	(5)
Cash and cash equivalents at end of year	8,314	10,162

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

- 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 2018	5,245	(57)	277	19	13,518	19,002	1,624	20,626
Total comprehensive (loss) income for the period								
(Loss) profit for the period	-	-	-	-	(2,143)	(2,143)	379	(1,764)
Other comprehensive (loss) income for the period	-	(15)	-	-	-	(15)	-	(15)
Total	-	(15)	-	-	(2,143)	(2,158)	379	(1,779)
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(560)	(560)	-	(560)
Dividends paid to non-controlling shareholders by subsidiary	-	-	-	-	-	-	(294)	(294)
Total	-	-	-	-	(560)	(560)	(294)	(854)
Balance at 30 September 2019	5,245	(72)	277	19	10,815	16,284	1,709	17,993
Balance at 1 October 2017	5,245	(47)	277	19	15,077	20,571	1,549	22,120
Total comprehensive (loss) income for the period								
(Loss) profit for the period	-	-	-	-	(999)	(999)	369	(630)
Other comprehensive (loss) income for the period	-	(10)	-	-	-	(10)	-	(10)
Total	-	(10)	-	-	(999)	(1,009)	369	(640)
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(560)	(560)	-	(560)
Dividends paid to non-controlling shareholders by subsidiary	-	-	-	-	-	-	(294)	(294)
Total	-	-	-	-	(560)	(560)	(294)	(854)
Balance at 30 September 2018	5,245	(57)	277	19	13,518	19,002	1,624	20,626

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

The Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 October 2018	5,245	3,777	9,022
Profit for the period, representing total comprehensive income for the period	-	429	429
Transactions with owners, recognised directly in equity			
Dividends	-	(560)	(560)
Balance at 30 September 2019	<u>5,245</u>	<u>3,646</u>	<u>8,891</u>
Balance at 1 October 2017	5,245	924	6,169
Profit for the period, representing total comprehensive income for the period	-	3,413	3,413
Transactions with owners, recognised directly in equity			
Dividends	-	(560)	(560)
Balance at 30 September 2018	<u>5,245</u>	<u>3,777</u>	<u>9,022</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 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 were no changes in the Company's share capital since the end of the previous period reported on, being 31 March 2019 and 30 September 2019.

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings 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.**

	No of ordinary shares	
	As at 30 September	
	2019	2018
Total number of issued shares excluding treasury shares	<u>112,000,000</u>	<u>112,000,000</u>

There were no treasury shares as at 30 September 2019 and 30 September 2018.

- 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 as the Company did not have any treasury shares.

- 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 as the Company did not have any subsidiary holdings.

- 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 as the figures have not been audited or reviewed.

- 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 2019 as its most recently audited financial statements for the financial year ended 30 September 2018.

- 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.**

Convergence with International Financial Reporting Standards

Singapore-incorporated companies listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") are required to adopt a new financial reporting framework, Singapore Financial Reporting Standards (International) ("**SFRS(I)**") for annual financial period beginning on or after 1 January 2018. The Group has adopted SFRS(I) on 1 October 2018.

In addition, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are relevant to the Group and effective for the financial period beginning on 1 October 2018. The adoption of these new and revised SFRS(I) and INT SFRS(I) has resulted in changes to the Group's accounting policies. However, the changes have no material effect on the amounts reported for the current or prior periods except for additional disclosures in the financial statements.

Adoption of SFRS(I) 15 Revenue from contracts with customers

On adoption of SFRS(I) 15, the Group has changed the presentation of certain amounts within the trade and other receivables and trade and other payables.

Contract assets relating to the Group's right to consideration for goods delivered which has not been invoiced, were previously presented within trade and other receivables. Contract liabilities relating to obligations to deliver

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

goods for which the Group has received the consideration, were previously presented within trade and other payables. Contract assets and contract liabilities are presented separately on the statement of financial position.

The reconciliation of the above change in accounting policy is as follows:

Group Statement of financial position	As at 30 September 2018			As at 1 October 2017		
	As previously reported	Effects	Restated	As previously reported	Effects	Restated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Trade and other receivables	4,940	(1,755)	3,185	6,498	(2,806)	3,692
Contract assets	-	1,755	1,755	-	2,806	2,806

Group Statement of financial position	As at 30 September 2018			As at 1 October 2017		
	As previously reported	Effects	Restated	As previously reported	Effects	Restated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Trade and other payables	1,984	(231)	1,753	2,828	(242)	2,586
Contract liabilities	-	231	231	-	242	242

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).

Loss per Share ("LPS")

	Group	
	Year ended 30 September 2019	2018
Loss attributable to owners of the Company (S\$'000)	(2,143)	(999)
Weighted average number of ordinary shares ('000)	112,000	112,000
LPS - Basic and diluted (cents)	<u>(1.91)</u>	<u>(0.89)</u>

LPS is calculated based on loss attributable to owners of the Company divided by the weighted average number of ordinary shares in issue. There were no dilutive equity instruments for the financial years ended 30 September 2019 and 30 September 2018.

GDS GLOBAL LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

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 2019	2018	As at 30 September 2019	2018
NAV per ordinary share (cents)	14.55	16.97	7.94	8.06
Number of ordinary shares used in computation of NAV per ordinary share ('000)	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>

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

For the sales of doors and shutter system, 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. The Group's projects differ in their scope and size and are typically non-recurring.

Revenue for the financial year ended 30 September 2019 ("FY2019") was S\$14.26 million, a decrease of S\$3.48 million or 19.6% as compared to S\$17.74 million for the previous financial year ended 30 September 2018 ("FY2018"). The decrease in revenue was due to a decrease in the Group's sales of door and shutter system which was partially offset by an increase in revenue from the provision of service and maintenance work and an increase in revenue from trading and designing of production components, as follows:

- (i) The Group's overall sales of doors and shutter system decreased by S\$3.90 million or 41.4% from S\$9.41 million in FY2018 to S\$5.51 million in FY2019. The decrease was mainly due to the decrease of the Group's sales of distributed products of S\$2.22 million and decrease in sales of manufactured products of S\$1.68 million;
- (ii) The Group's provision of service and maintenance work increased by S\$0.23 million or 10.8% from S\$2.13 million in FY2018 to S\$2.36 million in FY2019; and
- (iii) The Group's trading and designing production component revenue recorded an increase in revenue of S\$0.19 million or 3.1% from S\$6.20 million in FY2018 to S\$6.39 million in FY2019.

Cost of sales

Cost of sales decreased by S\$2.29 million or 18.6% from S\$12.31 million in FY2018 to S\$10.02 million in FY2019 mainly due to lower material costs of S\$2.05 million and labour cost of S\$0.24 million, in line with the decrease in revenue.

Gross profit

Gross profit decreased by S\$1.19 million or 21.9% from S\$5.43 million in FY2018 to S\$4.24 million in FY2019. Gross profit margin decreased from 30.6% in FY2018 to 29.8% in FY2019. The lower gross profit margin was mainly due to lower sales in manufactured products which typically have better margins as compared to distributed products.

Other operating income

Other operating income increased by S\$0.05 million or 24.1% from S\$0.17 million in FY2018 to S\$0.22 million in FY2019. The increase was mainly due to higher government incentives received in FY2019.

Marketing and distribution expenses

Marketing and distribution expenses decreased by S\$0.15 million or 24.3% from S\$0.61 million in FY2018 to S\$0.46 million in FY2019. This was mainly due to a decrease in transportation and advertisement expenses.

Administrative expenses

Administrative expenses decreased by S\$0.11 million or 2.0% from S\$5.53 million in FY2018 to S\$5.42 million in FY2019. The decrease was mainly due to a decrease in personnel cost of S\$0.05 million resulting from lower headcount, decrease in rental expenses, depreciation and courses and training expenses of S\$0.02 million, S\$0.02 million and S\$0.01 million respectively.

Other operating expenses

Other operating expenses decreased by S\$0.16 million or 32.5% from S\$0.51 million in FY2018 to S\$0.35 million in FY2019. The decrease was mainly due to lower loss allowance for receivables of S\$0.20 million and increase in research and development expenses of S\$0.06 million. The Group remains cautious and prudent in tendering for project work to better manage the credit risk of customers.

Investment revenue

Investment revenue which mainly comprise interest from bank deposits, increased from S\$19,000 in FY2018 to S\$32,000 in FY2019.

Other gains and losses

Other gains and losses reversed from a net loss of S\$26,000 in FY2018 to a net profit of S\$8,000 in FY2019. The increase was mainly due to a higher net foreign exchange gain of S\$43,000 arising from the translation of trade receivables, payables and bank balances denominated in US\$ in FY2019, partially offset by an increase in loss on disposal of fixed assets of S\$9,000.

Finance costs

There were no finance costs in FY2019, as compared to a finance cost of S\$2,000 in FY2018. This was due to the absence of finance costs from a subsidiary (i.e. Gliderol Doors Asia Limited) which has been disposed off in FY2018.

Income tax expense (credit)

The Group incurred income tax expense of S\$39,000 in FY2019 as compared to income tax credit of S\$0.42 million in FY2018. The income tax expense in FY2019 was due to a lower tax refund and lower reversal of over provision of tax as compared to FY2018.

Loss for the year

As a result of the above, the Group recorded a loss of S\$1.76 million in FY2019 as compared to loss of S\$0.63 million in FY2018.

Review of the Group's Financial Position

Current assets

Current assets decreased by S\$2.31 million from S\$17.58 million as at 30 September 2018 to S\$15.27 million as at 30 September 2019, as a result of the following:

- (i) a decrease in trade and other receivables of S\$0.82 million;
- (ii) a decrease in cash and cash equivalents of S\$1.85 million; and partially offset by
- (iii) an increase in contract assets of S\$0.09 million; and
- (iv) an increase in inventories of S\$0.27 million.

Non-current assets

Non-current assets decreased by S\$0.68 million from S\$5.98 million as at 30 September 2018 to S\$5.30 million as at 30 September 2019. The decrease in non-current assets was mainly attributable to lower net book value in property, plant & equipment and intangible assets arising from depreciation and amortization charges.

Current liabilities

Current liabilities decreased by S\$0.20 million from S\$2.14 million as at 30 September 2018 to S\$1.94 million as at 30 September 2019. The decrease in current liabilities was mainly due to a decrease in trade and other payables of S\$0.27 million and offset by an increase in contract liabilities and income tax payable of S\$0.03 million and S\$0.04 million respectively.

Non-current liabilities

Non-current liabilities decreased by S\$0.17 million from S\$0.80 million as at 30 September 2018 to S\$0.63 million as at 30 September 2019. The decrease in non-current liabilities was due to a decrease in other payables of S\$0.05 million which are deferred income on government grant received and decrease in deferred tax liabilities of S\$0.12 million.

Capital, reserves and non-controlling interests

Total equity as at 30 September 2019 was S\$18.0 million as compared S\$20.63 million as at 30 September 2018.

Review of the Group's Cash Flows

Net cash used in operating activities

In FY2019, the Group utilised net cash from operating activities before changes in working capital of S\$0.98 million. The Group's net working capital inflow amounted to S\$0.19 million and was mainly due to a decrease in trade and other receivables of S\$0.82 million and an increase in contract liabilities of S\$0.03 million which were partially offset by an increase in inventories of S\$0.29 million, a decrease in trade and other payables of S\$0.28 million and an increase in contract assets of S\$0.09 million. After income tax paid of S\$0.12 million, the Group utilised net cash from operating activities of S\$0.90 million in FY2019.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.11 million, mainly due to the Group's purchase of property, plant and equipment of S\$0.14 million, partially offset by interest income received of S\$0.03 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$0.85 million due to payment of dividends.

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

The Group's financial results for FY2019 are in line with the Company's profit guidance announcement dated 13 November 2019, and the trends and competitive conditions previously disclosed in the Company's results announcement dated 9 May 2019 for the six-months ended 31 March 2019.

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 door and shutter solutions industry is expected to remain challenging and competitive. The Group continues to focus on innovations and production efficiency to stay competitive. The Group is currently exploring technology solutions to enhance its distribution channels. The Group is also continuing its R&D efforts and barring any unforeseen circumstances and subject to market conditions and other commercial considerations, expects to launch new products in the next 12 months.

The Group is constantly exploring other business opportunities, both locally and overseas. Amidst the continuing weak conditions in the construction industry, the Group remains cautious with the credit risk of potential customers and is selective in participating in bidding of new projects.

11. Dividend

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

Yes. The board of directors of the Company (the "**Board**") is proposing a first and final dividend in respect of FY2019 (the "**Dividend**"), as follows:

	FY2019
Name of dividend	First and final dividend
Type of dividend	Cash
Dividend per ordinary share	0.3 Singapore cent
Total annual dividend	S\$336,000

The Dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held in January 2020.

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

Yes. The following first and final dividend in respect of FY2018 was paid to the Company's shareholders on 8 February 2019:

	FY2018
Name of dividend	First and final dividend
Type of dividend	Cash
Dividend per ordinary share	0.5 Singapore cent
Total annual dividend	S\$560,000

(c) Whether the dividend is before tax, net of tax, or tax exempt.

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 and the reason(s) for the decision.

Not applicable. The Board is recommending to declare the Dividend in respect of FY2019.

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 FY2019, there were no IPTs 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 SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules") in accordance with Rule 720(1) of the Catalist Rules.

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, Europe, Australia, Middle East, Greater China and Others. The Group's revenue from external customers by geographical locations are as follows:

	Group	
	Year ended 30 September	
	2019	2018
Revenue from external customers (based on location of customers)	S\$'000	S\$'000
Singapore	7,304	10,540
Europe	5,050	4,242
Australia	857	1,395
Middle East	381	639
Greater China	214	185
Others	454	743
Total	14,260	17,744

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 2019

17. A breakdown of sales as follows:

		Group		Increase/ (Decrease) %
		Year ended 30 September		
		2019 S\$'000	2018 S\$'000	
(a)	Sales reported for first half year	5,936	9,234	(35.7%)
(b)	Operating (loss) profit after tax before deducting non-controlling interests reported for first half year	(1,182)	553	n.m ⁽¹⁾
(c)	Sales reported for second half year	8,324	8,510	(2.19%)
(d)	Operating loss after tax before deducting non-controlling interests reported for second half year	(582)	(1,183)	(50.8%)

Note:

(1) n.m. denotes not meaningful.

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	
	2019 S\$'000	2018 S\$'000
Ordinary	560	560
Preference	-	-
Total	560	560

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) of the Catalist Rules, the Company confirms that during FY2019 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

20 November 2019

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Catalist Rules. 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. 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.