

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR YEAR ENDED 30 SEPTEMBER 2017

These figures have not been audited

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

Statement of comprehensive income for the period ended 30 September 2017

	Group		%
	30 September 2017 \$'000	30 September 2016 \$'000	
Revenue	141,939	129,398	9.7%
Cost of Sales	<u>(114,144)</u>	<u>(101,429)</u>	12.5%
Gross Profit	27,795	27,969	-0.6%
Distribution Costs	(2,529)	(2,492)	1.5%
Administrative Costs	(10,219)	(10,329)	-1.1%
Other Operating Costs	<u>(5,469)</u>	<u>(2,255)</u>	142.5%
Profit from operating activities	9,578	12,893	-25.7%
Interest income	538	386	39.4%
Finance Cost	(104)	(146)	-28.8%
Other income	<u>2,456</u>	<u>402</u>	510.9%
Profit before taxation	12,468	13,535	-7.9%
Taxation	(2,352)	(4,190)	-43.9%
Profit for the period	<u>10,116</u>	<u>9,345</u>	8.2%
Attributable to:			
Equity holders of the Company	10,236	9,133	
Non-controlling interests	<u>(120)</u>	<u>212</u>	
	<u>10,116</u>	<u>9,345</u>	
Profit for the period	10,116	9,345	
Other comprehensive income:			
Foreign currency translation	(849)	(254)	
Net surplus on revaluation of properties	-	1,522	
Fair value adjustment on available-for-sale investments	-	(3)	
Other comprehensive income for the period, net of tax	<u>(849)</u>	<u>1,265</u>	
Total comprehensive income for the period	<u>9,267</u>	<u>10,610</u>	
Attributable to:			
Equity holders of the Company	9,388	10,468	
Non-controlling interests	<u>(121)</u>	<u>142</u>	
	<u>9,267</u>	<u>10,610</u>	

1(a) (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on the corresponding period of the immediately preceding financial year.

Profit is arrived at after (charging)/crediting:

	Group		%
	30 September 2017	30 September 2016	
	\$ 000	\$ 000	
Depreciation of property, plant and equipment	(3,664)	(4,266)	-14%
Interest expense	(104)	(146)	-29%
Foreign exchange gain/(loss), net	1,193	(239)	NM
Interest income from bank deposits	355	202	76%
Interest income from held-to-maturity investments	183	184	-1%
(Loss)/gain on disposal of property, plant and equipment	(137)	34	NM

NM: Not meaningful

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position as at:

	Group		Company	
	30 September 2017 \$ 000	30 September 2016 \$ 000	30 September 2017 \$ 000	30 September 2016 \$ 000
Non-current assets				
Property, plant and equipment	36,542	36,651	6,915	6,940
Available-for-sale investments	5	5	5	5
Interest in subsidiaries	-	-	15,226	15,226
Held-to-maturity investments	6,067	6,087	6,067	6,087
Deferred tax assets	755	141	-	-
	43,369	42,884	28,213	28,258
Current assets				
Inventories	33,192	31,231	5,915	3,353
Trade receivables	37,710	29,911	21,634	16,583
Other receivables, deposits and prepayments	4,160	4,089	344	530
Amount due from subsidiaries	-	-	17,853	22,826
Derivatives	421	329	421	329
Cash and cash equivalents	43,595	46,006	37,964	38,777
	119,078	111,566	84,131	82,398
Current liabilities				
Trade payables	7,279	7,357	6,077	11,130
Other payables and accruals	14,035	9,315	7,417	5,814
Provision for warranty	615	759	-	-
Term loans	1,000	1,000	1,000	1,000
Obligations under hire purchase contracts	190	297	170	87
Income tax payables	2,158	1,855	1,353	1,463
	25,277	20,583	16,017	19,494
Net current assets	93,801	90,983	68,114	62,904
Non-current liabilities				
Term loans	1,417	2,417	1,417	2,417
Obligations under hire purchase contracts	237	79	235	62
Deferred tax liabilities	1,517	2,007	104	80
	3,171	4,503	1,756	2,559
	133,999	129,364	94,571	88,603
Equity attributable to equity holders of the Company				
Share capital	57,018	56,770	57,018	56,770
Retained earnings	82,803	77,393	37,227	31,453
Fair value adjustment reserve	(1)	(1)	(1)	(1)
Capital reserve	104	104	-	-
Asset revaluation reserve	1,867	1,867	194	194
Share option reserve	133	187	133	187
Foreign currency translation reserve	(8,816)	(7,968)	-	-
	133,108	128,352	94,571	88,603
Non-controlling interests	891	1,012	-	-
Total equity	133,999	129,364	94,571	88,603

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

Amount repayable in one year or less or in demand

30 September 2017 \$'000 Secured	30 September 2017 \$'000 Unsecured	30 September 2016 \$'000 Secured	30 September 2016 \$'000 Unsecured
190	1,000	297	1,000

Amount repayable after one year

30 September 2017 \$'000 Secured	30 September 2017 \$'000 Unsecured	30 September 2016 \$'000 Secured	30 September 2016 \$'000 Unsecured
237	1,417	79	2,417

Details of any collateral

As at 30 September 2017, the Group's secured borrowings comprised outstanding finance lease balances.

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 for the period ended 30 September 2017

	Group	
	30 September 2017	30 September 2016
	\$ '000	\$ '000
Cash flows from operating activities		
Profit before tax	12,468	13,535
Adjustments for:		
Depreciation of property, plant and equipment	3,664	4,266
Loss/(gain) on disposal of property, plant and equipment	137	(34)
Property, plant and equipment written off	8	867
Provision of one-off replacement cost for a past project	4,070	-
Write back for provision of warranty	(144)	(59)
Amortisation of bond premium	20	19
Fair value gain on derivative	(92)	(2,440)
Interest expense	104	146
Interest income from bank deposits	(355)	(202)
Interest income from held-to-maturity investments	(183)	(184)
Foreign currency translation adjustment	(163)	(583)
Operating profit before working capital changes	<u>19,534</u>	<u>15,331</u>
(Increase)/decrease in inventories	(1,961)	9,155
(Increase)/decrease in receivables	(7,870)	9,016
Decrease in payables	574	(7,905)
Cash generated from operations	<u>10,277</u>	<u>25,597</u>
Income tax paid	(3,153)	(3,701)
Interest received	355	202
Interest paid	(104)	(146)
Net cash generated from operating activities	<u>7,375</u>	<u>21,952</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,327)	(6,928)
Proceeds from disposal of property, plant and equipment	392	613
Interest income from held-to-maturity investments	183	184
Net cash used in investing activities	<u>(3,752)</u>	<u>(6,131)</u>
Cash flows from financing activities		
Repayment of finance lease obligations	(361)	(610)
Repayment of term loan	(1,000)	(1,000)
Proceed from exercise of employee share options	194	9
Dividends paid	(4,826)	(6,033)
Net cash flows used in financing activities	<u>(5,993)</u>	<u>(7,634)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,370)</u>	<u>8,187</u>
Cash and cash equivalents at 1 October	46,006	38,432
Effect of exchange rate changes on cash and cash equivalents	(41)	(613)
Cash and cash equivalents at 30 September	<u>43,595</u>	<u>46,006</u>

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.

Statement of Changes in Equity for the period ended 30 September 2017

	-----Attributable to equity holders of the Company----->							Total equity attributable to equity holders of company \$'000	Non controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Share option reserve \$'000			
Group										
Balance at 1 October 2016	56,770	77,393	104	(7,968)	(1)	1,867	187	128,352	1,012	129,364
Total comprehensive income for the year	-	10,236	-	(848)	-	-	-	9,388	(121)	9,267
Exercise of employee share options	248	-	-	-	-	-	(54)	194	-	194
Dividends on ordinary shares, net of tax	-	(4,826)	-	-	-	-	-	(4,826)	-	(4,826)
Balance at 30 September 2017	57,018	82,803	104	(8,816)	(1)	1,867	133	133,108	891	133,999

	Share capital \$'000	Retained earnings \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Share option reserve \$'000	Total equity \$'000
	Company					
Balance at 1 October 2016	56,770	31,453	(1)	194	187	88,603
Total comprehensive income for the year	-	10,600	-	-	-	10,600
Exercise of employee share options	248	-	-	-	(54)	194
Dividends on ordinary shares, net of tax	-	(4,826)	-	-	-	(4,826)
Balance at 30 September 2017	57,018	37,227	(1)	194	133	94,571

<-----Attributable to equity holders of the Company----->

	Share capital	Retained earnings	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity attributable to equity holders of company	Non controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
Balance at 1 October 2015	56,758	74,288	104	(7,784)	2	345	195	123,908	870	124,778
Total comprehensive income for the period	-	9,133	-	(184)	(3)	1,522	-	10,468	142	10,610
Exercise of employee share options	12	-	-	-	-	-	(3)	9	-	9
Forfeiture of employee share options	-	5	-	-	-	-	(5)	-	-	-
Dividends on ordinary shares, net of tax	-	(6,033)	-	-	-	-	-	(6,033)	-	(6,033)
Balance at 30 September 2016	56,770	77,393	104	(7,968)	(1)	1,867	187	128,352	1,012	129,364

	Share Capital	Retained Earnings	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
Balance at 1 October 2015	56,758	31,476	2	345	195	88,776
Total comprehensive income for the period	-	6,005	(3)	(151)	-	5,850
Exercise of employee share options	12	-	-	-	(3)	9
Forfeiture of employee share options	-	5	-	-	(5)	-
Dividends on ordinary shares, net of tax	-	(6,033)	-	-	-	(6,033)
Balance at 30 September 2016	56,770	31,453	(1)	194	187	88,603

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 of 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 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.

A) Changes in share capital during the financial period

During the fourth quarter, there was an increased of 750,000 shares due to exercise of employee share options. As such, the number of issued and paid-up ordinary shares increased from 241,294,082 to 242,044,082.

B) Share options

On 22 February 2010, the Company granted 8,200,000 share options at exercise price of \$0.258 under the Nam Lee Employee Share Option Scheme ("The Scheme").

Movement in share options during the financial period

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the period.

	30 September 2017		30 September 2016	
	No.	WAEP(\$)	No.	WAEP(\$)
Opening balance	2,550,000	0.258	2,650,000	0.258
- Exercised during the period	(750,000)	0.258	(35,000)	0.258
- Forfeited during the period	-	-	(65,000)	0.258
Ending balance	<u>1,800,000</u>	<u>0.258</u>	<u>2,550,000</u>	<u>0.258</u>
Exercisable at end of period	<u>1,800,000</u>	<u>0.258</u>	<u>2,550,000</u>	<u>0.258</u>

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.

	Group	
	Latest Period 30 September 2017	Previous Period 30 September 2016
Number of ordinary shares	<u>242,044,082</u>	<u>241,294,082</u>

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

Not applicable.

1 (d) (v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial 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 nor reviewed by the auditors.

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 30 September 2016, except as disclosed in note 5 below.

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

The Group has adopted all the applicable new/revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning 01 October 2016. The adoption of these new/revised FRS does not have any material impact to the Group financial statements.

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.

Earnings per ordinary share for the period:-	Group	
	Latest Period 30 September 2017	Previous Period 30 September 2016
(i) Based on weighted average number of ordinary shares in issue	4.240 cents	3.785 cents
(ii) On a fully diluted basis	4.227 cents	3.777 cents

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 backing per ordinary share based on existing issued share capital as at the end of the period reported on	Group		Company	
	Latest Period 30 September 2017	Previous Period 30 September 2016	Latest Period 30 September 2017	Previous Period 30 September 2016
	55.0 cents	53.2 cents	39.1 cents	36.7 cents

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. (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

Group turnover increased by S\$12.5 million or 9.7% from S\$129.4 million for the financial year ended 30 September 2016 ("FY2016") to S\$141.9 million for the financial year ended 30 September 2017 ("FY2017"). The increase was mainly attributable to an increase in revenue from the aluminium segment.

Gross profit decreased slightly from S\$28.0 million in FY2016 to S\$27.8 million in FY2017 while gross profit margin decreased from 21.6% in FY2016 to 19.6% in FY2017. The lower gross profit margin was due to a change in product mix with lower profit margin.

Other operating costs increased from S\$2.3 million in FY2016 to S\$5.5 million in FY2017. The increase in other operating costs in FY2017 was mainly attributable to the provision for a one-off replacement cost for a past building product project; and the possible recovery of any costs amount is currently under negotiation. The increase in other income from S\$0.4 million in FY2016 to S\$2.5 million in FY2017 was due to a net gain in foreign exchange as well as a higher net gain in derivative in FY2017, whereas there was a net foreign exchange loss in FY2016. The decrease in depreciation from S\$4.3 million in FY2016 to S\$3.7 million in FY2017 was due to the lease extension of the Singapore property in FY2017 which has resulted in a longer depreciable life for the property.

The Group's effective tax rate was 18.9% for FY2017 as compared to 31.0% for FY2016. The higher effective tax rate of 31.0% for FY2016 was mainly due to the provision made for transfer pricing adjustments for our subsidiaries in Malaysia.

In view of the above circumstances, the Group's profit after tax increased from S\$9.3 million in FY2016 to S\$10.1 million in FY2017.

BALANCE SHEET

Inventories increased from S\$31.2 million as at 30 September 2016 to S\$33.2 million as at 30 September 2017, mainly due to the building up of inventories for on-going projects.

Trade receivables increased from S\$29.9 million as at 30 September 2016 to S\$37.7 million as at 30 September 2017, mainly due to higher sales in the three months ended 30 September 2017 as compared to the three months ended 30 September 2016.

Trade payables, other creditors and accruals increased from S\$16.7 million as at 30 September 2016 to S\$21.3 million as at 30 September 2017, mainly due to the provision of a one-off replacement cost for a past building product project. The possible recovery of any related costs amount is currently under negotiation.

Cash and cash equivalents decreased from S\$46.0 million as at 30 September 2016 to S\$43.6 million as at 30 September 2017, as a result of collection of trade debts and settlement of trade payables.

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

Not applicable.

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 recovery in the US economy is expected to bring positive impact to our aluminium industrial product business. As for building product business, the hefty supply of properties, intense market competition and tight labor market are expected to continue to exert pressure on the profit margin of our building product business.

Barring unforeseen circumstances, coupled with the continuing efforts in improving operational efficiency and cost control measures, the Group expects to maintain the competitiveness of its businesses and remain profitable.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share	1 cent	1 cent

(b) Previous corresponding period of the immediately preceding financial year

Any dividend declared for the previous financial period reported on? Yes

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share	1 cent	1 cent

(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.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not obtain a general mandate from shareholders for interested person transactions. There were no interested person transactions during the financial period under review.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Group has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

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 statements, with comparative information for the immediately preceding year.

Business segments -

	Aluminium		Mild Steel		Stainless Steel		Others		Adjustments		Consolidated		
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	
Segment revenue:													
Sales to external customers	121,514	106,873	19,867	22,043	557	482	1	-	-	-	141,939	129,398	
Result:													
Depreciation	(3,171)	(3,809)	(424)	(393)	(63)	(64)	(6)	-	-	-	(3,664)	(4,266)	
Segment results	11,706	12,748	130	132	15	13	-	-	(A)	617	642	12,468	13,535

Balance sheet

Additions to non-current assets	3,953	5,595	541	881	209	452	36	-	-	-	4,739	6,928	
Segment assets	141,109	134,075	17,573	17,337	2,831	2,738	179	159	(B)	755	141	162,447	154,450
Segment liabilities	19,311	13,509	2,047	3,077	498	506	73	339	(C)	6,519	7,655	28,448	25,086

Other segment information:

	2017 \$'000	2016 \$'000
(A)Unallocated (expenses)/income		
Interest income	538	386
Interest expense	(104)	(146)
Unallocated income	183	402
	<u>617</u>	<u>642</u>

(B)Unallocated assets

Deferred tax assets	<u>755</u>	<u>141</u>
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(C)Unallocated liabilities

	2017 \$'000	2016 \$'000
Deferred tax liabilities	1,517	2,007
Income tax payables	2,158	1,855
Term loans	2,417	3,417
Obligations under hire purchase contracts	427	376
	<u>6,519</u>	<u>7,655</u>

Geographical segments -

	Singapore		Malaysia		China		Hong Kong		Consolidated	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Segment revenue:										
Sales to external customers	138,891	126,364	2,762	2,921	-	-	286	113	141,939	129,398
Other segment information:										
Non-current assets	8,158	8,161	28,384	28,427	-	63	-	-	36,542	36,651

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

Refer to Section 8 above.

17. A breakdown of sales.

Group	30 September 2017 \$ '000	30 September 2016 \$ '000	+ / (-) %
(a) Sales reported for first half year	67,210	71,220	-6%
(b) Operating profit after tax reported for first half year	5,387	6,096	-12%
(a) Sales reported for second half year	74,729	58,178	28%
(b) Operating profit after tax reported for second half year	4,729	3,249	46%

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

	Latest Full Year \$ '000	Previous Full Year \$ '000
Total Annual Dividend	4,841	4,826

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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Joanna Yong Li Yuen	47	Daughter of Yong Koon Chin, an executive director and substantial shareholder	Commercial Manager - 2009 managing commercial contracts and cost management of projects of the Company.	Nil
Eric Yong Han Keong	44	Son of Yong Kin Sen, an executive director and substantial shareholder	Project Engineer - 2007 managing standard building products of the Company.	Nil
Adrian Yong Han Lim	43	Son of Yong Poon Miew, an executive director and substantial shareholder	Business Development/Project Management Executive - 2010 managing sales and marketing for building products of the Company.	Nil

By Order of the Board

Yong Kin Sen
Managing Director
28 November 2017