

UNAUDITED RESULTS OF THE GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2019
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) Consolidated Statement of Comprehensive Income for the financial year ended 30 September 2019

	Full Year 2019 S\$'000	Full Year 2018 S\$'000	+ / (-) %
Revenue	913,287	567,009	61%
Cost of sales	(836,717)	(521,938)	60%
Gross profit	<u>76,570</u>	45,071	70%
Other income [Note (a)]	2,842	2,482	15%
Expenses			
- Distribution expenses	(5,934)	(5,129)	16%
- Administrative expenses	(12,967)	(13,346)	(3%)
- Finance costs	(9,575)	(5,202)	84%
- Other operating expenses	(7,765)	(4,856)	60%
- Impairment loss on trade receivables	(3,887)	(2,542)	53%
Share of results of joint venture	1,282	777	65%
Share of results of associates	(2,131)	(1,605)	33%
Profit before tax from continuing operations [Note (b)]	<u>38,435</u>	15,650	146%
Income tax expense	(6,873)	(3,607)	91%
Profit from continuing operations, net of tax	<u>31,562</u>	12,043	162%
Discontinued operation			
- Loss on disposal of 51% economic interest in a subsidiary	-	(863)	n.m
- Profit, net of tax	-	1,116	n.m
Profit from discontinued operation, net of tax	<u>-</u>	253	n.m
Profit, net of tax	<u>31,562</u>	12,296	157%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
- Net loss on fair value changes of available-for-sale financial assets	(25)	(5)	400%
- Net exchange gain on net investment in foreign operations	250	398	(37%)
- Foreign currency translation			
Exchange differences on translation of foreign operations	(161)	288	n.m
Reclassifications	-	(67)	n.m
Other comprehensive income, net of tax	<u>64</u>	614	(90%)
Total comprehensive income	<u>31,626</u>	12,910	145%
Profit, net of tax attributable to:			
Owners of the Company:			
- Profit from continuing operations, net of tax	31,562	12,043	162%
- Loss from discontinued operation, net of tax	-	(293)	n.m
	<u>31,562</u>	11,750	169%
Non-controlling interests:			
- Profit from discontinued operation, net of tax	-	546	n.m
	<u>31,562</u>	12,296	157%
Total comprehensive income attributable to:			
Owners of the Company	31,626	12,291	157%
Non-controlling interests	-	619	n.m
	<u>31,626</u>	12,910	145%
Total comprehensive income attributable to Owners of the Company:			
- Profit from continuing operations, net of tax	31,626	12,582	151%
- Loss from discontinued operation, net of tax	-	(291)	n.m
	<u>31,626</u>	12,291	157%

n.m. denotes not meaningful

	Full Year 2019 S\$'000	Full Year 2018 S\$'000	+ / (-) %
Note (a) - Other income			
Interest income	1,040	1,153	(10%)
Dividend income from available-for-sale financial assets	2	5	(60%)
Government grant	199	184	8%
Rental income	172	56	207%
Sundry income	199	12	1558%
Sales commission	209	-	n.m
Gain on disposal of property, plant and equipment	-	22	n.m
Gain on disposal of club memberships	-	455	n.m
Foreign exchange gain, net [1]	-	594	n.m
Gain from fair value changes on derivatives, net [2]	981	-	n.m
Bad debts recovered	40	1	3900%
	2,842	2,482	15%

Note (b) - Profit before tax from continuing operations is arrived at after charging/(crediting) the following:

Interest expense	9,575	5,202	84%
Depreciation of property, plant and equipment	15,938	9,842	62%
Depreciation of investment properties	69	23	200%
Amortisation of club memberships	-	12	n.m
Operating lease expense	11,408	7,484	52%
Foreign exchange loss/(gain), net [1]	344	(594)	n.m
Fair value changes on derivatives, net [2]	(981)	380	n.m
Reversal of provision for onerous contracts [3]	(12,849)	(11,983)	7%
Bad debts written off	-	14	n.m
Allowance for inventory obsolescence	567	578	(2%)
Loss/(gain) on disposal of property, plant and equipment	280	(22)	n.m
Write-off of property, plant and equipment	304	4	7500%
Impairment loss on property, plant and equipment	1,816	-	n.m

Notes on Consolidated Statement of Comprehensive Income:

- [1] The Group and the Company have transactional currency exposures arising from purchases which are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies in which these transactions are denominated are mainly US Dollars, Malaysian Ringgit and Euro.
- [2] Derivatives include currency forward contracts used to hedge exposure to foreign currency exchange risk arising from purchases of steel which are mainly denominated in US Dollars. As the Group did not adopt hedge accounting under SFRS(I) 9, fair value changes on derivatives are recognised immediately in the statement of comprehensive income.
- [3] Provision for onerous contracts are made for sales contracts under which the costs to meet the obligations are expected to exceed the sales value. These provisions are reversed when the contractual obligations are met or no longer exist or when the costs to meet the obligations no longer exceed the sales value.

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

	<u>The Group</u>		<u>The Company</u>	
	September 2019 S\$'000	September 2018 S\$'000	September 2019 S\$'000	September 2018 S\$'000
Non-current assets				
Property, plant and equipment	134,110	148,978	52,793	60,042
Investment properties	2,402	2,471	-	-
Investment in subsidiaries	-	-	229,359	225,559
Interest in joint venture	7,220	12,116	6,076	6,076
Interest in associates	18,951	11,477	24,200	13,505
Available-for-sale financial assets	84	109	84	109
	162,767	175,151	312,512	305,291
Current assets				
Inventories	231,891	270,249	127,132	158,032
Trade and other receivables	195,315	180,725	120,572	79,858
Amount due from subsidiaries	-	-	6,226	8,413
Prepayments	7,902	4,526	7,397	4,025
Deposits	228	300	133	131
Derivatives	656	-	505	-
Assets held for sale	30,049	26,711	-	-
Cash and cash equivalents	65,778	41,080	24,656	15,591
	531,819	523,591	286,621	266,050
Total assets	694,586	698,742	599,133	571,341
Current liabilities				
Trade and other payables	67,164	58,210	57,611	46,768
Amount due to subsidiaries	-	-	965	14,611
Contract liabilities	4,023	3,178	534	2,449
Loans and borrowings	245,839	255,838	134,190	140,691
Loan from immediate holding company	23,100	-	23,100	-
Provisions	8,668	20,066	5,092	4,998
Derivatives	-	325	-	239
Current income tax liabilities	9,064	5,115	5,292	2,665
	357,858	342,732	226,784	212,421
Non-current liabilities				
Provisions	1,003	993	254	244
Loans and borrowings	60,658	82,265	60,113	79,948
Deferred tax liabilities	12,139	12,616	6,358	7,258
Loan from immediate holding company	-	23,100	-	23,100
	73,800	118,974	66,725	110,550
Total liabilities	431,658	461,706	293,509	322,971
Net assets	262,928	237,036	305,624	248,370
Equity attributable to owners of the Company				
Share capital	125,001	125,001	125,001	125,001
Treasury shares	(1,105)	(1,105)	(1,105)	(1,105)
Capital reserve	597	597	597	597
Fair value reserve	(76)	(51)	(76)	(51)
Foreign currency translation reserve	(2,675)	(2,764)	-	-
Retained earnings	141,186	115,358	181,207	123,928
Total equity	262,928	237,036	305,624	248,370
Total equity and liabilities	694,586	698,742	599,133	571,341

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

Amount repayable in one year or less, or on demand

	30 September 2019		30 September 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	1,393	-	2,077	-
Bills payable	-	238,704	113,205	140,556
Bank loans	5,742	-	-	-
Loan from immediate holding company	-	23,100	-	-
	7,135	261,804	115,282	140,556

Amount repayable after one year

	30 September 2019		30 September 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	545	-	2,954	-
Bank loans	60,113	-	79,311	-
Loan from immediate holding company	-	-	-	23,100
	60,658	-	82,265	23,100

Details of any collateral

Finance lease liabilities of S\$1.9 million (2018: S\$5.0 million) are secured by certain motor vehicles and certain plant and machinery. The carrying amount of motor vehicles and plant and machinery held under finance leases were S\$2.2 million (2018: S\$2.8 million) and S\$0.8 million (2018: S\$7.1 million) respectively.

There were no secured bills payable as at end September 2019 compared to S\$113.2 million as at end September 2018 which were secured by the corporate guarantees given by certain subsidiaries to banks, a deed of charge and assignment of inventories and floating charge over trade receivables.

Bank loans of S\$65.9 million as at end September 2019 were secured by mortgages over certain leasehold properties and assets held for sale held by the Group. The bank loan of S\$79.3 million as at end September 2018, secured by the shares of Lee Metal Group Pte Ltd, was fully repaid in 2Q19.

1(c) A Statement of Cash Flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Full Year 2019 S\$'000	Full Year 2018 S\$'000
OPERATING ACTIVITIES		
Profit before tax from continuing operations	38,435	15,650
Profit before tax from discontinued operation	-	270
	<u>38,435</u>	<u>15,920</u>
Adjustments for:		
Share of results of joint venture	(1,282)	(777)
Share of results of associates	2,131	1,605
Amortisation of club memberships	-	12
Depreciation of investment properties	69	23
Depreciation of property, plant and equipment	15,938	10,829
Write-off of property, plant and equipment	304	4
Impairment loss on property, plant and equipment	1,816	-
Allowance for inventory obsolescence	567	578
Impairment loss on trade receivables	3,887	2,542
Fair value changes on derivatives, net	(981)	380
Loss/(gain) on disposal of property, plant and equipment	280	(22)
Gain on disposal of club memberships	-	(455)
Goodwill on acquisition of subsidiary written off	-	55
Loss on disposal of investment in subsidiary	-	863
Bad debts recovered	(40)	(1)
Bad debts written off	-	14
Reversal of provision for onerous contracts	(12,849)	(11,983)
Provision for retirement benefits	10	22
Provision for reinstatement cost	1,452	-
Unrealised exchange differences	106	(869)
Interest expense	9,575	5,202
Interest income	(1,040)	(1,153)
Dividend income from available-for-sale financial assets	(2)	(5)
Operating cash flow before working capital changes	<u>58,376</u>	<u>22,784</u>
Changes in working capital:		
Trade and other receivables	(15,710)	(4,777)
Inventories	37,791	(42,614)
Prepayments and deposits	(3,304)	(2,646)
Development costs for assets held for sale	(3,338)	(211)
Trade and other payables and contract liabilities	8,182	19,808
Cash flows generated from/(used in) operations	<u>81,997</u>	<u>(7,656)</u>
Income taxes paid	(2,704)	(3,075)
Retirement benefits paid	-	(186)
Net cash flows generated from/(used in) operating activities	<u>79,293</u>	<u>(10,917)</u>
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(2,298)	(26,865)
Acquisition of non-controlling interests	-	(9)
Proceeds from disposal of property, plant and equipment	160	586
Proceeds from disposal of club memberships	-	810
Proceeds from disposal of a subsidiary, net of cash disposed off	-	936
Capital contribution from non-controlling interest of a subsidiary	-	840
Net cash outflow from acquisition of subsidiaries	-	(142,334)
Proceeds from disposal of available-for-sale financial assets	-	1,500
Proceeds from repayment of loan from investee company	-	1,500
Interest received	198	694
Dividend income from available-for-sale financial assets	2	5
Dividend income from an associate company	1,050	-
Long term loan to an associate company	(10,425)	(4,632)
Net cash flows used in investing activities	<u>(11,313)</u>	<u>(166,969)</u>
FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(3,093)	(2,504)
(Repayment of)/proceeds from bills payable, net	(15,057)	52,552
Proceeds from bank loans	67,290	129,311
Repayment of bank loans	(80,746)	(50,000)
Proceeds from issuance of shares	-	46,990
Proceeds from loan from immediate holding company, net	-	23,100
Dividends paid	(2,333)	-
Interest paid	(9,410)	(4,490)
Net cash flows (used in)/generated from financing activities	<u>(43,349)</u>	<u>194,959</u>
Net increase in cash and cash equivalents	24,631	17,073
Cash and cash equivalents at beginning of year	41,080	23,989
Effects of exchange rate changes on cash and cash equivalents	67	18
Cash and cash equivalents at end of financial year	<u>65,778</u>	<u>41,080</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 – Group

	Attributable to Owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Share option reserve	Foreign currency translation reserve	Retained earnings			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2017	68,011	(1,105)	597	(46)	885	(3,315)	102,728	167,755	422	168,177
Profit, net of tax	-	-	-	-	-	-	11,750	11,750	546	12,296
Other comprehensive (loss)/income for the year	-	-	-	(5)	-	546	-	541	73	614
Total comprehensive (loss)/income for the year	-	-	-	(5)	-	546	11,750	12,291	619	12,910
Conversion of bonds	10,000	-	-	-	-	-	-	10,000	-	10,000
Issuance of shares	46,990	-	-	-	-	-	-	46,990	-	46,990
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	840	840
Total contributions by owners	56,990	-	-	-	-	-	-	56,990	840	57,830
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	5	(5)	-	(9)	(9)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(1,872)	(1,872)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	5	(5)	-	(1,881)	(1,881)
Total transactions with owners in their capacity as owners	56,990	-	-	-	-	5	(5)	56,990	(1,041)	55,949
Employee share options cancelled	-	-	-	-	(885)	-	885	-	-	-
Balance at 30 September 2018	125,001	(1,105)	597	(51)	-	(2,764)	115,358	237,036	-	237,036
Balance at 1 October 2018 - FRS framework	125,001	(1,105)	597	(51)	-	(2,764)	115,358	237,036	-	237,036
Effects of the adoption of SFRS(I)	-	-	-	-	-	-	(3,401)	(3,401)	-	(3,401)
Balance at 1 October 2018 - SFRS(I) framework	125,001	(1,105)	597	(51)	-	(2,764)	111,957	233,635	-	233,635
Profit, net of tax	-	-	-	-	-	-	31,562	31,562	-	31,562
Other comprehensive (loss)/income for the year	-	-	-	(25)	-	89	-	64	-	64
Total comprehensive (loss)/income for the year	-	-	-	(25)	-	89	31,562	31,626	-	31,626
Cash dividends on ordinary shares	-	-	-	-	-	-	(2,333)	(2,333)	-	(2,333)
Total distributions to owners, representing total transactions with owners in their capacity as owners	-	-	-	-	-	-	(2,333)	(2,333)	-	(2,333)
Balance at 30 September 2019	125,001	(1,105)	597	(76)	-	(2,675)	141,186	262,928	-	262,928

Statement of Changes in Equity - Company

	Share capital	Treasury shares	Capital reserve	Fair value reserve	Share option reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2017	68,011	(1,105)	597	(46)	885	104,875	173,217
Profit, net of tax	-	-	-	-	-	18,168	18,168
Other comprehensive loss for the year	-	-	-	(5)	-	-	(5)
Total comprehensive (loss)/income for the year	-	-	-	(5)	-	18,168	18,163
Conversion of bonds	10,000	-	-	-	-	-	10,000
Issuance of shares	46,990	-	-	-	-	-	46,990
Total contributions by owners	56,990	-	-	-	-	-	56,990
Employee share options cancelled	-	-	-	-	(885)	885	-
Balance at 30 September 2018	125,001	(1,105)	597	(51)	-	123,928	248,370
Balance at 1 October 2018 - FRS framework	125,001	(1,105)	597	(51)	-	123,928	248,370
Effects of the adoption of SFRS(I)	-	-	-	-	-	(1,455)	(1,455)
Balance at 1 October 2018 - SFRS(I) framework	125,001	(1,105)	597	(51)	-	122,473	246,915
Profit, net of tax	-	-	-	-	-	61,067	61,067
Other comprehensive loss for the year	-	-	-	(25)	-	-	(25)
Total comprehensive (loss)/income for the year	-	-	-	(25)	-	61,067	61,042
Cash dividends on ordinary shares	-	-	-	-	-	(2,333)	(2,333)
Total distributions to owners	-	-	-	-	-	(2,333)	(2,333)
Balance at 30 September 2019	125,001	(1,105)	597	(76)	-	181,207	305,624

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 end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	<u>Number of issued share capital (excluding treasury shares)</u>	<u>Treasury shares</u>
As at 30 September 2019 and 30 September 2018	233,335,089	1,626,600

Percentage of number of treasury shares against the total number of issued share capital excluding treasury shares was 0.70%.

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 the end of the immediately preceding year

	30 September 2019	30 September 2018
Total number of issued shares	233,335,089	233,335,089

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

	30 September 2019	30 September 2018
Number of treasury shares	1,626,600	1,626,600

There were no sale, transfer, disposal, cancellation and/or use of treasury shares during the current financial year.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

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 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 below, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial period and the most recently audited annual 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.

The Group and the Company have adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)) on 1 October 2018 and have prepared its financial information under SFRS(I) for the year ended 30 September 2019. SFRS(I) allows first-time adopters exemptions from retrospective application of certain requirements under SFRS(I). The Group and the Company have applied the exemption whereby comparative information does not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments: Disclosures* to the extent the disclosure relate to items within scope of SFRS(I) 9.

In addition, the Group and the Company have adopted the following new SFRS(I)s, which took effect from the financial year beginning 1 October 2018.

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from contracts with customers*

Except for SFRS(I) 9, the adoption of the new SFRS(I)s has no material impact to the results and financial position of the Group and of the Company for the year ended 30 September 2019.

Impact on SFRS(I) 9 adoption

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all its financial assets measured at amortised cost. The Group and the Company previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. Upon adoption of SFRS(I) 9, the Group and the Company recognised additional impairment of S\$6.2 million and S\$1.8 million on its trade receivables respectively, which resulted in a corresponding decrease in retained earnings. The corresponding tax impact to the Group and the Company resulted in a decrease in deferred tax liabilities of S\$0.7 million and S\$0.3 million respectively as well as corresponding increase in retained earnings.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share from continuing operations (cents)

The Group	2019	2018
- Basic	13.53	5.57
- Diluted basis	13.53	5.57
Weighted average number of shares for basic earnings per share	233,335,089	216,192,348
Weighted average number of shares for diluted earnings per share	233,335,089	216,192,348

Earnings per ordinary share (cents)

The Group	2019	2018
- Basic	13.53	5.43
- Diluted basis	13.53	5.43
Weighted average number of shares for basic earnings per share	233,335,089	216,192,348
Weighted average number of shares for diluted earnings per share	233,335,089	216,192,348

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

Net asset value per ordinary share (cents)

	2019	2018
The Group*	112.68	101.59
The Company	130.98	106.44

* Based on the Group's net asset value (excluding non-controlling interest), divided by total number of issued shares excluding treasury share as at end of financial year.

Net asset value per ordinary share was calculated based on 233,335,089 shares as at 30 September 2019 and 30 September 2018.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Statement of Comprehensive Income

Following the completion of the compulsory acquisition of 100% of the total issued and paid-up capital of Lee Metal Group Ltd ("Lee Metal") on 26 July 2018, the Group has now included 100% of Lee Metal's financial results in its Consolidated Statement of Comprehensive Income for current financial year ("FY2019"). In contrast, the Group only consolidated four months of Lee Metal's results starting from June 2018 onwards during the last financial year ("FY2018").

Revenue

The Group's revenue for FY2019 increased to S\$913.3 million, up by 61% from S\$567.0 million in FY2018. This was mainly attributable to full sales volume contributed by Lee Metal in FY2019 as well as increase in trading and distribution of steel.

Gross profit margin and gross profit

The Group's gross profit as a percentage of revenue for FY2019 increased to 8.4% from 7.9% in FY2018. The increase in gross profit margins was contributed by a higher volume of value-added sales tonnage delivered and costs synergies from bulk raw material purchases.

The Group's gross profit for FY2019 increased by 70% to S\$76.6 million from S\$45.1 million in FY2018, mainly as a result of higher volume of steel delivered coupled with improved margins.

Other income

Other income for FY2019 increased by S\$0.3 million to S\$2.8 million from S\$2.5 million in FY2018. The increase was mainly due to net gain from fair value changes on derivatives of S\$1.0 million as well as sales commission, sundry income and rental income of S\$0.2 million respectively. The increase was partly offset by an absence of gain on disposal of club memberships of S\$0.5 million and net foreign exchange gain of S\$0.6 million.

Expenses

The increase in the Group's expenses is in line with the inclusion of full year expenses from Lee Metal for FY2019.

Distribution and administrative expenses

Distribution expenses for FY2019 increased by 16% to S\$5.9 million from S\$5.1 million in FY2018. The higher expenses incurred were mainly due to a higher volume of steel delivered.

Administrative expenses decreased by 3% to S\$13.0 million in FY2019 from S\$13.3 million in FY2018. The higher administrative expenses in FY2018 were mainly due to one-off legal and professional fees incurred in relation to the acquisition of Lee Metal.

Finance costs

Finance costs for FY2019 increased substantially by 84% to S\$9.6 million from S\$5.2 million in FY2018. This was attributable by the higher loans and borrowings to fund the acquisition of Lee Metal as well as to finance raw material purchases to meet the higher sales volume for the enlarged Group. Also, borrowing interest rates were higher as compared to the previous financial year.

Other operating expenses

Other operating expenses for FY2019 increased by 60% to S\$7.8 million from S\$4.9 million in FY2018. The increase was mainly due to the inclusion of full year expenses incurred by Lee Metal.

Impairment loss on trade receivables

Following the adoption of new SFRS(I) 9 in FY2019, the Group recognised an additional impairment of S\$1.3 million on its trade receivables.

Share of results of joint venture

The Group's share of profit from its investment in the joint venture in China increased by 65% to S\$1.3 million in FY2019 from S\$0.8 million in FY2018 due to better local market conditions.

Share of results of associates

Share of losses of associates increased to S\$2.1 million in FY2019 from S\$1.6 million in FY2018. This was mainly attributable to the Group's share of losses from its 17% equity interest in Pristine Islands Investment Pte Ltd, an investment holding company with 100% interest in a subsidiary that operates and manages an airport, hotel and resort in the Maldives. Operations for the hotel has commenced since September 2017 and the resort has started its operations in late September 2019.

Profit from continuing operations, net of tax

Profit from continuing operations, net of tax increased by 162% to S\$31.6 million in FY2019 from S\$12.0 million in FY2018 mainly due to higher revenue coupled with improved gross profit margins.

Profit from discontinued operation, net of tax

The Company entered into a conditional sale and purchase agreement on 10 July 2018 to dispose of its 51% interest in Nuformsystem (M) Sdn Bhd ("Nuform Malaysia") and 10% interest in Nuform System Asia Pte Ltd ("Nuform Singapore") as part of the Group's strategy to strengthen its core business as well as the consolidation of resources to place the Group in a better position for growth.

The disposal of Nuform Malaysia was completed on 16 August 2018, which contributed to a profit from discontinued operation, net of tax of S\$0.3 million in FY2018.

The disposal of Nuform Singapore was completed on 31 July 2018 and there was no profit and loss impact as the sales consideration was equivalent to the cost of investment.

Statement of Financial Position for the Group

As at 30 September 2019, the Group's balance sheet remained strong with net assets of S\$262.9 million and net asset value per ordinary share of 112.68 Singapore cents.

Interest in joint venture decreased by S\$4.9 million mainly due to dividend declared from joint venture.

Interest in associates increased by S\$7.5 million mainly due to loans of S\$10 million extended to an associate company, Pristine Islands Investment Pte Ltd, partially offset by dividend income received from an associate company of S\$1.1 million and share of losses from associates of S\$2.1 million.

The Group's inventories decreased by S\$38.4 million. Correspondingly, bills payable and bank loans also decreased.

The Group's prepayments increased by S\$3.4 million mainly due to prepayments for steel purchases.

The Group's assets held for sale increased by S\$3.3 million mainly due to development costs incurred for a detached house along Nassim Road, Singapore.

The Group's trade and other payables increased by S\$9.0 million mainly due to accrual for goods in transit.

The Group's contract liabilities increased by S\$0.8 million mainly due to an increase in advance payments received from customers.

The Group's provisions decreased by S\$11.4 million mainly due to reversal of provision for onerous contracts but was partially offset by provision for reinstatement cost.

Statement of Cash Flow for the Group

Net cash flows generated from operating activities was S\$79.3 million in FY2019 compared to net cash flows used in operating activities of S\$10.9 million in FY2018. This was mainly due to the higher profits and decrease in inventories.

Net cash flows used in investing activities decreased by S\$155.7 million to S\$11.3 million in FY2019 from S\$167.0 million in FY2018. This was mainly due to a reduction in net cash flow used in the acquisition of Lee Metal and purchase of property, plant and equipment in FY2018.

Net cash flows used in financing activities was S\$43.3 million in FY2019 compared to net cash flow generated from financing activities of S\$195.0 million in FY2018. This was largely due to the repayment of bills payable and bank loans coupled with the absence of proceeds from placement shares during the current financial year.

With net cash flows used in financing activities of S\$43.3 million, cash and cash equivalents as at 30 September 2019 was S\$65.8 million, up from S\$41.1 million as at 30 September 2018.

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 results for FY2019 is in line with the commentary in paragraph 10 of the previous Results Announcement.

10 **A commentary at the date of the announcement of the 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.**

Based on advance estimates released by the Ministry of Trade and Industry (MTI) on 14 October 2019, the Singapore economy grew by only 0.1% on a year-on-year basis in the third quarter of 2019, the same pace of growth as in the previous quarter.

Gross Domestic Product (GDP) in chained (2015) dollars

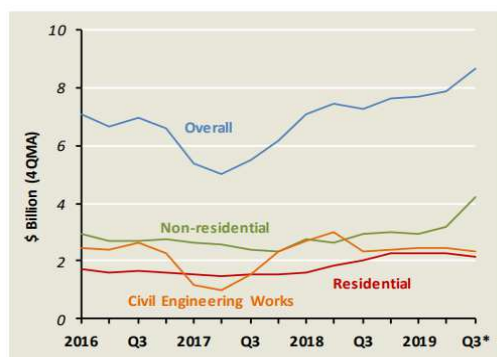
	3Q18	4Q18	2018	1Q19	2Q19	3Q19*
Percentage change over corresponding period of previous year						
Overall GDP	2.6	1.3	3.1	1.1	0.1	0.1
Goods Producing Industries						
Manufacturing	3.5	4.6	7.0	-0.4	-3.3	-3.5
Construction	-2.6	-1.2	-3.7	2.7	2.8	2.7
Services Producing Industries	2.8	1.5	2.9	1.2	1.1	0.9
Quarter-on-quarter annualized growth rate, seasonally-adjusted						
Overall GDP	0.8	-0.8	3.1	3.5	-2.7	0.6
Goods Producing Industries						
Manufacturing	1.1	-3.4	7.0	-6.5	-4.2	-0.4
Construction	0.2	5.3	-3.7	13.3	-5.3	-1.1
Services Producing Industries	1.7	0.4	2.9	4.0	-1.4	0.7

Source: MTI¹

*Advance estimates

According to the Monetary Authority of Singapore (MAS), Singapore's 2019 GDP growth is forecast to be around 0.5% only and would "improve modestly" in 2020. The main reason has been weakness in the trade-related cluster, which continues to be weighed down by the downswing in the global electronics cycle and prevailing US-China trade tensions. On the other hand, the domestic construction sector remained on a recovery path, growing for the third consecutive quarter in the third quarter of 2019. Going forward, the construction sector is set to grow at a "steady" rate. Contracts awarded, a leading indicator of construction activity, has picked up in the third quarter of 2019 (see Chart below).

Construction Contracts Awarded



* Estimated based on Jul-Aug 2019 data.

Source: MAS²

There is a healthy pipeline of both public and private sector projects, particularly in public infrastructure construction. Examples include the Punggol Digital District, PUB's Tuas Water Reclamation Plant for the Deep Tunnel Sewerage System Phase 2, the North-South Corridor and the Thomson-East Coast Line. The recovery path of non-infrastructure non-public housing construction activity in Singapore can also be seen in the following table, which shows the supply in the pipeline (both planned and under construction) over the last 15 quarters (first quarter 2016 to third quarter 2019) for private residences, executive condominiums (ECs), offices, retail, hotels and industrial properties. With the exception of retail spaces, activities in all the other segments started expanding after 2017.

Supply in the Pipeline

Property type\As at end	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Private residential units (no. of units)	50,964	50,674	53,284	51,498	50,330	45,003	40,330
Executive condominiums (no. of units)	3,722	3,022	3,519	2,834	2,834	2,518	3,931
Office space ('000 sq m)	738	732	733	732	793	725	791
Retail space ('000 sq m)	288	320	364	387	501	498	530
Hotel rooms (no. of rooms)	7,898	4,756	3,495	2,823	3,739	3,606	3,596
Factory & warehouse space ('000 sq m)	4,677	4,755	4,848	4,808	4,813	4,486	4,535

Property type\As at end	4Q17	3Q17	2Q17	1Q17
Private residential units (no. of units)	36,029	35,022	35,423	36,942
Executive condominiums (no. of units)	6,144	7,254	7,779	9,074
Office space ('000 sq m)	597	607	719	826
Retail space ('000 sq m)	509	556	576	606
Hotel rooms (no. of rooms)	3,372	3,442	5,569	6,778
Factory & warehouse space ('000 sq m)	3,812	4,318	3,941	4,342

Property type\As at end	4Q16	3Q16	2Q16	1Q16
Private residential units (no. of units)	40,913	43,693	47,250	53,512
Executive condominiums (no. of units)	9,635	11,054	11,554	12,587
Office space ('000 sq m)	786	879	1,022	1,009
Retail space ('000 sq m)	595	652	734	783
Hotel rooms (no. of rooms)	6,496	6,374	6,545	7,908
Factory & warehouse space ('000 sq m)	4,394	4,843	5,268	5,672

Sources: Urban Redevelopment Authority of Singapore (URA) and Jurong Town Corporation (JTC)

On the other hand, the pipeline for new public residential housing remains moderate. On 25 October 2019, the Housing & Development Board (HDB) announced that it would launch about 4,500 Build-to-Order (BTO) flats in November 2019, indicating that the total BTO supply for 2019 would then be about 14,520 units. This will be moderately below the average number of BTO flats launched between 2015 and 2018 (16,569 flats per year), and well off the average of 24,970 BTO flats that were put into the market by the HDB every year from 2011 to 2014.³

On the back of a sustained recovery in local construction demand and tightening resources within the construction supply chain, we can expect a brighter outlook and performance for the Group in the next twelve months. As at 30 September 2019, our order book stood at S\$950 million. The duration of the projects in our sales order book may be up to 5 years.

11 Dividend

(a) Current Financial Period Reported On

2019			
Name of Dividend	Final tax exempt (one-tier)	Special tax exempt (one-tier)	Total
Dividend Type	Cash	Cash	
Dividend Rate	5 Singapore cents per ordinary share	3 Singapore cents per ordinary share	8 Singapore cents per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

2018	
Name of Dividend	Final tax exempt (one-tier)
Dividend Type	Cash
Dividend Rate	1 Singapore cent per ordinary share
Date of payment	28 February 2019

(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.

¹ https://www.mti.gov.sg/-/media/MTI/Newsroom/Press-Releases/2019/10/Adv_Est3Q19.pdf

² https://www.mas.gov.sg/-/media/MAS/EPG/MR/2019/Oct/MR_Oct19.pdf

³ In 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 according to data obtained from HDB's website, HDB launched 25,200, 27,084, 25,139, 22,455, 15,000, 17,891 and 17,584, 15,800 BTO flats respectively.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 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

	Fabrication and Manufacturing	Others	Adjustments and eliminations	consolidated financial statements
Year ended 30 September 2019	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:				
External customers	913,287	-	-	913,287
Total revenue	913,287	-	-	913,287
Results:				
Interest income	1,042	314	(316)	1,040
Interest expense	(9,891)	-	316	(9,575)
Dividend income	2	-	-	2
Depreciation	(14,979)	(1,028)	-	(16,007)
Share of results of joint venture	1,282	-	-	1,282
Share of results of associates	-	(2,131)	-	(2,131)
Other non-cash income	6,275	-	-	6,275
Income tax expense	(6,856)	(17)	-	(6,873)
Segment profit/(loss)	32,130	(568)	-	31,562
Assets:				
Segment assets	604,073	90,545	(32)	694,586
Additions to property, plant and equipment	3,093	656	-	3,749
Interest in joint venture	7,220	-	-	7,220
Interest in associates	-	18,951	-	18,951
Segment liabilities	(426,013)	(5,677)	32	(431,658)

Year ended 30 September 2018

Revenue:				
External customers	567,009	-	-	567,009
Total revenue	567,009	-	-	567,009
Results:				
Interest income	1,086	108	(41)	1,153
Interest expense	(5,243)	-	41	(5,202)
Dividend income	5	-	-	5
Depreciation	(9,490)	(375)	-	(9,865)
Share of results of joint venture	777	-	-	777
Share of results of associates	-	(1,605)	-	(1,605)
Other non-cash income	8,845	-	-	8,845
Income tax expense	(3,533)	(74)	-	(3,607)
Segment profit/(loss)	13,648	(1,605)	-	12,043
Assets:				
Segment assets	642,510	70,876	(14,644)	698,742
Additions to property, plant and equipment	26,865	-	-	26,865
Interest in joint venture	12,116	-	-	12,116
Interest in associates	-	11,477	-	11,477
Segment liabilities	(474,063)	(2,287)	14,644	(461,706)

Geographical information

	Singapore	China	Malaysia	Total
Year ended 30 September 2019	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	888,037	-	25,250	913,287
Non-current assets	142,458	7,220	13,089	162,767
Year ended 30 September 2018	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	531,615	-	35,394	567,009
Non-current assets	148,914	12,116	14,121	175,151

14 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.

15 Breakdown of sales

	2019	2018	%
	S\$'000	S\$'000	+ / (-)
Sales reported for first half year	469,070	211,242	122
Profit after tax reported for first half year	11,515	4,107	180
Sales reported for remaining period	444,217	355,767	25
Profit after tax reported for remaining period	20,047	8,189	145

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

	2019*	2018
	S\$'000	S\$'000
Final dividend	11,667	2,333
Special dividend	7,000	-
Total annual dividend	18,667	2,333

*Total annual dividend proposed in respect of the financial year ended 30 September 2019 will be subject to shareholders' approval at the forthcoming Annual General Meeting. The dividends are computed based on 233,335,089 shares excluding treasury shares as at 30 September 2019.

17 Interested person transactions

Name of interested person and nature of transaction	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	12 Months	12 Months	12 Months	12 Months
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Esteel Enterprise Pte Ltd - Loan facility interest	1,523	638	Nil	Nil
Shanghai Emetal Hong Energy Co., Ltd - Steel hedging contractual price differential payable to	4,075	Nil	Nil	Nil
receivable from	1,177	Nil	Nil	Nil
- Sales commission income	156	Nil	Nil	Nil

Loans from Esteel Enterprise Pte Ltd are unsecured and comprise a S\$23.1 million loan denominated in Singapore Dollars and a S\$36.5 million loan denominated in US Dollars that bear interest at fixed annual rates of 4.5% and 5.0% respectively. The S\$36.5 million loan was fully repaid in 3Q19.

As part of the Group's hedging strategy, the Company periodically entered into price differential hedging contracts with Shanghai Emetal Hong Energy Co., Ltd ("SEHE"), to provide for contractual settlement of market price differences in steel. This is to help reduce the Group's business risk in relation to fluctuating steel prices, with steel being its primary raw material. SEHE is majority-owned by the brother of our controlling shareholder.

The sales commission income relates to international steel merchandising business whereby the Group was appointed as agent for SEHE.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

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

The Group 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.

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 shareholders of the issuer pursuant to Rule 704(13) in the format below. If there is no such persons, the issuer must make an appropriate negative statement

Not applicable.

ON BEHALF OF THE BOARD OF DIRECTORS

Xu Jiguo
Executive Director

Seah Kiin Peng
Executive Director

Singapore
20 November 2019