



UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2017

- 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		Increase/ (Decrease) %
	Six months ended 31 March 2017 S\$'000	2016 S\$'000	
Revenue	12,608	11,461	10.0
Cost of sales	(7,477)	(6,086)	22.9
Gross profit	5,131	5,375	(4.5)
Other operating income	178	148	20.3
Marketing and distribution expenses	(333)	(306)	8.8
Administrative expenses	(3,697)	(2,971)	24.4
Other operating expenses	(317)	(300)	5.7
Investment revenue	7	10	(30.0)
Other gains and losses	49	(143)	n.m ⁽¹⁾
Finance costs	(7)	(7)	-
Profit before tax	1,011	1,806	(44.0)
Income tax credit (expense)	47	(276)	n.m ⁽¹⁾
Profit for the year	1,058	1,530	(30.8)
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(11)	21	n.m ⁽¹⁾
Other comprehensive (loss) income for the year, net of tax	(11)	21	n.m ⁽¹⁾
Total comprehensive income for the year	1,047	1,551	(32.5)
Profit (Loss) attributable to:			
Owners of the Company	917	1,601	(42.7)
Non-controlling interests	141	(71)	n.m ⁽¹⁾
	1,058	1,530	(30.8)
Total comprehensive income (loss) attributable to:			
Owners of the Company	898	1,635	(45.1)
Non-controlling interests	149	(84)	n.m ⁽¹⁾
	1,047	1,551	(32.5)

Note:

- (1) n.m. denotes not meaningful.

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

Profit for the period has been arrived at after crediting (charging):

	Group		
	Six months ended 31 March	2016	Increase/
	2017	2016	(Decrease)
	S\$'000	S\$'000	%
Other operating income:			
Rental income	10	10	-
Sundry income	168	138	21.7
	<u>178</u>	<u>148</u>	<u>20.3</u>
Investment revenue:			
Interest income from bank deposits	<u>7</u>	<u>10</u>	<u>(30.0)</u>
Interest expenses	(7)	(7)	-
Depreciation of property, plant and equipment	(255)	(226)	12.8
Amortisation of intangible asset	(119)	(47)	n.m ⁽¹⁾
Net foreign exchange gain (loss)	60	(141)	n.m ⁽¹⁾
Loss on disposal of property, plant and equipment	(11)	(2)	n.m ⁽¹⁾
Impairment loss recognised on trade receivables	<u>(159)</u>	<u>(103)</u>	<u>54.3</u>

Note:

(1) n.m. denotes 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.

Statements of Financial Position

	Group		Company	
	As at		As at	
	31.03.17	30.09.16	31.03.17	30.09.16
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	10,157	10,084	680	484
Trade and other receivables	7,611	9,471	951	1,889
Inventories	3,195	3,288	-	-
Total current assets	20,963	22,843	1,631	2,373
Non-current assets				
Pledged bank deposits	138	132	-	-
Property, plant and equipment	3,619	3,082	-	-
Intangible asset	1,678	1,797	-	-
Goodwill	860	860	-	-
Subsidiaries	-	-	4,232	4,232
Total non-current assets	6,295	5,871	4,232	4,232
Total assets	27,258	28,714	5,863	6,605
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank borrowings	153	139	-	-
Trade and other payables	3,312	4,543	156	214
Finance leases payable	48	47	-	-
Income tax payable	377	615	6	5
Total current liabilities	3,890	5,344	162	219
Non-current liabilities				
Bank borrowings	364	404	-	-
Deferred tax liabilities	639	605	-	-
Total non-current liabilities	1,003	1,009	-	-
Total liabilities	4,893	6,353	162	219
Capital, reserves and non-controlling interests				
Share capital	5,245	5,245	5,245	5,245
Reserves	15,618	15,616	456	1,142
Equity attributable to owners of the Company	20,863	20,861	5,701	6,387
Non-controlling interests	1,502	1,500	-	-
Total equity	22,365	22,361	5,701	6,387
Total liabilities and equity	27,258	28,714	5,863	6,605

1(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 31.03.17		As at 30.09.16	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	153	-	139	-
Amount repayable after one year	364	-	404	-

Details of any collateral

As at 31 March 2017, secured borrowings comprised:

- Term loans of S\$517,000 (30 September 2016: S\$542,000) which were secured by a pledge of the Group's bank deposits of S\$138,000 (30 September 2016: S\$132,000).
- Finance leases of S\$48,000 (30 September 2016: S\$47,000) which were secured by the lessors' title to the leased motor vehicles.

- 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	
	Six months ended 31 March	
	2017	2016
	S\$'000	S\$'000
Operating activities		
Profit before income tax	1,011	1,806
Adjustments for:		
Interest income	(7)	(10)
Finance costs	7	7
Depreciation of property, plant and equipment	255	226
Amortisation of intangible asset	119	47
Allowance for doubtful receivables	159	103
Net foreign exchange gain	(25)	-
Loss on disposal of property, plant and equipment	11	2
Operating cash flows before movements in working capital	1,530	2,181
Inventories	129	264
Trade and other receivables	1,906	(189)
Trade and other payables	(1,334)	(89)
Cash generated from operations	2,231	2,167
Income tax paid	(193)	(111)
Net cash from operating activities	2,038	2,056
Investing activities		
Purchase of property, plant and equipment	(887)	(323)
Interest received	7	10
Proceeds from disposal of property, plant and equipment	28	2
Decrease in pledged bank deposits	-	5
Acquisition of subsidiary, net of cash acquired	-	(1,768)
Repayment of loan from a third party	-	510
Net cash used in investing activities	(852)	(1,564)
Financing activities		
Dividends paid by the Company	(896)	(1,120)
Dividends paid to non-controlling shareholders by subsidiary	(147)	-
Proceeds from bank borrowings	23	-
Repayment of bank borrowings	(73)	(64)
Repayment of obligations under finance leases	(38)	(5)
Interest paid	(7)	(7)
Net cash used in financing activities	(1,138)	(1,196)
Net decrease in cash and cash equivalents	48	(704)
Cash and cash equivalents at beginning of period	10,084	8,095
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	25	-
Cash and cash equivalents at end of period	10,157	7,391

- 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 2016	5,245	(44)	277	19	15,364	20,861	1,500	22,361
Total comprehensive income (loss) for the period								
Profit for the period	-	-	-	-	917	917	141	1,058
Other comprehensive income (loss) for the period	-	(19)	-	-	-	(19)	8	(11)
Total	-	(19)	-	-	917	898	149	1,047
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(896)	(896)	(147)	(1,043)
Total	-	-	-	-	(896)	(896)	(147)	(1,043)
Balance at 31 March 2017	5,245	(63)	277	19	15,385	20,863	1,502	22,365
Balance at 1 October 2015	5,245	(87)	277	19	13,646	19,100	463	19,563
Total comprehensive income (loss) for the period								
Profit (Loss) for the period	-	-	-	-	1,601	1,601	(71)	1,530
Other comprehensive income (loss) for the period	-	34	-	-	-	34	(13)	21
Total	-	34	-	-	1,601	1,635	(84)	1,551
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(1,120)	(1,120)	-	(1,120)
Capital contribution from non-controlling interests in a subsidiary	-	-	-	-	-	-	799	799
Total	-	-	-	-	(1,120)	(1,120)	799	(321)
Balance at 31 March 2016	5,245	(53)	277	19	14,127	19,615	1,178	20,793

The Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 October 2016	5,245	1,142	6,387
Profit for the period, representing total comprehensive income for the period	-	210	210
Transactions with owners, recognised directly in equity			
Dividends	-	(896)	(896)
Balance at 31 March 2017	5,245	456	5,701
Balance at 1 October 2015	5,245	1,423	6,668
Profit for the period, representing total comprehensive income for the period	-	58	58
Transactions with owners, recognised directly in equity			
Dividends	-	(1,120)	(1,120)
Balance at 31 March 2016	5,245	361	5,606

- 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 the period between 30 September 2016 and 31 March 2017.

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 March 2017 and 31 March 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	No of ordinary shares	
	As at	
	31.03.17	30.09.16
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 31 March 2017 and 30 September 2016.

- 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 period ended 31 March 2017 as its most recently audited financial statements for the financial year ended 30 September 2016.

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

In the financial period ended 31 March 2017, the Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to the Group and effective for the financial period beginning on 1 October 2016. The adoption of these new and revised FRS and INT FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior periods.

- 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).

Earnings per Share ("EPS")

	Group	
	Six months ended	
	31.03.17	31.03.16
Profit attributable to owners of the Company (S\$'000)	917	1,601
Weighted average number of ordinary shares ('000)	112,000	112,000
EPS - Basic and diluted (cents)	<u>0.82</u>	<u>1.43</u>

EPS is calculated based on profit 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 periods ended 31 March 2017 and 31 March 2016.

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		As at	
	31.03.17	30.09.16	31.03.17	30.09.16
NAV per ordinary share (cents)	18.63	18.63	5.09	5.70
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

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.

The Group's revenue for the six-month period ended 31 March 2017 ("1H2017") was S\$12.61 million, an increase of S\$1.15 million or 10.0% as compared to S\$11.46 million for the corresponding six-month period ended 31 March 2016 ("1H2016"). The increase in revenue was mainly due to revenue contribution from a subsidiary, Grimm Industries Pte. Ltd. ("Grimm"). Grimm recorded an increase in revenue of S\$2.01 million from S\$0.58 million in 1H2016 to S\$2.59 million in 1H2017. This increase was due to a six-month revenue contribution in 1H2017 as compared to two-month revenue contribution in 1H2016, as Grimm was acquired by the Company in January 2016. In addition to the aforementioned, the Group reported:

- (i) a decrease in revenue from the sale of door and shutter systems of S\$1.06 million as a result of a decrease in sales of manufactured products and distributed products of S\$0.92 million and S\$0.14 million respectively amidst a slowing economy; and
- (ii) an increase in revenue from the provision of service and maintenance work amounting to S\$0.21 million.

Cost of sales

Cost of sales increased by S\$1.39 million or 22.9% from S\$6.09 million in 1H2016 to S\$7.48 million in 1H2017 mainly due to higher material costs of S\$1.67 million which was partially offset by lower labour cost of S\$0.20 million.

Gross profit

Gross profit decreased by S\$0.24 million or 4.5% from S\$5.37 million in 1H2016 to S\$5.13 million in 1H2017. Gross profit margin decreased from 46.9% in 1H2016 to 40.7% in 1H2017. 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\$0.03 million or 20.3% from S\$0.15 million in 1H2016 to S\$0.18 million in 1H2017. The increase in other operating income was mainly attributable to government grant received.

Marketing and distribution expenses

Marketing and distribution expenses increased by S\$0.02 million or 8.8% from S\$0.31 million in 1H2016 to S\$0.33 million in 1H2017. This was mainly due to an increase in freight charges of S\$0.03 million.

Administrative expenses

Administrative expenses increased by S\$0.73 million or 24.4% from S\$2.97 million in 1H2016 to S\$3.70 million in 1H2017. The increase in administrative expenses was mainly due to (i) higher personnel cost of S\$0.61 million as a result of increased headcount and (ii) higher amortisation of intangible assets of S\$0.07 million. The acquisition of Grimm had contributed additional intangible assets to the Group as well as its related amortisation on these intangible assets.

Other operating expenses

Other operating expenses increased by S\$0.02 million or 5.7% from S\$0.30 million in 1H2016 to S\$0.32 million in 1H2017. The increase in other operating expenses was mainly due to the increase in impairment loss on trade receivables of S\$0.06 million but was partially offset by a decrease in research and development expenses of S\$0.05 million. The higher impairment loss on trade receivables was attributable to debts relating to customers who have filed for bankruptcy.

Investment revenue

Investment revenue, comprising interest income, decreased from S\$10,000 in 1H2016 to S\$7,000 in 1H2017, mainly due to repayment of an interest-bearing loan from a third party in 1H2016.

Other gains and losses

Other gains and losses reversed from a net loss of S\$0.14 million in 1H2016 to a net gain of S\$0.05 million in 1H2017 mainly due to the increase in net foreign exchange gain of S\$0.20 million arising from the translation of trade receivables and bank balances denominated in US\$ in 1H2017.

Finance costs

Finance costs remains the same at approximately S\$7,000 for both 1H2017 and 1H2016.

Income tax expense

Income tax expense decreased by S\$0.33 million from S\$0.28 million in 1H2016 to a tax credit of S\$0.05 million in 1H2017. The income tax credit position was mainly due to a tax refund of S\$0.12 million received and lower income tax expense as a result of lower profit generated.

Profit for the year

As a result of the above, profit for the year decreased by S\$0.47 million or 30.8% from S\$1.53 million in 1H2016 to S\$1.06 million in 1H2017.

Review of the Group's Financial Position

Current assets

Current assets decreased by S\$1.88 million from S\$22.84 million as at 30 September 2016 to S\$20.96 million as at 31 March 2017. The decrease in current assets was mainly due to a decrease in trade and other receivables of S\$1.86 million. Trade and other receivables were lower as a result of (i) a decrease in trade receivables of S\$1.75 million; (ii) a decrease in prepayments of S\$0.42 million; which were partially offset by an increase in deposits and advance to supplier of S\$0.37 million.

Non-current assets

Non-current assets increased by S\$0.42 million from S\$5.87 million as at 30 September 2016 to S\$6.29 million as at 31 March 2017. The increase in non-current assets was mainly attributable to an increase in property, plant and equipment of S\$0.54 million. This includes S\$0.45 million increase in machinery and equipment relating to production process automation.

Current liabilities

Current liabilities decreased by S\$1.45 million from S\$5.34 million as at 30 September 2016 to S\$3.89 million as at 31 March 2017. The decrease in current liabilities was mainly due to:

- (i) a decrease in trade and other payables of S\$1.23 million; and
- (ii) a decrease in income tax payable of S\$0.24 million.

Non-current liabilities

Non-current liabilities as at 31 March 2017 remain at about the same compared to 30 September 2016 at S\$1.01 million.

Capital, reserves and non-controlling interests

Total equity as at 31 March 2017 remain at about the same compared to 30 September 2016 at S\$22.36 million.

Review of the Group's Cash Flows

Net cash from operating activities

In 1H2017, the Group generated net cash of S\$1.53 million from operating activities before changes in working capital. The Group's net working capital inflow amounted to S\$0.70 million and was mainly due to the decrease in trade and other receivables of S\$1.91 million and the decrease in inventories of S\$0.13 million, partially offset by the decrease in trade and other payables of S\$1.33 million. After payment of income tax of S\$0.19 million, the net cash from operating activities in 1H2017 amounted to S\$2.04 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.85 million, mainly due to purchase of property, plant and equipment of S\$0.89 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$1.14 million, mainly due to payment of dividends of S\$1.04 million and repayment of bank borrowings and finance lease obligation of S\$0.07 million and S\$0.04 million respectively.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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 factors that may impact the Group are as follows:

- (a) General health of the Singapore economy;
- (b) Level of activities in the commercial and industrial developments in Singapore; and
- (c) Changes in the Singapore government's policies and regulations on the immigration and employment of foreign workers.

Notwithstanding the continued uncertain economic outlook, the Group remains cautiously optimistic that the outlook for the door and shutter solutions industry in Singapore will remain positive in the next 12 months. The Group continues to be on the lookout for new projects to maintain or expand its order book while exercising stricter evaluation and assessment when negotiating new contracts.

The Group also expects increasing constraints in labour supply and manpower costs in Singapore. In this regard, the Group will continue to take appropriate steps and measures to address these issues to maintain its competitiveness.

11. Dividend

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

None.

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

None.

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

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 31 March 2017.

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 shareholders for IPTs.

14. Negative confirmation pursuant to Rule 705(5)

We confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Group for the six months ended 31 March 2017 to be false or misleading in any material respect.

On behalf of the Board

Wong Lok Yung
Chairman and Chief Executive Officer

Wu Chiaw Ching
Lead Independent Director

15. 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 the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") in accordance with Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Wong Lok Yung
Chairman and Chief Executive Officer
9 May 2017

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.*