



UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2018

- 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 2018 S\$'000	2017 S\$'000	
Revenue	9,234	12,608	(26.8%)
Cost of sales	(5,983)	(7,477)	(20.0%)
Gross profit	3,251	5,131	(36.6%)
Other operating income	243	178	36.5%
Marketing and distribution expenses	(346)	(333)	3.9%
Administrative expenses	(2,669)	(3,697)	(27.8%)
Other operating expenses	(136)	(317)	(57.1%)
Investment revenue	6	7	(14.3%)
Other gains and losses	(129)	49	n.m ⁽¹⁾
Finance costs	(1)	(7)	(85.7%)
Profit before tax	217	1,011	(78.5%)
Income tax credit	336	47	n.m ⁽¹⁾
Profit for the year	553	1,058	(47.7%)
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	44	(11)	n.m ⁽¹⁾
Other comprehensive income (loss) for the year, net of tax	44	(11)	n.m ⁽¹⁾
Total comprehensive income for the year	597	1,047	(43.0%)
Profit attributable to:			
Owners of the Company	389	917	(57.6%)
Non-controlling interests	164	141	16.3%
	553	1,058	(47.7%)
Total comprehensive income attributable to:			
Owners of the Company	433	898	(51.8%)
Non-controlling interests	164	149	10.1%
	597	1,047	(43.0%)

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	2017	Increase/
	2018	2017	(Decrease)
	S\$'000	S\$'000	%
Other operating income:			
Rental income	10	10	-
Sundry income	233	168	38.7%
	<u>243</u>	<u>178</u>	<u>36.5%</u>
Investment revenue:			
Interest income from bank deposits	6	7	(14.3%)
Interest expenses	(1)	(7)	(85.7%)
Depreciation of property, plant and equipment	(315)	(255)	23.5%
Amortisation of intangible asset	(119)	(119)	-
Net foreign exchange (loss) gain	(128)	60	n.m ⁽¹⁾
Loss on disposal of property, plant and equipment	(1)	(11)	90.9%
Impairment loss recognised on trade receivables	-	(159)	n.m ⁽¹⁾

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	
	31.03.18	30.09.17	31.03.18	30.09.17
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	10,555	9,816	1,780	542
Trade and other receivables	4,620	6,498	2,750	1,799
Inventories	3,116	2,905	-	-
Total current assets	18,291	19,219	4,530	2,341
Non-current assets				
Property, plant and equipment	4,049	4,269	-	-
Intangible asset	1,439	1,558	-	-
Goodwill	860	860	-	-
Subsidiaries	-	-	4,040	4,040
Total non-current assets	6,348	6,687	4,040	4,040
Total assets	24,639	25,906	8,570	6,381
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	1,762	2,828	155	207
Finance leases payable	20	60	-	-
Income tax payable	163	198	6	5
Total current liabilities	1,945	3,086	161	212
Non-current liabilities				
Deferred tax liabilities	465	624	-	-
Other payables	366	76	-	-
Total non-current liabilities	831	700	-	-
Total liabilities	2,776	3,786	161	212
Capital, reserves and non-controlling interests				
Share capital	5,245	5,245	5,245	5,245
Reserves	15,199	15,326	3,164	924
Equity attributable to owners of the Company	20,444	20,571	8,409	6,169
Non-controlling interests	1,419	1,549	-	-
Total equity	21,863	22,120	8,409	6,169
Total liabilities and equity	24,639	25,906	8,570	6,381

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 31.03.18		As at 30.09.17	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	20	-	60	-
Amount repayable after one year	-	-	-	-

Details of any collateral

As at 31 March 2018, secured borrowings comprised:

- J Finance leases of S\$20,000 (30 September 2017: S\$60,000) 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	
	2018	2017
	S\$'000	S\$'000
Operating activities		
Profit before income tax	217	1,011
Adjustments for:		
Interest income	(6)	(7)
Finance costs	1	7
Depreciation of property, plant and equipment	315	255
Amortisation of intangible asset	119	119
Allowance for doubtful receivables	-	159
Net foreign exchange gain (loss)	67	(25)
Loss on disposal of property, plant and equipment	1	11
Operating cash flows before movements in working capital	714	1,530
Inventories	(211)	129
Trade and other receivables	1,872	1,906
Trade and other payables	(727)	(1,334)
Cash generated from operations	1,648	2,231
Income tax refund (paid)	143	(193)
Net cash from operating activities	1,791	2,038
Investing activities		
Purchase of property, plant and equipment	(102)	(887)
Interest received	6	7
Proceeds from disposal of property, plant and equipment	6	28
Net cash used in investing activities	(90)	(852)
Financing activities		
Dividends paid by the Company	(560)	(896)
Dividends paid to non-controlling shareholders by subsidiary	(294)	(147)
Proceeds from bank borrowings	-	23
Repayment of bank borrowings	-	(73)
Repayment of obligations under finance leases	(40)	(38)
Interest paid	(1)	(7)
Net cash used in financing activities	(895)	(1,138)
Net increase in cash and cash equivalents	806	48
Cash and cash equivalents at beginning of period	9,816	10,084
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(67)	25
Cash and cash equivalents at end of period	10,555	10,157

- 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 2017	5,245	(47)	277	19	15,077	20,571	1,549	22,120
Total comprehensive income for the period								
Profit for the period	-	-	-	-	389	389	164	553
Other comprehensive income for the period	-	44	-	-	-	44	-	44
Total	-	44	-	-	389	433	164	597
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(560)	(560)	-	(560)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	-	(294)	(294)
Total	-	-	-	-	(560)	(560)	(294)	(854)
Balance at 31 March 2018	5,245	(3)	277	19	14,906	20,444	1,419	21,863
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)	-	(896)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	-	(147)	(147)
Total	-	-	-	-	(896)	(896)	(147)	(1,043)
Balance at 31 March 2017	5,245	(63)	277	19	15,385	20,863	1,502	22,365

The Company	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 October 2017	5,245	924	6,169
Profit for the period, representing total comprehensive income for the period	-	2,800	2,800
Transactions with owners, recognised directly in equity			
Dividends	-	(560)	(560)
Balance at 31 March 2018	5,245	3,164	8,409
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

- 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 2017 and 31 March 2018.

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 March 2018 and 31 March 2017.

- 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	
	31.03.18	30.09.17
Total number of issued shares excluding treasury shares	112,000,000	112,000,000

There were no treasury shares as at 31 March 2018 and 30 September 2017.

- 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 2018 as its most recently audited financial statements for the financial year ended 30 September 2017.

- 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 2018, 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 2017. 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	
	31.03.18	31.03.17
Profit attributable to owners of the Company (S\$'000)	389	917
Weighted average number of ordinary shares ('000)	112,000	112,000
EPS - Basic and diluted (cents)	<u>0.35</u>	<u>0.82</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 2018 and 31 March 2017.

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	
	31.03.18	30.09.17	31.03.18	30.09.17
NAV per ordinary share (cents)	18.25	18.37	7.51	5.51
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 2018 ("1H2018") was S\$9.23 million, a decrease of S\$3.38 million or 26.8% as compared to S\$12.61 million for the corresponding six-month period ended 31 March 2017 ("1H2017").

The decrease in revenue of S\$3.38 million was mainly due to:

- (i) decrease in sale of door and shutter systems of S\$1.75 million;
- (ii) absence of revenue contribution of S\$1.98 million from a subsidiary (i.e. Gliderol Doors Asia Limited) that was disposed of by the Company in September 2017; and
- (iii) decrease in provision of service and maintenance work of S\$0.04 million.

The decrease in revenue was partially offset by an increase in revenue from sales of production components of S\$0.39 million.

The lower revenue achieved in 1H2018 was mainly attributable to the Group experiencing competitive pricing pressures in the door and shutter system industry.

Cost of sales

Cost of sales decreased by S\$1.50 million or 20.0% from S\$7.48 million in 1H2017 to S\$5.98 million in 1H2018 mainly due to lower material costs of S\$1.28 million and lower labour cost of S\$0.22 million.

Gross profit

Gross profit decreased by S\$1.88 million or 36.6% from S\$5.13 million in 1H2017 to S\$3.25 million in 1H2018. Gross profit margin decreased from 40.7% in 1H2017 to 35.2% in 1H2018. The lower gross profit margin was mainly due to compressed margins arising from the competitive pricing pressures in the door and shutter systems.

Other operating income

Other operating income increased by S\$0.06 million or 36.5% from S\$0.18 million in 1H2017 to S\$0.24 million in 1H2018. The increase in other operating income was mainly attributable to government grant received in 1H2018.

Marketing and distribution expenses

Marketing and distribution expenses increased marginally by S\$0.01 million or 3.9% from S\$0.33 million in 1H2017 to S\$0.35 million in 1H2018.

Administrative expenses

Administrative expenses decreased by S\$1.03 million or 27.8% from S\$3.70 million in 1H2017 to S\$2.67 million in 1H2018. The decrease in administrative expenses was mainly due to (i) lower personnel cost of S\$0.79 million as a result of decreased headcount; (ii) lower professional fees of S\$0.10 million and (iii) lower rental expenses of \$0.10 million partially due to absence of rental expenses from a subsidiary (i.e. Gliderol Doors Asia Limited) that has been disposed of by the Company in September 2017.

Other operating expenses

Other operating expenses decreased by S\$0.18 million or 57.1% from S\$0.32 million in 1H2017 to S\$0.14 million in 1H2018. The decrease in other operating expenses was mainly due to the decrease in impairment loss on trade receivables of S\$0.16 million.

Investment revenue

Investment revenue, comprising interest income, decreased slightly by S\$1,000 or 14.3% from S\$7,000 in 1H2017 to S\$6,000 in 1H2018.

Other gains and losses

Other gains and losses reversed from a net gain of S\$0.05 million in 1H2017 to a net loss of S\$0.13 million in 1H2018 mainly due to the increase in net foreign exchange loss of S\$0.19 million arising from the translation of trade receivables and bank balances denominated in US\$ in 1H2018.

Finance costs

Finance costs decreased by S\$6,000 or 85.7% from S\$7,000 in 1H2017 to S\$1,000 in 1H2018 mainly due to absence of finance cost from a subsidiary (i.e. Gliderol Doors Asia Limited) that has been disposed of by the Company in September 2017.

Income tax credit

The Group is in an income tax credit position where it increased by S\$0.29 million from S\$0.05 million in 1H2017 to S\$0.34 million in 1H2018. The increase in income tax credit was mainly due to a net tax refund of S\$0.14 million received and reversal of over provision of tax in prior years of S\$0.15 million.

Profit for the year

As a result of the above, profit for the year decreased by S\$0.51 million or 47.7% from S\$1.06 million in 1H2017 to S\$0.55 million in 1H2018.

Review of the Group's Financial Position

Current assets

Current assets decreased by S\$0.93 million from S\$19.22 million as at 30 September 2017 to S\$18.29 million as at 31 March 2018. The decrease in current assets was mainly due to a decrease in trade and other receivables of S\$1.88 million, partially offset by an increase in cash and cash equivalents of S\$0.74 million. Trade and other receivables were lower as a result of (i) a decrease in trade receivables of S\$1.63 million; (ii) a decrease in prepayments of S\$0.20 million; and (iii) a decrease in deposits and advance to supplier of S\$0.05 million.

Non-current assets

Non-current assets decreased by S\$0.34 million from S\$6.69 million as at 30 September 2017 to S\$6.35 million as at 31 March 2018. The decrease in non-current assets was mainly attributable to lower net book value in property, plant and equipment and intangible assets arising from depreciation and amortization charges.

Current liabilities

Current liabilities decreased by S\$1.14 million from S\$3.09 million as at 30 September 2017 to S\$1.95 million as at 31 March 2018. The decrease in current liabilities was mainly due to:

- (i) a decrease in trade and other payables of S\$1.07 million; and
- (ii) a decrease in income tax payable of S\$0.04 million.

Non-current liabilities

Non-current liabilities increased by S\$0.13 million from S\$0.70 million as at 30 September 2017 to S\$0.83 million as at 31 March 2018. The increase in non-current liabilities was due to an increase in other payables of S\$0.29 million which are deferred income on government grant received, partially offset by the decrease in deferred tax liabilities of S\$0.16 million.

Capital, reserves and non-controlling interests

Total equity decreased from by S\$0.26 million from S\$22.12 million as at 30 September 2017 to S\$21.86 million as at 31 March 2018.

Review of the Group's Cash Flows

Net cash from operating activities

In 1H2018, the Group generated net cash of S\$0.71 million from operating activities before changes in working capital. The Group's net working capital inflow amounted to S\$0.93 million and was mainly due to the decrease in trade and other receivables of S\$1.87 million, partially offset by increase in inventories of S\$0.21 million and decrease in trade and other payables of S\$0.73 million. After net income tax refund of S\$0.14 million, the net cash from operating activities in 1H2018 amounted to S\$1.79 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.09 million, mainly due to purchase of property, plant and equipment of S\$0.10 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$0.90 million, mainly due to payment of dividends of S\$0.85 million and repayment of finance lease obligation of S\$0.04 million.

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.**

With the continued uncertain economic outlook, the Group expects the door and shutter solutions industry in Singapore to remain challenging. The Group will continue to take a cautious and prudent approach in bidding for new projects.

The Group continues to be on the lookout for new projects, both locally and overseas in order to maintain or expand its order book. With completion of the automation of production processes in 2017, the Group is equipped to execute higher export orders.

- 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 2018.

- 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 consolidated financial results of the Group for the six months ended 31 March 2018 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 2018

*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.*