

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR YEAR ENDED 30 SEPTEMBER 2016

These figures have not been audited

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

Statement of comprehensive income for the period ended 30 September 2016

	Group		%
	30 September 2016 \$ '000	30 September 2015 \$ '000	
Revenue	129,398	164,042	-21.1%
Cost of Sales	(101,429)	(128,468)	-21.0%
Gross Profit	27,969	35,574	-21.4%
Distribution Costs	(2,492)	(3,006)	-17.1%
Administrative Costs	(10,329)	(11,715)	-11.8%
Other Operating Costs	(2,255)	(5,233)	-56.9%
Profit from operating activities	12,893	15,620	-17.5%
Interest income	386	315	22.5%
Finance Cost	(146)	(138)	5.8%
Other income	402	186	116.1%
Profit before taxation	13,535	15,983	-15.3%
Taxation	(4,190)	(3,109)	34.8%
Profit for the period	9,345	12,874	-27.4%
Attributable to:			
Equity holders of the Company	9,133	12,939	
Non-controlling interests	212	(65)	
	9,345	12,874	
Profit for the period	9,345	12,874	
Other comprehensive income:			
Foreign currency translation	(254)	(5,077)	
Surplus on revaluation of buildings	1,522	-	
Fair value adjustment	(3)	-	
Other comprehensive income for the period, net of tax	1,265	(5,077)	
Total comprehensive income for the period	10,610	7,797	
Attributable to:			
Equity holders of the Company	10,468	7,775	
Non-controlling interests	142	22	
	10,610	7,797	

Note: Some comparative figures have been reclassified to conform to the current year's presentation.

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

Profit is arrived at after (charging)/crediting:

	Group		%
	30 September 2016 \$' 000	30 September 2015 \$' 000	
Depreciation of property, plant and equipment	(4,266)	(4,417)	-3%
Interest expense	(146)	(138)	6%
Foreign exchange (loss)/gain	(239)	191	NM
Interest income from bank deposits	202	131	54%
Interest income from held-to-maturity investments	184	184	0%
Gain/(loss) on disposal of property, plant and equipment	34	(6)	NM

Note: Some comparative figures have been reclassified to conform to the current year's presentation.

NM: Not meaningful

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

Statement of Financial Position as at:

	Group		Company	
	30 September 2016 \$ '000	30 September 2015 \$ '000	30 September 2016 \$ '000	30 September 2015 \$ '000
Non-current assets				
Property, plant and equipment	36,651	33,445	6,949	8,900
Available-for-sale investments	5	8	5	8
Interest in subsidiaries	-	-	15,226	15,226
Held-to-maturity investments	6,087	6,106	6,087	6,106
Deferred tax assets	141	-	-	-
	<u>42,884</u>	<u>39,559</u>	<u>28,267</u>	<u>30,240</u>
Current assets				
Inventories	31,231	40,386	3,353	6,983
Trade receivables	29,911	39,407	16,583	24,435
Other receivables, deposits and prepayments	3,620	3,297	521	538
Amount due from subsidiaries	-	-	22,826	31,319
Derivatives	329	-	329	-
Cash and cash equivalents	46,006	38,432	38,777	25,957
	<u>111,097</u>	<u>121,522</u>	<u>82,389</u>	<u>89,232</u>
Current liabilities				
Trade payables	7,606	11,505	11,130	12,150
Other payables and accruals	9,066	13,070	5,814	9,720
Provision for warranty	759	818	-	-
Term loans	1,000	1,000	1,000	1,000
Derivatives	-	2,111	-	2,111
Obligations under hire purchase contracts	297	505	87	208
Income tax payables	1,386	2,634	1,463	1,755
	<u>20,114</u>	<u>31,643</u>	<u>19,494</u>	<u>26,944</u>
Net current assets	90,983	89,879	62,895	62,288
Non-current liabilities				
Term loans	2,417	3,417	2,417	3,417
Obligations under hire purchase contracts	79	481	62	254
Deferred tax liabilities	2,007	762	80	81
	<u>4,503</u>	<u>4,660</u>	<u>2,559</u>	<u>3,752</u>
	<u>129,364</u>	<u>124,778</u>	<u>88,603</u>	<u>88,776</u>
Equity attributable to equity holders of the Company				
Share capital	56,770	56,758	56,770	56,758
Retained earnings	77,393	74,288	31,453	31,476
Fair value adjustment reserve	(1)	2	(1)	2
Capital reserve	104	104	-	-
Asset revaluation reserve	1,867	345	194	345
Share option reserve	187	195	187	195
Foreign currency translation reserve	(7,968)	(7,784)	-	-
	<u>128,352</u>	<u>123,908</u>	<u>88,603</u>	<u>88,776</u>
Non-controlling interests	1,012	870	-	-
Total equity	129,364	124,778	88,603	88,776

Note: Some comparative figures have been reclassified to conform to the current year's presentation.

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

Amount repayable in one year or less or in demand

30 September 2016 \$'000 Secured	30 September 2016 \$'000 Unsecured	30 September 2015 \$'000 Secured	30 September 2015 \$'000 Unsecured
297	1,000	505	1,000

Amount repayable after one year

30 September 2016 \$'000 Secured	30 September 2016 \$'000 Unsecured	30 September 2015 \$'000 Secured	30 September 2015 \$'000 Unsecured
79	2,417	481	3,417

Details of any collateral

As at 30 September 2016, the Group's secured borrowings comprised outstanding finance lease balances.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the period ended 30 September 2016

	Group	
	30 September 2016	30 September 2015
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	13,535	15,983
Adjustments for:		
Depreciation of property, plant and equipment	4,266	4,417
(Gain)/loss on disposal of property, plant and equipment	(34)	6
Property, plant and equipment written off	867	189
Write back for provision of warranty	(59)	(85)
Amortisation of bond premium	19	18
Fair value (gain)/loss on derivative	(2,440)	2,232
Interest expense	146	138
Interest income from bank deposits	(202)	(131)
Interest income from held-to-maturity investments	(184)	(184)
Foreign currency translation adjustment	(107)	(4,014)
Operating profit before working capital changes	<u>15,807</u>	<u>18,569</u>
Decrease/(increase) in inventories	9,155	(7,932)
Decrease/(increase) in debtors	9,016	(7,040)
(Decrease)/increase in creditors	<u>(7,905)</u>	<u>9,506</u>
Cash generated from operations	26,073	13,103
Income tax paid	(3,708)	(1,615)
Interest received	202	131
Interest paid	(146)	(138)
Net cash generated from operating activities	<u>22,421</u>	<u>11,481</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,115)	(11,157)
Proceeds from disposal of property, plant and equipment	331	846
Interest income from held-to-maturity investments	184	184
Net cash used in investing activities	<u>(6,600)</u>	<u>(10,127)</u>
Cash flows from financing activities		
Repayment of finance lease obligations	(610)	(536)
Proceeds from term loan drawdown	-	5,000
Repayment of term loan	(1,000)	(659)
Proceed from exercise of employee share options	9	-
Dividends paid	(6,033)	(3,619)
Net cash flows (used in)/generated from financing activities	<u>(7,634)</u>	<u>186</u>
Net increase in cash and cash equivalents	8,187	1,540
Cash and cash equivalents at 1 October	38,432	35,541
Effect of exchange rate changes on cash and cash equivalents	(613)	1,351
Cash and cash equivalents at 30 Sep	<u>46,006</u>	<u>38,432</u>

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the period ended 30 September 2016

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

	Share capital	Retained earnings	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Company					
Balance at 1 October 2015	56,758	31,476	2	345	195	88,776
Total comprehensive income for the year	-	6,005	(3)	(151)	-	5,851
Exercise of employee share options	12	-	-	-	(3)	9
Forfeiture of employee share options	-	5	-	-	(5)	-
Dividends on ordinary shares, net of tax	-	(6,033)	-	-	-	(6,033)
Balance at 30 September 2016	56,770	31,453	(1)	194	187	88,603

	Attributable to equity holders of the Company									
	Share capital	Retained earnings	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity attributable to equity holders of company	Non controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
Balance at 1 October 2014	56,758	64,968	104	(2,620)	2	345	195	119,752	848	120,600
Total comprehensive income for the period	-	12,939	-	(5,164)	-	-	-	7,775	22	7,797
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	-	-	(3,619)	-	(3,619)
Balance at 30 September 2015	56,758	74,288	104	(7,784)	2	345	195	123,908	870	124,778

	Share Capital	Retained Earnings	Fair value adjustment reserve	Asset revaluation reserve	Share option reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
Balance at 1 October 2014	56,758	18,180	2	345	195	75,480
Total comprehensive income for the period	-	16,915	-	-	-	16,915
Dividends on ordinary shares, net of tax	-	(3,619)	-	-	-	(3,619)
Balance at 30 September 2015	56,758	31,476	2	345	195	88,776

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition of for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

A) Changes in share capital during the financial period

During the second quarter, there was an increase of 35,000 shares due to exercise of employee share options. Thus the number of issued and paid-up ordinary shares increased from 241,259,082 to 241,294,082.

B) Share options

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

Movement in share options during the financial period

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

	30 September 2016		30 September 2015	
	No	WAEP(\$)	No	WAEP(\$)
Opening balance	2,650,000	0.258	2,650,000	0.258
- Exercised during the period	(35,000)	0.258	-	-
- Forfeited during the period	(65,000)	0.258	-	-
Ending balance	<u>2,550,000</u>	<u>0.258</u>	<u>2,650,000</u>	<u>0.258</u>
Exercisable at end of period	<u>2,550,000</u>	<u>0.258</u>	<u>2,650,000</u>	<u>0.258</u>

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

	Group	
	Latest Period 30 September 2016	Previous Period 30 September 2015
Number of ordinary shares	<u>241,294,082</u>	<u>241,259,082</u>

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 reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 30 September 2015, except as disclosed in note 5 below.

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

The Group has adopted all the applicable new/revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning 01 October 2015. The adoption of these new/revised FRS does not have any material impact to the Group financial statements.

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

Earnings per ordinary share for the period:-	Group	
	Latest Period 30 September 2016	Previous Period 30 September 2015
(i) Based on weighted average number of ordinary shares in issue	3.785 cents	5.364 cents
(ii) On a fully diluted basis	3.777 cents	5.357 cents

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	Group		Company	
	Latest Period 30 September 2016	Previous Period 30 September 2015	Latest Period 30 September 2016	Previous Period 30 September 2015
	53.2 cents	51.4 cents	36.7 cents	36.8 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

Group turnover decreased by S\$34.6 million or 21.1% from S\$164.0 million for the financial year ended 30 September 2015 ("FY2015") to S\$129.4 million for the financial year ended 30 September 2016 ("FY2016"). The decrease was mainly attributable to decreased revenue from the aluminium segment in 4Q2016.

Gross profit decreased from S\$35.6 million in FY2015 to S\$28.0 million in FY2016, in line with the lower turnover in FY2016. Correspondingly, gross profit margin decreased from 21.7% in FY2015 to 21.6% in FY2016.

Distribution costs decreased by S\$0.5 million or 17.1% from S\$3.0 million in FY2015 to S\$2.5 million in FY2016, in line with the lower turnover in FY2016. Administrative costs decreased from S\$11.7 million in FY2015 to S\$10.3 million in FY2016 mainly due to lower accrued personnel expenses. Other operating costs decreased from S\$5.2 million in FY2015 to S\$2.3 million in FY2016, mainly due to higher gain in derivative in FY2016.

The Group's effective tax rate was 31.0% for FY2016 as compared to 19.5% for FY2015. The higher effective tax rate of 31.0% for FY2016 was mainly due to the provision made for transfer pricing adjustments for our subsidiaries in Malaysia in FY2016.

In view of the above circumstances, the Group's profit after tax decreased by S\$3.6 million or 27.4% from S\$12.9 million in FY2015 to S\$9.3 million in FY2016.

BALANCE SHEET

Inventories decreased from S\$40.4 million as at 30 September 2015 to S\$31.2 million as at 30 September 2016, which is in line with the decreased revenue in 4Q2016.

Trade receivables decreased from S\$39.4 million as at 30 September 2015 to S\$29.9 million as at 30 September 2016, mainly due to lower sales in the three months ended 30 September 2016 as compared to the three months ended 30 September 2015.

Other receivables, deposits and prepayments of S\$3.6 million as at 30 September 2016 comprised payment of transfer pricing adjustments and penalties by two of the Malaysian subsidiaries. Both of the Malaysian subsidiaries are still appealing for the payment made for the transfer pricing adjustments and penalties.

Derivatives amount of S\$0.3 million in current assets as at 30 September 2016 as compared to S\$2.1 million in current liabilities as at 30 September 2015 was due to fair value adjustments.

Trade payables, other creditors and accruals decreased from S\$24.6 million as at 30 September 2015 to S\$16.7 million as at 30 September 2016, in line with the lower sales in the three months ended 30 September 2016 as compared to the three months ended 30 September 2015, coupled with shorter payment terms for certain projects.

Cash and cash equivalents increased from S\$38.4 million as at 30 September 2015 to S\$46.0 million as at 30 September 2016, as a result of collection of trade debts and settlement of trade payables.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The challenging global and regional economic environment is expected to continue to affect our aluminium industry business.

The outlook for the local property market remains challenging due to the government's continuing cooling measures, hefty supply, intense market competition and tight labor market. As such, these factors will continue to add challenges to the operating environment of the Group's building products business.

The Group will continue to focus on improving operational efficiency and cost control measures to maintain the competitiveness of its businesses.

11. Dividend

(a) Current financial period reported on

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

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

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

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

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share	1 cent	1.5 cent

(c) Date payable

To be advised

(d) Books closure date

To be advised

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

Not applicable

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

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

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

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

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments -

	Aluminium		Mild Steel		Stainless Steel		Others		Adjustments		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Segment revenue:												
Sales to external customers	106,873	141,071	22,043	22,757	482	214	-	-	-	-	129,398	164,042
Result:												
Depreciation	(3,809)	(3,863)	(393)	(487)	(64)	(67)	-	-	-	-	(4,266)	(4,417)
Segment results	12,748	15,542	132	73	13	5	-	-	(A) 642	363	13,535	15,983

Balance sheet

Additions to non-current assets	5,810	11,594	852	226	453	104	-	-	-	-	7,115	11,924
Segment assets	133,724	136,609	17,258	19,479	2,699	4,821	159	172	(B) 141	-	153,981	161,081
Segment liabilities	13,509	23,112	3,077	3,808	506	464	339	120	(C) 7,186	8,799	24,617	36,303

Other segment information:

(A) Unallocated (expenses)/income	2016 \$'000	2015 \$'000
Interest income	386	315
Interest expense	(146)	(138)
Unallocated income	402	186
	642	363

(B) Unallocated assets

Deferred tax assets	141	-
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(C) Unallocated liabilities

	2016 \$'000	2015 \$'000
Deferred tax liabilities	2,007	762
Income tax payables	1,386	2,634
Term loans	3,417	4,417
Obligations under hire purchase contracts	376	986
	7,186	8,799

Geographical segments -

	Singapore		Malaysia		China		Hong Kong		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Segment revenue:										
Sales to external customers	126,364	159,864	2,921	4,178	-	-	113	-	129,398	164,042
Other segment information:										
Non-current assets	8,161	10,552	28,427	22,789	63	103	-	1	36,651	33,445

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

Refer to Section 8 above.

17. A breakdown of sales.

Group	30 September 2016 \$' 000	30 September 2015 \$' 000	+ / (-) %
(a) Sales reported for first half year	71,220	71,180	0%
(b) Operating profit after tax reported for first half year	6,096	5,132	19%
(a) Sales reported for second half year	58,178	92,862	-37%
(b) Operating profit after tax reported for second half year	3,249	7,742	-58%

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

	Latest Full Year \$' 000	Previous Full Year \$' 000
Total Annual Dividend	4,826	6,033

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Joanna Yong Li Yuen	46	Daughter of Yong Koon Chin, an executive director and substantial shareholder	Commercial Manager - 2009 managing commercial contracts and cost management of projects of the Company.	Nil
Eric Yong Han Keong	43	Son of Yong Kin Sen, an executive director and substantial shareholder	Project Engineer - 2007 managing standard building products of the Company.	Nil
Adrian Yong Han Lim	42	Son of Yong Poon Miew, an executive director and substantial shareholder	Business Development/Project Management Executive - 2010 managing sales and marketing for building products of the Company.	Nil

By Order of the Board

Yong Kin Sen
Managing Director
29 November 2016