



**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH FINANCIAL QUARTER (“Q4FY2017”) AND FULL FINANCIAL YEAR ENDED 30 JUNE 2017 (“FY2017”)**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), FULL YEAR RESULTS**

The balance sheet of the Group as at 30 June 2017, the income statements and cashflow statements of the Group for Q4FY2017 and FY2017 had taken into account and consolidated the relevant financial results of 1) Transvictory Holdings Pte Ltd, Steadfast Offshore & Marine Pte Ltd and Transvictory Winch System Pte Ltd (“Transvictory Group”), a group of newly acquired 100% owned subsidiaries of the Group since 8 July 2016 (the “Acquisition”); 2) Megafab Engineering Pte Ltd (“Megafab”), a newly acquired 70% owned subsidiary of the Group since 29 November 2016 (the “Acquisition”); and 3) MegaCrane Pte Ltd (“MegaCrane”), a newly incorporation 60% owned subsidiary of the Group since 7 March 2017.

**1.(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group			The Group		
	Q4FY2017 S\$'000	Q4FY2016 S\$'000	% Change	FY2017 S\$'000	FY2016 S\$'000	% Change
<b>Revenue</b>	<b>16,956</b>	21,712	(22)	<b>78,645</b>	86,494	(9)
Cost of sales	<b>(14,531)</b>	(20,804)	(30)	<b>(64,738)</b>	(77,214)	(16)
<b>Gross profit</b>	<b>2,425</b>	908	167	<b>13,907</b>	9,280	50
Other income	<b>2,155</b>	2,090	3	<b>6,733</b>	6,554	3
Distribution and marketing expenses	<b>(347)</b>	(557)	(38)	<b>(965)</b>	(1,570)	(39)
Administrative expenses	<b>(913)</b>	(598)	53	<b>(11,079)</b>	(9,961)	11
Other operating expenses	<b>(3,003)</b>	(11,937)	(75)	<b>(6,003)</b>	(20,190)	(70)
<b>Profit from operations</b>	<b>317</b>	(10,094)	NM	<b>2,593</b>	(15,887)	NM
Finance costs	<b>(309)</b>	(279)	11	<b>(1,278)</b>	(1,152)	11
<b>Profit/(loss) before taxation</b>	<b>8</b>	(10,373)	NM	<b>1,315</b>	(17,039)	NM
Income tax	<b>453</b>	682	(34)	<b>247</b>	349	(29)
<b>Profit/(loss) after taxation</b>	<b>461</b>	(9,691)	NM	<b>1,562</b>	(16,690)	NM
<b>Profit attributable to:-</b>						
Owners of the Company	<b>451</b>	(9,691)	NM	<b>1,409</b>	(16,690)	NM
Non-controlling interests	<b>10</b>	-	NM	<b>153</b>	-	NM
	<b>461</b>	(9,691)	NM	<b>1,562</b>	(16,690)	NM

“Q4FY2017” denotes the fourth financial quarter of the financial year ended 30 June 2017 (“FY2017”).

“FY2017” denotes the full financial year of FY2017.

“Q4FY2016” denotes the fourth financial quarter of the financial year ended 30 June 2016 (“FY2016”).

“FY2016” denotes the full financial year of FY2016.

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.

“NM” denotes not meaningful.



**1.(a)(ii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group			The Group		
	Q4FY2017 S\$'000	Q4FY2016 S\$'000	% Change	FY2017 S\$'000	FY2016 S\$'000	% Change
Profit for the period	461	(9,691)	NM	1,562	(16,690)	NM
Exchange differences on translating foreign operations	(14)	6	NM	(30)	420	NM
Other comprehensive income, net of tax	(14)	6	NM	(30)	420	NM
Total comprehensive income for the period	447	(9,685)	NM	1,532	(16,270)	NM
Total comprehensive income attributable to:-						
Owners of the Company	437	(9,685)	NM	1,379	(16,270)	NM
Non-controlling interest	10	-	NM	153	-	NM
	447	(9,685)	NM	1,532	(16,270)	NM

**1.(a)(lii) Net profit for the period was stated after (crediting)/charging:**

	The Group			The Group		
	Q4FY2017 S\$'000	Q4FY2016 S\$'000	% Change	FY2017 S\$'000	FY2016 S\$'000	% Change
Profit before income tax has been arrived at after charging/(crediting)						
Depreciation of property, plant and equipment	1,704	1,520	12	6,392	6,153	4
Amortisation of intangible assets	59	147	(60)	501	589	(15)
Property, plant and equipment written-off/(written back)	(69)	1,784	NM	(69)	2,449	NM
Net foreign currency exchange loss (Gain)/loss on disposal of property, plant and equipment	215	100	115	307	381	(19)
Interest income	1	(221)	NM	(41)	(350)	(88)
Interest expense	(1)	(4)	(75)	(13)	(35)	(63)
Interest expense	309	279	11	1,278	1,152	11
Allowance for doubtful debts	(66)	639	NM	150	674	(78)
Reversal/(Allowance) for inventories	(522)	242	NM	-	207	NM
Receivables written off	-	-	NM	-	2,012	NM
Bad debts recovered	(681)	-	NM	(681)	-	NM
Impairment of goodwill	-	4,200	NM	-	4,200	NM
Fair value loss on investment property	-	875	NM	-	875	NM
Inventory written off	-	-	NM	-	2,510	NM



**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.**

	The Group		The Company	
	As at 30 June 2017 S\$'000	As at 30 June 2016 S\$'000	As at 30 June 2017 S\$'000	As at 30 June 2016 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	20,942	28,340	557	1,255
Trade and other receivables	12,925	10,572	6,390	354
Inventories	26,809	12,609	-	-
Total current assets	60,676	51,521	6,947	1,609
<b>Non-current assets</b>				
Property, plant and equipment	42,402	39,885	213	138
Investment property	10,937	10,937	-	-
Goodwill	9,683	7,733	-	-
Other intangible assets	-	501	-	-
Golf club membership	201	201	201	201
Subsidiaries	-	-	57,802	42,801
Deposits	-	1,960	-	1,960
Total non-current assets	63,223	61,217	58,216	45,100
<b>Total assets</b>	<b>123,899</b>	<b>112,738</b>	<b>65,163</b>	<b>46,709</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans and bills payable	37,916	35,263	2,290	4,752
Trade and other payables	8,671	6,055	27,685	16,752
Finance leases	161	47	-	-
Income tax payable	357	195	-	-
Total current liabilities	47,105	41,560	29,975	21,504
<b>Non-current liabilities</b>				
Bank loans	7,267	3,144	5,718	-
Finance leases	69	93	-	-
Deferred tax liabilities	3,272	3,582	39	39
Total non-current liabilities	10,608	6,819	5,757	39
<b>Capital and reserves</b>				
Share capital	36,603	36,603	36,603	36,603
Capital reserve	5,237	5,237	-	-
Foreign currency translation reserve	(338)	(308)	-	-
Retained earnings/(Accumulated losses)	24,236	22,827	(7,172)	(11,437)
Equity attributable to owners of the company	65,738	64,359	29,431	25,166
Non-controlling interests	448	-	-	-
Total equity	66,186	64,359	29,431	25,166
<b>Total liabilities and equity</b>	<b>123,899</b>	<b>112,738</b>	<b>65,163</b>	<b>46,709</b>



1.(b)(ii) In relation to the aggregate amount of the group's borrowings and debts 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.

	<b>The Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less or on demand		
Unsecured	<b>36,332</b>	33,801
Secured	<b>1,584</b>	1,462
Total	<b>37,916</b>	35,263
Amount repayable after one year		
Unsecured	<b>5,718</b>	-
Secured	<b>1,549</b>	3,144
Total	<b>7,267</b>	3,144

**Details of any collateral**

These are secured by:

- Mortgages over certain property, plant and equipment of subsidiaries.
- The unsecured amount consists of trust receipts and term loans arising from the ordinary course of business and bank borrowings, which includes an acquisition loan granted to the Company.
- Corporate guarantees by the Company.
- Certain property, plant and equipment are under finance lease arrangements.



**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.**

	<b>The Group</b>			
	<b>Q4FY2017</b> S\$'000	<b>Q4FY2016</b> S\$'000	<b>FY2017</b> S\$'000	<b>FY2016</b> S\$'000
<b>Operating activities</b>				
Profit/(loss) before income tax	8	(10,373)	1,315	(17,039)
Adjustments for:				
Depreciation of property, plant and equipment	1,704	1,520	6,392	6,153
(Gain)/loss on disposal of property, plant and equipment	1	(221)	(41)	(350)
Fair value loss on investment property	-	875	-	875
Amortisation of intangible assets	59	147	501	589
Impairment of goodwill	-	4,200	-	4,200
Allowance for doubtful debts	(66)	639	150	674
Allowance/(reversal) for inventories	522	242	-	207
Receivables written off	-	-	-	2,012
Inventories written off	-	2,108	-	2,510
Property, plant and equipment written-off/(written back)	(69)	2,358	(69)	2,449
Interest expense	309	279	1,278	1,152
Interest income	(1)	(4)	(13)	(35)
Currency realignment	296	6	-	-
Operating cash flows before movement in working capital	<b>2,763</b>	<b>1,776</b>	<b>9,513</b>	<b>3,397</b>
Inventories	<b>2,722</b>	<b>3,789</b>	<b>(2,720)</b>	<b>13,718</b>
Trade and other receivables	<b>(1,121)</b>	<b>(1,354)</b>	<b>1,614</b>	<b>5,525</b>
Trade and other payables	<b>(4,114)</b>	<b>1,179</b>	<b>(6,878)</b>	<b>(5,170)</b>
Cash generated from operations	<b>250</b>	<b>5,390</b>	<b>1,529</b>	<b>17,470</b>
Interest paid	<b>(309)</b>	<b>(279)</b>	<b>(1,278)</b>	<b>(1,152)</b>
Interest received	<b>1</b>	<b>4</b>	<b>13</b>	<b>35</b>
Income tax paid	<b>36</b>	<b>6</b>	<b>(93)</b>	<b>(738)</b>
<b>Net cash from operating activities</b>	<b>(22)</b>	<b>5,121</b>	<b>171</b>	<b>15,615</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	<b>228</b>	<b>(1,915)</b>	<b>(1,946)</b>	<b>(1,490)</b>
Purchase of gold club membership	-	-	-	(42)
Acquisition of subsidiary, net of cash acquired	<b>2,013</b>	<b>24</b>	<b>(12,555)</b>	<b>(5,305)</b>
Contribution from Non-Controlling Interest	<b>(80)</b>	-	-	-
Deposit paid for acquisition of subsidiaries	-	-	-	(1,960)
Proceeds from disposal of property, plant and equipment	<b>599</b>	<b>421</b>	<b>722</b>	<b>1,096</b>
<b>Net cash used in investing activities</b>	<b>2,760</b>	<b>(1,470)</b>	<b>(13,779)</b>	<b>(7,701)</b>
<b>Financing activities</b>				
Proceeds from bank loans	<b>(8,937)</b>	-	<b>14,500</b>	<b>5,400</b>
Repayment of bank loans	<b>13,204</b>	<b>(3,616)</b>	<b>(8,213)</b>	<b>(16,521)</b>
Repayment of finance leases	<b>(63)</b>	<b>(14)</b>	<b>(127)</b>	<b>(67)</b>
Contribution from Non-Controlling Interest	<b>80</b>	-	<b>80</b>	-
<b>Net cash (used in)/generated from financing activities</b>	<b>4,284</b>	<b>(3,630)</b>	<b>6,240</b>	<b>(11,188)</b>
Net change in cash and cash equivalents	<b>7,022</b>	<b>21</b>	<b>(7,368)</b>	<b>(3,274)</b>
Effect of exchange rate changes on cash and cash equivalents	<b>(308)</b>	-	<b>(30)</b>	<b>420</b>
Cash and cash equivalents at beginning of the period	<b>14,228</b>	<b>28,319</b>	<b>28,340</b>	<b>31,194</b>
<b>Cash and cash equivalents at end of the period (Note 1)</b>	<b>20,942</b>	<b>28,340</b>	<b>20,942</b>	<b>28,340</b>

**Note 1:**

Cash and cash equivalents consist of:

	<b>The Group</b>	
	<b>FY2017</b> S\$'000	<b>FY2016</b> S\$'000
Cash and bank balances	<b>20,942</b>	28,340
Fixed deposits	-	-
Cash and cash equivalents	<b>20,942</b>	28,340



**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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.**

Group	Share capital	Retained earnings	Translation reserve	Capital reserve	Equity attributable to owners of the Company	Non-controlling interest	Total
	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000
<i>Balance as at 1 July 2016</i>	36,603	22,827	(308)	5,237	64,359	-	64,359
Total comprehensive income							
Profit for the period	-	1,409	-	-	1,409	153	1,562
Other comprehensive income	-	-	(30)	-	(30)	-	(30)
Total	-	1,409	(30)	-	1,379	153	1,532
Transactions with owners, recognised directly in equity							
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	295	295
Dividends	-	-	-	-	-	-	-
	-	-	-	-	-	295	295
<i>Balance as at 30 June 2017</i>	<b>36,603</b>	<b>24,236</b>	<b>(338)</b>	<b>5,237</b>	<b>65,738</b>	<b>448</b>	<b>66,186</b>
<i>Balance as at 1 July 2015</i>	36,603	39,517	(728)	5,237	80,629	-	80,629
Total comprehensive income							
Profit for the period	-	(16,690)	-	-	(16,690)	-	(16,690)
Other comprehensive income	-	-	420	-	420	-	420
Total	-	(16,690)	420	-	(16,270)	-	(16,270)
Transactions with owners, recognised directly in equity							
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<i>Balance as at 30 June 2016</i>	<b>36,603</b>	<b>22,827</b>	<b>(308)</b>	<b>5,237</b>	<b>64,359</b>	<b>-</b>	<b>64,359</b>
<b>Company</b>	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total equity</b>				
	S\$' 000	S\$' 000	S\$' 000				
<i>Balance as at 1 July 2016</i>	36,603	(11,437)	25,166				
Total comprehensive income	-	4,265	4,265				
Dividends	-	-	-				
<i>Balance as at 30 June 2017</i>	<b>36,603</b>	<b>(7,172)</b>	<b>29,431</b>				
<i>Balance as at 1 July 2015</i>	36,603	(4,557)	32,046				
Total comprehensive income	-	(6,880)	(6,880)				
Dividends	-	-	-				
<i>Balance as at 30 June 2016</i>	<b>36,603</b>	<b>(11,437)</b>	<b>25,166</b>				



**1.(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, 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 previous period reported on. State also 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.**

As at 30 June 2017, there were no subsidiary holdings and convertible securities outstanding (30 June 2016: Nil).

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

As at 30 June 2017, the Company does not have treasury shares.

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

Not applicable.

**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.**

During the financial period, there was no transaction pertaining to 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 nor reviewed by the Company's auditors.

**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.**

The Group has applied the same accounting policies and methods of computation in the financial year as those applied for the audited financial statements for the year ended 30 June 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.**

Not applicable.

**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.**

	The Group	
	FY2017 S\$'000	FY2016 S\$'000
<b>Profit/(loss) attributable to shareholders</b>	<b>1,409</b>	<b>(16,690)</b>
<b>Profit/(loss) per share</b>		
Basic (Singapore cents)	<b>3.58 cents*</b>	<b>(42.4) cents**</b>
Diluted (Singapore cents)	<b>3.58 cents*</b>	<b>(42.4) cents**</b>

\* Basic and diluted earnings per share for FY2017 is computed based on profit for the period attributable to ordinary shareholders amounting to about S\$1.4 million and the weighted average number of shares of 39,378,100.

\*\* Basic and diluted earnings per share for FY2016 is computed based on loss for the period attributable to ordinary shareholders amounting to about S\$16.7 million and the weighted average number of shares of 39,378,100.

There were no potential dilutive shares as at 30 June 2017.

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

	The Group		The Company	
	As at 30 June 2017 S\$'000	As at 30 June 2016 S\$'000	As at 30 June 2017 S\$'000	As at 30 June 2016 S\$'000
Net asset value as at the respective balance sheet dates	<b>65,738</b>	64,359	<b>29,431</b>	25,166
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates (Singapore cents)	<b>166.9 cents</b>	163.4 cents	<b>74.7 cents</b>	63.9 cents



**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 earning 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 report on.**

#### **Overview**

The Group, comprising Union Steel Holdings Limited (the "Company") and its subsidiaries, started operations as YLS Steel Pte Ltd which was involved in the trading of ferrous scrap metal. Union Steel Holdings Limited was listed on SGX-ST Mainboard on 15 August 2005. Today, the Group is engaged in related businesses which comprise; (i) recycling of ferrous and non-ferrous scrap metal; (ii) trading of steel products and non-ferrous metal products; (iii) rental of sheet piles, steel plates, test piles and beams; (iv) leasing of industrial properties; (v) provision of scaffolding services and related consultancy services; (vi) civil construction and engineering work, and the manufacture of motor vehicle bodies (coachwork), trailers and semi-trailers ("Gee Sheng"); (vii) marine equipment makers, which provide products and engineering services to the marine sector ("Transvictory"); (viii) land transport engineering solutions, providing a comprehensive range of equipment and components for load handling, including truck-mounted cranes, tailgate, rubbish compactor, and the sole distributor for EFFER, ZEPRO and GEESINKNORBA ("Megafab"); and (ix) crane services (loading and unloading of cargo) and other specialized construction and related activities ("MegaCrane").

#### **(a) Review of the financial performance of the Group for FY2017 (compared to that of FY2016) and for Q4FY2017 (compared to that of Q4FY2016)**

The Group's revenue decreased by 9.1% in FY2017 (vis-à-vis FY2016) and by 21.9% in Q4FY2017 (vis-à-vis Q4FY2016), due principally to lower contribution from the Group's trading business in Singapore, and offset by the maiden revenue contribution of S\$5.2 million from Transvictory and Megafab.

The Group's gross profit increased by 49.9% in FY2017 (vis-à-vis FY2016) and by 167.1% in Q4FY2017 (vis-à-vis Q4FY2016), as a result of the Group's gross profit margin improving from 10.7% in FY2016 to 17.7% in FY2017 and improving from 4.2% in Q4FY2016 to 14.3% in Q4FY2017. The improvement in gross profit margin was due mainly to the engineering and scaffolding services.

The Group's other operating income increased to S\$2.2 million in Q4FY2017 from S\$2.1 million in Q4FY2016, due mainly to the higher rental income generated.

The decrease in distribution and marketing expenses were mainly attributed to the reduction of import and export activities.

The increases in administrative expenses in Q4FY2017 and FY2017 as compared to same periods last year were mainly attributed to the consolidation of Transvictory, Megafab and MegaCrane's administrative expenses after their acquisition.

The decrease in other operating expenses was mainly attributed to expenses incurred for cessation of operations in Malaysia last year.

Finance costs increased as a result of higher interest payments.



The Group's income tax credit decreased by 29.2% in FY2017 (vis-à-vis FY2016) and by 33.6% in Q4FY2017 (vis-à-vis Q4FY2016), principally due to the non-cash items expense not being deductible.

**(b) Review of financial position of the Group as at 30 June 2017 compared to that as at 30 June 2016**

The increase in property, plant and equipment and goodwill were attributed mainly to the Acquisition.

The deposit relates to a downpayment towards the acquisition of Transvictory before the year ended 30 June 2016. Upon completion of the Acquisition, the deposit was reclassified into investment in subsidiaries which were fully eliminated in consolidation level.

The increase in trade and other receivables was mainly due to revenue recognised towards the end of June 2017 and the consolidation of Transvictory and Megafab's financial position after the Acquisition.

The increase in inventory and trade payables was mainly due to higher purchases towards the end of the Q4FY2017 and the consolidation of Transvictory and Megafab's financial position after the Acquisition.

The Group's total bank loans and bills payable increased by 17.6% to S\$45.2 million as at 30 June 2017 from S\$38.4 million as at 30 June 2016 mainly due to the acquisition of Transvictory and offset by the repayment of bank loans.

The Group's cash and cash equivalents decreased by S\$7.4 million compared to 30 June 2016, due principally to the acquisition of Transvictory and Megafab, repayment of bank loans, and increase in the inventory level of scrap metal for the financial year ended 30 June 2017. The net gearing of the Group (defined as the ratio of the aggregate of interest bearing loans net of cash and cash equivalents to total equity) increased to 37.2% as at 30 June 2017 from 15.9% as at 30 June 2016 with the repayment of bank loans.

**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 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 demand for steel is expected to be weak due to various factors including the global economic uncertainty, volatile geopolitical environment, and intense competition. As such, the steel industry outlook remains challenging. The Group will strive to mitigate these business risks and navigate cautiously.

The Group's strategy to diversify and expand into complementary business areas have started to bear fruit. After completion of the acquisition of Transvictory and Megafab, the Group has strengthened its market position and value proposition in the engineering industry as a result of the operational synergies between the newly acquired companies and the Group. In addition, the incorporation of MegaCrane in this financial year will allow the Group to offer proprietary designed lifting winches, as well as explore new opportunities in regional markets in the near future. The Group will also continue to focus on fully integrating the recent acquisitions.



**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?  
None.

**(b) Corresponding Period of the immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, 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, statement to that effect.**

The Group does not have a general mandate from shareholders for IPTs.



**14. 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.**

<b>Business Segments</b>	<b>Recycling S\$'000</b>	<b>Trading S\$'000</b>	<b>Scaffolding services S\$'000</b>	<b>Mechanical Engineering S\$'000</b>	<b>Industrial Crane sales, repair &amp; services S\$'000</b>	<b>Marine deck equipment S\$'000</b>	<b>Others S\$'000</b>	<b>Total S\$'000</b>
2017								
External revenue	39,798	16,869	7,909	2,714	824	4,346	6,185	78,645
Reportable segment results from operating activities	1,490	(761)	1,143	(1,108)	577	518	3,013	4,872
Finance income								14
Finance costs								(1,278)
Unallocated corporate expense								(2,293)
Profit before income tax								1,315
Income tax credit								247
Profit for the year								1,562
Reportable segments assets	20,127	18,850	9,352	4,928	3,580	19,252	25,059	101,148
Goodwill								9,683
Investment property								10,937
Unallocated assets								2,131
Total assets								123,899
Reportable segments liabilities	20,195	16,031	1,889	5,241	1,953	618	2,948	48,875
Unallocated liabilities								8,838
Total liabilities								57,713
<u>Other material non-cash items:</u>								
Depreciation	1,152	772	1,248	606	35	842	1,737	6,392
Bad debts recovered	(550)	-	-	-	-	(131)	-	(681)



**14. 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. (Continued)**

<b>Business Segments</b>	<b>Recycling S\$'000</b>	<b>Trading S\$'000</b>	<b>Scaffolding services S\$'000</b>	<b>Mechanical Engineering S\$'000</b>	<b>Others S\$'000</b>	<b>Total S\$'000</b>
2016						
External revenue	37,525	30,799	8,489	3,770	5,911	86,494
Reportable segment results from operating activities	(9,923)	(155)	(227)	(1,234)	2,224	(9,316)
Finance income						36
Finance costs						(1,152)
Impairment on goodwill						(4,200)
Unallocated corporate expense						(2,407)
Profit before income tax						(17,039)
Income tax credit						349
Profit for the year						(16,690)
Reportable segments assets	21,449	23,920	12,584	5,045	27,468	90,466
Goodwill						7,733
Investment property						10,937
Unallocated assets						3,602
Total assets						112,738
Reportable segments liabilities	18,456	12,535	1,958	5,561	4,589	43,099
Unallocated liabilities						5,280
Total liabilities						48,379
<u>Other material non-cash items:</u>						
Depreciation	1,216	851	1,616	575	1,893	6,151
Allowance for impairment of trade receivable	1,951	-	-	37	738	2,726
Inventory written off	2,108	-	-	-	-	2,108



**14. 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. (Continued)**

**Geographical information**

The Group operates mainly in Singapore. The Group’s revenue from external customers and information about its segment assets are detailed below:

	2017		2016	
	Revenue from external customers S\$’000	Non-current assets S\$’000	Revenue from external customers S\$’000	Non-current assets S\$’000
Singapore	43,162	63,223	49,094	61,217
Malaysia	10,851	-	7,777	-
Indonesia	5,545	-	-	-
India	12,100	-	21,709	-
Bangladesh	802	-	-	-
Japan	1,044	-	3,027	-
Korea	1,369	-	1,390	-
China (inclusive of Hong Kong)	2,582	-	1,957	-
Other*	1,190	-	1,540	-
	<b>78,645</b>	<b>63,223</b>	<b>86,494</b>	<b>61,217</b>

\*Includes Thailand, Taiwan, Brazil, Pakistan and the Belgium.

**15. In the review of performance, the factors leading to any materials changes in contributions to turnover and earning by the business of geographical segments.**

The decrease in revenue contribution from Singapore in FY2017 in relative to FY2016 was attributed mainly to lower contribution from trading business. The increase in revenue contribution from Malaysia and Indonesia in FY2017 in relative to FY2016 were due principally to higher contribution from recycling business and marine deck equipment segments.

**16. Breakdown of sales.**

The Group	2017 S\$’000	2016 S\$’000
Revenue reported for the first quarter	<b>23,041</b>	23,230
Profit after tax reported for the first quarter	<b>39</b>	(317)
Revenue reported for the second quarter	<b>23,503</b>	22,881
Profit after tax reported for the second quarter	<b>591</b>	54
Revenue reported for the third quarter	<b>15,145</b>	18,599
Profit after tax reported for the third quarter	<b>471</b>	(6,736)
Revenue reported for the fourth quarter	<b>16,956</b>	21,712
Profit after tax reported for the fourth quarter	<b>461</b>	(9,691)



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

	<b>Latest Full Year (S\$’000)</b>	<b>Previous Full Year (S\$’000)</b>
Ordinary – Special & interim	-	-

**18. 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.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes of duties and position held, if any, during the financial year</b>
Mr Ang Jun Long	26	Son to our Executive Chairman and Chief Executive Officer and substantial shareholder, Mr Ang Yu Seng and nephew to our Executive director and substantial shareholder, Mr Ang Yew Chye.	General Manager. He is in charge of overall operations and general administration of Transvictory Group, a position he held since 24 August 2017.	None.

**19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company 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 of the Singapore Exchange Securities Trading Limited.

**BY ORDER OF THE BOARD**

**ANG YU SENG**

Executive Chairman and Chief Executive Officer

28 August 2017