



**Tai Sin**<sup>®</sup>

The Electric Solutions Specialist For Asia Since 1958

**FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

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

**1(a)(i) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Group</b>	<b>3 months ended 30.09.15 \$'000</b>	<b>3 months ended 30.09.14 \$'000</b>
<b>Revenue</b>	78,154	78,714
Cost of sales	(64,737)	(63,227)
Gross profit	13,417	15,487
Other operating income	393	390
Selling and distribution expenses	(4,208)	(4,183)
Administrative expenses	(4,066)	(3,956)
Other operating expenses	(678)	(271)
Finance costs	(138)	(150)
Share of profit (loss) of an associate	383	(335)
<b>Profit before income tax</b>	<b>5,103</b>	<b>6,982</b>
Income tax expense	(831)	(1,282)
<b>Profit after income tax</b>	<b>4,272</b>	<b>5,700</b>
<b>Other comprehensive (loss) income :</b>		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Exchange difference on translation of foreign operations	(777)	197
Changes in share of other comprehensive (loss) income of an associate	(10)	2
Other comprehensive (loss) income for the period, net of tax	(787)	199
<b>Total comprehensive income for the period</b>	<b>3,485</b>	<b>5,899</b>
<b>Profit attributable to:</b>		
Shareholders of the company	4,091	5,368
Non-controlling interests	181	332
	<b>4,272</b>	<b>5,700</b>
<b>Total comprehensive income attributable to :</b>		
Shareholders of the company	3,328	5,563
Non-controlling interests	157	336
	<b>3,485</b>	<b>5,899</b>

1(a)(ii) Notes to the statement of profit or loss (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

<b>Group</b>	<b>3 months ended 30.09.15 \$'000</b>	<b>3 months ended 30.09.14 \$'000</b>
Interest income	2	4
Bad debts written off	2	-
Allowance for doubtful receivables	(80)	(107)
Fair value adjustment on derivative financial instruments	8	-
Foreign exchange loss	(579)	(169)
Gain on disposal of property, plant and equipment	31	15
Property, plant and equipment written off	(18)	-
Depreciation of property, plant and equipment	(973)	(937)
Amortisation of intangible assets	(69)	(69)

**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.**

	GROUP		COMPANY	
	As at 30.09.15 \$'000	As at 30.06.15 \$'000	As at 30.09.15 \$'000	As at 30.06.15 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	22,978	23,491	11,224	12,198
Trade receivables	90,633	81,793	54,014	43,038
Other receivables	5,211	5,393	4,580	5,772
Derivative financial instruments	11	4	-	-
Inventories	53,387	57,947	30,144	35,254
<b>Total current assets</b>	<b>172,220</b>	<b>168,628</b>	<b>99,962</b>	<b>96,262</b>
<b>Non-current assets:</b>				
Other receivables	317	302	6,034	6,303
Subsidiary corporations	-	-	33,814	33,814
Associate	5,624	5,230	-	-
Property, plant and equipment	32,462	29,770	6,724	4,599
Investment properties	1,081	1,091	-	-
Leasehold prepayments	156	157	-	-
Intangible assets	1,313	1,382	-	-
Deferred tax assets	129	130	-	-
<b>Total non-current assets</b>	<b>41,082</b>	<b>38,062</b>	<b>46,572</b>	<b>44,716</b>
<b>Total assets</b>	<b>213,302</b>	<b>206,690</b>	<b>146,534</b>	<b>140,978</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank overdrafts and short-term bank borrowings	21,883	16,143	5,526	-
Trade payables	24,398	25,557	12,318	13,552
Other payables	6,452	8,317	1,817	2,286
Current portion of finance leases	194	216	-	-
Income tax payable	3,271	2,815	2,259	1,961
<b>Total current liabilities</b>	<b>56,198</b>	<b>53,048</b>	<b>21,920</b>	<b>17,799</b>
<b>Non-current liabilities:</b>				
Other payables	31	48	-	-
Non-current portion of finance leases	121	92	-	-
Deferred tax liabilities	1,506	1,541	304	304
<b>Total non-current liabilities</b>	<b>1,658</b>	<b>1,681</b>	<b>304</b>	<b>304</b>

	GROUP		COMPANY	
	As at 30.09.15 \$'000	As at 30.06.15 \$'000	As at 30.09.15 \$'000	As at 30.06.15 \$'000
<b>Capital, reserves and non-controlling interests:</b>				
Share capital	56,288	56,288	56,288	56,288
Treasury shares	(950)	(950)	(950)	(950)
Reserves	96,195	92,867	68,972	67,537
Equity attributable to the shareholders of the Company	151,533	148,205	124,310	122,875
Non-controlling interests	3,913	3,756	-	-
Total equity	155,446	151,961	124,310	122,875
<b>Total liabilities and equity</b>	<b>213,302</b>	<b>206,690</b>	<b>146,534</b>	<b>140,978</b>

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

**Amount repayable in one year or less, or on demand**

As at 30/09/2015		As at 30/06/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
16,551	5,526	16,359	-

**Amount repayable after one year**

As at 30/09/2015		As at 30/06/2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
121	-	92	-

**Details of any collateral**

The bank overdrafts and other bank borrowings of the Group are secured by the following:

- i. negative pledge over all assets of a subsidiary; and
- ii. corporate guarantee by a subsidiary and the company.

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>Group</b>	<b>3 months ended 30.09.15 \$'000</b>	<b>3 months ended 30.09.14 \$'000</b>
<b>Operating activities</b>		
Profit before income tax	5,103	6,982
Adjustments for:		
Depreciation expense	973	937
Amortisation expense	69	69
Interest income	(2)	(4)
Interest expense	138	150
Fair value adjustment on derivative financial instruments taken to profit or loss	(8)	-
Bad debts written off	(2)	-
Allowance for doubtful receivables	80	107
Gain on disposal of property, plant and equipment	(31)	(15)
Property, plant and equipment written off	18	-
Share of (profit) loss of an associate	(383)	335
Operating cash flows before movement in working capital	5,955	8,561
Trade receivables	(9,923)	567
Other receivables	74	(670)
Inventories	4,049	3,692
Trade payables	(1,230)	(2,788)
Other payables	(1,819)	(2,922)
Deferred liabilities	(17)	-
Cash (used in) generated from operations	(2,911)	6,440
Income tax paid	(392)	(285)
<b>Net cash (used in) from operating activities</b>	<b>(3,303)</b>	<b>6,155</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4,083)	(653)
Proceeds from disposal of property, plant and equipment	41	48
Interest received	2	4
<b>Net cash used in investing activities</b>	<b>(4,040)</b>	<b>(601)</b>
<b>Financing activities</b>		
Proceeds from short-term bank borrowings	17,120	20,359
Repayment of short-term bank borrowings	(10,187)	(19,561)
Repayment of hire purchase obligations	(75)	(129)
Interest paid	(138)	(150)
<b>Net cash from financing activities</b>	<b>6,720</b>	<b>519</b>
Net (decrease) increase in cash and cash equivalents	(623)	6,073
Cash and cash equivalents at beginning of period	23,491	22,232
Effect of exchange rate changes on the balance of cash held in foreign currencies	110	21
<b>Cash and cash equivalents at end of period</b>	<b>22,978</b>	<b>28,326</b>

**Notes :**

The cash and cash equivalents consist of the followings:

	<b>3 months ended 30.09.15 \$'000</b>	<b>3 months ended 30.09.14 \$'000</b>
Cash and bank balances	22,978	29,113
Bank overdrafts	-	(787)
	<b>22,978</b>	<b>28,326</b>

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.

<b>Group</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Other reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Equity attributable to shareholders of the company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2015	56,288	(950)	(1,781)	(728)	95,376	148,205	3,756	151,961
Total comprehensive income for the period								
Profit for the period	-	-	-	-	4,091	4,091	181	4,272
Other comprehensive loss for the period	-	-	(763)	-	-	(763)	(24)	(787)
Total	-	-	(763)	-	4,091	3,328	157	3,485
Balance at 30 September 2015	56,288	(950)	(2,544)	(728)	99,467	151,533	3,913	155,446

<b>Group</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Other reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Equity attributable to shareholders of the company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2014	56,288	(950)	(1,264)	(381)	88,098	141,791	6,182	147,973
Total comprehensive income for the period								
Profit for the period	-	-	-	-	5,368	5,368	332	5,700
Other comprehensive income for the period	-	-	195	-	-	195	4	199
Total	-	-	195	-	5,368	5,563	336	5,899
Balance at 30 September 2014	56,288	(950)	(1,069)	(381)	93,466	147,354	6,518	153,872

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2015	56,288	(950)	67,537	122,875
Profit for the year, representing total comprehensive income for the period	-	-	1,435	1,435
Balance at 30 September 2015	56,288	(950)	68,972	124,310

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2014	56,288	(950)	62,412	117,750
Profit for the year, representing total comprehensive income for the period	-	-	3,258	3,258
Balance at 30 September 2014	56,288	(950)	65,670	121,008



- 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 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 the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital during the 3 months ended 30 September 2015.

The total number of issued ordinary shares excluding treasury shares as at 30 September 2015 was 435,515,791 (30 September 2014: 435,515,791).

The number of ordinary shares held as treasury shares as at 30 September 2015 was 2,727,000 (30 September 2014: 2,727,000).

As at 30 September 2015, there were no shares that may be issued on conversion of any outstanding convertibles or shares options (30 September 2014: Nil).

- 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.**

The total number of issued ordinary shares excluding treasury shares as at 30 September 2015 was 435,515,791 (30 June 2015: 435,515,791).

- 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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

- 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.

- 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 and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements as at 30 June 2015.

The adoption of new/revised FRS and INT FRS have no material financial impact on the financial statements.

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.**

There are no significant changes in the accounting policies adopted by the Group and the company, other than as disclosed in item 4.

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.**

	<b>3 months ended 30.09.15</b>	<b>3 months ended 30.09.14</b>
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares in issue; and	0.94 cents	1.23 cents
(ii) On a fully diluted basis	0.94 cents	1.23 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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30.09.15</b>	<b>As at 30.06.15</b>	<b>As at 30.09.15</b>	<b>As at 30.06.15</b>
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	34.79 cents	34.03 cents	28.54 cents	28.21 cents

Net asset value per share is calculated based on the existing number of shares in issue of 435,515,791 (30 June 2015: 435,515,791 shares).

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.**

#### **Statement of profit or loss**

The Group achieved revenue of \$78.15 million for the 3 months ended 30 September 2015, a decline of 0.71% when compared to \$78.71 million from the last corresponding period. The decrease in revenue was mainly derived from :

- a) the Electrical Material Distribution ("EMD") Segment which decreased by \$1.83 million. The slowdown in the Industrial Sector in Singapore affected the results of this segment.
- b) the Test & Inspection ("T&I") Segment which decreased by \$1.08 million. Revenue from Singapore operations were down due to lower contributions from the Oil and Gas Cluster and fewer projects tendered as a result of market competitiveness.
- c) the Switchboard Segment which decreased by \$0.70 million. This was mainly due to a lack of new projects launched by the government.

The decline in Group revenue was negated by increase in revenue from the Cable & Wire (“C&W”) Segment of \$3.05 million. This was mainly due to higher quantities sold as compared to the last corresponding period. This increase was underpinned by growth in the Commercial Sector in Singapore, Malaysia and Vietnam. In addition, higher export to Myanmar also contributed to the increase in the revenue in this segment.

Gross profit decreased by \$2.07 million for the quarter ended 30 September 2015, mainly attributable to sharp decline in margin from the C&W Segment due to intense competition in the Singapore market.

Other operating expenses increased by \$0.41 million, mainly attributable to the higher foreign exchange loss suffered during the quarter amounting to \$0.58 million. The higher foreign exchange loss was mainly the result of appreciation of USD which was unfavourable to the Group.

The Group reported profit before income tax of \$5.10 million for the 3 months ended 30 September 2015, a decline of \$1.88 million compared to the last corresponding period. The C&W segment resulted in a decrease of \$1.57 million, followed by the T&I Segment which decreased by \$0.27 million.

### **Statement of financial position**

Cash and bank balances decreased by \$0.51 million, due to settlement of bank borrowings and liabilities towards period end.

Trade receivables increased by \$8.84 million, attributable to higher sales for the quarter ended 30 September 2015 as compared to the last preceding quarter.

Inventories decreased by \$4.56 million. The decrease moved in tandem with higher sales for the quarter ended 30 September 2015 as compared to the last preceding quarter.

Both the current and non-current portion of other receivables of the Company decreased, primarily attributable to capitalisation of downpayment for purchase of machineries and repayment of loan from a subsidiary.

Property, plant and equipment increased by \$2.69 million, primarily attributable to acquisition of plant and machinery and office renovation amounting to \$4.08 million offset against depreciation charges of \$0.97 million.

Bank overdrafts and other bank borrowings increased by \$5.74 million primarily because of drawdown of funds to finance purchase of copper during the quarter.

Trade payables decreased by \$1.16 million to \$24.40 million, principally due to lower purchases in the Electrical Material Distribution Segment.

Other payables decreased by \$1.87 million mainly because of bonus payout for the financial year ended 30 June 2015 and lower advances from customers.

### **Statement of cash flows**

The cash and cash equivalent at the end of the period decreased to \$22.98 million compared with \$28.33 million at the end of the preceding period.

The net cash used in operating activities of \$3.30 million was mostly due to higher sales, lower purchases, bonus payout and income tax paid during the period.

The net cash used in investing activities of \$4.04 million was mainly used for purchase of plant and equipment, net of proceeds from disposal of plant and equipment and interest received.

The net cash from financing activities of \$6.72 million was largely attributable to proceeds from bank borrowings, net of repayment of bank borrowings, finance leases and interest paid.

## **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 a 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 Group's performance continues to be affected by the global economic slowdown.

The slowdown in the construction activities in the Industrial, Commercial and Residential Sector in Singapore will continue to impact the C&W Segment. The Group expects more opportunities from big infrastructure projects in Singapore.

The Group will allocate resources to expand its business from the industrial sector in Johor as well as Myanmar and Cambodia. At the same time, it will focus on new markets for the C&W segment in Vietnam. The Group will also actively build a network of local wholesalers and distributors to sell its products across Vietnam. In Indonesia, the Group will continue to explore new regions other than the Riau Islands for the T&I Segment.

In light of the continuing uncertainties in the global economy, the Group will continue to seek new business opportunities and strive to maintain or improve its performance.

**11. Dividend**

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

Any dividend declared (recommended) for the current financial period reported on? **No**

Name of Dividend	Not applicable
Dividend Type	
Dividend Amount per Share (in cents)	
Tax Rate	

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

Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year? **No**

Name of Dividend	Not applicable
Dividend Type	
Dividend Amount per Share (in cents)	
Tax Rate	

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared for the quarter ended 30 September 2015.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("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.**

No IPT mandate has been obtained from shareholders.

**14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).**

See last page.

**15. 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 officer(s) required under Rule 720(1) of the Listing Manual.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**16. 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.**

Not applicable.

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

Not applicable.

**18. A breakdown of sales.**

Not applicable.

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

Not applicable.

**20. 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(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

**BY ORDER OF THE BOARD**

Tan Shou Chieh  
Secretary

Singapore, 13 November 2015



**Tai Sin**<sup>®</sup>

The Electric Solutions Specialist For Asia Since 1958

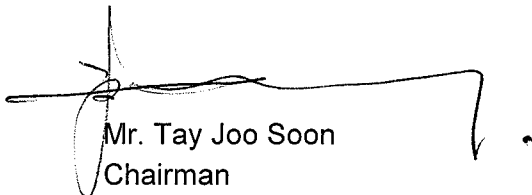


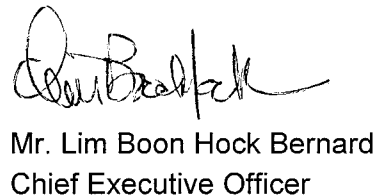
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**CONFIRMATION BY THE BOARD OF DIRECTORS  
PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, being two Directors of Tai Sin Electric Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements for the first quarter ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

  
Mr. Tay Joo Soon  
Chairman

  
Mr. Lim Boon Hock Bernard  
Chief Executive Officer

Singapore, 13 November 2015

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***Tai Sin Electric Limited***

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