

UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 1ST QUARTER 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.

Group	1st Quarter ended 31/03/2016 RMB'000	1st Quarter ended 31/03/2015 RMB'000	Change %
Revenue	268,661	247,116	8.7
Cost of sales	(183,865)	(181,007)	1.6
Gross Profit	84,796	66,109	28.3
Selling and distribution expenses	(13,466)	(10,403)	29.4
Administrative expenses	(40,147)	(33,741)	19.0
Research and development expenses	(6,951)	(6,755)	2.9
Profit from Operations	24,232	15,210	59.3
Financial (expenses)/income, net	(174)	1,658	n.m.
Share of profits from associates	74	43	72.1
Other income	4,283	7,133	(40.0)
Other expenses	(3,229)	(5,915)	(45.4)
Profit Before Tax	25,186	18,129	38.9
Income tax	(6,681)	(2,774)	140.8
Net Profit After Tax	18,505	15,355	20.5
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	7,678	(14,922)	n.m.
Changes in fair value of available-for-sale financial assets	11	-	n.m.
Other Comprehensive Income for the period	7,689	(14,922)	n.m.
Total Other Comprehensive Income for the period	26,194	433	n.m.

n.m. : not meaningful.

1(a)(ii) Profit before tax is determined after (charging)/crediting the following:

(A) Other Income

	1st Quarter ended 31/03/2016 RMB'000	1st Quarter ended 31/03/2015 RMB'000	Change %
Sales of steel scrap	389	520	(25.2)
Net of sales of raw materials	57	287	(80.1)
Amortisation of deferred income	331	331	-
Government grants	862	794	8.6
Fair value gain on derivative financial instruments	21	5,201	(99.6)
Gain on bargain purchase arising from acquisition	2,547	-	n.m.
Others	76	-	n.m.
	<u>4,283</u>	<u>7,133</u>	(40.0)

(B) Other Expenses

	1st Quarter ended 31/03/2016 RMB'000	1st Quarter ended 31/03/2015 RMB'000	Change %
Amortisation of land use rights	(325)	(307)	5.9
Foreign exchange loss, net	(1,715)	(4,831)	(64.5)
Impairment loss on trade receivables	(800)	-	n.m.
Loss on disposal of property, plant and equipment	(111)	-	n.m.
Settlement of forward contracts	-	(759)	(100.0)
Others	(278)	(18)	n.m.
	<u>(3,229)</u>	<u>(5,915)</u>	(45.4)

(C) Financial (Expenses)/Income, net

	1st Quarter ended 31/03/2016 RMB'000	1st Quarter ended 31/03/2015 RMB'000	Change %
Interest income	468	2,284	(79.5)
Interest expenses	(642)	(577)	11.3
Unwinding of discount on contingent consideration	-	(49)	(100.0)
	<u>(174)</u>	<u>1,658</u>	n.m.

(D) Depreciation and Amortisation

	1st Quarter ended 31/03/2016 RMB'000	1st Quarter ended 31/03/2015 RMB'000	Change %
Depreciation on property, plant and equipment	4,957	4,280	15.8
Amortisation of land use rights	325	307	5.9
Amortisation of intangible assets	1,365	1,365	-
	<u>6,647</u>	<u>5,952</u>	11.7

For the 3 months ended 31 March 2016, the Group's depreciation expenses increased by 15.8% to RMB5.0 million over last corresponding period due to the addition of property, plant and equipment of Chinese subsidiaries.

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	As At	Change	As At	As At	Change
	31/03/2016	31/12/2015		31/03/2016	31/12/2015	
RMB'000	RMB'000	%	RMB'000	RMB'000	%	
	Unaudited	Audited		Unaudited	Audited	
Assets						
Non-current Assets						
Intangible assets	10,859	10,037	8.2	-	-	-
Investment in subsidiaries	-	-	-	32,944	30,149	9.3
Investment in associates	7,041	6,968	1.0	-	-	-
Land use rights	59,441	59,766	(0.5)	-	-	-
Property, plant and equipment	252,360	245,262	2.9	-	-	-
Held-to-maturity investments	9,207	9,270	(0.7)	-	-	-
Deferred tax assets	3,365	2,283	47.4	-	-	-
Total Non-current Assets	342,273	333,586	2.6	32,944	30,149	9.3
Current Assets						
Cash and bank balances	289,343	240,444	20.3	29,778	31,717	(6.1)
Available-for-sale financial assets	6,457	6,545	(1.3)	-	-	-
Trade receivables	174,305	196,226	(11.2)	298	3,049	(90.2)
Advances to suppliers	27,233	19,106	42.5	-	-	-
Other receivables, deposits and prepayments	3,555	5,154	(31.0)	-	-	-
Due from related party (trade)	143	-	n.m.	-	-	-
Due from subsidiaries (non-trade)	-	-	-	122,966	108,749	13.1
Derivative financial instruments	21	-	n.m.	-	-	-
Inventories	189,885	151,784	25.1	-	3,701	(100.0)
Total Current Assets	690,942	619,259	11.6	153,042	147,216	4.0
Total Assets	1,033,215	952,845	8.4	185,986	177,365	4.9
Liabilities						
Current Liabilities						
Borrowings	87,334	46,839	86.5	-	-	-
Trade payables	96,266	75,934	26.8	-	3,924	(100.0)
Other payables and accruals	74,943	83,056	(9.8)	2,959	1,800	64.4
Due to a related party (trade)	-	429	(100.0)	-	-	-
Provision for income tax	9,271	10,783	(14.0)	2,926	2,115	38.3
Total Current Liabilities	267,814	217,041	23.4	5,885	7,839	(24.9)
Non-current Liabilities						
Long-term borrowings	7,781	8,104	(4.0)	-	-	-
Other payables	2,730	2,565	6.4	-	-	-
Deferred income	14,003	14,334	(2.3)	-	-	-
Deferred tax liabilities	20,910	17,018	22.9	-	-	-
Total Non-current Liabilities	45,424	42,021	8.1	-	-	-
Total Liabilities	313,238	259,062	20.9	5,885	7,839	(24.9)
Net Assets	719,977	693,783	3.8	180,101	169,526	6.2
Equity						
Capital and reserves attributable to the equity holders of the Company						
Share capital	168,067	168,067	-	168,067	168,067	-
Capital reserve	33,056	33,056	-	-	-	-
Revenue reserve	491,840	473,335	3.9	18,278	15,222	20.1
Statutory reserve	56,221	56,221	-	-	-	-
Translation deficit	(16,195)	(23,873)	(32.2)	(6,244)	(13,763)	(54.6)
Fair value reserve	17	6	183.3	-	-	-
Merger deficit	(13,029)	(13,029)	-	-	-	-
Total Equity	719,977	693,783	3.8	180,101	169,526	6.2

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

	Group		Group	
	As at 31 March 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings				
Amount repayable in one year	57,334	30,000	40,323	6,516
Amount repayable above one year	7,781	-	8,104	-
Total	65,115	30,000	48,427	6,516

Details of any collateral

As at 31 March 2016, borrowings comprised:

- (1) A mortgage loan of USD0.7 million (equivalent to RMB4.3 million) was obtained by a US subsidiary of the Company from East West Bank to finance the acquisition of a warehouse in USA. The Company provided corporate guarantee for the loan.
- (2) A loan of EUR0.6 million (equivalent to RMB4.4 million) was obtained by Format Tresorbau GmbH & Co. KG to finance the purchase of machine. The loan was secured by the machine itself.
- (3) A loan of EUR3.6 million (equivalent to RMB26.4 million) was obtained from HSBC Bank by Deutsche Mechatronics GmbH ("DTMT") to finance the working capital. The Company provided corporate guarantee for the loan.
- (4) DTMT has an outstanding loan of EUR3.9 million (equivalent to RMB28.4 million), secured on the land of DTMT from a German commercial bank. In addition, DTMT has outstanding finance leases for its equipment of EUR0.2 million (equivalent to RMB1.6 million).
- (5) The Group's sales are mainly transacted in USD, while the major purchases are transacted in RMB. For the purpose of operating activities, a loan of RMB30.0 million was obtained by a PRC subsidiary of the Company from ICBC Bank to finance the daily payment to suppliers.

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.**

GROUP CASH FLOW STATEMENT

CASH FLOWS FROM OPERATING ACTIVITIES

	1st Quarter ended 31/03/2016 RMB'000	1st Quarter ended 31/03/2015 RMB'000
Profit before tax	25,186	18,129
Adjustments:		
Amortisation of land use rights	325	307
Amortisation of intangible assets	1,365	1,365
Amortisation of deferred government grant	(331)	(331)
Depreciation of property, plant and equipment	4,957	4,280
Fair value gain on derivative financial instruments	(21)	(5,201)
Loss on disposal of property, plant and equipment	111	-
Settlement of forward contracts	-	759
Interest expenses	642	577
Interest income	(468)	(2,284)
Unwinding of discount on contingent consideration	-	49
Share of profits from associate	(74)	(43)
Bargain purchase arising from the acquisition of a subsidiary	(2,547)	-
Operating profit before working capital changes	29,145	17,607
Trade receivables	47,146	12,499
Other receivables, deposits and prepayments	1,866	689
Advances to suppliers	(8,343)	(2,256)
Trade payables	16,145	(371)
Other payables and accruals	(16,571)	(23,249)
Due from related party (trade)	(143)	-
Due to a related party (trade)	(429)	(67)
Inventories	(30,026)	5,215
Cash generated from operations	38,790	10,067
Income tax paid	(5,622)	(5,997)
Net cash generated from operating activities	33,168	4,070

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(9,017)	(8,465)
Addition of Intangible assets	(1,795)	-
Interest received	485	2,284
Settlement of forward contracts	-	(759)
Government grants received	-	3,900
Net cash outflow on acquisition of a subsidiary	(15,561)	-
Proceeds from disposal of available-for-sale investments	-	62,000
Net cash (used in)/generated from investing activities	(25,888)	58,960

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from bank borrowings	50,340	6,163
Repayment of loans	(10,118)	(1,100)
Interest paid	(610)	(577)
Change of pledged deposits	(7,218)	13,912
Net cash generated from financing activities	32,394	18,398

Net increase in cash and cash equivalents

Effects of exchange rate changes in cash and cash equivalents	2,007	(2,171)
Cash and cash equivalents at beginning of the period	240,212	60,726

Cash and cash equivalents at end of the period

281,893	139,983
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Note:

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised:

-Cash at bank and in hand	316	159
-Fixed deposits with banks	289,027	142,999
	289,343	143,158
Less: Pledged deposit	(7,450)	(3,175)

Cash and cash equivalents per consolidated statement of cash flows

281,893	139,983
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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.

	Group							Total equity
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation deficit	Fair value reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2016	168,067	56,221	(13,029)	33,056	473,335	(23,873)	6	693,783
Total comprehensive income for the period	-	-	-	-	18,505	7,678	-	26,183
Other comprehensive gain, net of tax	-	-	-	-	-	-	11	11
Balance at 31 March 2016	168,067	56,221	(13,029)	33,056	491,840	(16,195)	17	719,977

	Group							Total equity
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation deficit	Fair value reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2015	168,067	44,975	(13,029)	33,056	390,957	(19,139)	-	604,887
Total comprehensive income/(loss) for the period	-	-	-	-	15,355	(14,922)	-	433
Balance at 31 March 2015	168,067	44,975	(13,029)	33,056	406,312	(34,061)	-	605,320

	Company			
	Share capital	Revenue reserve	Translation deficit	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	168,067	15,222	(13,763)	169,526
Total comprehensive income for the period	-	3,056	7,519	10,575
Balance at 31 March 2016	168,067	18,278	(6,244)	180,101

	Company			
	Share capital	Revenue reserve	Translation deficit	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2015	168,067	25,442	(11,712)	181,797
Total comprehensive loss for the period	-	(987)	(7,281)	(8,268)
Balance at 31 March 2015	168,067	24,455	(18,993)	173,529

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, 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 have been no changes in the Company's share capital during the 3 months ended 31 March 2016.

The Company did not hold any treasury shares as at 31 March 2016 or 31 December 2015 respectively.

- 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 Company's total number of issued shares was 356,536,000 as at 31 March 2016 and at 31 December 2015.

- 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 thereon.**

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 or reviewed by the Company's 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.**

There are certain new Financial Reporting Standards ("FRS") that are published and mandatory for accounting periods beginning on or after 1 January 2016. The adoption of these FRS where applicable did not have any material impact on the financial statements for the 3 months ended 31 March 2016. Apart from this, the same accounting policies and methods of computation have been consistently applied.

- 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.**

	Group	
	1st Quarter ended	1st Quarter ended
	31/03/2016	31/03/2015
<u>Earnings per ordinary share of the group</u>		
<u>(in RMB cents):</u>		
(a) Based on weighted average number of ordinary shares on issue; and	5.19	4.31
Weighted average number of ordinary shares for basic earnings per share computation ('000)	356,536	356,536
(b) On a fully diluted basis	5.19	4.31
Weighted average number of ordinary shares adjusted for the effect for dilution ('000)	356,536	356,536

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.**

	Group		Company	
	As at	As at	As at	As at
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in RMB cents)	201.94	194.59	50.51	47.55
No. of ordinary shares used in computing net asset value ('000)	356,536	356,536	356,536	356,536

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.**

OUR BUSINESS

The Group is a global leading manufacturer in the high security equipment. We supply safes for Automated Teller Machines ("ATM") in the banking industry as well as for commercial and residential purposes. With its UL and CEN certified production base in China and Germany, the Group has a global market presence in all major countries.

The Group also provides business solutions to customers by designing, engineering, manufacturing and assembling electro-mechanical equipment and modules, semi-conductor instruments and other products.

The recent acquisition of Krauth Technology GmbH ("Krauth") enhances the Group's capability in R&D, design, manufacturing of intelligent terminals and transportation cash management system.

Priding itself on core competencies in precision engineering, the Group endeavours to provide integrated solutions to its customers by leveraging on its R&D capabilities, production expertise and excellent customer service.

(a) Profit statement of the Group

For the 3 months ended 31 March 2016:

Revenue

The Group achieved sales of RMB268.7 million, representing an increase of 8.7% or RMB21.6 million over last corresponding period.

Sales of the High Security Segment decreased by 5.7% or RMB9.3 million to RMB154.2 million over last corresponding period due to the drop in orders for gun safes.

Sales of the Business Solutions Segment increased by RMB30.9 million to RMB114.5 million over last corresponding period due to the organic growth of Semiconductors Segment and the acquisition of Krauth, sales of which was RMB20.8 million during the period.

Gross Profit

Gross profit of the Group increased by 28.3% or RMB18.7 million to RMB84.8 million.

Gross margin of the Group increased from 26.8% in last corresponding period to 31.6%. Gross margin of the High Security Segment increased from 30.4% to 36.1% due to the favourable exchange rate and lower steel price. Gross margin of the Business Solutions Segment increased from 19.7% to 25.4% mainly due to the higher gross margin of the products of Krauth.

Selling and Distribution Expenses

Selling and distribution expenses increased by 29.4%, or RMB3.1 million to RMB13.5 million, in which Krauth incurred RMB1.4 million selling and distribution expenses during the period. And the remaining increment was due to the increase in export freight and after-sales service expenses.

Administrative Expenses

Administrative expenses increased by 19.0%, or RMB6.4 million to RMB40.1 million mainly due to the acquisition of Krauth which incurred RMB7.3 million administrative expenses during the period.

Administrative expenses excluding Krauth decreased marginally by RMB0.9 million.

Financial Income/Expenses

Net financial expenses were RMB0.2 million compared to a net financial income of RMB1.7 million in Q1 2015. It was mainly due to the decrease of the interest income.

Other Income

Other income decreased by RMB2.9 million to RMB4.3 million mainly due to the decrease in fair value gain on derivative financial instruments, partially offset by the increase of gain on bargain purchase arising from acquisition of Krauth.

The gain from the acquisition of Krauth was recognised for difference between the carrying amount of the net assets of Krauth and the consideration paid by the Group.

The Group continued to enter RMB/USD forward contracts for hedging purposes during the period.

Other Expenses

Other expenses decreased by RMB2.7 million to RMB3.2 million mainly due to the decrease in foreign exchange loss.

Profit before Tax

Profit before tax was RMB25.2 million, representing an increase of 38.9% or RMB7.1 million as compared to RMB18.1 million for Q1 2015.

Net profit after Tax

Profit after tax was RMB18.5 million, representing an increase of 20.5% or RMB3.1 million as compared to RMB15.4 million for Q1 2015.

(b) Statement of financial position of the Group

Non-current Assets

The Group's non-current assets increased by RMB8.7 million from RMB333.6 million as at 31 December 2015 to RMB342.3 million as at 31 March 2016 mainly due to the increase in property, plant and equipment and deferred tax assets.

Property, plant and equipment increased by RMB7.1 million from RMB245.3 million as at 31 December 2015 to RMB252.4 million as at 31 March 2016 mainly due to the addition of property, plant and equipment of its Chinese subsidiaries and the acquisition of Krauth.

Deferred tax assets increased by RMB1.1 million from RMB2.3 million as at 31 December 2015 to RMB3.4 million as at 31 March 2016 mainly due to the deferred tax recognised on unutilised tax losses which can be offset against the future profit.

Current Assets

The Group's current assets increased by RMB71.6 million from RMB619.3 million as at 31 December 2015 to RMB690.9 million as at 31 March 2016 mainly due to the increase in cash and bank balance, advance to suppliers and inventories, and partially offset by the decrease in trade receivables.

Advance to suppliers increased by RMB8.1 million from RMB19.1 million as at 31 December 2015 to RMB27.2 million as at 31 March 2016 mainly due to the increase in advance payment of purchase for raw materials.

Inventories increased by RMB38.1 million from RMB151.8 million as at 31 December 2015 to RMB189.9 million as at 31 March 2016 mainly due to stock up in order to meet the needs of sales growth.

Trade receivables decreased by RMB21.9 million from RMB196.2 million as at 31 December 2015 to RMB174.3 million as at 31 March 2016 mainly due to the collection of trade receivables.

Current Liabilities

Current liabilities increased by RMB50.8 million from RMB217.0 million as at 31 December 2015 to RMB267.8 million as at 31 March 2016 mainly due to the increase in borrowings and trade payables, partially offset by the decrease in other payables and accruals and provision for income tax.

Borrowings increased by RMB40.5 million from RMB46.8 million as at 31 December 2015 to RMB87.3 million as at 31 March 2016, in which RMB30.0 million was a loan obtained by a PRC subsidiary for the purpose of operating activities (for details please refer to (b)(ii)(5) in page 5). In addition, RMB10.5 million was a newly acquired loan used to finance the working capital of the Group.

Trade payables increased by RMB20.4 million from RMB75.9 million as at 31 December 2015 to RMB96.3 million as at 31 March 2016, which was mainly due to the increase in the purchase by its Chinese and German subsidiaries.

Other payables and accruals decreased by RMB8.2 million from RMB83.1 million as at 31 December 2015 to RMB74.9 million as at 31 March 2016 was mainly due to the payment of the accrued bonus as at 31 December 2015.

Non-current Liabilities

Non-current liabilities increased by RMB3.4 million from RMB42.0 million as at 31 December 2015 to RMB45.4 million as at 31 March 2016 mainly due to the increase in deferred tax liabilities.

Deferred tax liabilities increased by RMB3.9 million from RMB17.0 million as at 31 December 2015 to RMB20.9 million as at 31 March 2016 mainly due to the deferred tax recognized on the undistributed profits of its Chinese subsidiaries.

Shareholders' Equity

As a result of the Group's net profit generated during the period, the shareholders' equity was enhanced from RMB693.8 million as at 31 December 2015 to RMB720.0 million as at 31 March 2016.

(c) Cash Flow Statement of the Group

Net cash generated from operating activities was RMB33.2 million for the 3 months ended 31 March 2016 mainly due to the operating profit before working capital changes, increase in trade payables and decrease in trade receivables, partially offset by the increase in advance to suppliers and inventories, and decrease in other payables and accruals.

Net cash used in investing activities was RMB25.9 million for the 3 months ended 31 March 2016 mainly due to purchase of property, plant and equipment and net cash outflow on acquisition of a subsidiary.

Net cash generated from financing activities was RMB32.4 million for the 3 months ended 31 March 2016 mainly due to proceeds from bank borrowings, partially offset by the repayment of short-term loans and change of pledged deposits.

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 Group will continue its efforts in expanding markets in the Asia Pacific region, Europe and USA. Meanwhile we will also continue to focus on innovation, value-add product development and production efficiency.

After acquiring Krauth in January 2016, we will focus on the integration of this high technology self-service machine company into the Group.

Continuous efforts will be made to enhance our growing self-service machine and gaming terminal businesses. The management will also focus on the restructuring of Krauth and turnaround of DTMT.

11. Dividend

(a) Current Financial Period Reported On 31 March 2016

Any dividend declared for the current financial period reported on?

An interim dividend (tax exempt one-tier) of S\$ 0.01 per ordinary share is declared on 12 May 2016.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the previous financial period reported on?

An interim dividend (tax exempt one-tier) of S\$ 0.015 per ordinary share was declared on 14 May 2015.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

13. Interested Person Transactions (“IPTs”)

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nantong Mayway Products Corp.	Rental for land and buildings for Q1 2016: RMB1.0 million	NIL

*As stated in our Prospectus dated 24 July 2007, under the Restructuring Exercise, the Group has entered into two lease agreements with a related company, Nantong Mayway Products Corp, for the lease of land and buildings for a minimum period of 12 years commencing 1 January 2007. The annual rental will be re-negotiated at the end of the three years at the then prevailing market rate.

The Group has re-negotiated with Nantong Mayway Products Corp. and the two lease agreements was renewed for a period of 3 years commencing from 1 January 2016 with aggregate annual rental at RMB3.97 million.

14. 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 procured undertakings from all its directors and executive offices in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual.

15. Negative confirmation pursuant to Rule 705(5).

On behalf of the Board of Directors of the Company, we confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the 1st quarter ended 31 March 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Johnny Liu Jiayan
Chairman & CEO

Liu Bin
Executive Director

BY ORDER OF THE BOARD

Johnny Liu Jiayan
Chairman & CEO
12 May 2016