

UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2018

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 31/03/2018 RMB'000	1st Quarter ended 31/03/2017 RMB'000	Change %
Revenue	424,382	354,367	19.8
Cost of sales	(306,954)	(257,672)	19.1
Gross Profit	117,428	96,695	21.4
Selling and distribution expenses	(19,731)	(19,263)	2.4
Administrative expenses	(55,404)	(54,478)	1.7
Research and development expenses	(18,794)	(12,428)	51.2
Profit from Operations	23,499	10,526	123.2
Financial expenses, net	(1,749)	(2,027)	(13.7)
Share of results from associates	363	40	807.5
Other income	3,160	5,558	(43.1)
Other expenses	(8,739)	(551)	n.m
Profit Before Tax	16,534	13,546	22.1
Income tax	(1,751)	1,766	n.m.
Net Profit After Tax	14,783	15,312	(3.5)
Other Comprehensive Income/(loss)			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences arising from consolidation	(8,883)	(1,085)	718.7
Changes in fair value of available-for-sale financial assets	(258)	83	n.m.
Other Comprehensive (Loss)/Income for the period	(9,141)	(1,002)	812.3
Total Comprehensive Income for the period	5,642	14,310	(60.6)

n.m.: not meaningful.

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

(A) Other Income

	1st Quarter ended 31/03/2018 RMB'000	1st Quarter ended 31/03/2017 RMB'000	Change %
Net of sales of raw materials	320	2,771	(88.5)
Sales of steel scrap	834	32	n.m.
Foreign exchange gain, net	-	768	(100.0)
Amortisation of deferred income	91	331	(72.5)
Government grants	358	843	(57.5)
Reversal of long term unclaimed payable	624	74	743.2
Others	933	739	26.3
	<u>3,160</u>	<u>5,558</u>	<u>(43.1)</u>

(B) Other Expenses

	1st Quarter ended 31/03/2018 RMB'000	1st Quarter ended 31/03/2017 RMB'000	Change %
Amortisation of land use rights	(337)	(337)	-
Impairment loss on trade receivables	(593)	(39)	n.m.
Loss on disposal of property, plant and equipment	-	(104)	(100.0)
Foreign exchange loss, net	(7,734)	-	n.m.
Fair value loss on derivative financial instruments	(28)	(71)	(60.6)
Others	(47)	-	n.m.
	<u>(8,739)</u>	<u>(551)</u>	<u>n.m.</u>

(C) Financial (Expenses)/Income, net

	1st Quarter ended 31/03/2018 RMB'000	1st Quarter ended 31/03/2017 RMB'000	Change %
Interest income	508	395	28.6
Interest expenses	(1,726)	(1,803)	(4.3)
Net interest on net defined benefit liability	(531)	(619)	(14.2)
	<u>(1,749)</u>	<u>(2,027)</u>	<u>(13.7)</u>

(D) Depreciation and Amortisation

	1st Quarter ended 31/03/2018 RMB'000	1st Quarter ended 31/03/2017 RMB'000	Change %
Depreciation on property, plant and equipment	8,079	6,954	16.2
Amortisation of land use rights	337	337	-
Amortisation of intangible assets	4,174	4,503	(7.3)
	12,590	11,794	6.7

For the 3 months ended 31 March 2018, the Group's depreciation expenses increased by 16.2% to RMB8.1 million over last corresponding period due to the addition of property, plant and equipment of German 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
	31/03/2018	31/12/2017		31/03/2018	31/12/2017	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
	Unaudited	Audited		Unaudited	Audited	
Assets						
Non-current Assets						
Intangible assets	76,412	76,820	(0.5)	-	-	-
Investment in subsidiaries	-	-	-	89,032	92,517	(3.8)
Investment in associates	7,873	7,510	4.8	-	-	-
Land use rights	59,162	59,500	(0.6)	-	-	-
Property, plant and equipment	327,829	326,601	0.4	-	-	-
Deferred tax assets	19,621	19,360	1.3	-	-	-
Total Non-current Assets	490,897	489,791	0.2	89,032	92,517	(3.8)
Current Assets						
Cash and bank balances	242,287	298,219	(18.8)	38,544	11,846	225.4
Available-for-sale financial assets	15,862	16,748	(5.3)	-	-	-
Trade receivables	268,833	307,872	(12.7)	5,266	6,826	(22.9)
Advances to suppliers	34,630	35,339	(2.0)	-	-	-
Other receivables, deposits and prepayments	13,378	10,581	26.4	-	332	(100.0)
Due from subsidiaries (non-trade)	-	-	-	201,908	217,892	(7.3)
Inventories	400,869	373,661	7.3	-	-	-
Total Current Assets	975,859	1,042,420	(6.4)	245,718	236,896	3.7
Total Assets	1,466,756	1,532,211	(4.3)	334,750	329,413	1.6
Liabilities						
Current Liabilities						
Borrowings	165,728	185,200	(10.5)	-	-	-
Trade payables	144,734	160,972	(10.1)	1,113	1,858	(40.1)
Other payables and accruals	122,192	151,944	(19.6)	2,291	1,548	48.0
Due to a related party (trade)	243	243	-	-	-	-
Derivative financial instruments	636	608	4.6	-	-	-
Provision for income tax	2,491	6,464	(61.5)	1,187	841	41.1
Due to subsidiaries	-	-	-	67,598	58,212	16.1
Total Current Liabilities	436,024	505,431	(13.7)	72,189	62,459	15.6
Non-current Liabilities						
Long-term borrowings	29,657	31,418	(5.6)	-	-	-
Other payables	3,559	3,503	1.6	-	-	-
Pension liability	79,592	79,364	0.3	-	-	-
Deferred income	12,359	12,450	(0.7)	-	-	-
Deferred tax liabilities	24,496	24,618	(0.5)	-	-	-
Total Non-current Liabilities	149,663	151,353	(1.1)	-	-	-
Total Liabilities	585,687	656,784	(10.8)	72,189	62,459	15.6
Net Assets	881,069	875,427	0.6	262,561	266,954	(1.6)
Equity						
Capital and reserves attributable to the equity holders of the Company						
Share capital	154,623	154,623	-	154,623	154,623	-
Capital reserve	33,056	33,056	-	-	-	-
Revenue reserve	638,096	623,313	2.4	120,522	114,798	5.0
Statutory reserve	60,965	60,965	-	-	-	-
Translation reserve	7,306	16,189	(54.9)	(12,584)	(2,467)	410.1
Fair value reserve	52	310	(83.2)	-	-	-
Merger deficit	(13,029)	(13,029)	-	-	-	-
Total Equity	881,069	875,427	0.6	262,561	266,954	(1.6)

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

	Group		Group	
	As at 31 March 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings				
Amount repayable in one year	84,228	81,500	105,200	80,000
Amount repayable above one year	29,657	-	31,418	-
Total	113,885	81,500	136,618	80,000

Details of any collateral

As at 31 March, borrowings comprised:

- (1) A mortgage loan of USD0.4 million (equivalent to RMB2.6 million) was obtained by a USA 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 EUR0.5 million (equivalent to RMB3.5 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 EUR2.0 million (equivalent to RMB15.4 million) was obtained by Format Tresorbau GmbH & Co. KG to finance the construction of warehouse. The Company provided corporate guarantee for the loan.
- (4) A loan of EUR3.6 million (equivalent to RMB27.6 million) was obtained from HSBC Bank by Deutsche Mechatronics GmbH ("DTMT") to finance the working capital. The Company provided corporate guarantee for the loan.
- (5) DTMT has an outstanding loan of EUR3.0 million (equivalent to RMB23.6 million), secured by the land of DTMT from a German commercial bank. In addition, DTMT has outstanding finance leases for its equipment of EUR1.0 million (equivalent to RMB7.7 million).
- (6) Krauth Technology GmbH ("Krauth") has an outstanding loan of EUR0.8 million (equivalent to RMB6.1 million) to finance the acquisition of freehold land and building. In addition, Krauth has outstanding finance leases for its equipment of EUR0.2 million (equivalent to RMB1.5 million).
- (7) Krauth Technology GmbH ("Krauth") has an outstanding loan of EUR3.1 million (equivalent to RMB24.3 million) to finance the working capital. The Company provided corporate guarantee and pledged bank balance for the loan.
- (8) Metric Group Limited has an outstanding finance leases for its equipment of GBP0.2 million (equivalent to RMB1.6 million).
- (9) 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 RMB81.5 million was obtained by a PRC subsidiary of the Company from Bank of China 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 31/03/2018 RMB'000	1st Quarter ended 31/03/2017 RMB'000
Profit before tax	16,534	13,546
Adjustments:		
Amortisation of land use rights	337	337
Amortisation of intangible assets	4,174	4,503
Amortisation of deferred government grant	(91)	(331)
Depreciation of property, plant and equipment	8,079	6,954
Fair value loss on derivative financial instruments	28	71
Loss on disposal of property, plant and equipment	-	104
Interest expenses	2,257	1,803
Interest income	(508)	(395)
Share of results from associate	(363)	(40)
Loss on foreign exchange	2,205	-
Reversal of long unclaimed accrued purchases	(624)	-
Operating profit before working capital changes	32,028	26,552
Trade receivables	36,441	48,590
Other receivables, deposits and prepayments	(2,225)	(702)
Advances to suppliers	618	(17,354)
Trade payables	(15,825)	23,069
Other payables and accruals	(28,738)	(18,752)
Due from related party (trade)	-	(992)
Inventories	(29,473)	(61,884)
Pension liability	228	-
Cash used in operations	(6,946)	(1,473)
Income tax paid	(5,908)	(7,477)
Net cash used in operating activities	(12,854)	(8,950)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(11,180)	(16,008)
Addition of Intangible assets	(3,975)	(2,836)
Interest received	508	395
Net cash used in investing activities	(14,647)	(18,449)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from bank borrowings	61,500	55,937
Repayment of loans	(81,818)	(2,390)
Interest paid	(2,257)	(1,803)
Withdrawal of bank guarantee	21,680	(21,005)
Net cash (used in)/from financing activities	(895)	30,739
Net (decrease)/increase in cash and cash equivalents	(28,396)	3,340
Effects of exchange rate changes in cash and cash equivalents	(5,856)	(1,174)
Cash and cash equivalents at beginning of the period	249,151	270,005
Cash and cash equivalents at end of the period	214,899	272,171

Note:

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

-Cash at bank and in hand	803	718
-Fixed deposits with banks	241,484	317,459
	242,287	318,177
Less: Pledged deposit	(27,388)	(46,006)
Cash and cash equivalents per consolidated statement of cash flows	214,899	272,171

- 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							
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation reserve	Fair value reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	154,623	60,965	(13,029)	33,056	623,313	16,189	310	875,427
Profit for the period	-	-	-	-	14,783		-	14,783
Other comprehensive income, net of tax	-	-	-	-		(8,883)	(258)	(9,141)
Balance at 31 March 2018	154,623	60,965	(13,029)	33,056	638,096	7,306	52	881,069

	Group							
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation reserve	Fair value reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	154,623	60,639	(13,029)	33,056	577,880	12,587	136	825,892
Profit for the period	-	-	-	-	15,312	-	-	15,312
Other comprehensive income, net of tax	-	-	-	-	-	(1,085)	83	(1,002)
Balance at 31 March 2017	154,623	60,639	(13,029)	33,056	593,192	11,502	219	840,202

	Company			
	Share capital	Revenue reserve	Translation reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	154,623	114,798	(2,467)	266,954
Total comprehensive income for the period	-	5,724	(10,117)	(4,393)
Balance at 31 March 2018	154,623	120,522	(12,584)	262,561

	Company			
	Share capital	Revenue reserve	Translation reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	154,623	2,364	10,990	167,977
Total comprehensive income for the period	-	10,331	(890)	9,441
Balance at 31 March 2017	154,623	12,695	10,100	177,418

- 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 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.**

There have been no changes in the Company's share capital during the 3 months ended 31 March 2018.

The Company did not hold any treasury shares and subsidiary holdings as at 31 March 2018 or as at 31 December 2017 respectively.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares and subsidiary holdings 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 2018 and as at 31 December 2017, respectively.

- 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.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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.**

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I)s 1 First-time Adoption of Singapore Financial Reporting Standards (International). The adoption of the new standards did not have any significant impact on the financial statements for the 3 months ended 31 March 2018. 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
	31/03/2018	31/03/2017
<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	4.15	4.29
Weighted average number of ordinary shares for basic earnings per share computation ('000)	356,536	356,536
(b) On a fully diluted basis	4.15	4.29
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
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in RMB cents)	247.12	245.54	73.64	74.87
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, Ticketing and Vending Machine ("TVM") and other products.

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 2018:

Revenue

The Group achieved sales of RMB424.4 million, representing an increase of 19.8% or RMB70.0 million over last corresponding period.

Sales of the High Security Segment increased by 29.2% or RMB46.4 million to RMB205.5 million over last corresponding period due to the sales growth in ATM safes.

Sales of the Business Solutions Segment increased by 12.1% or RMB23.6 million to RMB218.9 million over last corresponding period due to the increase of sales orders.

Gross Profit

Gross profit of the Group increased by 21.4% or RMB20.7 million to RMB117.4 million.

Gross margin of the Group increased from 27.3% in last corresponding period to 27.7%. Gross margin of the High Security Segment increased from 26.7% to 31.2% and gross margin of the Business Solutions Segment decreased from 27.8% to 24.4% mainly due to the product mix.

Research and development expenses

Research and development expenses increased RMB6.4 million to RMB18.8 million mainly due to more research and development expenses input during the period in order to develop the new products to meet global customer needs.

Other Income

Other income decreased RMB2.4 million to RMB3.2 million mainly due to the decrease of sales of raw materials.

Other Expenses

Other expenses increased by RMB8.2 million to RMB8.7 million mainly due to the increase of foreign exchange loss, net.

Profit before Tax

Profit before tax was RMB16.5 million, representing a increase of 22.1% or RMB3.0 million as compared to RMB13.5 million during last corresponding period.

Net profit after Tax

Profit after tax was RMB14.8 million, representing a decrease of 3.5% or RMB0.5 million as compared to RMB15.3 million during last corresponding period.

(b) Statement of financial position of the Group

Non-current Assets

The Group's non-current assets increased by RMB1.1 million from RMB489.8 million as at 31 December 2017 to RMB490.9 million as at 31 March 2018 mainly due to the increase in property, plant and equipment.

Property, plant and equipment increased by RMB1.2 million from RMB326.6 million as at 31 December 2017 to RMB327.8 million as at 31 March 2018 mainly due to the addition of property, plant and equipment of its German subsidiaries.

Current Assets

The Group's current assets decreased by RMB66.5 million from RMB1,042.4 million as at 31 December 2017 to RMB975.9 million as at 31 March 2018 mainly due to the decrease in cash and bank balances and trade receivables, partially offset by the increase in other receivables, deposits and prepayments and inventories.

Trade receivables decreased by RMB39.1 million from RMB307.9 million as at 31 December 2017 to RMB268.8 million as at 31 March 2018 mainly due to the better collection.

Other receivables, deposits and prepayments increased by RMB2.8 million from RMB10.6 million as at 31 December 2017 to RMB13.4 million as at 31 March 2018 mainly due to the increase in project deposit.

Inventories increased by RMB27.2 million from RMB373.7 million as at 31 December 2017 to RMB400.9 million as at 31 March 2018 mainly due to stock up in order to meet the needs of sales growth.

Current Liabilities

Current liabilities decreased by RMB69.4 million from RMB505.4 million as at 31 December 2017 to RMB436.0 million as at 31 March 2018 mainly due to the decrease in borrowings, trade payables, other payables and accruals and provision for income tax.

Borrowings decreased by RMB19.5 million from RMB185.2 million as at 31 December 2017 to RMB165.7 million as at 31 March 2018 due to the repayment.

Trade payables decreased by RMB16.3 million from RMB161.0 million as at 31 December 2017 to RMB144.7 million as at 31 March 2018 was mainly due to the payment for raw materials purchase by its Chinese and German subsidiaries.

Other payables and accruals decreased by RMB29.7 million from RMB151.9 million as at 31 December 2017 to RMB122.2 million as at 31 March 2018 was mainly due to the payment of EUR3.0 million loan from former owner of Metric Group Limited and the payment of accrued bonus as at 31 December 2017.

Provision for income tax decreased by RMB4.0 million from RMB6.5 million as at 31 December 2017 to RMB2.5 million as at 31 March 2018 was mainly due to the decrease in profit before tax from profitable companies of 2017 Q1 compared with 2017 Q4.

Non-current Liabilities

Non-current liabilities decreased by RMB1.7 million from RMB151.4 million as at 31 December 2017 to RMB149.7 million as at 31 March 2018 mainly due to the reclassification from non-current liabilities to current liabilities for bank borrowings during the period.

Shareholders' Equity

As a result of the Group's net profit generated during the period, the shareholders' equity was enhanced from RMB875.4 million as at 31 December 2017 to RMB881.1 million as at 31 March 2018.

(c) Cash Flow Statement of the Group

Net cash used in operating activities was RMB12.9 million for the 3 months ended 31 March 2018 mainly due to decrease in trade payables, other payables and accruals and increase in inventories and other receivables, deposits and prepayments, partially offset by the operating profit before working capital changes and decrease in trade receivables. The increase in inventories was mainly due to the stock up in order to meet the needs of sales growth.

Net cash used in investing activities was RMB14.6 million for the 3 months ended 31 March 2018 mainly due to purchase of property, plant and equipment and addition of intangible assets.

Net cash used in financing activities was RMB0.9 million for the 3 months ended 31 March 2018 mainly due to the repayment of short-term loans and interest paid, partially offset by the proceeds from bank borrowings and withdrawal of bank guarantee.

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 management expects trading conditions to remain challenging. Rising raw materials prices, ATM sale market shrinking and overhead cost will serve to affect group performance. On the other side, our gaming machine sales are strong in 2018. As a whole, management expects the Group to remain profitable in 2018.

The Group will continue its efforts in expanding new products lines. Meanwhile we will also continue to focus on innovation and the development of new generation of Ticketing and Vending Machines.

After acquiring Krauth, Metric UK and the purchase of certain assets of Metric AG, we will focus on the integration synergies in joint development of self-service terminals.

11. **Dividend**

(a) Current Financial Period Reported On 31 March 2018

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 14 May 2018.

(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\$ 0.01 per ordinary share was declared on 11 May 2017.

(c) Date payable

Payment of the interim tax exempt dividend will be made by the end of July 2018.

(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 2018: 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 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Johnny Liu
Chairman & CEO

Liu Bin
Executive Director

BY ORDER OF THE BOARD

Johnny Liu
Chairman & CEO
14 May 2018