

UNAUDITED FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 4TH QUARTER AND FULL YEAR RESULTS

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

Group	4th Quarter	4th Quarter	Change	12 Months	12 Months	Change
	ended	ended		ended	ended	
	31/12/2015	31/12/2014		31/12/2015	31/12/2014	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	330,157	269,228	22.6	1,193,748	1,050,913	13.6
Cost of sales	(246,621)	(218,017)	13.1	(851,838)	(794,269)	7.2
Gross Profit	83,536	51,211	63.1	341,910	256,644	33.2
Selling and distribution expenses	(14,197)	(19,065)	(25.5)	(57,080)	(57,578)	(0.9)
Administrative expenses	(34,904)	(20,920)	66.8	(132,016)	(88,193)	49.7
Research and development expenses	(9,640)	(3,756)	156.7	(27,861)	(25,660)	8.6
Profit from Operations	24,795	7,470	231.9	124,953	85,213	46.6
Financial (expenses)/income, net	(883)	300	n.m.	2,012	1,603	25.5
Share of (losses)/profits from associates	(216)	585	n.m.	354	631	(43.9)
Other income	11,637	(6,406)		27,134	98,494	(72.5)
Other expenses	(2,818)	(4,197)	(32.9)	(5,018)	(23,105)	(78.3)
Profit/(Loss) Before Tax	32,515	(2,248)	n.m.	149,435	162,836	(8.2)
Income tax	(10,508)	(2,043)	414.3	(31,435)	(18,008)	74.6
Net Profit/(Loss) After Tax	22,007	(4,291)	n.m.	118,000	144,828	(18.5)
Other Comprehensive Income						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	(1,350)	(5,640)	(76.1)	(4,734)	(17,528)	(73.0)
Changes in fair value of available-for-sale financial assets	6	-	n.m.	6	-	n.m.
Other Comprehensive Income for the period	(1,344)	(5,640)	(76.2)	(4,728)	(17,528)	(73.0)
Total Comprehensive Income for the period	20,663	(9,931)	n.m.	113,272	127,300	(11.0)

n.m. : not meaningful

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

(A) Other Income

	4th Quarter	4th Quarter	Change	12 Months	12 Months	Change
	ended	ended		ended	ended	
	31/12/2015	31/12/2014	%	31/12/2015	31/12/2014	%
	RMB'000	RMB'000		RMB'000	RMB'000	
Sales of steel scrap	561	214	162.1	2,549	1,398	82.3
Net of sales of raw materials	109	1,085	(90.0)	1,811	3,044	(40.5)
Amortisation of deferred income	331	331	-	1,324	1,142	15.9
Government grants	1,803	2,069	(12.9)	3,543	6,221	(43.0)
Settlement of forward contracts	981	778	26.1	1,647	8,425	(80.5)
Fair value gain on derivative financial instruments	205	-	n.m.	4,613	-	n.m.
Foreign exchange gain	5,334	130	n.m.	6,404	605	n.m.
Fair value changes on contingent consideration	(3)	(157)	(98.1)	2,765	19,317	(85.7)
Allowance for stock obsolescence	-	812	(100.0)	-	812	(100.0)
Bargain purchase arising from acquisition of a subsidiary	-	(12,859)	(100.0)	-	55,924	(100.0)
Others	2,316	1,191	94.5	2,478	1,606	54.3
	11,637	(6,406)	n.m.	27,134	98,494	(72.5)

(B) Other Expenses

	4th Quarter	4th Quarter	Change	12 Months	12 Months	Change
	ended	ended		ended	ended	
	31/12/2015	31/12/2014	%	31/12/2015	31/12/2014	%
	RMB'000	RMB'000		RMB'000	RMB'000	
Amortisation of land use rights	(326)	(316)	3.2	(1,302)	(1,010)	28.9
Fair value loss on derivative financial instruments	-	(3,593)	(100.0)	-	(18,072)	(100.0)
Withholding tax on dividends	-	-	-	-	(2,000)	(100.0)
Acquisition cost	-	120	(100.0)	-	(1,616)	(100.0)
Loss on disposal of property, plant and equipment	(722)	(346)	108.7	(722)	(346)	108.7
Others	(1,770)	(62)	n.m.	(2,994)	(61)	n.m.
	(2,818)	(4,197)	(32.9)	(5,018)	(23,105)	(78.3)

(C) Financial (expenses)/Income, net

	4th Quarter	4th Quarter	Change	12 Months	12 Months	Change
	ended	ended		ended	ended	
	31/12/2015	31/12/2014	%	31/12/2015	31/12/2014	%
	RMB'000	RMB'000		RMB'000	RMB'000	
Interest income	240	1,184	(79.7)	5,173	3,990	29.6
Interest expenses	(1,123)	(911)	23.3	(3,161)	(1,660)	90.4
Unwinding of discount on contingent consideration	-	27	(100.0)	-	(727)	(100.0)
	(883)	300	n.m.	2,012	1,603	25.5

(D) Depreciation and Amortisation

	4th Quarter ended 31/12/2015 RMB'000	4th Quarter ended 31/12/2014 RMB'000	Change %	12 Months ended 31/12/2015 RMB'000	12 Months ended 31/12/2014 RMB'000	Change %
Depreciation on property, plant and equipment	6,520	3,534	84.5	19,568	16,160	21.1
Amortisation of land use rights	326	317	2.8	1,302	1,010	28.9
Amortisation of intangible assets	1,365	1,495	(8.7)	5,461	5,284	3.3
	<u>8,211</u>	<u>5,346</u>	53.6	<u>26,331</u>	<u>22,454</u>	17.3

For the 12 months ended 31 December 2015, the Group's depreciation expenses increased by 21.1% to RMB19.6 million over last corresponding period due to the addition of property, plant and equipment of Chinese subsidiaries and the acquisition of Deutsche Mechatronics GmbH ("DTMT").

For the 12 months ended 31 December 2015, the Group's amortisation of land use rights increased by 28.9% to RMB1.3 million over last corresponding period as the Group started to amortize 2 newly acquired pieces of land from Q4 2014.

For the 12 months ended 31 December 2015, the Group's amortisation of intangible assets increased by 3.3% to RMB5.5 million over last corresponding period as the Group started to amortize a major R&D project from Q3 2014.

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
	31/12/2015	31/12/2014		31/12/2015	31/12/2014	
RMB'000	RMB'000	%	RMB'000	RMB'000	%	
	Unaudited	Audited		Unaudited	Audited	
Assets						
Non-current Assets						
Intangible assets	10,037	15,498	(35.2)	-	-	-
Investment in subsidiaries	-	-	-	30,149	28,925	4.2
Investment in associates	6,968	6,616	5.3	-	-	-
Land use rights	59,766	61,068	(2.1)	-	-	-
Property, plant and equipment	245,262	236,417	3.7	-	-	-
Held-to-maturity investments	9,270	-	n.m.	-	-	-
Deferred tax assets	2,283	-	n.m.	-	-	-
Total Non-current Assets	333,586	319,599	4.4	30,149	28,925	4.2
Current Assets						
Cash and bank balances	240,444	77,813	209.0	31,717	7,413	327.9
Available-for-sale financial assets	6,545	100,000	(93.5)	-	-	-
Trade receivables	196,226	164,728	19.1	3,049	2,413	26.4
Advances to suppliers	21,305	16,236	31.2	-	-	-
Other receivables, deposits and prepayments	2,955	5,150	(42.6)	-	-	-
Due from subsidiaries (non-trade)	-	-	-	108,749	151,962	(28.4)
Inventories	151,784	153,653	(1.2)	3,701	-	n.m.
Total Current Assets	619,259	517,580	19.6	147,216	161,788	(9.0)
Total Assets	952,845	837,179	13.8	177,365	190,713	(7.0)
Liabilities						
Current Liabilities						
Borrowings	46,229	35,449	30.4	-	-	-
Trade payables	75,934	82,969	(8.5)	3,924	2,883	36.1
Other payables and accruals	83,056	71,720	15.8	1,800	2,157	(16.6)
Due to a related party (trade)	429	442	(2.9)	-	-	-
Derivative financial instruments	-	4,635	(100.0)	-	1,050	(100.0)
Provision for income tax	10,783	10,014	7.7	2,115	-	n.m.
Total Current Liabilities	216,431	205,229	5.5	7,839	6,090	28.7
Non-current Liabilities						
Long-term borrowings	8,714	7,426	17.3	-	-	-
Other payables	2,565	5,285	(51.5)	-	2,826	(100.0)
Deferred income	14,334	9,418	52.2	-	-	-
Deferred tax liabilities	17,018	4,934	244.9	-	-	-
Total Non-current Liabilities	42,631	27,063	57.5	-	2,826	(100.0)
Total Liabilities	259,062	232,292	11.5	7,839	8,916	(12.1)
Net Assets	693,783	604,887	14.7	169,526	181,797	(6.7)
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	473,335	390,957	21.1	15,222	25,442	(40.2)
Statutory reserve	56,221	44,975	25.0	-	-	-
Translation deficit	(23,873)	(19,139)	24.7	(13,763)	(11,712)	17.5
Other reserve	6	-	n.m.	-	-	-
Merger deficit	(13,029)	(13,029)	-	-	-	-
Total Equity	693,783	604,887	14.7	169,526	181,797	(6.7)

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

	Group		Group	
	As at 31 December 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings				
Amount repayable in one year	46,229	-	35,449	-
Amount repayable above one year	8,714	-	7,426	-
Total	54,943	-	42,875	-

Details of any collateral

As at 31 December 2015, borrowings comprised:

- (1) A loan of USD1.0 million (equivalent to RMB6.5 million) was obtained by a PRC subsidiary of the Company from Citi Bank to finance the working capital.
- (2) A mortgage loan of USD0.7 million (equivalent to RMB4.5 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.
- (3) 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.
- (4) A loan of EUR0.6 million (equivalent to RMB4.2 million) was obtained from Commerzbank by Format Tresorbau GmbH & Co. KG to finance the working capital. The Company provided corporate guarantee for the loan.
- (5) A loan of EUR 0.7 million (equivalent to RMB4.9 million) was obtained from HSBC Bank by Deutsche Mechatronics GmbH ("DTMT") to finance the working capital. The Company provided corporate guarantee for the loan.
- (6) DTMT has an outstanding loan of EUR4.0 million (equivalent to RMB28.2 million), secured on the land of DTMT from a German commercial bank. In addition, DTMT has outstanding finance leases for its equipments of EUR0.3 million (equivalent to RMB2.2 million).

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	4th Quarter ended 31/12/2015 RMB'000	4th Quarter ended 31/12/2014 RMB'000	12 Months ended 31/12/2015 RMB'000	12 Months ended 31/12/2014 RMB'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit/(loss) before tax	32,515	(2,248)	149,435	162,836
Adjustments:				
Amortisation of land use rights	326	317	1,302	1,010
Amortisation of intangible assets	1,365	1,495	5,461	5,284
Amortisation of deferred government grant	(331)	(331)	(1,324)	(1,142)
Depreciation of property, plant and equipment	6,520	3,534	19,568	16,160
Fair value changes on contingent consideration	3	157	(2,765)	(19,317)
Fair value (gain)/loss on derivative financial instruments	(205)	3,593	(4,613)	18,072
Loss on disposal of property, plant and equipment	722	346	722	346
Settlement of forward contracts	(981)	(778)	(1,647)	(8,425)
Interest expenses	1,123	911	3,161	1,660
Interest income	(240)	(1,184)	(5,173)	(3,990)
Unwinding of discount on contingent consideration	-	(27)	-	727
Share of loss/(profits) from associate	216	(585)	(354)	(631)
Bargain purchase arising from the acquisition of a subsidiary	-	12,859	-	(55,924)
Withholding tax	-	(2,000)	-	-
Operating profit before working capital changes	41,033	16,059	163,773	116,666
Trade receivables	33,100	37,391	(31,801)	(9,142)
Other receivables, deposits and prepayments	(1,488)	8,009	2,070	5,401
Advances to suppliers	35,012	15,716	(5,341)	(5,950)
Trade payables	(46,999)	(22,462)	(6,345)	(19,298)
Other payables and accruals	12,539	2,981	10,531	8,972
Due to a related party (trade)	(920)	(86)	(13)	(280)
Due from related parties (trade)	-	934	-	-
Inventories	29,775	6,928	(1,764)	20,992
Cash generated from operations	102,052	65,470	131,110	117,361
Income tax paid	(8,210)	(5,723)	(20,782)	(14,571)
Net cash generated from operating activities	93,842	59,747	110,328	102,790
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Purchase of property, plant and equipment	(13,282)	(22,686)	(32,801)	(53,019)
Purchase of land use rights	-	(18,860)	-	(18,860)
Proceed from disposal of property, plant and equipment	17	(154)	17	62
Interest received	336	1,184	5,230	3,990
Receipt from settlement of forward contracts	981	989	1,647	8,636
Payment for settlement of forward contracts	-	(211)	-	(211)
Government grants received	-	-	6,240	-
Net cash inflow on acquisition of a subsidiary	-	3	-	10,289
Proceeds from disposal of available-for-sale investments	-	-	100,000	-
Purchase of held-to-maturity investments	-	-	(8,786)	-
Purchase of available-for-sale financial assets	(6,410)	(100,000)	(6,410)	(100,000)
Net cash generated from/(used in) investing activities	(18,358)	(139,735)	65,137	(149,113)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Acquisition of non controlling interests without a change in control	-	(7,737)	-	(7,737)
Dividend paid	-	-	(24,376)	(17,736)
Proceeds from bank borrowings	3,297	(10)	24,972	5,398
Repayment of loans	(6,237)	(7,533)	(9,158)	(14,176)
Due to a related party (non-trade)	-	-	-	(3,600)
Interest paid	(1,123)	(911)	(3,161)	(1,660)
Repayment of finance leases	(2,652)	(2,570)	(2,652)	(2,570)
Release from pledged deposits	-	1,963	16,855	2,473
Net cash generated from/(used in) financing activities	(6,715)	(16,798)	2,480	(39,608)
Net increase/(decrease) in cash and cash equivalents	68,769	(96,786)	177,945	(85,931)
Effects of exchange rate changes in cash and cash equivalents	1,121	(829)	1,595	(2,545)
Cash and cash equivalents at beginning of the period	170,376	158,341	60,726	149,202
Cash and cash equivalents at end of the period	240,266	60,726	240,266	60,726
Note:				
For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised:				
-Cash at bank and in hand	550	159	550	159
-Fixed deposits with banks	239,948	77,654	239,948	77,654
	240,498	77,813	240,498	77,813
Less: Pledged deposit	(232)	(17,087)	(232)	(17,087)
Cash and cash equivalents per consolidated statement of cash flows	240,266	60,726	240,266	60,726

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 deficit	Other Reserve	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	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	-	604,887
Total comprehensive income for the period	-	-	-	-	118,000	(4,734)	-	113,266	-	113,266
Dividends	-	-	-	-	(24,376)	-	-	(24,376)	-	(24,376)
Transfer to statutory reserve	-	11,246	-	-	(11,246)	-	-	-	-	-
From acquisition of a subsidiary	-	-	-	-	-	-	6	6	-	6
Balance at 31 December 2015	168,067	56,221	(13,029)	33,056	473,335	(23,873)	6	693,783	-	693,783

	Group									
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation deficit	Other Reserve	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014	168,067	38,740	(13,029)	33,056	237,504	(1,611)	-	462,727	-	462,727
Total comprehensive income for the period	-	-	-	-	144,828	(17,528)	-	127,300	-	127,300
Dividends	-	-	-	-	(17,736)	-	-	(17,736)	-	(17,736)
Transfer to statutory reserve	-	6,235	-	-	(6,235)	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	42,792	42,792
Acquisition of non-controlling interests without changes in control	-	-	-	-	32,596	-	-	32,596	(42,792)	(10,196)
Balance at 31 December 2014	168,067	44,975	(13,029)	33,056	390,957	(19,139)	-	604,887	-	604,887

	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 income for the period	-	14,156	(2,051)	12,105
Dividends	-	(24,376)	-	(24,376)
Balance at 31 December 2015	168,067	15,222	(13,763)	169,526

	Company			
	Share capital	Revenue reserve	Translation deficit	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014	168,067	(43,027)	(4,342)	120,698
Total comprehensive income for the period	-	86,205	(7,370)	78,835
Dividends	-	(17,736)	-	(17,736)
Balance at 31 December 2014	168,067	25,442	(11,712)	181,797

- 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 financial year ended 31 December 2015.

The Company did not hold any treasury shares as at 31 December 2015 or 31 December 2014 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 December 2015 and as at 31 December 2014 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.

- 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 Singapore Financial Reporting Standards ("FRS") that are published and mandatory for accounting periods beginning on or after 1 January 2015. The adoption of these FRS where applicable did not have any material impact on the financial statements for 12 months ended 31 December 2015. 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			
	4th Quarter ended	4th Quarter ended	12 Months ended	12 Months ended
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<u>Earnings per ordinary share of the group (in RMB cents):</u>				
(a) Based on weighted average number of ordinary shares on issue; and	6.17	(1.20)	33.10	40.62
Weighted average number of ordinary shares for basic earnings per share computation ('000)	356,536	356,536	356,536	356,536
(b) On a fully diluted basis	6.17	(1.20)	33.10	40.62
Weighted average number of ordinary shares adjusted for the effect for dilution ('000)	356,536	356,536	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
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in RMB cents)	194.59	169.66	47.55	50.99
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.

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 12 months ended 31 December 2015:

Revenue

The Group achieved sales of RMB1,193.7 million, representing an increase of 13.6% or RMB142.8 million over last corresponding period.

Sales of the High Security Segment decreased by 4.4% or RMB38.2 million to RMB821.3 million over last corresponding period due to the drop in orders for gaming machine and phase out of a few ATM safe models.

Sales of the Business Solutions Segment increased by RMB181.1 million to RMB372.4 million over last corresponding period due to the acquisition of DTMT, sales of which was RMB283.4 million during the period and RMB108.9 million during last corresponding period respectively.

Gross Profit

Gross profit of the Group increased by 33.2% or RMB85.3 million to RMB341.9 million.

Gross margin of the Group increased from 24.4% in last corresponding period to 28.6%. Gross margin of the High Security Segment increased from 25.6% to 32.1% due to the change of product mix and better cost control. Gross margin of the Business Solutions Segment increased from 19.3% to 21.0% mainly due to the change of product mix and lower materials cost.

Administrative Expenses

Administrative expenses increased by 49.7%, or RMB43.8 million to RMB132.0 million mainly due to the acquisition of DTMT. DTMT incurred RMB44.0 million in administrative expenses during the period, compared with RMB16.5 million during last corresponding period.

Administrative expenses excluding DTMT increased by RMB16.3 million mainly due to the increase in high value employees to provide engineering solutions and accrued employee benefits

Research and Development Expenses

Research and development expenses increased by 8.6%, or RMB2.2 million to RMB27.9 million due to the development of new products to meet global customer needs.

Other Income

Other income decreased by RMB71.4 million to RMB27.1 million mainly due to the decrease in the bargain purchase arising from acquisition of a subsidiary, fair value changes on contingent consideration and settlement of forward contracts, partially offset by the increase of fair value gain on derivative financial instruments and foreign exchange gain.

Other Expenses

Other expenses decreased by RMB18.1 million to RMB5.0 million mainly due to the decrease in fair value loss on derivative financial instruments. The derivative financial instruments refer to RMB/USD forward currency contracts with banks to hedge the exposure to foreign exchange rates fluctuations in the receivables and forecast sales.

Profit before Tax from Operations

Profit before tax was RMB149.4 million, representing a decrease of 8.2% or RMB13.4 million as compared to RMB162.8 million during last corresponding period.

Profit from Operations, Net of Tax

Profit after tax was RMB118.0 million, representing a decrease of 18.5% or RMB26.8 million as compared to RMB144.8 million during last corresponding period.

For the 3 months ended 31 December 2015:

Revenue

The Group achieved sales of RMB330.2 million, representing an increase of 22.6% or RMB60.9 million over last corresponding period.

Sales of the High Security Segment increased by 22.0% or RMB37.4 million to RMB207.7 million over last corresponding period mainly due to the strong sales of new model safe.

Sales of the Business Solutions Segment increased by 23.7% or RMB23.5 million to RMB122.4 million over last corresponding period due to the increase of DTMT, sales of which was RMB83.6 million during the period and RMB63.1 million during last corresponding period respectively.

Gross Profit

Gross profit of the Group increased by 63.1% or RMB32.3 million to RMB83.5 million.

Gross margin of the Group increased from 19.0% in last corresponding period to 25.3%. Gross margin of the High Security Segment increased from 21.7% to 28.1% due to the change of product mix and better cost control. Gross margin of the Business Solutions Segment increased from 14.3% to 20.6% mainly due to the change of product mix.

Selling and Distribution Expenses

Selling and distribution expenses decreased by RMB4.9 million to RMB14.2 million mainly due to the decrease in after-sales service expenses in Q4 2015.

Administrative Expenses

Administrative expenses increased by RMB14.0 million to RMB34.9 million mainly due to the increase in high value employees to provide engineering solutions and accrued employee benefits.

Research and Development Expenses

Research and development expenses increased by RMB5.9 million to RMB9.6 million due to the development of new products to meet global customer needs.

Profit before Tax from Operations

Profit before tax was RMB32.5 million, representing an increase of RMB34.8 million as compared to the loss of RMB2.2 million in Q4 2014.

Profit from Operations, Net of Tax

Profit after tax was RMB22.0 million, representing an increase of RMB26.3 million as compared to the loss of RMB4.3 million in Q4 2014.

(b) Statement of financial position of the Group

Non-current Assets

The Group's non-current assets increased by RMB14.0 million from RMB319.6 million as at 31 December 2014 to RMB333.6 million as at 31 December 2015 mainly due to the increase in property, plant and equipment and held-to-maturity investments, partially offset by the decrease in intangible assets.

Intangible assets decreased by RMB5.5 million from RMB15.5 million as at 31 December 2014 to RMB10.0 million as at 31 December 2015 mainly due to amortisation.

Property, plant and equipment increased by RMB8.9 million from RMB236.4 million as at 31 December 2014 to RMB245.3 million as at 31 December 2015 mainly due to the addition of property, plant and equipment of its Chinese subsidiaries.

During the period, the Group invested in two bonds issued by Bank of China and SHUI ON Development (Holding) Limited, bearing interest rate at 2.125% and 8.700% and maturing in 2 and 3 years respectively. The bonds are classified as held-to-maturity investment with carrying amounts of RMB9.3 million as at 31 December 2015.

Current Assets

The Group's current assets increased by RMB101.7 million from RMB517.6 million as at 31 December 2014 to RMB619.3 million as at 31 December 2015 mainly due to the increase in cash and bank balances, trade receivables, advance to suppliers and partially offset by the decrease mainly in available-for-sale financial assets.

Trade receivables increased by RMB31.5 million from RMB164.7 million as at 31 December 2014 to RMB196.2 million as at 31 December 2015 mainly due to higher sales revenue in Q4 2015.

Advance to suppliers increased by RMB5.1 million from RMB16.2 million as at 31 December 2014 to RMB21.3 million as at 31 December 2015 mainly due to the increase in advance payment of purchase for raw materials.

During the period, the Group invested in a bond fund issued by Credit Suisse AG. The bond fund is classified as available-for-sale financial assets with the fair value of RMB6.5 million as at 31 December 2015. The balance of 31 December 2014 referred to treasury products issued by Ping An Trust and Hua Tai Securities. During the period, these products have matured.

Current Liabilities

Current liabilities increased by RMB11.2 million from RMB205.2 million as at 31 December 2014 to RMB216.4 million as at 31 December 2015 mainly due to the increase in borrowings and other payables and accruals, partially offset by the decrease in trade payables and derivative financial instruments.

Borrowings increased by RMB10.8 million from RMB35.4 million as at 31 December 2014 to RMB46.2 million as at 31 December 2015. The new acquired loan was used to finance the working capital of the Group.

Trade payables decreased by RMB7.1 million from RMB83.0 million as at 31 December 2014 to RMB75.9 million as at 31 December 2015, which was mainly due to the decrease in the purchase by its Chinese subsidiaries.

Other payables and accruals increased by RMB11.4 million from RMB71.7 million as at 31 December 2014 to RMB83.1 million as at 31 December 2015, which was mainly due to the accrual of annual bonus and unpaid machine and equipment procurement of Chinese subsidiaries.

Derivative financial instruments decreased by RMB4.6 million due to the settlement of RMB/USD forward currency contracts.

Non-current Liabilities

Non-current liabilities increased by RMB15.5 million from RMB27.1 million as at 31 December 2014 to RMB42.6 million as at 31 December 2015 mainly due to the increase in deferred income and deferred tax liabilities, partially offset by the decrease in other payables.

Deferred income increased by RMB4.9 million as compared to 31 December 2014 due to the increase in government grant.

Deferred tax liabilities increased by RMB12.1 million from RMB4.9 million as at 31 December 2014 to RMB17.0 million as at 31 December 2015 mainly due to the deferred tax recognized on the undistributed profits of its Chinese subsidiaries.

Other payables decreased by RMB2.7 million from RMB5.3 million to RMB2.6 million mainly due to the decrease in the contingent liability arising from the acquisition of Format.

Shareholders' Equity

As a result of the Group's positive total comprehensive income generated during the period, the shareholders' equity increased from RMB604.9 million as at 31 December 2014 to RMB693.8 million as at 31 December 2015.

(c) Cash Flow Statement of the Group

Net cash generated from operating activities was RMB110.3 million for the 12 months ended 31 December 2015 which was mainly due to the increase in the operating profit before working capital changes and increase in other payables and accruals, partially offset by the decrease in trade payables and increase in trade receivables and advances to suppliers.

Net cash generated from investing activities was RMB65.1 million for the 12 months ended 31 December 2015 mainly due to the proceeds from maturity of available-for-sale financial assets, interest received and government grants received, partially offset by the addition of property, plant and equipment, purchase of held-to-maturity investments and purchase of available-for-sale financial assets.

Net cash generated from financing activities was RMB2.5 million for the 12 months ended 31 December 2015 mainly due to the proceeds from bank borrowings and release from pledged deposits, partially offset by the payment of interim dividends, repayment of loans, interest paid and repayment of finance leases.

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, USA and Europe. We will continue to focus on innovation, value-added product development and production efficiency.

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

The Group has completed the acquisition of Krauth Technology GmbH in January 2016. We will focus on the synergies in R&D, design and manufacture of intelligent terminals.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared.

(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. 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 Q4 2015: RMB0.9 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 2013 with aggregate annual rental at RMB3.74 million.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

	2015		
	High Security RMB'000	Business Solutions RMB'000	Consolidated RMB'000
Revenue			
External sales	821,346	372,402	1,193,748
Total Sales	<u>821,346</u>	<u>372,402</u>	<u>1,193,748</u>
Segment results			
Profit after operations	138,963	11,769	150,732
Finance income, net			2,012
Unallocated expenses			(3,309)
Profit before tax			<u>149,435</u>
Income tax			(31,435)
Profit after tax			<u><u>118,000</u></u>
Other segment items			
Capital expenditure			
-Property, plant and equipment	9,513	23,288	32,801
Amortization on intangible assets	5,461	-	5,461
Amortization on land use right	204	1,098	1,302
2014			
	High Security RMB'000	Business Solutions RMB'000	Consolidated RMB'000
Revenue			
External sales	859,576	191,337	1,050,913
Total Sales	<u>859,576</u>	<u>191,337</u>	<u>1,050,913</u>
Segment results			
Profit from operations	103,913	63,505	167,418
Finance income, net			1,603
Unallocated expenses			(6,185)
Profit before tax			<u>162,836</u>
Income tax			(18,008)
Profit after tax			<u><u>144,828</u></u>
Other segment items			
Capital expenditure			
-Property, plant and equipment	36,449	16,570	53,019
-Land use rights	18,860	-	18,860
Amortization on intangible assets	5,284	-	5,284
Amortization on land use right	288	722	1,010

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

Please refer to section 8 for the analysis.

17. 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.

18. A breakdown of sales.

	Group		
	2015	2014	Change
	RMB'000	RMB'000	%
(a) Sales reported for first half year	519,570	467,500	11.1%
(b) Profit after tax for first half year	44,699	40,906	9.3 %
(c) Sales reported for second half year	674,178	583,413	15.6%
(d) Profit after tax for second half year	73,301	103,922	(29.5)%

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

	Latest Full Year (2015)	Previous Full Year (2014)
Ordinary	S\$0.015	S\$0.01

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Dr Johnny Liu Jiayan	53	Brother of the Executive Vice Chairman, Mr Liu Bin	Chairman and CEO of the Company (2007)	N/A
Liu Bin	64	Brother of the Chairman, CEO and Controlling Shareholder, Dr Johnny Liu Jiayan	Executive Vice Chairman of the Company (2007) Executive Vice Chairman of Tri Star Inc, a wholly-owned PRC subsidiary (2005)	N/A

BY ORDER OF THE BOARD

Johnny Liu Jia Yan
Chairman & CEO
25 February 2016