

UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 MARCH 2015

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

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

Group	1st Quarter ended 31/03/2015 RMB'000	1st Quarter ended 31/03/2014 RMB'000	Change %
Revenue	247,116	246,675	0.2
Cost of sales	<u>(181,007)</u>	<u>(191,277)</u>	(5.4)
Gross Profit	66,109	55,398	19.3
Selling and distribution expenses	(10,403)	(12,856)	(19.1)
Administrative expenses	(33,741)	(16,452)	105.1
Research and development expenses	(6,755)	(5,795)	16.6
Profit from Operations	15,210	20,295	(25.1)
Financial income/(expenses), net	1,658	(9)	n.m.
Share of profit from associate	43	-	n.m.
Other income	7,133	8,308	(14.1)
Other expenses	<u>(5,915)</u>	<u>(11,283)</u>	(47.6)
Profit Before Tax	18,129	17,311	4.7
Income tax	<u>(2,774)</u>	<u>(2,414)</u>	14.9
Net Profit After Tax	15,355	14,897	3.1
Other Comprehensive (Loss)/Income			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	<u>(14,922)*</u>	<u>163</u>	n.m.
Total Comprehensive Income for the period	433	15,060	(97.1)
Total comprehensive income attributable to equity holders of the Company	433	15,060	(97.1)

n.m.: not meaningful.

* The assets of the Group's subsidiaries in Germany are denominated in Euro. The Group recorded the translation loss mainly due to the depreciation of Euro against Chinese Yuan during the period.

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

(A) Other Income

	1st Quarter ended 31/03/2015 RMB'000	1st Quarter ended 31/03/2014 RMB'000	Change %
Sales of steel scrap	520	344	51.1
Net of sales of raw materials	287	648	(55.7)
Amortisation of deferred income	331	240	37.9
Government grants	794	500	58.9
Settlement of forward contracts	-	4,279	(100.0)
Fair value gain on derivative financial instruments	5,201	-	n.m.
Foreign exchange gain	-	2,144	(100.0)
Others	-	153	(100.0)
	<u>7,133</u>	<u>8,308</u>	<u>(14.1)</u>

(B) Other Expenses

	1st Quarter ended 31/03/2015 RMB'000	1st Quarter ended 31/03/2014 RMB'000	Change %
Amortisation of land use rights	(307)	(231)	32.6
Settlement of forward contracts	(759)	-	n.m.
Foreign exchange loss	(4,831)	-	n.m.
Fair value loss on derivative financial instruments	-	(9,052)	(100.0)
Withholding tax on dividends	-	(2,000)	(100.0)
Others	(18)	-	n.m.
	<u>(5,915)</u>	<u>(11,283)</u>	<u>(47.6)</u>

(C) Financial Income/(Expenses), net

	1st Quarter ended 31/03/2015 RMB'000	1st Quarter ended 31/03/2014 RMB'000	Change %
Interest income	2,284	649	251.9
Interest expenses	(577)	(28)	n.m.
Unwinding of discount on contingent consideration	(49)	(630)	(92.2)
	<u>1,658</u>	<u>(9)</u>	<u>n.m.</u>

(D) Depreciation and Amortisation

	1st Quarter ended 31/03/2015 RMB'000	1st Quarter ended 31/03/2014 RMB'000	Change %
Depreciation on property, plant and equipment	4,280	3,582	19.5
Amortisation of land use rights	307	231	32.9
Amortisation of intangible assets	1,365	1,085	25.8
	<u>5,952</u>	<u>4,898</u>	21.5

For the 3 months ended 31 March 2015, the Group's depreciation expenses increased by 19.5% to RMB4.3 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 3 months ended 31 March 2015, the Group's amortisation of intangible assets increased by 25.8% to RMB1.4 million over last corresponding period as the Group started to amortize a major 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
	31/03/2015	31/12/2014		31/03/2015	31/12/2014	
RMB'000	RMB'000	%	RMB'000	RMB'000	%	
	Unaudited	Audited		Unaudited	Audited	
Assets						
Non-current Assets						
Intangible assets	14,133	15,498	(8.8)	-	-	-
Investment in subsidiaries	-	-	-	27,904	28,925	(3.5)
Investment in associate	6,658	6,616	0.6	-	-	-
Land use rights	60,761	61,068	(0.5)	-	-	-
Property, plant and equipment	230,864	236,417	(2.3)	-	-	-
Deferred tax assets	2,275	-	n.m.	-	-	-
Total Non-current Assets	314,691	319,599	(1.5)	27,904	28,925	(3.5)
Current Assets						
Cash and bank balances	143,158	77,813	84.0	9,567	7,413	29.1
Available-for-sale financial assets	38,000	100,000	(62.0)	-	-	-
Trade receivables	149,799	164,728	(9.1)	2,327	2,413	(3.6)
Advances to suppliers	17,976	16,236	10.7	447	-	n.m.
Other receivables, deposits and prepayment	4,325	5,150	(16.0)	-	-	-
Due from subsidiaries (non-trade)	-	-	-	136,536	151,962	(10.2)
Derivative financial instruments	590	-	n.m.	-	-	-
Inventories	139,489	153,653	(9.2)	2,228	-	n.m.
Total Current Assets	493,337	517,580	(4.7)	151,105	161,788	(6.6)
Total Assets	808,028	837,179	(3.5)	179,009	190,713	(6.1)
Liabilities						
Current Liabilities						
Borrowings	37,428	35,449	5.6	-	-	-
Trade payables	81,513	82,969	(1.8)	-	2,883	(100.0)
Other payables and accruals	46,119	71,720	(35.7)	2,423	2,157	12.3
Due to a related party (trade)	375	442	(15.2)	-	-	-
Derivative financial instruments	-	4,635	(100.0)	283	1,050	(73.0)
Provision for income tax	6,092	10,014	(39.2)	-	-	-
Total Current Liabilities	171,527	205,229	(16.4)	2,706	6,090	(55.6)
Non-current Liabilities						
Long-term borrowing	5,797	7,426	(21.9)	-	-	-
Other payables	4,892	5,285	(7.4)	2,774	2,826	(1.8)
Deferred income	12,987	9,418	37.9	-	-	-
Deferred tax liabilities	7,505	4,934	52.1	-	-	-
Total Non-current Liabilities	31,181	27,063	15.2	2,774	2,826	(1.8)
Total Liabilities	202,708	232,292	(12.7)	5,480	8,916	(38.5)
Net Assets	605,320	604,887	0.1	173,529	181,797	(4.5)
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	406,312	390,957	3.9	24,455	25,442	(3.9)
Statutory reserve	44,975	44,975	-	-	-	-
Translation deficit	(34,061)	(19,139)	78.0	(18,993)	(11,712)	62.2
Merger deficit	(13,029)	(13,029)	-	-	-	-
Total Equity	605,320	604,887	0.1	173,529	181,797	(4.5)

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

	Group		Group	
	As at 31 March 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings				
Amount repayable in one year	37,428	-	35,449	-
Amount repayable above one year	5,797	-	7,426	-
Total	43,225	-	42,875	-

Details of any collateral

As at 31 March 2015, borrowings comprised:

- (1) A mortgage loan of USD0.8 million (equivalent to RMB4.8 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) DTMT has an outstanding loan of EUR4.3 million (equivalent to RMB28.4 million) from Kreissparkasse Koln, a German commercial bank. The loan was secured on the land of DTMT.
- (3) A loan of USD1.0 million (equivalent to RMB6.2 million) was obtained by a PRC subsidiary of the Company from Citi Bank for arbitrage purpose.
- (4) A German subsidiary has finance leases of EUR0.6 million (equivalent to RMB3.8 million) with effective interest rate ranging from 2.6% to 5.49% per annum.

- 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	1st Quarter ended 31/03/2015 RMB'000	1st Quarter ended 31/03/2014 RMB'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	18,129	17,311
Adjustments:		
Amortisation of land use rights	307	231
Amortisation of intangible assets	1,365	1,085
Amortisation of deferred government grant	(331)	(240)
Depreciation of property, plant and equipment	4,280	3,582
Fair value changes on contingent consideration	-	-
Fair value (gain)/loss on derivative financial instruments	(5,201)	9,052
Settlement of forward contracts	759	(4,279)
Interest expenses	577	28
Interest income	(2,284)	(649)
Unwinding of discount on contingent consideration	49	630
Share of profits from associate	(43)	-
Operating profit before working capital changes	17,607	26,751
Trade receivables	12,499	(37,341)
Other receivables, deposits and prepayments	689	916
Advances to suppliers	(2,256)	(3,773)
Trade payables	(371)	(11,136)
Other payables and accruals	(23,249)	(9,974)
Due to a related party (trade)	(67)	(1,197)
Inventories	5,215	12,886
Cash generated from operations	10,067	(22,868)
Income tax paid	(5,997)	(1,214)
Net cash generated from/(used in) operating activities	4,070	(24,082)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment	(8,465)	(6,714)
Interest received	2,284	649
Settlement of forward contracts	(759)	4,279
Government grants received	3,900	-
Proceeds from the maturity of available-for-sale financial assets	62,000	-
Net cash generated from/(used in) investing activities	58,960	(1,786)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from bank borrowings	6,163	-
Repayment of short-term loans	(1,100)	-
Due to a related party (non-trade)	-	(3,600)
Interest paid	(577)	(506)
Release from pledged deposits	13,912	-
Net cash generated from/(used in) from financing activities	18,398	(4,106)
Net increase/(decrease) in cash and cash equivalents	81,428	(29,974)
Effects of exchange rate changes in cash and cash equivalents	(2,171)	317
Cash and cash equivalents at beginning of the period	60,726	149,202
Cash and cash equivalents at end of the period	139,983	119,545
Note:		
For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised:		
-Cash at bank and in hand	159	78,237
-Fixed deposits with banks	142,999	60,867
	143,158	139,104
Less: Pledged deposit	(3,175)	(19,559)
Cash and cash equivalents per consolidated statement of cash flows	139,983	119,545

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 RMB'000
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation deficit	
	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 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

	Group						Total RMB'000
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation deficit	
	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
Total comprehensive income for the period	-	-	-	-	14,897	163	15,060
Balance at 31 March 2014	168,067	38,740	(13,029)	33,056	252,401	(1,448)	477,787

	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

	Company			
	Share capital	Revenue reserve/(accumulated losses)	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	-	64,757	4,364	69,121
Balance at 31 March 2014	168,067	21,730	22	189,819

- 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 2015.

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

- 1(d)(iv) A statementshowing 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 2015. The adoption of these FRS where applicable did not have any material impact on the financial statements for the 3 months ended 31 March 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	
	1st Quarter ended	1st Quarter ended
	31/03/2015	31/03/2014
<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	4.31	4.18
Weighted average number of ordinary shares for basic earnings per share computation ('000)	356,536	356,536
(b) On a fully diluted basis	4.31	4.18
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
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in RMB cents)	169.78	169.66	48.67	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 3 months ended 31 March 2015:

Revenue

The Group achieved sales of RMB247.1 million, representing an increase of 0.2% or RMB0.4 million over last corresponding period.

Sales of the High Security Segment decreased by 29.7% or RMB69.0 million to RMB163.5 million over last corresponding period due to the drop in orders for gun safes and gaming terminals.

Sales of the Business Solutions Segment increased by RMB69.4 million to RMB83.6 million over last corresponding period due to the acquisition of DTMT and the organic growth of former Semiconductors Segment. Sales of DTMT was RMB66.7 million during the period.

Gross Profit

Gross profit of the Group increased by 19.3% or RMB10.7 million to RMB66.1 million.

Gross margin of the Group increased from 22.5% in last corresponding period to 26.8%. Gross margin of the High Security Segment increased from 21.4% to 30.4% due to the change of product mix and better cost control. Gross margin of the Business Solutions Segment decreased from 40.2% to 19.7% mainly due to lower gross margin of DTMT's products.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 19.1%, or RMB2.5 million to RMB10.4 million mainly due to the decrease in commission, export freight and after-sales service expenses. This was mainly in line with the decline in sales of gun safes.

DTMT incurred RMB1.7 million of selling and distribution expense during the period.

Administrative Expenses

Administrative expenses increased by 105.1%, or RMB17.2 million to RMB33.7 million mainly due to the acquisition of DTMT which incurred RMB11.0 million in administrative expenses during the period.

Research and Development Expenses

Research and development expenses increased by 16.6%, or RMB1.0 million to RMB6.8 million due to the development of new products to meet global customer needs.

Financial Income/Expenses

Net financial income was RMB1.6 million compared to a net financial expense of RMB0.01 million in Q1 2014. It was mainly due to the increase of the interest income and decrease in unwinding of discount on contingent consideration for acquisition of Format.

Share of Profit in Associate

The Group recognized a profit of RMB0.04 million in an associate as the result of acquisition of DTMT, which indirectly owns a 50% share of a company in China.

Other Income

Other income decreased by RMB1.2 million to RMB7.1 million mainly due to the decrease in settlement of forward contracts and foreign exchange gain, partially offset by the increase of fair value gain on derivative financial instruments.

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

Other Expenses

Other expenses decreased by RMB5.4 million to RMB5.9 million mainly due to the decrease in fair value loss on derivative financial instruments and withholding tax on dividends, partially offset by the increase in foreign exchange loss.

Profit before Tax

Profit before tax was RMB18.1 million, representing an increase of 4.7% or RMB0.8 million as compared to RMB17.3 million for Q1 2014.

Net profit after Tax

Profit after tax was RMB15.4 million, representing an increase of 3.1% or RMB0.5 million as compared to RMB14.9 million for Q1 2014.

Total Comprehensive Income for the period

Total Comprehensive Income for the period was RMB0.4 million due to currency translation loss arising from consolidation mainly as a result of the depreciation of Euro against Chinese Yuan for our operation in Germany.

(b) Statement of financial position of the Group

Non-current Assets

The Group's non-current assets decreased by RMB4.9 million from RMB319.6 million as at 31 December 2014 to RMB314.7 million as at 31 March 2015 mainly due to the normal depreciation and amortization in property, plant and equipment, land use right and intangible assets.

Current Assets

The Group's current assets decreased by RMB24.2 million from RMB517.6 million as at 31 December 2014 to RMB493.3 million as at 31 March 2015 mainly due to the decrease in trade receivables and inventories.

The available-for-sale financial assets refers to "Cash Pool" treasury products issued by Ping An Trust and Hua Tai Securities. (平安信托及华泰证券发行的的资金池理财产品). The maturity of these products range from 3 - 6 months with annualized return of 6.3%-6.6%. During the period, RMB62.0 million of these products has matured.

Current Liabilities

Current liabilities decreased by RMB33.7 million from RMB205.2 million as at 31 December 2014 to RMB171.5 million as at 31 March 2015 mainly due to the decrease in other payables and accruals, derivative financial instruments and provision for income tax.

Other payables and accruals decreased by RMB25.6 million from RMB71.7 million as at 31 December 2014 to RMB46.1 million as at 31 March 2015 was mainly due to the payment of the accrued bonus as at 31 December 2014.

Derivative financial instruments decreased by RMB4.6 million due to the fluctuation of the exchange rate of Chinese Yuan against USD during the period.

Non-current Liabilities

Non-current liabilities increased by RMB4.1 million from RMB27.1 million as at 31 December 2014 to RMB31.2 million as at 31 March 2015 mainly due to the increase in deferred income and deferred tax liabilities, partially offset by the decrease in long-term borrowing.

Deferred income increased by RMB3.6 million as compared to 31 December 2014 due to the increase in government grant.

Long-term borrowing decreased by RMB1.6 million was due to the reclassification of the amount to the short-term borrowings.

Shareholders' Equity

As a result of the Group's total comprehensive income generated during the period, the shareholders' equity increased from RMB604.9 million as at 31 December 2014 to RMB605.3 million as at 31 March 2015 .

(c) Cash Flow Statement of the Group

Net cash generated from operating activities was RMB4.1 million for the 3 months ended 31 March 2015 mainly due to the operating profit before working capital changes, decrease in trade receivables and inventories, partially offset by the increase in advance to suppliers and decrease in other payables and accruals.

Net cash generated from investing activities was RMB59.0 million for the 3 months ended 31 March 2015 mainly due to interest received, proceeds from the maturity of available-for-sale financial assets and government grant received, partially offset by the addition of property, plant and equipment.

Net cash generated from financing activities was RMB18.4 million for the 3 months ended 31 March 2015 mainly due to proceeds from bank borrowing and change of pledged deposits, partially offset by the repayment of short-term loans.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the 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 and USA. Meanwhile we will also 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.

11. Dividend

(a) Current Financial Period Reported On 31 March 2015

Any dividend declared for the current financial period reported on?

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

(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 14 May 2014.

(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 2015: RMB0.9 million*	NIL
Nantong Wiedson Hi-Wits Precision Works Co. Ltd.	Purchase of raw material for Q1 2015: RMB0.1 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).

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 2015 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
14 May 2015