



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2017

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

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

Group	9 months ended 31.03.17 \$'000	9 months ended 31.03.16 \$'000
Revenue	205,245	232,231
Cost of sales	(160,429)	(187,694)
Gross profit	44,816	44,537
Other operating income	3,214	1,698
Selling and distribution expense	(13,951)	(13,019)
Administrative expense	(13,669)	(13,201)
Other operating expenses	(1,130)	(1,474)
Finance costs	(497)	(540)
Share of profit (loss) of an associate	307	(204)
Profit before income tax	19,090	17,797
Income tax expense	(3,224)	(3,141)
Profit after income tax	15,866	14,656
Other comprehensive (loss) income :		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Exchange difference on translation of foreign operations	(998)	(521)
Changes in share of other comprehensive income of an associate	34	7
Other comprehensive loss for the year, net of tax	(964)	(514)
Total comprehensive income for the year	14,902	14,142
Profit attributable to:		
Shareholders of the company	15,737	14,046
Non-controlling interests	129	610
	15,866	14,656
Total comprehensive income attributable to :		
Shareholders of the company	14,783	13,547
Non-controlling interests	119	595
	14,902	14,142

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

Group	9 months ended 31.03.17 \$'000	9 months ended 31.03.16 \$'000
Interest income	38	11
Bad debts recovered	52	116
Allowance for doubtful receivables	(1,097)	(599)
Fair value adjustment on derivative financial instruments	950	(399)
Foreign exchange gain (loss)	289	(341)
Adjustment for (under) over provision of income tax in respect of prior years	(77)	23
Gain on disposal of property, plant and equipment	736	42
Property, plant and equipment written off	(32)	(84)
Depreciation of property, plant and equipment	(3,432)	(3,118)
Amortisation of intangible assets	(174)	(218)

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 31.03.17 \$'000	As at 30.06.16 \$'000	As at 31.03.17 \$'000	As at 30.06.16 \$'000
ASSETS				
Current assets:				
Cash and bank balances	25,715	34,167	13,382	14,021
Trade receivables	78,808	101,453	40,610	60,141
Other receivables	3,195	3,469	2,388	3,506
Derivative financial instruments	990	41	990	41
Inventories	61,173	61,303	35,285	38,889
Total current assets	169,881	200,433	92,655	116,598
Non-current assets:				
Other receivables	215	225	4,349	5,219
Subsidiaries	-	-	44,878	41,478
Associate	5,528	5,179	-	-
Property, plant and equipment	38,308	34,510	7,541	6,805
Leasehold prepayments	140	140	-	-
Intangible assets	913	1,087	-	-
Deferred tax assets	67	66	-	-
Total non-current assets	45,171	41,207	56,768	53,502
Total assets	215,052	241,640	149,423	170,100
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term bank borrowings	16,967	36,913	4,129	18,728
Trade payables	21,816	24,883	10,732	15,984
Other payables	5,879	10,188	1,772	3,646
Current portion of finance leases	39	164	-	-
Income tax payable	3,075	3,081	1,737	2,036
Total current liabilities	47,776	75,229	18,370	40,394
Non-current liabilities:				
Other payables	65	64	-	-
Non-current portion of finance leases	83	115	-	-
Deferred tax liabilities	1,381	1,453	90	90
Total non-current liabilities	1,529	1,632	90	90

	GROUP		COMPANY	
	As at 31.03.17 \$'000	As at 30.06.16 \$'000	As at 31.03.17 \$'000	As at 30.06.16 \$'000
Capital, reserves and non-controlling interests:				
Share capital	56,288	56,288	56,288	56,288
Treasury shares	(950)	(950)	(950)	(950)
Reserves	109,340	105,180	75,625	74,278
Equity attributable to the shareholders of the Company	164,678	160,518	130,963	129,616
Non-controlling interests	1,069	4,261	-	-
Total equity	165,747	164,779	130,963	129,616
Total liabilities and equity	215,052	241,640	149,423	170,100

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

Amount repayable in one year or less, or on demand

As at 31/03/2017		As at 30/06/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
12,877	4,129	18,349	18,728

Amount repayable after one year

As at 31/03/2017		As at 30/06/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
83	-	115	-

Details of any collateral

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

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

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	9 months ended 31.03.17 \$'000	9 months ended 31.03.16 \$'000
Operating activities		
Profit before income tax	19,090	17,797
Adjustments for:		
Depreciation expense	3,432	3,118
Amortisation expense	174	218
Interest income	(38)	(11)
Interest expense	497	540
Fair value adjustment on derivative financial instruments taken to profit or loss	(950)	399
Bad debts recovered	(52)	(116)
Allowance for doubtful receivables	1,097	599
Gain on disposal of property, plant and equipment	(736)	(42)
Property, plant and equipment written off	32	84
Share of profit (loss) of an associate	(307)	204
Operating cash flows before movement in working capital	22,239	22,790
Trade receivables	20,995	(15,711)
Other receivables	274	1,665
Inventories	(225)	3,630
Trade payables	(3,115)	(2,801)
Other payables	(4,284)	(1,482)
Cash generated from operations	35,884	8,091
Income tax paid	(3,268)	(3,037)
Net cash from operating activities	32,616	5,054
Investing activities		
Acquisition of additional interests in subsidiary	(3,400)	-
Purchase of property, plant and equipment	(7,660)	(6,781)
Proceeds from disposal of property, plant and equipment	765	91
Interest received	38	11
Net cash used in investing activities	(10,257)	(6,679)
Financing activities		
Proceeds from short-term bank borrowings	35,788	53,749
Repayment of short-term bank borrowings	(55,050)	(40,763)
Repayment of finance lease obligations	(153)	(242)
Interest paid	(497)	(540)
Dividend paid	(10,235)	(9,799)
Dividend paid to non-controlling interests	(307)	-
Net cash (used in) from financing activities	(30,454)	2,405
Net (decrease) increase in cash and cash equivalents	(8,095)	780
Cash and cash equivalents at beginning of period	34,167	23,491
Effect of exchange rate changes on the balance of cash held in foreign currencies	(357)	40
Cash and cash equivalents at end of period	25,715	24,311

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 \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2016	56,288	(950)	(2,810)	(728)	108,718	160,518	4,261	164,779
Total comprehensive (loss) income for the period								
Profit for the period	-	-	-	-	15,737	15,737	129	15,866
Other comprehensive loss for the period	-	-	(954)	-	-	(954)	(10)	(964)
Total	-	-	(954)	-	15,737	14,783	119	14,902
Transactions with owners, recognised directly in equity								
Acquisition of additional interests in a subsidiary ^(a)	-	-	(34)	(362)	-	(396)	(3,004)	(3,400)
Share of post-acquisition reserve of an associate	-	-	-	8	-	8	-	8
Dividend paid to non-controlling interests	-	-	-	-	-	-	(307)	(307)
Final dividend for the previous year paid	-	-	-	-	(6,968)	(6,968)	-	(6,968)
Interim dividend for the year paid	-	-	-	-	(3,267)	(3,267)	-	(3,267)
Total	-	-	(34)	(354)	(10,235)	(10,623)	(3,311)	(13,934)
Balance at 31 March 2017	56,288	(950)	(3,798)	(1,082)	114,220	164,678	1,069	165,747

Notes :

- (a) During the period ended 31 March 2017, the Group increased its equity interest in a subsidiary from 79.1% to 100%. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid was recognized directly in equity.

Group	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2015	56,288	(950)	(1,781)	(728)	95,376	148,205	3,756	151,961
Total comprehensive (loss) income for the period								
Profit for the period	-	-	-	-	14,046	14,046	610	14,656
Other comprehensive loss for the period	-	-	(499)	-	-	(499)	(15)	(514)
Total	-	-	(499)	-	14,046	13,547	595	14,142
Transactions with owners, recognized directly in equity								
Final dividend for the previous year paid	-	-	-	-	(6,533)	(6,533)	-	(6,533)
Interim dividend for the year paid	-	-	-	-	(3,266)	(3,266)	-	(3,266)
Total	-	-	-	-	(9,799)	(9,799)	-	(9,799)
Balance at 31 March 2016	56,288	(950)	(2,280)	(728)	99,623	151,953	4,351	156,304

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2016	56,288	(950)	74,278	129,616
Profit for the year, representing total comprehensive income for the period	-	-	11,582	11,582
Transactions with owners, recognized directly in equity				
Final dividend for the previous year paid	-	-	(6,968)	(6,968)
Interim dividend for the year paid	-	-	(3,267)	(3,267)
Total	-	-	(10,235)	(10,235)
Balance at 31 March 2017	56,288	(950)	75,625	130,963

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2015	56,288	(950)	67,537	122,875
Profit for the year, representing total comprehensive income for the period	-	-	8,967	8,967
Transactions with owners, recognized directly in equity				
Final dividend for the previous year paid	-	-	(6,533)	(6,533)
Interim dividend for the year paid	-	-	(3,266)	(3,266)
Total	-	-	(9,799)	(9,799)
Balance at 31 March 2016	56,288	(950)	66,705	122,043

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital during the 3 months ended 31 March 2017.

The total number of issued ordinary shares excluding treasury shares as at 31 March 2017 was 435,515,791 (31 March 2016: 435,515,791).

The number of ordinary shares held as treasury shares as at 31 March 2017 was 2,727,000 (31 March 2016: 2,727,000).

As at 31 March 2017, there were no shares that may be issued on conversion of any outstanding convertibles or shares options (31 March 2016: Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares excluding treasury shares as at 31 March 2017 was 435,515,791 (30 June 2016: 435,515,791).

- 1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

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

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements as at 30 June 2016.

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

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

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

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	9 months ended 31.03.17	9 months ended 31.03.16
Earnings per ordinary share for the year after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares in issue; and	3.61 cents	3.23 cents
(ii) On a fully diluted basis	3.61 cents	3.23 cents

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31.03.17	As at 30.06.16	As at 31.03.17	As at 30.06.16
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	37.81 cents	36.86 cents	30.07 cents	29.76 cents

Net asset value per share is calculated based on the existing number of shares in issue of 435,515,791 (30 June 2016: 435,515,791 shares).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of profit or loss

The Group achieved revenue of \$205.25 million for the 9 months ended 31 March 2017, down 11.62% when compared to \$232.23 million from the last corresponding period. The decrease in revenue was mainly from the Cable & Wire ("C&W") Segment which reported a decrease of \$29.47 million. In Singapore, revenue decrease was attributable to lower delivery to the Commercial & Residential, Industrial and Infrastructure Sectors as a result of completion of deliveries for the existing contracts. In Malaysia and Vietnam, sales to the Industrial Sector dropped, while the Commercial & Residential and Infrastructure Sector grew as the segment began to pick up more orders from various projects. Export business also improved, with strong contribution from Myanmar.

Switchboard ("SB") Segment revenue declined by \$1.43 million mainly due to a lack of new projects launched by the government and completion of existing projects.

The decrease in revenue in the C&W and SB Segment was negated by increase in revenue from:

- a) the Electrical Material Distribution (“EMD”) Segment which increased by \$2.65 million. This was mainly due to higher sales to the Electronic Cluster as a result of strong demand from the semiconductor market; and
- b) Test & Inspection (“T&I”) Segment which increased by \$1.27 million. This was mainly because of new contracts awarded for non-destructive testing.

Gross profit (“GP”) for the 9 months period increased 0.63% or \$0.28 million to \$44.82 million from \$44.54 million in the last corresponding period. In spite of the Group recording lower revenue for the 9 months ended 31 March 2017, GP margin improved to 21.84% compared to 19.18% in last corresponding period because the Group was able to benefit from copper hedging management to soften the impact of copper price volatility.

Other operating income increased by \$1.52 million, mainly attributable to gain on disposal of property, plant and equipment, gain on foreign exchange and fair value gain on derivative financial instruments during the period. The increase was offset by lower government grant received and credit insurance refunded in last period.

Selling and distribution expenses increased by \$0.93 million, mainly because of higher staff cost, higher advertisement and marketing expenses to penetrate the retail market in Vietnam.

Administrative expenses increased by \$0.47 million, mainly due to higher staff cost and higher depreciation charge as a result of addition of assets and renovation works carried out in the last financial year.

Other operating expenses dropped by \$0.34 million, principally attributable to the net impact of lower foreign exchange loss and fair value loss on derivative financial instruments and higher allowance for doubtful receivables during the period.

The Group reported profit before income tax of \$19.09 million for the 9 months ended 31 March 2017, an increase of \$1.29 million as compared to the last corresponding period. The increase was mainly attributable to the gain on disposal of property, plant and equipment and fair value gain on derivative financial instruments.

Statement of financial position

Cash and bank balances decreased by \$8.45 million, mainly due to cash purchase of property, plant and equipment, repayment of short-term bank borrowings and acquisition of remaining shares in a subsidiary during the period.

Trade receivables decreased by \$22.65 million, mainly the result of lower sales in the C&W Segment for the quarter ended 31 March 2017 as compared to quarter ended 30 June 2016 and improvement in collections.

Derivative financial instruments increased by \$0.95 million, mainly driven by fair value gain.

Property, plant and equipment increased by \$3.80 million, primarily due to acquisition of property in Malaysia, purchase of motor vehicles, plant and machinery, offset against depreciation charges during the period.

Short-term bank borrowings decreased by \$19.95 million as a result of settlement made and lower copper purchases during the period.

Trade payables decreased by \$3.07 million to \$21.82 million, principally due to lower purchases in the C&W Segment.

Other payables decreased by \$4.31 million mainly because of bonuses and gratuity payout for the financial year ended 30 June 2016 coupled with lower advances from customers during the period.

Statement of cash flows

The cash and cash equivalent at the end of the period declined to \$25.72 million compared with \$34.17 million at the end of the last period.

The net cash from operating activities of \$32.62 million was mostly due to lower sales, lower purchases, payment of bonus, gratuity, and income tax during the period.

The net cash used in investing activities of \$10.26 million was mainly for acquisition of additional shares in a subsidiary and purchase of property, plant and equipment, net of proceeds from disposal of plant and equipment and interest received.

The net cash used in financing activities of \$30.45 million was largely for repayment of short-term bank borrowings, finance lease, dividend and interest paid, net of proceeds from bank borrowings.

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

No forecast or a prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The prevailing uncertainties over global economic conditions and increasing competition may continue to affect the Group's business over the next 12 months. The Group expects the operating environment to remain challenging due to stiff competition, volatility in foreign exchange rates and copper prices.

As part of the growth strategy, the Group will focus and strengthen its business development in the Infrastructure Sector in Singapore, Malaysia and Indonesia. At the same time, the C&W segment will continue to expand its market through the local wholesaler and distributor network within the ASEAN region.

11. Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the third quarter ended 31 March 2017.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

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

See last page.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officer(s) required under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not applicable.

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

Not applicable.

18. A breakdown of sales.

Not applicable.

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

Not applicable.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

BY ORDER OF THE BOARD

Tan Shou Chieh
Secretary

Singapore, 15 May 2017



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The Electric Solutions Specialist For Asia Since 1958



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

We, the undersigned, being two Directors of Tai Sin Electric Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements for the third quarter ended 31 March 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors,



Mr. Tay Joo Soon
Chairman



Mr. Lim Boon Hock Bernard
Chief Executive Officer

Singapore, 15 May 2017

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