

UNAUDITED FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 4TH QUARTER 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	4th Quarter ended 31/12/2016 RMB'000	4th Quarter ended 31/12/2015 RMB'000	Change %	12 Months ended 31/12/2016 RMB'000	12 Months ended 31/12/2015 RMB'000	Change %
Revenue	444,391	330,157	34.6	1,390,210	1,193,748	16.5
Cost of sales	(337,458)	(246,621)	36.8	(984,731)	(851,838)	15.6
Gross Profit	106,933	83,536	28.0	405,479	341,910	18.6
Selling and distribution expenses	(28,792)	(14,197)	102.8	(68,987)	(57,080)	20.9
Administrative expenses	(47,319)	(34,904)	35.6	(159,564)	(132,016)	20.9
Research and development expenses	(11,264)	(9,640)	16.8	(33,475)	(27,861)	20.2
Profit from Operations	19,558	24,795	(21.1)	143,453	124,953	14.8
Financial (expenses)/income, net	(3,563)	(883)	303.5	(5,784)	2,012	n.m.
Share of (losses)/profits from associates	(340)	(216)	57.4	125	354	(64.7)
Other income	15,542	11,637	33.6	28,858	27,134	6.4
Other expenses	(2,576)	(2,818)	(8.6)	(6,198)	(5,018)	23.5
Profit Before Tax	28,621	32,515	(12.0)	160,454	149,435	7.4
Income tax	(7,792)	(10,508)	(25.8)	(34,350)	(31,435)	9.3
Net Profit After Tax	20,829	22,007	(5.4)	126,104	118,000	6.9
Other Comprehensive Income/(loss)						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Currency translation differences arising from consolidation	3,039	(1,350)	n.m.	16,892	(4,734)	n.m.
Changes in fair value of available-for-sale financial assets	20	6	233.3	409	6	n.m.
<u>Items that will not be reclassified subsequently to profit or loss:</u>						
Actuarial gains on defined benefit pension scheme	7,527	-	n.m.	7,527	-	n.m.
Movement of deferred tax relating to pension deficit	(1,330)	-	n.m.	(1,330)	-	n.m.
Other Comprehensive Income/(Loss) for the period	9,256	(1,344)	n.m.	23,498	(4,728)	n.m.
Total Comprehensive Income for the period	30,085	20,663	45.6	149,602	113,272	32.1

n.m.: not meaningful.

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

(A) Other Income

	4th Quarter ended 31/12/2016 RMB'000	4th Quarter ended 31/12/2015 RMB'000	Change %	12 Months ended 31/12/2016 RMB'000	12 Months ended 31/12/2015 RMB'000	Change %
Sales of materials scrap	2,598	549	373.2	4,005	2,537	57.9
Net of sales of raw materials	186	1,200	(84.5)	825	2,902	(71.6)
Amortisation of deferred income	331	331	-	1,324	1,324	-
Government grants	27	1,803	(98.5)	1,854	3,543	(47.7)
Foreign exchange gain, net	6,795	5,334	27.4	12,347	6,404	92.8
Settlement of forward contracts	-	5,549	(100.0)	-	6,215	(100.0)
Fair value gain on derivative financial instruments	1,427	(4,408)	n.m.	1,427	-	n.m.
Bargain purchase arising from acquisition	1,805	-	n.m.	4,352	-	n.m.
Gain on disposal of property, plant and equipment	715	-	n.m.	379	-	n.m.
Allowance for trade doubtful debts written back	-	90	(100.0)	-	90	(100.0)
Fair value changes on contingent consideration	-	(3)	(100.0)	-	2,765	(100.0)
Others	1,658	1,192	39.1	2,345	1,354	73.2
Total	15,542	11,637	33.6	28,858	27,134	6.4

(B) Other Expenses

	4th Quarter ended 31/12/2016 RMB'000	4th Quarter ended 31/12/2015 RMB'000	Change %	12 Months ended 31/12/2016 RMB'000	12 Months ended 31/12/2015 RMB'000	Change %
Amortisation of land use rights	(342)	(326)	4.9	(1,318)	(1,302)	1.2
Impairment loss on trade receivables	1,164	-	n.m.	(897)	-	n.m.
Loss on disposal of property, plant and equipment	-	(722)	(100.0)	-	(722)	(100.0)
Settlement of forward contracts	(64)	-	n.m.	(168)	-	n.m.
Fair value changes on contingent consideration	151	(2,129)	n.m.	-	(2,129)	(100.0)
Value added tax adjustments	(2,889)	-	n.m.	(2,889)	-	n.m.
Others	(596)	359	n.m.	(926)	(865)	7.1
	(2,576)	(2,818)	(8.6)	(6,198)	(5,018)	23.5

(C) Financial (Expenses)/Income, net

	4th Quarter ended 31/12/2016 RMB'000	4th Quarter ended 31/12/2015 RMB'000	Change %	12 Months ended 31/12/2016 RMB'000	12 Months ended 31/12/2015 RMB'000	Change %
Interest income	-	240	(100.0)	1,072	5,173	(79.3)
Interest expenses	(3,165)	(1,123)	181.8	(6,458)	(3,161)	104.3
Net interest on net defined benefit liability	(398)	-	n.m.	(398)	-	n.m.
	(3,563)	(883)	303.5	(5,784)	2,012	n.m.

(D) Depreciation and Amortisation

	4th Quarter ended 31/12/2016 RMB'000	4th Quarter ended 31/12/2015 RMB'000	Change %	12 Months ended 31/12/2016 RMB'000	12 Months ended 31/12/2015 RMB'000	Change %
Depreciation on property, plant and equipment	7,039	6,352	10.8	23,878	19,400	23.1
Amortisation of land use rights	342	326	4.9	1,318	1,302	1.2
Amortisation of intangible assets	3,724	1,365	172.8	8,434	5,461	54.4
	11,105	8,043	38.1	33,630	26,163	28.5

For the 12 months ended 31 December 2016, the Group's depreciation expenses increased by 23.1% to RMB23.9 million over last corresponding period due to the addition of property, plant and equipment of Chinese subsidiaries and the acquisition of Krauth and Metric.

For the 12 months ended 31 December 2016, the Group's amortisation of intangible assets increased by 54.4% to RMB8.4 million over last corresponding period due to the acquisition of Metric.

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
	31/12/2016	31/12/2015		31/12/2016	31/12/2015	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
	Unaudited	Audited		Unaudited	Audited	
Assets						
Non-current Assets						
Intangible assets	82,514	10,037	722.1	-	-	-
Investment in subsidiaries	-	-	-	48,625	30,149	61.3
Investment in associates	7,093	6,968	1.8	-	-	-
Land use rights	60,850	59,766	1.8	-	-	-
Property, plant and equipment	288,607	245,262	17.7	-	-	-
Held-to-maturity investments	9,829	9,270	6.0	-	-	-
Deferred tax assets	19,885	2,283	771.0	-	-	-
Total Non-current Assets	468,778	333,586	40.5	48,625	30,149	61.3
Current Assets						
Cash and bank balances	295,006	240,444	22.7	32,725	31,717	3.2
Available-for-sale financial assets	10,596	6,545	61.9	-	-	-
Trade receivables	258,375	196,226	31.7	5,704	3,049	87.1
Advances to suppliers	33,947	19,106	77.7	-	-	-
Other receivables, deposits and prepayments	13,430	5,154	160.6	1,436	-	n.m.
Due from subsidiaries (non-trade)	-	-	-	152,610	108,749	40.3
Derivative financial instruments	1,427	-	n.m.	-	-	-
Inventories	274,299	151,784	80.7	-	3,701	(100.0)
Total Current Assets	887,080	619,259	43.2	192,475	147,216	30.7
Total Assets	1,355,858	952,845	42.3	241,100	177,365	35.9
Liabilities						
Current Liabilities						
Borrowings	106,763	46,839	127.9	-	-	-
Trade payables	110,355	75,934	45.3	2,816	3,924	(28.2)
Other payables and accruals	153,335	83,056	84.6	1,363	1,800	(24.3)
Due to a related party (trade)	242	429	(43.6)	-	-	-
Provision for income tax	9,566	10,783	(11.3)	1,894	2,115	(10.4)
Due to subsidiaries	-	-	-	67,050	-	n.m.
Total Current Liabilities	380,261	217,041	75.2	73,123	7,839	832.8
Non-current Liabilities						
Long-term borrowings	16,968	8,104	109.4	-	-	-
Other payables	79,384	2,565	n.m.	-	-	-
Deferred income	13,214	14,334	(7.8)	-	-	-
Deferred tax liabilities	40,139	17,018	135.9	-	-	-
Total Non-current Liabilities	149,705	42,021	256.3	-	-	-
Total Liabilities	529,966	259,062	104.6	73,123	7,839	832.8
Net Assets	825,892	693,783	19.0	167,977	169,526	(0.9)
Equity						
Capital and reserves attributable to the equity holders of the Company						
Share capital	154,623	168,067	(8.0)	154,623	168,067	(8.0)
Capital reserve	33,056	33,056	-	-	-	-
Revenue reserve	577,880	473,335	22.1	2,364	15,222	(84.5)
Statutory reserve	60,639	56,221	7.9	-	-	-
Translation reserve/(deficit)	12,308	(23,873)	n.m.	10,990	(13,763)	n.m.
Fair value reserve	415	6	n.m.	-	-	-
Merger deficit	(13,029)	(13,029)	-	-	-	-
Total Equity	825,892	693,783	19.0	167,977	169,526	(0.9)

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

	Group		Group	
	As at 31 December 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings				
Amount repayable in one year	56,763	50,000	40,323	6,516
Amount repayable above one year	16,968	-	8,104	-
Total	73,731	50,000	48,427	6,516

Details of any collateral

As at 31 December, borrowings comprised:

- (1) A mortgage loan of USD0.6 million (equivalent to RMB4.0 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 EUR0.6 million (equivalent to RMB4.1 million) was obtained by Format Tresorbau GmbH & Co. KG to finance the purchase of machine. The loan was secured by the machine itself.
- (3) A loan of EUR3.5 million (equivalent to RMB25.6 million) was obtained from HSBC Bank by Deutsche Mechatronics GmbH ("DTMT") to finance the working capital. The Company provided corporate guarantee for the loan.
- (4) DTMT has an outstanding loan of EUR3.6 million (equivalent to RMB26.1 million), secured by the land of DTMT from a German commercial bank. In addition, DTMT has outstanding finance leases for its equipment of EUR0.3 million (equivalent to RMB2.5 million).
- (5) Krauth Technology GmbH ("Krauth") has an outstanding loan of EUR1.0 million (equivalent to RMB7.3 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 RMB1.6 million).
- (6) Metric Group Limited has an outstanding finance leases for its equipment of GBP0.3 million (equivalent to RMB2.5 million).
- (7) 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 RMB50.0 million was obtained by a Chinese 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

	4th Quarter ended 31/12/2016 RMB'000	4th Quarter ended 31/12/2015 RMB'000	12 Months ended 31/12/2016 RMB'000	12 Months ended 31/12/2015 RMB'000
Profit before tax	28,621	32,515	160,454	149,435
Adjustments:				
Amortisation of land use rights	342	326	1,318	1,302
Amortisation of intangible assets	3,724	1,365	8,434	5,461
Amortisation of deferred government grant	(331)	(331)	(1,324)	(1,324)
Depreciation of property, plant and equipment	7,039	6,352	23,878	19,400
Fair value changes on contingent consideration	-	3	-	(2,765)
Fair value (gain)/loss on derivative financial instruments	(1,578)	4,408	(1,427)	-
(Gain)/loss on disposal of property, plant and equipment	(715)	722	(379)	722
Settlement of forward contracts	64	(5,549)	168	(6,215)
Interest expenses	3,165	1,123	6,458	3,161
Interest income	-	(240)	(1,072)	(5,173)
Allowance for stock obsolescence	3,797	-	3,797	-
Impairment loss on trade receivables	897	-	897	-
Share of profits/(losses) from associate	340	216	(125)	(354)
Bargain purchase arising from the acquisition of subsidiaries	(1,805)	-	(4,352)	-
Gain on foreign exchange	141	(4,636)	141	(4,636)
Fair value change on contingent consideration	-	2,129	-	2,129
Operating profit before working capital changes	43,701	38,403	196,866	161,143
Trade receivables	(25,143)	33,101	(16,318)	(31,800)
Other receivables, deposits and prepayments	(8,589)	(2,688)	(10,616)	870
Advances to suppliers	12,312	37,211	(14,822)	(3,142)
Trade payables	(34,398)	(46,998)	16,990	(6,344)
Other payables and accruals	(12,603)	9,970	(14,134)	7,962
Due to a related party (trade)	(148)	(920)	(187)	(13)
Inventories	44,753	29,813	(31,500)	(1,726)
Cash generated from operations	19,885	97,892	126,279	126,950
Income tax paid	(3,692)	(8,123)	(22,906)	(20,695)
Net cash from operating activities	16,193	89,769	103,373	106,255

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(35,519)	(10,679)	(51,655)	(30,198)
Purchase of land use rights	-	-	(2,401)	-
Addition of Intangible assets	(894)	-	(2,912)	-
Proceed from disposal of property, plant and equipment	1,084	14	1,084	14
Interest received	-	1,479	1,072	6,373
Settlement of forward contracts	(64)	936	(168)	1,602
Government grants received	204	-	204	6,240
Net cash outflow on acquisition of subsidiaries	(16,925)	-	(32,486)	-
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	385	(6,268)	(3,309)	(6,268)
Net cash (used in)/from investing activities	(51,729)	(14,518)	(90,571)	68,977

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	62	-	(17,493)	(24,376)
Proceeds from bank borrowings	11,674	(1,463)	77,973	20,212
Repayment of loans	1,721	(5,790)	(18,954)	(8,711)
Interest paid	(3,165)	(820)	(6,458)	(2,858)
Repayment of finance leases	-	(3,099)	-	(3,099)
(Deposit)/Withdrawals for bank guarantee	(4,221)	-	(11,439)	16,855
Net cash from/(used in) financing activities	6,071	(11,172)	23,629	(1,977)

Net (decrease)/increase in cash and cash equivalents

Effects of exchange rate changes in cash and cash equivalents	(656)	5,757	6,692	6,231
Cash and cash equivalents at beginning of the period	313,456	170,376	240,212	60,726

Cash and cash equivalents at end of the period

283,335	240,212	283,335	240,212
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Note:

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

-Cash at bank and in hand	706	268	706	268
-Fixed deposits with banks	294,300	240,176	294,300	240,176
	295,006	240,444	295,006	240,444
Less: Pledged deposit	(11,671)	(232)	(11,671)	(232)

Cash and cash equivalents per consolidated statement of cash flows

283,335	240,212	283,335	240,212
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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group							Total equity RMB'000
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation (deficit)/reserve	Fair value reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2016	168,067	56,221	(13,029)	33,056	473,335	(23,873)	6	693,783
Effect of change in functional currency	(13,444)	-	-	-	(5,845)	19,289	-	-
	154,623	56,221	(13,029)	33,056	467,490	(4,584)	6	693,783
Profit for the year	-	-	-	-	126,104	-	-	126,104
Dividends	-	-	-	-	(17,493)	-	-	(17,493)
Transfer to statutory reserve	-	4,418	-	-	(4,418)	-	-	-
Other comprehensive gain, net of tax	-	-	-	-	6,197	16,892	409	23,498
Balance at 31 December 2016	154,623	60,639	(13,029)	33,056	577,880	12,308	415	825,892

	Group							Total equity RMB'000
	Share capital	Statutory reserve	Merger deficit	Capital reserve	Revenue reserve	Translation deficit	Fair value reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2015	168,067	44,975	(13,029)	33,056	390,957	(19,139)	-	604,887
Profit for the year	-	-	-	-	118,000	-	-	118,000
Dividends	-	-	-	-	(24,376)	-	-	(24,376)
Transfer to statutory reserve	-	11,246	-	-	(11,246)	-	-	-
Other comprehensive loss, net of tax	-	-	-	-	-	(4,734)	6	(4,728)
Balance at 31 December 2015	168,067	56,221	(13,029)	33,056	473,335	(23,873)	6	693,783

	Company			
	Share capital	Revenue reserve	Translation (deficit)/reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	168,067	15,222	(13,763)	169,526
Effect of change in functional currency	(13,444)	(872)	14,316	-
	154,623	14,350	553	169,526
Total comprehensive income for the period	-	5,507	10,437	15,944
Dividends	-	(17,493)	-	(17,493)
Balance at 31 December 2016	154,623	2,364	10,990	167,977

	Company			
	Share capital	Revenue reserve	Translation deficit	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2015	168,067	25,442	(11,712)	181,797
Total comprehensive income/(loss) 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

- 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 12 months ended 31 December 2016.

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

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

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

Except as disclosed in Paragraph 5 below, there are certain new Financial Reporting Standards ("FRS") that are published and mandatory for accounting periods beginning on or after 1 January 2016. The adoption of these FRS where applicable did not have any material impact on the financial statements for the 12 months ended 31 December 2016. Apart from this, the same accounting policies and methods of computation have been consistently applied.

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

The Company changed its functional currency from Singapore dollar to United States dollar as at 1 January 2016. The change in functional currency has been adopted as the Company is of the opinion that United States dollar best reflects the current and prospective economic substance of the underlying transactions and circumstances of the Company, given that the sales prices and costs for goods of the Company are transacted in United States dollar. Pursuant to FRS 21, the effect of change in functional currency was accounted for prospectively at the date of change. The presentation currency of the Company and Group remains as Chinese Yuan. The effect of change in functional currency is disclosed in paragraph 1(d)(i).

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
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
<u>Earnings per ordinary share of the group (in RMB cents):</u>				
(a) Based on weighted average number of ordinary shares on issue; and	5.84	6.17	35.37	33.10
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	5.84	6.17	35.37	33.10
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
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in RMB cents)	231.64	194.59	47.11	47.55
No. of ordinary shares used in computing net asset value ('000)	356,536	356,536	356,536	356,536

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earning of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**

OUR BUSINESS

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

The Group also provides business solutions to customers by designing, engineering, manufacturing and assembling electro-mechanical equipment, Ticketing and Vending Machines ("TVM") and other products.

In January 2016, the Group acquired Krauth Technology GmbH ("Krauth"), a developer and producer of solution products such as Auto-Ticketing Machines. In addition, the Group acquired METRIC Group Holding Ltd ("Metric UK") and purchased certain assets from METRIC Mobility Solutions AG ("Metric AG") through one of our German subsidiaries, Almex GmbH ("Almex") in October 2016 (collectively referred to as "Acquisition of Metric"). Metric AG and Metric UK are solution providers of ticketing systems, mobile data collection systems and car park ticketing machines. Almex inherits most of the business of Metric AG.

The above-mentioned acquisitions enhance the Group's capability in R&D, design, manufacturing of intelligent terminals and transportation cash management systems.

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 2016:

Revenue

The Group achieved sales of RMB1,390.2 million, representing an increase of 16.5% or RMB196.5 million over last corresponding period.

Sales of the High Security Segment increased by 3.0% or RMB24.7 million to RMB846.0 million over last corresponding period due to the sales growth in ATM safes.

Sales of the Business Solutions Segment increased by 46.1% or RMB171.8 million to RMB544.2 million over last corresponding period due to the acquisition of Krauth and Metric, which had sales of RMB178.3 million during the period.

Gross Profit

Gross profit of the Group increased by 18.6% or RMB63.6 million to RMB405.5 million.

Gross margin of the Group increased from 28.6% in last corresponding period to 29.2%. Gross margin of the High Security Segment decreased marginally from 32.1% to 32.0%. Gross margin of the Business Solutions Segment increased from 21.0% to 24.7% mainly due to the change of product mix.

Selling and Distribution Expenses

Selling and distribution expenses increased by 20.9%, or RMB11.9 million to RMB69.0 million mainly due to the acquisition of Krauth and Metric, which incurred RMB15.2 million selling and distribution expenses.

Selling and distribution expenses excluding Krauth, Metric UK and Almex decreased by RMB3.3 million mainly due to decrease in after-sales service expenses.

Administrative Expenses

Administrative expenses increased by 20.9%, or RMB27.5 million to RMB159.6 million mainly due to the acquisition of Krauth and Metric, which incurred RMB27.4 million administrative expenses during the period.

Administrative expenses excluding Krauth, Metric UK and Almex increased marginally by RMB0.1 million.

Research and development expenses

Research and development expenses increased by 20.2%, or RMB5.6 million to RMB33.5 million mainly due to the development of new products to meet global customer needs and the acquisition of Metric, which incurred RMB2.4 million research and development expenses during the period.

Financial Income/Expenses

Net financial expenses were RMB5.8 million compared to a net financial income of RMB2.0 million during last corresponding period. It was mainly due to the decrease of the interest income and increase of the interest expense.

Other Income

Other income increased by 6.4% or RMB1.7 million to RMB28.9 million mainly due to the increase of foreign exchange gain, net, bargain purchase arising from acquisition, sales of materials scrap and fair value gain on derivative financial instruments, partially offset by the decrease in net of sales of raw materials, settlement of forward contracts and fair value changes on contingent consideration.

The bargain purchase arising from acquisition of Krauth and Metric was recognised for difference between the fair value amount of the net assets acquired and the consideration paid by the Group.

Other Expenses

Other expenses increased by RMB1.2 million to RMB6.2 million mainly due to value added tax adjustments, partially offset by the decrease of contingent consideration.

Profit before Tax

Profit before tax was RMB160.5 million, representing an increase of 7.4% or RMB11.0 million as compared to RMB149.4 million during last corresponding period.

Net profit after Tax

Profit after tax was RMB126.1 million, representing an increase of 6.9% or RMB8.1 million as compared to RMB118.0 million during last corresponding period.

For the 3 months ended 31 December 2016:

Revenue

The Group achieved sales of RMB444.4 million, representing an increase of RMB114.2 million over last corresponding period.

Sales of the High Security Segment increased by 23.2% or RMB48.1 million to RMB255.9 million over last corresponding period due to the sales growth in ATM safe.

Sales of the Business Solutions Segment increased by RMB66.1 million to RMB188.5 million over last corresponding period due to the acquisition of Krauth and Metric, which had sales of RMB102.8 million during the period.

Gross Profit

Gross profit of the Group increased by RMB23.4 million to RMB106.9 million.

Gross margin of the Group decreased slightly from 25.3% in last corresponding period to 24.1%. Gross margin of the High Security Segment decreased from 28.1% to 23.7% due to the rise of steel purchase price. Gross margin of the Business Solutions Segment increased from 20.6% to 24.6% mainly due to the change of product mix.

Selling and Distribution Expenses

Selling and distribution expenses increased by RMB14.6 million to RMB28.8 million mainly due to the acquisition of Krauth and Metric, which incurred RMB12.4 million selling and distribution expenses.

Selling and distribution expenses excluding Krauth, Metric UK and Almex increased by RMB2.2 million mainly due to the increase in freight fee and after-sales service expenses.

Administrative Expenses

Administrative expenses increased by RMB12.4 million to RMB47.3 million mainly due to the acquisition of Krauth and Metric, which incurred RMB12.0 million administrative expenses during the period.

Administrative expenses excluding Krauth, Metric UK and Almex increased marginally by RMB0.4 million.

Research and development expenses

Research and development expenses increased by 16.8%, or RMB1.6 million to RMB11.3 million mainly due to the acquisition of Metric.

Financial Expenses

Financial expenses increased by RMB2.7 million. It was mainly due to the increase of the interest expense.

Other Income

Other income increased by RMB3.9 million to RMB15.5 million mainly due to the increase of sales of materials scrap, foreign exchange gain, net, fair value gain on derivative financial instruments and bargain purchase arising from acquisition, partially offset by the decrease in settlement of forward contracts.

The bargain purchase arising from acquisition of Krauth and Metric was recognised for difference between the fair value amount of the net assets acquired and the consideration paid by the Group.

Profit before Tax

Profit before tax was RMB28.6 million, representing a decrease of 12.0% or RMB3.9 million as compared to RMB32.5 million during last corresponding period.

Net profit after Tax

Profit after tax was RMB20.8 million, representing a decrease of 5.4% or RMB1.2 million as compared to RMB22.0 million during last corresponding period.

(b) Statement of financial position of the Group

Non-current Assets

The Group's non-current assets increased by RMB135.2 million from RMB333.6 million as at 31 December 2015 to RMB468.8 million as at 31 December 2016 mainly due to the increase in intangible assets, property, plant and equipment and deferred tax assets.

Intangible assets increased by RMB72.5 million due to acquisition of Metric, the balance of which was RMB75.5 million as at 31 December 2016. Intangibles assets excluding Metric UK and Almex decreased by RMB3.0 million mainly due to amortisation.

Property, plant and equipment increased by RMB43.3 million from RMB245.3 million as at 31 December 2015 to RMB288.6 million as at 31 December 2016 mainly due to the addition of property, plant and equipment of its German subsidiaries and the acquisition of Krauth and Metric, the total balance of which was RMB21.5 million as at 31 December 2016.

Deferred tax assets increased by RMB17.6 million from RMB2.3 million as at 31 December 2015 to RMB19.9 million as at 31 December 2016 mainly due to the acquisition of Metric, the total balance of which was RMB19.5 million as at 31 December 2016.

Current Assets

The Group's current assets increased by RMB267.8 million from RMB619.3 million as at 31 December 2015 to RMB887.1 million as at 31 December 2016 mainly due to the increase in cash and bank balances, available-for-sale financial assets, trade receivables, advance to suppliers, other receivables, deposits and prepayments, derivative financial instruments and inventories.

Available-for-sale financial assets increased by RMB4.1 million mainly due to the fact that the Group invested in another bond fund issued by Credit Suisse AG during the period. The bond funds are classified as available-for-sale financial assets with the fair value of RMB10.6 million as at 31 December 2016.

Trade receivables increased by RMB62.1 million from RMB196.2 million as at 31 December 2015 to RMB258.4 million as at 31 December 2016 mainly due to the acquisition of Krauth and Metric, the total balance of which was RMB75.0 million as at 31 December 2016. Trade receivables excluding Krauth, Metric UK and Almex decreased by RMB12.9 million mainly due to the better collection.

Advance to suppliers increased by RMB14.8 million from RMB19.1 million as at 31 December 2015 to RMB33.9 million as at 31 December 2016 mainly due to the increase in advance payment for purchase of raw materials.

Other receivables, deposits and prepayments increased by RMB8.2 million from RMB5.2 million as at 31 December 2015 to RMB13.4 million as at 31 December 2016 mainly due to the acquisition of Krauth and Metric, the total balance of which was RMB7.9 million as at 31 December 2016.

Derivative financial instruments increased by RMB1.4 million mainly due to the fluctuation of the exchange rate of Chinese Yuan against USD during the period.

Inventories increased by RMB122.5 million from RMB151.8 million as at 31 December 2015 to RMB274.3 million as at 31 December 2016 mainly due to steel stocking up in order to mitigate the impact of steel price rise and the acquisition of Krauth and Metric, the total balance of which was RMB93.5 million as at 31 December 2016.

Current Liabilities

Current liabilities increased by RMB163.2 million from RMB217.0 million as at 31 December 2015 to RMB380.3 million as at 31 December 2016 mainly due to the increase in borrowings, trade payables and other payables and accruals, partially offset by the decrease of provision for income tax.

Borrowings increased by RMB59.9 million from RMB46.8 million as at 31 December 2015 to RMB106.8 million as at 31 December 2016 due to the additional loans obtained by Chinese and German subsidiaries during the period to finance the working capital of the Group.

Trade payables increased by RMB34.5 million from RMB75.9 million as at 31 December 2015 to RMB110.4 million as at 31 December 2016, which was mainly due to the acquisition of Krauth and Metric, the total balance of which was RMB33.7 million as at 31 December 2016.

Other payables and accruals increased by RMB70.2 million from RMB83.1 million as at 31 December 2015 to RMB153.3 million as at 31 December 2016 was mainly due to unpaid machine and equipment procurement and the acquisition of Krauth and Metric, the total balance of which was RMB68.0 million as at 31 December 2016.

Provision for income tax decreased by RMB1.2 million from RMB10.8 million as at 31 December 2015 to RMB9.6 million as at 31 December 2016 mainly due to the decrease in profit before tax of Q4 2016 compared with last corresponding period.

Non-current Liabilities

Non-current liabilities increased by RMB107.7 million from RMB42.0 million as at 31 December 2015 to RMB149.7 million as at 31 December 2016 mainly due to the increase in long-term borrowings, other payables and deferred tax liabilities.

Other payables increased by RMB76.8 million from RMB2.6 million as at 31 December 2015 to RMB79.4 million as at 31 December 2016 mainly due to the acquisition of Metric, the balance of which was RMB76.4 million as at 31 December 2016, mainly attribute to defined benefit pension scheme.

Deferred tax liabilities increased by RMB23.1 million from RMB17.0 million as at 31 December 2015 to RMB40.1 million as at 31 December 2016 mainly due to the deferred tax recognized on the undistributed profits of its Chinese subsidiaries and the acquisition of Metric, the balance of which was RMB13.0 million.

Shareholders' Equity

As a result of the Group's net profit generated during the period, the shareholders' equity was enhanced from RMB693.8 million as at 31 December 2015 to RMB825.9 million as at 31 December 2016.

(c) Cash Flow Statement of the Group

Net cash from operating activities was RMB103.4 million for the 12 months ended 31 December 2016 mainly due to the operating profit before working capital changes, increase in trade payables, partially offset by the increase in trade receivables, other receivables, deposits and prepayments, advances to suppliers and inventories.

Net cash used in investing activities was RMB90.6 million for the 12 months ended 31 December 2016 mainly due to purchase of property, plant and equipment, addition of intangible assets, net cash outflow on acquisition of subsidiaries and purchase of available-for-sale financial assets.

Net cash from financing activities was RMB23.6 million for the 12 months ended 31 December 2016 mainly due to proceeds from bank borrowings, partially offset by the payment of dividends, the repayment of short-term loans, interest paid and deposit for 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 Group will continue its efforts in expanding markets in the Asia Pacific region, Europe and USA. Meanwhile we will also continue to focus on innovation, value-add product development and production efficiency.

After acquiring Krauth, Metric UK and purchase of certain assets of Metric AG, we will focus on the synergies in R&D, design and manufacture of self-service terminals.

Continuous efforts will be made to enhance our growing self-service terminals and Ticketing and Vending Machines. The management will also focus on the business growth of Krauth, Metric UK, DTMT and Almex.

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 2016: RMB1.0 million	NIL

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

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

14. 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.**

	2016		
	High Security RMB'000	Business Solutions RMB'000	Consolidated RMB'000
Revenue			
External sales	846,015	544,195	1,390,210
Total Sales	846,015	544,195	1,390,210
Segment results			
Profit after operations	149,417	19,967	169,384
Finance income, net			(5,784)
Unallocated expenses			(3,146)
Profit before tax			160,454
Income tax			(34,350)
Profit after tax			126,104
Other segment items			
Capital expenditure			
-Property, plant and equipment	35,283	16,372	51,655
-Intangible assets	2,912	-	2,912
-Land use rights	2,401	-	2,401
Amortisation on intangible assets	5,461	2,973	8,434
Amortisation on land use right	333	985	1,318

	2015		
	High Security RMB'000	Business Solutions RMB'000	Consolidated RMB'000
Revenue			
External sales	821,346	372,402	1,193,748
Total Sales	821,346	372,402	1,193,748
Segment results			
Profit after operations	133,114	18,639	151,753
Finance income, net			2,012
Unallocated expenses			(4,330)
Profit before tax			149,435
Income tax			(31,435)
Profit after tax			118,000
Other segment items			
Capital expenditure			
-Property, plant and equipment	9,475	23,284	32,759
-Intangible assets	-	-	-
-Land use rights	-	-	-
Amortisation on intangible assets	5,461	-	5,461
Amortisation on land use right	204	1,098	1,302

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		
	2016	2015	Change
	RMB'000	RMB'000	%
(a) Sales reported for first half year	589,681	519,570	13.5%
(b) Profit after tax for first half year	53,433	44,699	19.5%
(c) Sales reported for second half year	800,529	674,178	18.7%
(d) Profit after tax for second half year	72,671	73,301	-0.9%

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 (2016)	Previous Full Year (2015)
Ordinary	S\$0.01	S\$0.015

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	54	Brother of the Executive Vice Chairman, Mr Liu Bin	Chairman and CEO of the Company (2007)	N/A
Liu Bin	65	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
Chairman & CEO
1 March 2017