

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

FISCHER TECH LTD

Half Year Financial Statement And Dividend Announcement – 30/09/2016

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

- 1(a) **An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated income statement for the half year ended 30 September 2016. These figures have not been audited or reviewed.

	Group		
	6 months ended 30.09.2016 S\$'000	6 months ended 30.09.2015 S\$'000	Increase/ (Decrease) %
Revenue	85,898	88,826	(3.3)
Cost of sales	(68,093)	(71,093)	(4.2)
Gross profit	17,805	17,733	0.4
Interest income	35	53	(34.0)
Other income	150	291	(48.5)
Distribution and selling expenses	(1,703)	(1,873)	(9.1)
Administrative expenses	(9,900)	(9,193)	7.7
Finance costs	(146)	(182)	(19.8)
Profit before taxation	6,241	6,829	(8.6)
Income tax expenses	(2,110)	(2,252)	(6.3)
Profit for the period attributable to owners of the Company	4,131	4,577	(9.7)
	=====	=====	

Consolidated statement of comprehensive income for the half year ended 30 September 2016.
These figures have not been audited or reviewed.

	Group		
	6 months ended 30.09.2016	6 months ended 30.09.2015	Increase/ (Decrease)
	S\$'000	S\$'000	%
Profit, net of tax	4,131	4,577	(9.7)
Other comprehensive income :			
<u>Item that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation	(805)	190	NM
	-----	-----	
Other comprehensive income for the period, net of tax	(805)	190	NM
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Total comprehensive income for the period attributable to owners of the Company	3,326	4,767	(30.2)
	=====	=====	

NM : Not Meaningful

- (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

		Group	
		6 months ended 30.09.2016	6 months ended 30.09.2015
		S\$'000	S\$'000
	Profit net of tax was arrived at after charging/(crediting)		
(A)	Depreciation of plant and equipment	3,344	3,754
(B)	Amortisation of intangible assets	116	157
(C)	Allowance for inventory write down	448	1,032
(D)	Foreign exchange gain	(769)	(502)
(E)	Fair value loss on derivatives	–	29
(F)	Loss on disposal of plant and equipment	25	53
(G)	Plant and equipment written off	16	237
(H)	Share-based compensation expenses	1,715	–

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	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	30,375	30,736	560	673
Goodwill and other intangible assets	5,702	5,762	70	76
Available-for-sale investment	20	–	20	–
Investments in subsidiary companies	–	–	27,121	27,121
Loans due from subsidiary companies	–	–	19,622	19,591
Deferred tax assets	487	495	–	–
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	36,584	36,993	47,393	47,461
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Current assets				
Inventories	20,984	20,429	71	128
Trade and other receivables	42,896	47,526	8,309	9,296
Other assets	4,427	894	–	–
Prepayments	1,446	1,826	59	64
Cash and short-term deposits	37,056	38,952	13,199	15,462
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	106,809	109,627	21,638	24,950
	-----	-----	-----	-----
Current liabilities				
Trade and other payables	31,764	36,928	5,283	8,460
Loans and borrowings	7,000	7,237	1,574	1,574
Income tax payable	719	750	–	–
	-----	-----	-----	-----
	39,483	44,915	6,857	10,034
	-----	-----	-----	-----
Net current assets	67,326	64,712	14,781	14,916
	-----	-----	-----	-----
Non-current liabilities				
Loans and borrowings	170	221	144	181
Provision for defined benefit plan	360	351	–	–
Deferred tax liabilities	535	545	–	–
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	1,065	1,117	144	181
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Net assets	102,845	100,588	62,030	62,196
	=====	=====	=====	=====
Equity attributable to owners of the Company				
Share capital	59,506	57,787	59,506	57,787
Foreign currency translation reserve	(1,214)	(409)	–	–
Retained earnings	37,725	36,382	2,524	4,409
Statutory reserve	6,828	6,828	–	–
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Total equity	102,845	100,588	62,030	62,196
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1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

30 September 2016		31 March 2016	
Secured	Unsecured	Secured	Unsecured
S\$000	S\$000	S\$000	S\$000
105	6,895	106	7,131

Amount repayable after one year

30 September 2016		31 March 2016	
Secured	Unsecured	Secured	Unsecured
S\$000	S\$000	S\$000	S\$000
170	–	221	–

Details of any collateral

The secured borrowings comprise assets acquired under hire-purchase arrangements.

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

	Group	
	6 months ended 30.09.2016	6 months ended 30.09.2015
	S\$'000	S\$'000
Cash flows from operating activities		
Profit from operations before taxation	6,241	6,829
Adjustments for :		
Depreciation of plant and equipment	3,344	3,754
Amortisation of intangible assets	116	157
Interest income	(35)	(53)
Finance costs	146	182
Fair value loss on derivatives	–	29
Share-based compensation expenses	1,715	–
Allowance for inventory write down	448	1,032
Loss on disposal of plant and equipment	25	53
Impairment loss on plant and equipment	–	15
Plant and equipment written off	16	237
Currency translation differences	(493)	352
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Operating profit before working capital changes	11,523	12,587
Increase in inventories	(1,003)	(3,945)
Decrease/(increase) in trade and other receivables	4,630	(983)
Decrease/(increase) in prepayments	380	(287)
(Decrease)/increase in trade and other payables	(5,164)	1,353
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Total changes in working capital	(1,157)	(3,862)
Cash flows from operations	10,366	8,725
Interest paid	(146)	(182)
Interest received	35	53
Income taxes paid	(2,137)	(1,583)
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Net cash flows from operating activities	8,118	7,013
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Cash flows from investing activities		
Purchase of plant and equipment	(2,541)	(3,456)
Down-payments placed for acquisition of plant and machinery	(4,042)	(777)
Additions to intangible assets	(63)	(74)
Investment	(20)	–
Proceeds from disposal of plant and equipment	8	53
Currency translation differences	13	18
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Net cash flows used in investing activities	(6,645)	(4,236)
	-----	-----
Cash flows from financing activities		
Dividend paid	(2,788)	(2,732)
Repayment of loans and borrowings	(153)	(957)
Repayment of obligations under finance leases	(53)	(84)
Currency translation differences	(2)	10

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Net cash flows used in financing activities	(2,996)	(3,763)
	-----	-----
Net decrease in cash and cash equivalents	(1,523)	(986)
Effect of exchange rate changes on cash and cash equivalents	(373)	(250)
Cash and cash equivalents, beginning of period	38,952	35,962
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Cash and cash equivalents, end of period	37,056	34,726
	=====	=====

Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	6 months ended 30.09.2016	6 months ended 30.09.2015
	S\$'000	S\$'000
Cash and short-term deposits	37,056	34,726
	=====	=====

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

Group	Equity attributable to owners of the Company, total S\$'000	Attributable to owners of the Company			
		Share capital S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Statutory reserve S\$'000
Opening balance at 1 April 2016	100,588	57,787	(409)	36,382	6,828
Profit for the period	4,131	—	—	4,131	—
<u>Other comprehensive income</u>					
Foreign currency translation	(805)	—	(805)	—	—
Other comprehensive income for the period, net of tax	(805)	—	(805)	—	—
Total comprehensive income for the period	3,326	—	(805)	4,131	—
<u>Contributions by and distributions to owners</u>					
Dividends on ordinary shares	(2,788)	—	—	(2,788)	—
<u>Others</u>					
Issuance of shares	1,719	1,719	—	—	—
Total others	1,719	1,719	—	—	—
Closing balance at 30 September 2016	102,845	59,506	(1,214)	37,725	6,828

Group	Equity attributable to owners of the Company, total S\$'000	Attributable to owners of the Company				
		Share capital S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Statutory reserve S\$'000
Opening balance at 1 April 2015	95,738	57,787	335	3,883	28,747	4,986
Profit for the period	4,577	–	–	–	4,577	–
<u>Other comprehensive income</u>						
Foreign currency translation	190	–	–	190	–	–
Other comprehensive income for the period, net of tax	190	–	–	190	–	–
Total comprehensive income for the period	4,767	–	–	190	4,577	–
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	(2,732)	–	–	–	(2,732)	–
<u>Others</u>						
Expiry of share options	–	–	(23)	–	23	–
Total others	–	–	(23)	–	23	–
Closing balance at 30 September 2015	97,773	57,787	312	4,073	30,615	4,986

Company	Equity, total S\$'000	Share capital S\$'000	Retained earnings S\$'000
Opening balance at 1 April 2016	62,196	57,787	4,409
Profit, net of tax and representing other comprehensive income for the period	903	–	903
Total comprehensive income for the period	903	–	903
<u>Contributions by and distribution to owners</u>			
Dividends on ordinary shares	(2,788)	–	(2,788)
<u>Others</u>			
Issuance of shares	1,719	1,719	–
Closing balance as at 30 September 2016	62,030	59,506	2,524

Company	Equity, total S\$'000	Share capital S\$'000	Share option reserve S\$'000	Retained earnings S\$'000
Opening balance at 1 April 2015	61,031	57,787	335	2,909
Profit, net of tax and representing other comprehensive income for the period	1,109	–	–	1,109
Total comprehensive income for the period	1,109	–	–	1,109
<u>Contributions by and distribution to owners</u>				
Dividends on ordinary shares	(2,732)	–	–	(2,732)
<u>Others</u>				
Expiry of share options	–	–	(23)	23
Closing balance as at 30 September 2015	59,408	57,787	312	1,309

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

At an extraordinary general meeting held on 7 June 2016, shareholders of the Company approved the Fischer Tech Performance Share Plan 2016 ("PSP 2016"). Details of the PSP 2016 were set out in the Circular to Shareholders dated 13 May 2016.

During the financial period, 1,120,000 shares were awarded, vested and allocated under the PSP 2016. As at 30 September 2016, there was no outstanding share awarded but not vested under the PSP 2016.

As at 30 September 2016, the share capital of the Company comprised 55,760,986 ordinary shares.

	Ordinary share
Ordinary shares issued and fully paid	
Balance as at 1 April 2016	54,640,986
Issuance of shares under the PSP 2016	1,120,000
Balance as at 30 September 2016	55,760,986

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.

	Group	
	30.09.2016	31.03.2016
Total number of issued ordinary shares excluding treasury shares	55,760,986	54,640,986

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.

Not Applicable.

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

The figures have neither been audited nor reviewed by the auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation for the current financial period as compared with the most recent audited annual financial statements as at 31 March 2016 as well as applicable Financial Reporting Standards (FRS), which became effective for financial year beginning on or after 1 April 2016.

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 adoption of the new/revised FRS did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

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	
	30.09.2016	30.09.2015
Earnings per ordinary share for the period based on net profit attributable to shareholders:		
-		
(i) Based on existing issued share capital	7.48cts	8.38cts
(ii) On a fully diluted basis	7.48cts	8.38cts

Explanatory Note:

1. Basic earnings per share for the period ended 30 September 2016 was calculated based on the weighted average number of 55,210,166 ordinary shares (30 September 2015 : 54,640,986 ordinary shares) in issue during the period.
2. There were no outstanding share options for the period ended 30 September 2016 (30 September 2015 : 572,000). In the previous corresponding half year, the number of outstanding share options before expiry were not included in the calculation of diluted earnings per share as they were anti-dilutive.

**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	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
Net asset value per ordinary share based on issued share capital at the end of the period	184.44cts	184.09cts	111.24cts	113.83cts

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.

Revenue

The Group recorded revenue of S\$85.9 million in the current half year as compared to S\$88.8 million in the previous corresponding half year. The decrease of S\$2.9 million or 3.3% was mainly attributed to reduction in customers' order from all product sectors except the automotive sector, which continued to register growth.

The breakdown of revenue is as follow : -

	6 months ended 30.09.16		6 months ended 30.09.15		Increase /(decrease)
	S\$'000	% of total sales	S\$'000	% of total sales	%
Automotive	74,620	86.9	72,372	81.5	3.1
Consumer Electronics and Others	5,598	6.5	6,197	7.0	(9.7)
Computer Peripherals	5,136	6.0	6,250	7.0	(17.8)
Healthcare	544	0.6	4,007	4.5	(86.4)
Total	85,898	100.0	88,826	100.0	(3.3)

Revenue from the automotive sector continued to register growth of 3.1% or S\$2.2 million from S\$72.4 million to S\$74.6 million. The increase was mainly attributable to higher volume of business from existing customers. The automotive sector was also the Group's top revenue contributor, accounting for 86.9% of the Group's total revenue as compared to 81.5% in the previous corresponding half year.

On the other hand, revenue from consumer electronics and others sector registered a decline of S\$0.6 million or 9.7% from S\$6.2 million to S\$5.6 million. The decrease was mainly due to lower sales of plastic components for air conditioners.

Revenue from the computer peripherals sector also registered a decline of S\$1.2 million or 17.8% from S\$6.3 million to S\$5.1 million. The decrease was mainly due to the lower demand of plastic components for printers.

Revenue from the healthcare sector registered a reduction of S\$3.4 million or 86.4% from S\$4.0 million to S\$0.6 million. The decrease was mainly attributable to planned cessation of plastic sales to a major medical customer due to the right sizing of production facility of a subsidiary since second half of FY 2016.

Profitability

Despite lower revenue, gross profit increased by 0.4% or S\$0.1 million from S\$17.7 million to S\$17.8 million. Gross profit margin has also increased from 20.0% to 20.7%. This was mainly due to improved efficiency and better utilisation of production capacity.

Other income decreased by S\$0.1 million from S\$0.3 million to S\$0.2 million, mainly due to lower income from sales of scrap materials as a result of improvement in production processes.

The decrease in distribution and selling expenses of S\$0.2 million or 9.1% was mainly due to lower labour costs and traveling expenses, as compared to previous corresponding half year.

Administrative expenses increased by S\$0.7 million or 7.7 % mainly due to performance share expenses of S\$1.7 million recognised in the current half year (1st half FY 2016: Nil). On the other hand, there were higher operating expenses in the previous corresponding half year, mainly due to certain losses on disposal and write-off of plant and equipment, reinstatement of a factory premise as well as higher depreciation charges.

Finance costs decreased by S\$36,000 or 19.8%, mainly due to repayment of bank loans by the Group.

Income tax expense of S\$2.1 million was mainly due to taxable profits generated by the subsidiary companies in China and Thailand as well as tax deducted at source for dividends paid by the China subsidiaries. On the other hand, deferred tax effect on the losses of certain Group companies were not recognised because of the uncertainty of realisation of future profits.

The Group registered a net profit attributable to owners of the Company of S\$4.1 million as compared to S\$4.6 million in the previous corresponding half year. Excluding the performance share expenses of S\$1.7 million, the Group would have registered a net profit of about S\$5.8 million in the current half year. The Group does not expect to incur any performance share expense in the second half of FY 2017.

Balance Sheet

The decrease in trade and other receivables was mainly due to lower sales in 2nd quarter FY 2017 as compared to 4th quarter FY 2016, as well as active collection effort.

The increase in other assets was mainly due to a 30% down-payment (about S\$3.4 million) placed for the purchase of a factory building in China.

The decrease in prepayments by S\$0.4 million was mainly due to lower advance payment made to certain resin suppliers.

The decrease in trade and other payables was mainly due to reduction in purchases from suppliers in line with lower sales as well as payment of accrued profit sharing and bonuses in respect of FY 2016.

The decrease in loans and borrowings was mainly due to the repayment of bank loans by the Group.

The movement in foreign currency translation reserve was mainly due to the translation of foreign subsidiaries' financial statements to Singapore dollar.

Cash Flow Statement

The Group generated net cash from operating activities of S\$8.1 million, an increase of S\$1.1 million as compared to the previous corresponding half year. This was mainly due to lower working capital requirements in the current half year.

Net cash used in investing activities of S\$6.6 million in the current half year was mainly due to a 30% down-payment placed to purchase a factory building in China and also to purchase certain machinery and equipment by the Group to enhance production capabilities.

Net cash used in financial activities of S\$3.0 million in the current half year was mainly due to

the payment of a final and a special dividend totaling S\$2.8 million, in respect of FY 2016.

Overall, the Group's cash and cash equivalents increased from S\$34.7 million as at 30 September 2015 to S\$37.1 million as at 30 September 2016.

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 business environment in which the Group operates in remains challenging amidst the subdued global growth and uncertain economic outlook. In addition, the Group continues to face pricing pressures from customers, rising operating costs and volatility in foreign exchange rates.

Nevertheless, the Group will continue to focus on enhancing production capabilities, improving operation efficiency and tightening cost control to remain competitive.

The Group will also strive to secure more global programs to expand its profitable operations and further strengthen its financial position with the aim of delivering better returns and enhancing shareholder value.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in share)	3.0 cents per ordinary share
Tax Rate	Tax Exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in share)	2.0 cents per ordinary share
Tax Rate	Tax Exempt (one-tier)

(c) Date payable

The Interim Dividend will be paid on 6 December 2016 to shareholders registered in the books of the Company on 28 November 2016.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of Fischer Tech Ltd (the "Company") will be closed on 29 November 2016 for the purpose of determining shareholders' entitlements to the interim tax-exempt (one-tier) dividend of 3.0 cents per ordinary share for the financial year ending 31 March 2017 (the "Interim Dividend").

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd of 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5:00 p.m. on 28 November 2016 will be registered to determine shareholders' entitlements to the Interim Dividend.

Shareholders (being Depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with shares as at 5:00 p.m. on 28 November 2016 will rank for the Interim Dividend.

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

Not Applicable

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 the effect.

The Company does not have an IPT Mandate.

14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the half year ended 30 September 2016 to be false or misleading in any material aspect.

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 officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
Fischer Tech Ltd

Chuang Sheue Ling and Tan Ching Chek
Joint Company Secretaries
Date : 10 November 2016