



Half Year Financial Statement And Dividend Announcement for the Period Ended 28 February 2017

Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

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

	Group	
	1 Sep 2016 to 28 Feb 2017 S\$'000	1 Sep 2015 to 29 Feb 2016 S\$'000
Revenue	27,226	24,449
Cost of sales	(21,235)	(18,055)
Gross profit	5,991	6,394
Other item of income		
Other income	585	792
Other items of expense		
Selling and distribution expenses	(1,596)	(1,565)
Administrative expenses	(3,802)	(3,819)
Finance costs	(388)	(426)
Other expenses	-	(30)
Share of loss of associate	-	(156)
Profit before income tax	790	1,190
Income tax expense	(87)	(65)
Profit for the financial period	703	1,125
Other comprehensive income:		
Items that may subsequently be reclassified to profit or loss:		
Foreign currency differences on translation of foreign operations	503	(305)
Income tax relating to component of other comprehensive income	-	-
Other comprehensive income for the financial period, net of tax	503	(305)
Total comprehensive income for the financial period	1,206	820
Profit attributable to:		
Owners of the parent	395	415
Non-controlling interests	308	710
	703	1,125
Total comprehensive income attributable to:		
Owners of the parent	689	240
Non-controlling interests	517	580
	1,206	820

- 1(a)(ii) The following items have been included in arriving at profit before income tax:-

	Group	
	1 Sep 2016 to 28 Feb 2017 S\$'000	1 Sep 2015 to 29 Feb 2016 S\$'000
Bad debts recovered	12	10
Depreciation of investment properties	(75)	(32)
Depreciation of property, plant and equipment	(1,045)	(1,378)
Employee benefits expenses	(6,440)	(6,121)
Gain/(Loss) on disposal of property, plant and equipment	130	(30)
Gain on foreign exchange, net	82	400
Interest on borrowings	(345)	(364)
Inventory written off	-	(11)
Rental income	288	239
Write-back of allowance for doubtful receivables	5	-

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 28 Feb 2017 S\$'000	Audited As at 31 Aug 2016 S\$'000	As at 28 Feb 2017 S\$'000	Audited As at 31 Aug 2016 S\$'000
Non-current assets				
Property, plant and equipment	18,454	18,849	3	4
Intangible assets	1,647	1,647	-	-
Investment properties	1,897	1,972	-	-
Investments in subsidiaries	-	-	23,620	23,620
Available-for-sale financial asset	4,109	4,109	4,109	4,109
Other receivables	390	501	-	6
	26,497	27,078	27,732	27,739
Current assets				
Inventories	16,077	16,882	-	-
Trade and other receivables	15,863	16,579	145	34
Prepayments	158	447	16	20
Derivative financial instruments	-	8	-	-
Cash and cash equivalents	4,518	1,402	4	6
	36,616	35,318	165	60
Less:				
Current liabilities				
Trade and other payables	11,755	10,724	4,564	4,150
Interest bearing liabilities	14,846	15,428	-	-
Current income tax payable	463	582	-	-
	27,064	26,734	4,564	4,150
Net current assets/(liabilities)	9,552	8,584	(4,399)	(4,090)
Less:				
Non-current liabilities				
Interest bearing liabilities	4,088	4,885	-	-
Deferred tax liabilities	609	631	-	-
	4,697	5,516	-	-
Net assets	31,352	30,146	23,333	23,649
Equity				
Share capital	26,700	26,700	26,700	26,700
Foreign currency translation reserve	869	575	-	-
Accumulated losses	(2,507)	(2,902)	(3,367)	(3,051)
Equity attributable to owners of the parent	25,062	24,373	23,333	23,649
Non-controlling interests	6,290	5,773	-	-
Total equity	31,352	30,146	23,333	23,649

1(b)(ii) The aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

The amount repayable in one year or less, or on demand

As at 28 Feb 2017 (S\$'000)		As at 31 Aug 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
14,846	-	15,428	-

The amount repayable after one year

As at 28 Feb 2017 (S\$'000)		As at 31 Aug 2016 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
4,088	-	4,885	-

Details of collaterals

The Group's borrowings are secured by:

- Corporate guarantee by the Company
- Assignment of rental proceeds from an investment property of a subsidiary
- First legal mortgage of subsidiaries' properties and investment properties
- Personal guarantee by Directors of subsidiaries

- 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	
	1 Sep 2016 to 28 Feb 2017 S\$'000	1 Sep 2015 to 29 Feb 2016 S\$'000
Operating activities		
Profit before income tax	790	1,190
Adjustments for:		
Depreciation of property, plant and equipment	1,045	1,378
Depreciation of investment properties	75	32
Fair value loss on derivative financial instruments	8	55
Interest expenses	345	364
Interest income	(4)	(4)
Inventories written off	-	11
(Gain)/Loss on disposal of property, plant and equipment	(130)	30
Write-back of allowance for doubtful trade receivables	*	-
Write-back of allowance for doubtful non-trade receivables	(5)	-
Share of loss of associate	-	156
Unrealised exchange loss/(gain)	498	(261)
Operating cash flows before working capital changes	2,622	2,951
Changes in working capital:		
Inventories	805	1,210
Trade and other receivables	832	2,718
Prepayments	289	(163)
Trade and other payables	1,031	(1,034)
Cash generated from operations	5,579	5,682
Interest received	4	4
Income taxes paid	(229)	(152)
Net cash from operating activities	5,354	5,534
Investing activities		
Proceeds from disposal of property, plant and equipment	130	325
Purchase of property, plant and equipment	(241)	(984)
Net cash used in investing activities	(111)	(659)
Financing activities		
Repayment of obligations under finance leases	(1,093)	(809)
Proceeds from bank borrowings	173	2,410
Repayment of bank borrowings	(1,655)	(3,379)
Interest paid	(345)	(364)
Net cash used in financing activities	(2,920)	(2,142)
Net change in cash and cash equivalents	2,323	2,733
Cash and cash equivalents at beginning of financial period	1,240	917
Cash and cash equivalents at end of financial period	3,563	3,650
Cash and cash equivalents comprise:		
Cash and bank balances	4,518	3,965
Cash and cash equivalents on statement of financial position	4,518	3,965
Bank overdraft	(955)	(315)
Cash and cash equivalents on statement of cash flows	3,563	3,650

* denotes amounts less than \$1,000

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 S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 September 2016	26,700	575	(2,902)	24,373	5,773	30,146
Profit for the financial period	-	-	395	395	308	703
Other comprehensive income for the financial period that may subsequently be reclassified to profit or loss: Foreign currency differences on translation of foreign operations, net of tax	-	294	-	294	209	503
Balance as at 28 February 2017	26,700	869	(2,507)	25,062	6,290	31,352

Balance as at 1 September 2015	26,700	1,343	(1,362)	26,681	6,916	33,597
Profit for the financial period	-	-	415	415	710	1,125
Other comprehensive income for the financial period that may subsequently be reclassified to profit or loss: Foreign currency differences on translation of foreign operations, net of tax	-	(175)	-	(175)	(130)	(305)
Balance as at 29 February 2016	26,700	1,168	(947)	26,921	7,496	34,417

Company	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 September 2016	26,700	(3,051)	23,649
Loss for the financial period, representing total comprehensive income for the financial period	-	(316)	(316)
Balance as at 28 February 2017	26,700	(3,367)	23,333

Balance as at 1 September 2015	26,700	(2,279)	24,421
Loss for the financial period, representing total comprehensive income for the financial period	-	(202)	(202)
Balance as at 29 February 2016	26,700	(2,481)	24,219

- 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.

Shares

Date	Description	Number of shares	Paid-up capital S\$'000
1 Sep 2016 and 28 Feb 2017	Issued and paid-up capital	29,905,222	26,700
1 Sep 2015	Issued and paid-up capital	1,196,348,241	26,700
12 Nov 2015	Share consolidation exercise	(1,166,443,019)	-
29 Feb 2016	Issued and paid-up capital	29,905,222	26,700

- 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.

	As at 28 Feb 2017	Audited As at 31 Aug 2016
Total number of issued shares	29,905,222	29,905,222
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	29,905,222	29,905,222

- 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 in this announcement have not been audited or reviewed by the 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.

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited 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.

The same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 31 August 2016 have been applied.

- 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	
	1 Sep 2016 to 28 Feb 2017	1 Sep 2015 to 29 Feb 2016
Weighted average number of ordinary shares in issue	29,905,222	29,905,222
Profit for the financial period attributable to owners of the parent (\$'000)	395	415
- On a fully diluted basis (cents)	1.3208	1.3877

- 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:-

	Group		Company	
	As at 28 Feb 2017	Audited As at 31 Aug 2016	As at 28 Feb 2017	Audited As at 31 Aug 2016
Net assets value per ordinary share based on issued share capital of the issuer at the end of the period reported (cents)	104.84	100.81	78.02	79.08
Number of ordinary shares in issue	29,905,222	29,905,222	29,905,222	29,905,222

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

The Group registered revenue of \$27.23 million for the period ended 28 February 2017 which is 11.4% higher than the last corresponding period. 71.8% of the Group's revenue was contributed by the precision engineering business segment while the remaining 28.2% of the Group's revenue was contributed by the retail, original equipment manufacturing ("OEM") and export business segments. However, the cost of sales of the Group increased by 17.6% compared to the last corresponding period causing decreased of 6.3% in the gross profit, mainly due to increased in the commodity prices especially the metal parts.

Apart from this, the global economy is remains clouded with uncertainties and downside risks persist. In this competitive environment, the Group's gross profit margin declined to 22.0% for the current period compared with 26.2% in the last corresponding period. As a result, the Group attained profit before income tax of \$0.79 million in the current period as compared to \$1.19 million in the last corresponding period.

In the current period, rental income rose by 20.5% due to existing tenants rented more spaces from August 2016 onwards. The gain of disposal of property, plant and equipment of \$130k mainly arose from disposal of vehicle in February 2017. Besides that the employee benefits expenses (including salaries) increased by 5.2% which is in line with the increased in revenue. Finance costs decreased by 8.9% due to lower interest rates after refinance of long term loans and payoff term loan principals.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The cash and cash equivalents of the Group grew by \$3.12 million due to more payments received from debtors during current period. As a result, trade and other receivables and interest bearing liabilities declined by \$0.83 million and \$1.38 million respectively.

In addition, the inventories decreased by \$0.81 million due to the Group continuous inventory control effort.

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.

In this upcoming 12 months, the Group expects stiffening market competition as the global economic amidst the challenging environment. To address the challenges, the Group continues to offer the flexible and competitive selling price, build stronger customer relationships and seek suitable opportunities. In addition, the Group will continue improve Sin Hong's website to provide a convenient and comprehensive point of contact for prospective customers from local and overseas.

In order to keep ourselves resilient and competitive, the Group will continue streamlining its operations, optimising resources, sourcing for better quality products, exercising prudence over cost control and improving cost efficiency.

11 If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended)?

None.

- (b)(i) Amount per share 0 cents

- (b)(ii) Previous corresponding period 0 cents

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not Applicable.

- (d) The date the dividend is payable

Not Applicable.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not Applicable.

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

No dividend has been declared/ recommended.

13 Interested person transactions pursuant to Rule 920(1)(a)(ii).

No mandate was sought or obtained from shareholders for the Company to deal with interested persons in recurrent transactions of a revenue or trading nature or in transactions necessary for day-to-day operations.

Name of interested person	Aggregate value of all interested person transactions during the financial year 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 year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Teo Wei Jun Jerick (Loan to a subsidiary)	S\$'000 101	S\$'000 -

14 Confirmation by the Board pursuant to Rule 705(5).

We, Teo Cher Cheong and Teo Eng Thian, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 28 Feb 2017 to be false or misleading.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company confirms that all the required undertakings under Rule 720(1) have been obtained from all its directors and Chief Financial Officer.

BY ORDER OF THE BOARD

Teo Cher Cheong
Director
13 Apr 2017