



FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 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	3 months ended 30.09.17 \$'000	3 months ended 30.09.16 \$'000
Revenue	78,335	68,638
Cost of sales	(64,601)	(54,619)
Gross profit	13,734	14,019
Other operating income	319	1,348
Selling and distribution expense	(4,725)	(4,681)
Administrative expense	(4,644)	(4,501)
Other operating expenses	(680)	(123)
Finance costs	(111)	(252)
Share of profit of an associate	82	47
Profit before income tax	3,975	5,857
Income tax expense	(696)	(875)
Profit after income tax	3,279	4,982
Other comprehensive income (loss) :		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Exchange difference on translation of foreign operations	(211)	92
Changes in share of other comprehensive income (loss) of an associate	10	(9)
Other comprehensive (loss) income for the period, net of tax	(201)	83
Total comprehensive income for the period	3,078	5,065
Profit attributable to:		
Shareholders of the company	3,225	4,928
Non-controlling interests	54	54
	3,279	4,982
Total comprehensive income attributable to :		
Shareholders of the company	3,031	4,999
Non-controlling interests	47	66
	3,078	5,065

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	3 months ended 30.09.17 \$'000	3 months ended 30.09.16 \$'000
Interest income	9	30
Bad debts (written off) recovered	(1)	45
Allowance for doubtful receivables	(68)	(109)
Fair value adjustment on derivative financial instruments	(368)	246
Foreign exchange loss	(237)	(14)
Gain on disposal of property, plant and equipment	5	650
Property, plant and equipment written off	(6)	(1)
Depreciation of property, plant and equipment	(1,252)	(1,010)
Amortisation of intangible assets	(58)	(58)

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 30.09.17 \$'000	As at 30.06.17 \$'000	As at 30.09.17 \$'000	As at 30.06.17 \$'000
ASSETS				
Current assets:				
Cash and bank balances	26,742	22,081	11,361	8,879
Trade receivables	83,829	80,795	44,881	41,521
Other receivables	2,534	2,320	2,874	2,837
Derivative financial instruments	-	167	-	167
Inventories	67,425	63,590	40,373	38,361
Total current assets	180,530	168,953	99,489	91,765
Non-current assets:				
Other receivables	384	387	3,774	4,072
Subsidiaries	-	-	44,519	44,519
Associate	5,653	5,561	-	-
Property, plant and equipment	34,397	35,292	7,108	7,326
Investment property	3,048	3,052	-	-
Leasehold prepayments	134	136	-	-
Intangible assets	797	855	-	-
Deferred tax assets	74	76	-	-
Total non-current assets	44,487	45,359	55,401	55,917
Total assets	225,017	214,312	154,890	147,682
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term bank borrowings	15,980	9,994	4,594	-
Trade payables	26,749	23,504	11,408	9,915
Other payables	5,936	8,087	1,540	2,557
Current portion of finance leases	47	49	-	-
Derivative financial instruments	273	72	273	72
Income tax payable	2,693	2,314	1,829	1,500
Total current liabilities	51,678	44,020	19,644	14,044
Non-current liabilities:				
Other payables	65	69	-	-
Non-current portion of finance leases	77	87	-	-
Deferred tax liabilities	1,635	1,649	410	410
Total non-current liabilities	1,777	1,805	410	410

	GROUP		COMPANY	
	As at 30.09.17 \$'000	As at 30.06.17 \$'000	As at 30.09.17 \$'000	As at 30.06.17 \$'000
Capital, reserves and non-controlling interests:				
Share capital	56,288	56,288	56,288	56,288
Treasury shares	(950)	(950)	(950)	(950)
Reserves	115,078	112,047	79,498	77,890
Equity attributable to the shareholders of the Company	170,416	167,385	134,836	133,228
Non-controlling interests	1,146	1,102	-	-
Total equity	171,562	168,487	134,836	133,228
Total liabilities and equity	225,017	214,312	154,890	147,682

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

Amount repayable in one year or less, or on demand

As at 30/09/2017		As at 30/06/2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
11,433	4,594	10,043	-

Amount repayable after one year

As at 30/09/2017		As at 30/06/2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
77	-	87	-

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	3 months ended 30.09.17 \$'000	3 months ended 30.09.16 \$'000
Operating activities		
Profit before income tax	3,975	5,857
Adjustments for:		
Depreciation expense	1,252	1,010
Amortisation expense	58	58
Interest income	(9)	(30)
Interest expense	111	252
Fair value adjustment on derivative financial instruments taken to profit or loss	368	(246)
Bad debts written off (recovered)	1	(45)
Allowance for doubtful receivables	68	109
Gain on disposal of property, plant and equipment	(5)	(650)
Property, plant and equipment written off	6	1
Share of profit of an associate	(82)	(47)
Operating cash flows before movement in working capital	5,743	6,269
Trade receivables	(3,170)	14,321
Other receivables	(216)	(4,056)
Inventories	(3,912)	477
Trade payables	3,284	(4,289)
Other payables	(2,141)	(2,188)
Cash (used in) generated from operations	(412)	10,534
Income tax paid	(332)	(298)
Net cash (used in) from operating activities	(744)	10,236
Investing activities		
Acquisition of additional interests in a subsidiary	-	(3,400)
Purchase of property, plant and equipment	(412)	(1,191)
Proceeds from disposal of property, plant and equipment	19	650
Interest received	9	30
Net cash used in investing activities	(384)	(3,911)
Financing activities		
Proceeds from short-term bank borrowings	12,219	15,281
Repayment of short-term bank borrowings	(6,276)	(21,980)
Repayment of finance lease obligations	(11)	(85)
Interest paid	(111)	(252)
Dividend paid to non-controlling interests	(3)	-
Net cash from (used in) financing activities	5,818	(7,036)
Net increase (decrease) in cash and cash equivalents	4,690	(711)
Cash and cash equivalents at beginning of period	22,081	34,167
Effect of exchange rate changes on the balance of cash held in foreign currencies	(29)	(23)
Cash and cash equivalents at end of period	26,742	33,433

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 2017	56,288	(950)	(3,529)	(1,084)	116,660	167,385	1,102	168,487
Total comprehensive income for the period								
Profit for the period	-	-	-	-	3,225	3,225	54	3,279
Other comprehensive loss for the period	-	-	(194)	-	-	(194)	(7)	(201)
Total	-	-	(194)	-	3,225	3,031	47	3,078
Transactions with owners, recognised directly in equity								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(3)	(3)
Balance at 30 September 2017	56,288	(950)	(3,723)	(1,084)	119,885	170,416	1,146	171,562

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 income for the period								
Profit for the period	-	-	-	-	4,928	4,928	54	4,982
Other comprehensive loss for the period	-	-	71	-	-	71	12	83
Total	-	-	71	-	4,928	4,999	66	5,065
Transactions with owners, recognised directly in equity								
Acquisition of additional interests in a Subsidiary ^(a)	-	-	(34)	(362)	-	(396)	(3,004)	(3,400)
Balance at 30 September 2016	56,288	(950)	(2,773)	(1,090)	113,646	165,121	1,323	166,444

Notes :

- (a) During the period ended 30 September 2016, 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 recognised directly in equity.

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2017	56,288	(950)	77,890	133,228
Profit for the year, representing total comprehensive income for the period	-	-	1,608	1,608
Balance at 30 September 2017	56,288	(950)	79,498	134,836

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	-	-	1,909	1,909
Balance at 30 September 2016	56,288	(950)	76,187	131,525

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 30 September 2017.

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

The number of ordinary shares held as treasury shares as at 30 September 2017 was 2,727,000 (30 September 2016: 2,727,000), constituting 0.63% of the total number of ordinary shares outstanding (30 September 2016 : 0.63%).

As at 30 September 2017, there were no outstanding convertibles and no subsidiary holdings (30 September 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 30 September 2017 was 435,515,791 (30 June 2017: 435,515,791).

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

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

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings 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 2017.

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.

	3 months ended 30.09.17	3 months ended 30.09.16
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	0.74 cents	1.13 cents
(ii) On a fully diluted basis	0.74 cents	1.13 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 30.09.17	As at 30.06.17	As at 30.09.17	As at 30.06.17
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	39.13 cents	38.43 cents	30.96 cents	30.59 cents

Net asset value per share is calculated based on the existing number of shares in issue of 435,515,791 (30 June 2017: 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's revenue of \$78.34 million for the 3 months ended 30 September 2017, was up 14.13% when compared to \$68.64 million from the last corresponding period. The increase in revenue was mainly due to the Cable & Wire ("C&W") Segment which reported an increase of \$6.77 million, attributable to higher delivery to the Commercial & Residential and Infrastructure Sectors in Singapore and Vietnam. Electrical Material Distribution("EMD") Segment revenue increased by \$3.32 million. This was mainly due to higher sales to the Industrial Building and Electronic Clusters as the segment began to pick up more orders from various projects.

The net increase in revenue was negated by decrease in the Non-Destructive Testing and Heat Treatment revenue from the Test & Inspection (T&I) Segment and lower export sales to Myanmar from the C&W Segment.

Gross profit ("GP") for the first quarter declined 2.03% or \$0.29 million to \$13.73 million from \$14.02 million in the last corresponding quarter. In spite of the Group recording higher revenue, GP declined mainly attributable to lower margins as a result of the surge in copper prices and pricing pressures from stiff competition in the T&I Segment.

Other operating income dropped to \$0.32 million from \$1.35 million in last corresponding quarter, down \$1.03 million. During the corresponding quarter ended September 2016, the Group benefited from the gain on disposal of property of \$0.65 million and fair value gain on derivative financial instruments of \$0.25 million.

The total administrative, selling and distribution expenses increased by \$0.19 million, tied particularly to higher business activities during the quarter and higher staff costs.

Other operating expenses increased by \$0.56 million to \$0.68 million. As a result of a weaker US Dollar against Singapore Dollar, the Group suffered fair value loss on derivative financial instruments and foreign exchange loss during the period.

The Group's profit before income tax ("PBT") of \$3.98 million for the period ended 30 September 2017, was lower by \$1.88 million as compared to the last corresponding period. The C&W Segment posted a lower PBT by \$1.39 million as a result of lower gross profit margin, the fair value loss on derivative financial instruments and foreign exchange loss. The T&I Segment's PBT decreased by \$1.21 million as a result of intense competition and absence of gain on disposal of property. However, PBT from the EMD Segment increased by \$0.71 million moving in tandem with higher revenue achieved during the quarter.

Statement of financial position

Cash and bank balances increased by \$4.66 million, mainly due to higher receipts from customers towards quarter end.

Trade receivables increased by \$3.03 million, mainly the result of higher sales for the quarter ended 30 September 2017 as compared to quarter ended 30 June 2017.

Other receivables increased by \$0.21 million, primarily attributable to down payment for purchase of plant and equipment and prepayment of insurance.

Inventories and trade payables increased by \$3.84 million and \$3.25 million respectively, mainly due to higher purchases in the C&W and EMD Segments during the quarter.

Short-term bank borrowings increased by \$5.99 million primarily because of higher borrowings by the C&W Segment which moved in tandem with higher purchases.

Other payables decreased by \$2.15 million mainly because of bonus payout for the financial year ended 30 June 2017 during the quarter.

Statement of cash flows

The cash and cash equivalent at the end of the period increased to \$26.74 million compared with \$22.08 million at the end of the last period.

The net cash used in operating activities of \$0.74 million was mostly due to higher sales, higher purchases, bonus and income tax paid during the period.

The net cash used in investing activities of \$0.38 million was mainly for purchase of property, plant and equipment, net of proceeds from disposal of plant and equipment and interest received.

The net cash from financing activities of \$5.82 million was largely from proceeds from short-term bank borrowings, net of repayment of bank borrowings, finance lease, dividend paid to non-controlling interests and interest paid.

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 Group expects the business environment to remain challenging amid subdued economic growth particularly in the private sector construction.

The Group's revenue and profitability in the next 12 months will be influenced by intense competition in the infrastructure sector, coupled with volatile foreign exchange and copper prices.

With uncertainties still clouding the expected realisation of construction projects in the near term, the Group will place greater attention on markets in the Southeast Asian region.

Given the global economic conditions, the Group will continue to adopt a prudent and conservative approach to sustain growth.

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/recommendeded, a statement to that effect.

No dividend has been declared for the quarter ended 30 September 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, 14 November 2017



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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 first quarter ended 30 September 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, 14 November 2017

Tai Sin Electric Limited

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