



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958

FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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 30.09.16 \$'000	3 months ended 30.09.15 \$'000
Revenue	68,638	78,154
Cost of sales	(54,619)	(64,737)
Gross profit	14,019	13,417
Other operating income	1,348	393
Selling and distribution expense	(4,681)	(4,208)
Administrative expense	(4,501)	(4,066)
Other operating expenses	(123)	(678)
Finance costs	(252)	(138)
Share of profit of an associate	47	383
Profit before income tax	5,857	5,103
Income tax expense	(875)	(831)
Profit after income tax	4,982	4,272
Other comprehensive income (loss) :		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Exchange difference on translation of foreign operations	92	(777)
Changes in share of other comprehensive loss of an associate	(9)	(10)
Other comprehensive income (loss) for the year, net of tax	83	(787)
Total comprehensive income for the period	5,065	3,485
Profit attributable to:		
Shareholders of the company	4,928	4,091
Non-controlling interests	54	181
	4,982	4,272
Total comprehensive income attributable to :		
Shareholders of the company	4,999	3,328
Non-controlling interests	66	157
	5,065	3,485

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 30.09.16 \$'000	3 months ended 30.09.15 \$'000
Interest income	30	2
Bad debts written off	45	2
Allowance for doubtful receivables	(109)	(80)
Fair value adjustment on derivative financial instruments	246	8
Foreign exchange loss	(14)	(579)
Gain on disposal of property, plant and equipment	650	31
Property, plant and equipment written off	(1)	(18)
Depreciation of property, plant and equipment	(1,010)	(973)
Amortisation of intangible assets	(58)	(69)

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 30.09.16 \$'000	As at 30.06.16 \$'000	As at 30.09.16 \$'000	As at 30.06.16 \$'000
ASSETS				
Current assets:				
Cash and bank balances	33,433	34,167	17,434	14,021
Trade receivables	87,067	101,453	48,751	60,141
Other receivables	7,533	3,469	3,306	3,506
Derivative financial instruments	290	41	286	41
Inventories	60,798	61,303	34,366	38,889
Total current assets	189,121	200,433	104,143	116,598
Non-current assets:				
Other receivables	221	225	4,900	5,219
Subsidiaries	-	-	44,878	41,478
Associate	5,236	5,179	-	-
Property, plant and equipment	34,703	34,510	7,097	6,805
Leasehold prepayments	141	140	-	-
Intangible assets	1,029	1,087	-	-
Deferred tax assets	69	66	-	-
Total non-current assets	41,399	41,207	56,875	53,502
Total assets	230,520	241,640	161,018	170,100
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts and short-term bank borrowings	30,073	36,913	16,255	18,728
Trade payables	20,629	24,883	8,993	15,984
Other payables	8,003	10,188	1,728	3,646
Current portion of finance leases	92	164	-	-
Income tax payable	3,684	3,081	2,427	2,036
Total current liabilities	62,481	75,229	29,403	40,394
Non-current liabilities:				
Other payables	69	64	-	-
Non-current portion of finance leases	102	115	-	-
Deferred tax liabilities	1,424	1,453	90	90
Total non-current liabilities	1,595	1,632	90	90

	GROUP		COMPANY	
	As at 30.09.16 \$'000	As at 30.06.16 \$'000	As at 30.09.16 \$'000	As at 30.06.16 \$'000
Capital, reserves and non-controlling interests:				
Share capital	56,288	56,288	56,288	56,288
Treasury shares	(950)	(950)	(950)	(950)
Reserves	109,783	105,180	76,187	74,278
Equity attributable to the shareholders of the Company	165,121	160,518	131,525	129,616
Non-controlling interests	1,323	4,261	-	-
Total equity	166,444	164,779	131,525	129,616
Total liabilities and equity	230,520	241,640	161,018	170,100

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

Amount repayable in one year or less, or on demand

As at 30/09/2016		As at 30/06/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
13,910	16,255	18,349	18,728

Amount repayable after one year

As at 30/09/2016		As at 30/06/2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
102	-	115	-

Details of any collateral

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

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

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

Group	3 months ended 30.09.16 \$'000	3 months ended 30.09.15 \$'000
Operating activities		
Profit before income tax	5,857	5,103
Adjustments for:		
Depreciation expense	1,010	973
Amortisation expense	58	69
Interest income	(30)	(2)
Interest expense	252	138
Fair value adjustment on derivative financial instruments taken to profit or loss	(246)	(8)
Bad debts written off	(45)	(2)
Allowance for doubtful receivables	109	80
Gain on disposal of property, plant and equipment	(650)	(31)
Property, plant and equipment written off	1	18
Share of profit of an associate	(47)	(383)
Operating cash flows before movement in working capital	6,269	5,955
Trade receivables	14,321	(9,923)
Other receivables	(4,056)	74
Inventories	477	4,049
Trade payables	(4,289)	(1,230)
Other payables	(2,188)	(1,836)
Cash generated from operations	10,534	(2,911)
Income tax paid	(298)	(392)
Net cash from (used in) operating activities	10,236	(3,303)
Investing activities		
Acquisition of additional interests in a subsidiary	(3,400)	-
Purchase of property, plant and equipment	(1,191)	(4,083)
Proceeds from disposal of property, plant and equipment	650	41
Interest received	30	2
Net cash used in investing activities	(3,911)	(4,040)
Financing activities		
Proceeds from short-term bank borrowings	15,281	17,120
Repayment of short-term bank borrowings	(21,980)	(10,187)
Repayment of finance lease obligations	(85)	(75)
Interest paid	(252)	(138)
Net cash (used in) from financing activities	(7,036)	6,720
Net decrease in cash and cash equivalents	(711)	(623)
Cash and cash equivalents at beginning of period	34,167	23,491
Effect of exchange rate changes on the balance of cash held in foreign currencies	(23)	110
Cash and cash equivalents at end of period	33,433	22,978

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

Group	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2016	56,288	(950)	(2,810)	(728)	108,718	160,518	4,261	164,779
Total comprehensive income for the period								
Profit for the period	-	-	-	-	4,928	4,928	54	4,982
Other comprehensive income 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 recognized directly in equity.

Group	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2015	56,288	(950)	(1,781)	(728)	95,376	148,205	3,756	151,961
Total comprehensive (loss) income for the period								
Profit for the period	-	-	-	-	4,091	4,091	181	4,272
Other comprehensive (loss) income for the period	-	-	(763)	-	-	(763)	(24)	(787)
Total	-	-	(763)	-	4,091	3,328	157	3,485
Balance at 30 September 2015	56,288	(950)	(2,544)	(728)	99,467	151,533	3,913	155,446

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

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2015	56,288	(950)	67,537	122,875
Profit for the year, representing total comprehensive income for the period	-	-	1,435	1,435
Balance at 30 September 2015	56,288	(950)	68,972	124,310

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

There were no changes in the Company's share capital during the 3 months ended 30 September 2016.

The total number of issued ordinary shares excluding treasury shares as at 30 September 2016 was 435,515,791 (30 September 2015: 435,515,791).

The number of ordinary shares held as treasury shares as at 30 September 2016 was 2,727,000 (30 September 2015: 2,727,000).

As at 30 September 2016, there were no shares that may be issued on conversion of any outstanding convertibles or shares options (30 September 2015: 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 2016 was 435,515,791 (30 June 2016: 435,515,791).

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

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

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

The figures have not been audited nor reviewed.

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

Not applicable.

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

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

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

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

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

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

	3 months ended 30.09.16	3 months ended 30.09.15
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	1.13 cents	0.94 cents
(ii) On a fully diluted basis	1.13 cents	0.94 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 30.09.16	As at 30.06.16	As at 30.09.16	As at 30.06.16
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	37.91 cents	36.86 cents	30.20 cents	29.76 cents

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

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

Statement of profit or loss

The Group's revenue of \$68.64 million for the 3 months ended 30 September 2016 was down 12.18% when compared to \$78.15 million from the last corresponding period. The decrease in revenue was mainly due to the Cable & Wire ("C&W") Segment reporting a decrease of \$10.45 million in revenue, attributable to a drop in copper prices as well as lesser delivery to the Commercial & Residential and Industrial Sectors in Singapore and Malaysia. The decrease was however mitigated by a rise in export sales for projects in Myanmar coupled with increase in revenue from the Infrastructure Sector in Singapore and Malaysia.

Switchboard ("SB") Segment decreased by \$0.52 million mainly due to a lack of new projects launched by the government and completion of existing projects.

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

- a) Test & Inspection ("T&I") Segment which increased by \$0.69 million. This was primarily due to new contracts awarded in Indonesia and Malaysia.

b) Electrical Material Distribution (“EMD”) Segment which increased by \$0.77 million. This was mainly due to rebound in sales to the Electronic Cluster during the period.

Other operating income increased by \$0.96 million, mainly attributable to gain on disposal of property, plant and equipment, fair value gain on derivative financial instruments and higher scrap sales during the period.

Selling and distribution expenses increased by \$0.47 million, mainly attributable to higher staff cost and higher advertisement costs to penetrate the retail market in Vietnam.

Administrative expenses increased by \$0.44 million, mainly due to higher staff cost and staff welfare and higher depreciation charge as a result of addition of assets and renovation works carried out in last financial year.

Other operating expenses decreased by \$0.56 million, principally attributable to lower foreign exchange loss as a result of a weaker USD against SGD during the period.

The Group’s profit before income tax of \$5.86 million for the period ended 30 September 2016, was higher by \$0.75 million as compared to the last corresponding period. This was traceable to the increase in the profit before income tax from the C&W segment which increased by \$0.51 million and the T&I Segment, which increased by \$0.78 million. The higher profit before income tax was however offset by lower profit from the EMD Segment which declined by \$0.43 million and the SB Segment which decreased by \$0.06 million.

Statement of financial position

Cash and bank balances decreased by \$0.73 million, mainly due to purchase of property, plant and equipment and acquisition of additional shares in a subsidiary offset with collection from customers during the period.

Trade receivables decreased by \$14.39 million, mainly as a result of lower sales in the C&W Segment for the quarter ended 30 September 2016 as compared to quarter ended 30 June 2016.

Other receivables increased by \$4.06 million, primarily attributable to down payment for purchase of property, plant and equipment and prepayment of advertisement expense for the retail business in Vietnam.

Inventories decreased by \$0.51 million, as a result of lower purchases in the C&W segment which moved in tandem with lower sales during the quarter.

Bank overdrafts and other bank borrowings decreased by \$6.84 million primarily because of settlement made and lower copper purchases during the period.

Trade payables decreased by \$4.25 million to \$20.63 million, principally due to lower purchases in the C&W Segment.

Other payables decreased by \$2.19 million mainly because of bonus and gratuity payout for the financial year ended 30 June 2016. The decrease was offset by higher advances from customers during the period.

Statement of cash flows

The cash and cash equivalent at the end of the period declined to \$33.43 million compared with \$34.17 million at the end of the last period.

The net cash from operating activities of \$10.24 million was mostly due to lower sales, lower purchases, higher down payment for purchase of property, plant and equipment, bonus, gratuity and income tax paid during the period.

The net cash used in investing activities of \$3.91 million was mainly for acquisition of additional shares in a subsidiary and purchase of property, plant and equipment, net of proceeds from disposal of plant and equipment and interest received.

The net cash used in financing activities of \$7.04 million was largely for repayment of bank borrowings, finance lease and interest paid, net of proceeds from bank borrowings.

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

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

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

Slower economic growth for Singapore may continue in the coming year, particularly for the chemical, oil & gas cluster as well as the commercial & residential sector, affecting revenue for both the C&W and EMD segments. Nevertheless, infrastructure spending will present opportunities for the Group's business.

Over in Malaysia, the Group is concentrating on securing projects for the high speed rail work and Pengerang oil and gas complex.

In Indonesia, the government's efforts to build its infrastructure to achieve economic growth will bode well for the T&I Segment.

In Vietnam, the C&W segment continues to expand its market through the local wholesaler and distributor network.

Going forward, the Group will intensify its focus and efforts on the infrastructure and export sector in the ASEAN region.

11. Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared for the quarter ended 30 September 2016.

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, 9 November 2016



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958

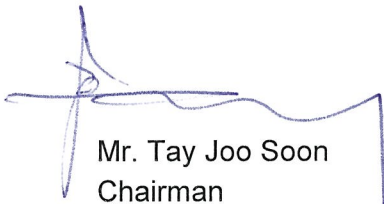


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**CONFIRMATION BY THE BOARD OF DIRECTORS
PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, being two Directors of Tai Sin Electric Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements for the first quarter ended 30 September 2016 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, 9 November 2016

Tai Sin Electric Limited

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