

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP					
	FY 2016 3 months ended 31-Dec-15	FY 2015 3 months ended 31-Dec-14	+ / (-) %	FY 2016 6 months ended 31-Dec-15	FY 2015 6 months ended 31-Dec-14	+ / (-) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	51,356	38,770	32%	92,944	76,612	21%
Cost of sales	(34,771)	(25,250)	38%	(64,303)	(51,959)	24%
Gross profit	16,585	13,520	23%	28,641	24,653	16%
Selling and distribution expenses	(5,914)	(5,395)	10%	(10,481)	(9,705)	8%
General and administrative expenses	(2,745)	(2,193)	25%	(4,711)	(4,272)	10%
Other operating expenses	(1,092)	(725)	51%	(1,718)	(1,535)	12%
Profit from operations	6,834	5,207		11,731	9,141	
Finance income	372	160	133%	662	296	124%
Finance expenses	(27)	(26)	4%	(65)	(77)	-16%
Share of profits / (losses) of associates	81	(77)	NM	157	(13)	NM
Profit before income tax	7,260	5,264	38%	12,485	9,347	34%
Income tax expense	(1,334)	(963)	39%	(2,229)	(2,011)	11%
Profit for the financial period	5,926	4,301	38%	10,256	7,336	40%
Other comprehensive (expenses) / income :						
Currency translation difference arising from consolidation	(242)	394	-161%	(404)	631	-164%
Other comprehensive (expenses) / income, net of tax	(242)	394	-161%	(404)	631	-164%
Total comprehensive income for the financial period	5,684	4,695	21%	9,852	7,967	24%
Profit attributable to :						
Equity holders of the Company	5,320	4,286		9,115	7,023	
Non-controlling interests	606	15		1,141	313	
	5,926	4,301		10,256	7,336	
Total comprehensive income attributable to :						
Equity holders of the Company	5,189	4,556		8,772	7,504	
Non-controlling interests	495	139		1,080	463	
	5,684	4,695		9,852	7,967	

NM = Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITIONS

	Group		Company	
	31-Dec-15	30-Jun-15	31-Dec-15	30-Jun-15
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5,562	5,861	2,626	2,859
Subsidiaries	-	-	3,828	3,828
Associates	695	566	784	784
Available for sale financial assets	166	90	1	1
Deferred tax assets	139	139	-	-
Current assets				
Inventories	8,256	8,637	-	-
Amount due from customers for contract work-in-progress	22,891	16,135	-	-
Trade receivables	34,558	33,325	184	76
Other receivables, deposits and prepayments	2,433	1,988	430	110
Due from subsidiaries (non-trade)	-	-	1,507	6,510
Due from associates (non-trade)	808	443	132	132
Fixed deposits	42,671	42,710	42,000	42,000
Cash and bank balances	48,738	44,774	14,885	14,768
Total current assets	160,355	148,012	59,138	63,596
TOTAL ASSETS	166,917	154,668	66,377	71,068
EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the Company				
Share capital	59,307	59,307	59,307	59,307
Translation deficit	(2,946)	(2,603)	-	-
Statutory reserve	869	869	-	-
Fair value reserve	(3)	(3)	(3)	(3)
Retained earnings	61,826	56,218	5,395	10,178
	119,053	113,788	64,699	69,482
Non-controlling interests	7,833	6,789	-	-
TOTAL EQUITY	126,886	120,577	64,699	69,482
Non-current liabilities				
Other payables and accruals	499	454	-	-
Finance lease liabilities	70	54	22	30
Deferred tax liabilities	308	275	51	52
Current liabilities				
Amount due to customers for contract work-in-progress	3,879	1,970	-	-
Trade payables	21,168	19,746	364	170
Other payables and accruals	10,279	8,055	1,186	1,265
Due to related parties (non-trade)	722	595	-	-
Due to directors	40	54	40	54
Finance lease liabilities	36	37	15	15
Income tax payables	3,030	2,851	-	-
Total current liabilities	39,154	33,308	1,605	1,504
TOTAL LIABILITIES	40,031	34,091	1,678	1,586
TOTAL EQUITY AND LIABILITIES	166,917	154,668	66,377	71,068

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

Amount repayable in one year or less, or on demand

As at 31-Dec-15	
Secured	Unsecured
S\$'000	S\$'000
36	-

As at 30-Jun-15	
Secured	Unsecured
S\$'000	S\$'000
37	-

Amount repayable after one year

As at 31-Dec-15	
Secured	Unsecured
S\$'000	S\$'000
70	-

As at 30-Jun-15	
Secured	Unsecured
S\$'000	S\$'000
54	-

Details of any collateral

The Group's borrowings are secured on certain plant and equipment acquired under finance leases.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP			
	3 months ended		6 months ended	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax and non-controlling interests	7,260	5,264	12,485	9,347
Adjustments for:				
Allowance for impairment loss of trade receivables	602	922	642	947
Allowance for impairment loss of trade receivables written back	(24)	(87)	(66)	(95)
Allowance for impairment loss of non-trade receivables written back	-	-	(15)	(29)
Bad trade debts written off	64	36	90	36
Bad trade debts written back	-	(16)	-	(16)
Depreciation of property, plant and equipment	300	344	689	678
Exchange differences	(124)	66	(408)	180
Loss on disposal of property, plant and equipment	6	11	6	9
Interest expense	15	2	33	4
Interest income	(372)	(160)	(662)	(296)
Provision for inventories obsolescence	240	99	141	35
Inventories written off	51	-	51	-
Share of (profits) / losses of associates	(81)	77	(157)	13
Operating profit before working capital changes	7,937	6,558	12,829	10,813
Inventories	737	378	188	890
Amount due from / (to) customers for contract work-in-progress	1,098	4,806	(4,847)	2,184
Trade receivables	(5,327)	(3,303)	(1,899)	(8,293)
Other receivables, deposits and prepayments	3,400	11	(255)	38
Trade payables	(1,498)	(1,042)	1,422	(1,073)
Other payables and accruals	2,100	(1,163)	2,268	(1,133)
Due to directors	(13)	-	(14)	(1)
Cash generated from operations	8,434	6,245	9,692	3,425
Interest paid	(15)	(2)	(33)	(4)
Income tax paid	(1,828)	(1,130)	(2,117)	(1,377)
Net cash generated from operating activities	6,591	5,113	7,542	2,044
Cash flows from investing activities				
Purchase of property, plant and equipment	(206)	(244)	(445)	(614)
Proceeds from disposal of property, plant and equipment	25	7	29	9
Acquisition of available for sale financial assets	-	-	(77)	-
Interest received	331	160	567	296
Net cash generated from / (used in) investing activities	150	(77)	74	(309)
Cash flows from financing activities				
Related parties' non-trade balances, net	182	(739)	(130)	(1,171)
Pledged of fixed deposits	-	-	-	(44)
Repayment of finance lease liabilities	(5)	(22)	(14)	(44)
Dividends paid	(3,507)	(8,092)	(3,507)	(8,092)
Dividend paid to non-controlling Interest	(36)	-	(143)	(56)
Net cash used in financing activities	(3,366)	(8,853)	(3,794)	(9,407)
Net increase / (decrease) in cash and cash equivalents	3,375	(3,817)	3,822	(7,672)
Cash and cash equivalents at beginning of financial period	88,025	80,187	87,333	83,943
Effects of exchange rates changes in cash and cash equivalents	(133)	333	112	432
Cash and cash equivalents at end of financial period *	91,267	76,703	91,267	76,703
* Analysis of the balances of cash and cash equivalents as at 31 December :	2015	2014	2015	2014
Fixed deposits	42,671	40,329	42,671	40,329
Cash and bank balances	48,738	36,460	48,738	36,460
	91,409	76,789	91,409	76,789
Less: Pledged fixed deposits	(142)	(86)	(142)	(86)
Cash and cash equivalents per consolidated cash flow statement	91,267	76,703	91,267	76,703

- 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.

STATEMENTS OF CHANGES IN EQUITY

Group (S\$'000)	Share Capital	Translation Deficit	Statutory Reserves	Fair Value Reserve	Retained Earnings	Total	Non-controlling Interests	Total Equity
Balance as at 01.07.15	59,307	(2,603)	869	(3)	56,218	113,788	6,789	120,577
Profit for the financial period	-	-	-	-	9,115	9,115	1,141	10,256
Other comprehensive expenses for the financial period, net of tax	-	(343)	-	-	-	(343)	(61)	(404)
Total comprehensive (expenses) / income for the financial period	-	(343)	-	-	9,115	8,772	1,080	9,852
Dividends to non-controlling interests	-	-	-	-	-	-	(36)	(36)
Dividends paid	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 31.12.15	59,307	(2,946)	869	(3)	61,826	119,053	7,833	126,886

Balance as at 01.07.14	59,307	(2,802)	831	(3)	53,807	111,140	6,453	117,593
Profit for the financial period	-	-	-	-	7,023	7,023	313	7,336
Other comprehensive income for the financial period, net of tax	-	481	-	-	-	481	150	631
Total comprehensive income for the financial period	-	481	-	-	7,023	7,504	463	7,967
Dividends to non-controlling interests	-	-	-	-	-	-	(176)	(176)
Dividends paid	-	-	-	-	(8,092)	(8,092)	-	(8,092)
Balance as at 31.12.14	59,307	(2,321)	831	(3)	52,738	110,552	6,740	117,292

Company (S\$'000)	Share Capital	Fair Value Reserve	Retained Earnings	Total Equity
Balance as at 01.07.15	59,307	(3)	10,178	69,482
Total comprehensive expenses for the financial period	-	-	(1,276)	(1,276)
Dividends paid	-	-	(3,507)	(3,507)
Balance as at 31.12.15	59,307	(3)	5,395	64,699
Balance as at 01.07.14	59,307	(3)	10,664	69,968
Total comprehensive income for the financial period	-	-	3,531	3,531
Dividends paid	-	-	(8,092)	(8,092)
Balance as at 31.12.14	59,307	(3)	6,103	65,407

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 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.

On 27 November 2015, the Company has completed Share Consolidation and every five existing shares held by shareholders of the Company has been consolidated to one consolidated share.

As at 31 December 2015, the Company's issued and paid up capital comprises 53,948,356 (as at 30 September 2015 : 269,741,836) ordinary shares.

As at 31 December 2015, the Company did not hold any of its issued shares as treasury shares (as at 31 December 2014 : 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.

Total number of issued shares excluding treasury shares as at 30 June 2015	269,741,836
Total number of issued shares excluding treasury shares as at 31 December 2015 after completion of the Share Consolidation exercise on 27 November 2015	53,948,356

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.

As at 31 December 2015, the Company did not hold any of its issued shares as treasury shares.

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 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.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as compared to the audited financial statements as at 30 June 2015, except for the adoption of the Financial Reporting Standard (FRS) and Interpretations of FRS (INT FRS) which become effective for the financial year beginning on or after 1 July 2015.

The adoption of these FRS and INT FRS does not result in substantial change to the Group's and Company's accounting policies or have any significant 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.

As previously announced, there is no change in accounting policies except for the reallocation of personnel expenses. As the nature of the operations of the Group is labour intensive, the portion of personnel expenses included in other operating expenses has increased over the years. The management have re-assessed and determined that these personnel expenses should be appropriately reallocated to selling and distribution expenses and general and administrative expenses to better reflect the function of these expenses. Accordingly, the prior period's comparatives have been adjusted to conform with the current period's presentation.

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.

The calculations of earnings per share are based on the profits and numbers of shares shown below.

	Basic and Diluted			
	2Q	2Q	YTD	YTD
	FY 2016	FY 2015	FY 2016	FY 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders of the Company	5,320	4,286	9,115	7,023

Weighted average number of shares

	Number of shares ('000)			
	2Q	2Q	YTD	YTD
	FY 2016	FY 2015	FY 2016	FY 2015
* For basic and dilutive earnings per share	53,948	53,948	53,948	53,948

	Group			
	2Q	2Q	YTD	YTD
	FY 2016	FY2015	FY2016	FY 2015
Earnings per ordinary share (in dollars):				
(a) Based on weighted average number of ordinary shares on issued, and	0.10	0.08	0.17	0.13
(b) On a fully diluted basis	0.10	0.08	0.17	0.13

Basic and diluted earnings per ordinary share is calculated based on profit for the period attributable to equity holders of the Company divided by the weighted average number of issued shares (excluding treasury shares) of 53,948,356. For comparison purpose, earnings per ordinary share for the corresponding period was recomputed based on the weighted average number of issued shares adjusted for share consolidation at 53,948,356.

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 31-Dec-15	As at 30-Jun-15	As at 31-Dec-15	As at 30-Jun-15
Net assets value per ordinary share based on issued share capital of the issuer (in dollars)	2.21	2.11	1.20	1.29
Number of shares in issue as at end of period ('000)	53,948	53,948	53,948	53,948

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.**

Review of the performance of the Group

Statement of Comprehensive Income – 3 months ended 31 December 2015

Revenue for the current quarter has grown by 32% from S\$38.8 million to S\$51.4 million. The increase was primarily attributable to more installation projects in Hong Kong and China.

The increase in selling and distribution expenses by approximately S\$0.5 million was mainly due to increased staff cost as well as higher provision for selling and distribution staff incentives as a result of higher profits generated in the quarter under review.

The increase in general and administrative expenses by S\$0.6 was mainly due to increased administrative staff costs as well as higher provision for general and administrative staff incentives.

Other operating expenses has increased by approximately S\$0.4 million due mainly to the following factors:

- a) Higher provision for inventories obsolescence of S\$0.2 million; and
- b) Foreign exchange loss of S\$48,000 in the current quarter as compared to foreign exchange gain of S\$0.2 million in the previous quarter.

The increase in finance income by S\$0.2 million was primarily attributable to higher interest income earned in the quarter under review.

Contribution from our associates increased by S\$0.2 million as a result of improved performance by our associate in Singapore.

The decrease in other comprehensive income by approximately S\$0.6 million is mainly attributable to currency translation difference arising from the strengthening of Singapore dollar against certain regional currencies during the quarter review.

Statement of Comprehensive Income – 6 months ended 31 December 2015

Revenue for the current period has increased by 21% from S\$76.6 million to S\$92.9 million. The increase in revenue was mainly attributed to more installation projects in Hong Kong and China.

The increase in selling and distribution expenses by S\$0.8 million was mainly due to increased staff cost as well as higher provision for selling and distribution staff incentives in the current period.

The increase in general and administrative expenses by S\$0.4 million was primarily due to increased administrative staff cost as well as higher provision for general and administrative staff incentives in the current period.

Other operating expenses has increased by S\$0.2 million due mainly to higher provision for inventories obsolescence in the period under review.

The increase in finance income by S\$0.4 million was primarily attributable to higher interest income earned in the period under review.

Contribution from our associates increased by S\$0.2 million as a result of improved performance by our associates in Singapore and Myanmar.

The higher effective tax rate in previous period due mainly to downward adjustments made to deferred tax assets in previous period.

Review of the performance of the Group (Continued)

Statement of Comprehensive Income – 6 months ended 31 December 2015

The decrease in other comprehensive income by approximately S\$1.0 million is attributable mainly to currency translation difference arising from the weakening of Malaysia Ringgit against Singapore dollar during the period under review.

Statement of Financial Positions

The increase in available for sale financial assets was due to investment of 19% equity interest in PT. Lantro Technologies Indonesia.

Inventories decreased by S\$0.4 million due to improved inventories turnover days from 47 days to 35 days, as a result of quicker use of inventories for on-going projects.

The higher amount due from customers for work-in-progress was mainly due to on-going and new projects undertaken towards the end of the current financial period.

The increase in Group's trade receivables and trade payables are in tandem with the increase in revenue during the period.

The increase in other receivables by S\$0.4 million was mainly due to downpayment made for capital expenditure in the current financial period as well as higher interest receivables as of the current financial period.

Amount due from associates (non-trade) has increased by S\$0.4 million mainly due to advances given to an associated company in the Philippines during the current period.

The increase in translation deficit was mainly attributable to the weakening of Malaysia Ringgit against Singapore dollar.

Non-controlling interest has increased by approximately S\$1.0 million due to share of profits earned by certain subsidiaries during the period.

The increase in amount due to customers for contract work-in-progress was mainly due to higher amount of advance billings to customers as of the period under review.

Higher accrued staff costs as well as higher advance payments received from customers resulted in higher other payables and accruals.

Amount due to related parties (non-trade) in the current period mainly relates to the dividend payable to non-controlling interests.

Income tax payable as of the current period comprises of balanced tax provision of S\$0.8 million brought forward from previous financial years and tax provision of S\$2.2 million during the current period.

Cash Flow Statement

Net cash generated from operating activities has increased by S\$5.5 million over the 6 months period under review mainly as a result of higher operating profits generated in the current period and lower working capital requirements.

The decrease in net cash used in financing activities by S\$5.6 million is mainly due to lower dividends paid to shareholders in the period under review.

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

The results for 2Q FY2015 of the Group for the period ended 31 December 2015 were generally in line with the commentary previously made to the public in the Group's 1Q FY2016 Financial Statement and Related Announcement released via SGXNET on 4 November 2015 (Announcement Ref : SG151104OTHR6BPE).

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.**

Against a highly volatile and uncertain backdrop in the global economic market in 2016, the Group remains vigilant to the changing needs and demands of our stakeholders. As we continue in our strategies to build our competencies, our people remains an asset to our overall strategy to fortify our position and to capitalise on any opportunities that may arise.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Nil.

(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 is proposed in the current financial period.

13. **If the Group has obtained a general mandate from shareholders for 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**

The Group has not obtained a general mandate from shareholders for IPTs.

14. **Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of SGX-ST**

The Board of Directors of the Company have confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the period ended 31 December 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Lee Choo
Company Secretary
25 January 2016