



**FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**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.**

<b>Group</b>	<b>3 months ended 30.09.19 \$'000</b>	<b>3 months ended 30.09.18 \$'000</b>
<b>Revenue</b>	<b>80,303</b>	<b>85,662</b>
Cost of sales	(67,047)	(74,971)
<b>Gross profit</b>	<b>13,256</b>	<b>10,691</b>
Other operating income	506	755
Selling and distribution expenses	(4,998)	(4,766)
Administrative expenses	(4,867)	(4,725)
Other operating expenses	(650)	(50)
Finance costs	(263)	(256)
Share of profit of associates	182	157
<b>Profit before income tax</b>	<b>3,166</b>	<b>1,806</b>
Income tax expense	(551)	(405)
<b>Profit for the period</b>	<b>2,615</b>	<b>1,401</b>
<b>Other comprehensive income (loss):</b>		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Exchange difference on translation of foreign operations	573	(854)
Changes in share of other comprehensive income of associates	(15)	50
Other comprehensive income (loss) the period, net of tax	558	(804)
<b>Total comprehensive income for the period</b>	<b>3,173</b>	<b>597</b>
<b>Profit for the period attributable to:</b>		
Shareholders of the Company	2,506	1,337
Non-controlling interests	109	64
	<b>2,615</b>	<b>1,401</b>
<b>Total comprehensive income attributable to :</b>		
Shareholders of the Company	3,053	527
Non-controlling interests	120	70
	<b>3,173</b>	<b>597</b>

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.

<b>Group</b>	<b>3 months ended 30.09.19 \$'000</b>	<b>3 months ended 30.09.18 \$'000</b>
Interest income	2	2
Bad debts written off	(5)	-
Loss allowance for trade receivables	(138)	(45)
Fair value adjustments on derivative financial instruments taken to profit or loss	(337)	72
Foreign exchange (loss) gain	(87)	222
Gain on disposal of property, plant and equipment	3	89
Property, plant and equipment written off	(83)	-
Depreciation of property, plant and equipment	(1,377)	(1,258)
Depreciation of investment property	(13)	(13)
Depreciation of right-of-use assets	(251)	-
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 30.09.19 \$'000	As at 30.06.19 \$'000	As at 30.09.19 \$'000	As at 30.06.19 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	18,514	16,822	3,170	5,092
Trade receivables	88,441	90,643	44,030	45,638
Other receivables	3,474	3,544	3,938	3,993
Contract assets	3,961	3,736	-	-
Derivative financial instruments	100	437	100	437
Inventories	74,581	68,202	48,619	42,270
<b>Total current assets</b>	<b>189,071</b>	<b>183,384</b>	<b>99,857</b>	<b>97,430</b>
<b>Non-current assets:</b>				
Other receivables	35	111	1,495	1,806
Subsidiaries	-	-	42,671	42,671
Associates	9,304	9,137	-	-
Property, plant and equipment	40,370	40,329	14,347	14,143
Investment property	3,020	3,003	-	-
Right-of-use assets	11,859	-	5,239	-
Leasehold prepayments	-	124	-	-
Intangible assets	333	391	-	-
Deferred tax assets	108	106	-	-
<b>Total non-current assets</b>	<b>65,029</b>	<b>53,201</b>	<b>63,752</b>	<b>58,620</b>
<b>Total assets</b>	<b>254,100</b>	<b>236,585</b>	<b>163,609</b>	<b>156,050</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Short-term bank borrowings	22,166	25,611	9,388	10,494
Trade payables	28,830	22,223	13,221	9,650
Other payables	5,462	6,765	1,692	2,101
Contract liabilities	1,646	1,236	8	27
Current portion of finance leases	115	113	-	-
Current portion of lease liabilities	838	-	317	-
Income tax payable	2,438	1,986	914	868
<b>Total current liabilities</b>	<b>61,495</b>	<b>57,934</b>	<b>25,540</b>	<b>23,140</b>
<b>Non-current liabilities:</b>				
Other payables	118	115	-	-
Non-current portion of finance leases	108	136	-	-
Non-current portion of leases liabilities	10,823	-	4,938	-
Deferred tax liabilities	1,570	1,587	657	660
<b>Total non-current liabilities</b>	<b>12,619</b>	<b>1,838</b>	<b>5,595</b>	<b>660</b>

	GROUP		COMPANY	
	As at 30.09.19 \$'000	As at 30.06.19 \$'000	As at 30.09.19 \$'000	As at 30.06.19 \$'000
<b>Capital, reserves and non-controlling interests:</b>				
Share capital	58,641	58,641	58,641	58,641
Treasury shares	(950)	(950)	(950)	(950)
Reserves	120,911	117,858	74,783	74,559
Equity attributable to the shareholders of the Company	178,602	175,549	132,474	132,250
Non-controlling interests	1,384	1,264	-	-
Total equity	179,986	176,813	132,474	132,250
<b>Total liabilities and equity</b>	254,100	236,585	163,609	156,050

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

**Amount repayable in one year or less, or on demand**

As at 30/09/2019		As at 30/06/2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
13,414	9,705	15,230	10,494

**Amount repayable after one year**

As at 30/09/2019		As at 30/06/2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
5,993	4,938	136	-

**Details of any collateral**

The 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.

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

<b>Group</b>	<b>3 months ended 30.09.19 \$'000</b>	<b>3 months ended 30.09.18 \$'000</b>
<b>Operating activities</b>		
Profit before income tax	3,166	1,806
Adjustments for:		
Depreciation of property, plant and equipment	1,377	1,258
Depreciation of investment property	13	13
Depreciation of right-of-use assets	251	-
Amortisation expenses	58	58
Interest income	(2)	(2)
Interest expense	263	256
Gain on disposal of property, plant and equipment	(3)	(89)
Property, plant and equipment written off	83	-
Bad debts written off	5	-
Loss allowance for trade receivables	138	45
Fair value adjustment on derivative financial instruments taken to profit or loss	337	(72)
Share of profit of associates	(182)	(157)
Operating cash flows before movement in working capital	5,504	3,116
Trade receivables	2,314	2,876
Other receivables	86	(431)
Contract assets	(203)	(981)
Inventories	(6,134)	(8,880)
Trade payables	6,551	(46)
Other payables	(1,313)	(1,756)
Contract liabilities	395	(609)
Cash generated from (used in) operations	7,200	(6,711)
Income tax paid	(162)	(260)
<b>Net cash from (used in) operating activities</b>	<b>7,038</b>	<b>(6,971)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,438)	(703)
Proceeds from disposal of property, plant and equipment	63	125
Interest received	2	2
<b>Net cash used in investing activities</b>	<b>(1,373)</b>	<b>(576)</b>
<b>Financing activities</b>		
Proceeds from short-term bank borrowings	15,048	29,868
Repayment of short-term bank borrowings	(18,561)	(18,116)
Repayment of finance lease obligations	(29)	(9)
Repayment of lease liabilities	(205)	-
Interest paid	(263)	(256)
<b>Net cash (used in) from financing activities</b>	<b>(4,010)</b>	<b>11,487</b>
Net increase in cash and cash equivalents	1,655	3,940
Cash and cash equivalents at beginning of period	16,822	18,754
Effect of exchange rate changes on the balance of cash held in foreign currencies	37	(164)
<b>Cash and cash equivalents at end of period</b>	<b>18,514</b>	<b>22,530</b>

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
						Company			
Balance at 1 July 2019	58,641	(950)	(357)	(1,092)	119,307	175,549		1,264	176,813
Total comprehensive income for the period									
Profit for the period	-	-	-	-	2,506	2,506		109	2,615
Other comprehensive income for the period	-	-	547	-	-	547		11	558
Total	-	-	547	-	2,506	3,053		120	3,173
Balance at 30 September 2019	58,641	(950)	190	(1,092)	121,813	178,602		1,384	179,986

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
			reserve	reserve			Company	controlling interests		
Balance at 1 July 2018	56,288	(950)	(2,818)	(2,818)	(1,084)	121,881	173,317	1,183	174,500	
Total comprehensive income (loss) for the period	-	-	-	-	-	1,337	1,337	64	1,401	
Profit for the period	-	-	(810)	(810)	-	-	(810)	6	(804)	
Other comprehensive income (loss) for the period	-	-	(810)	(810)	-	1,337	527	70	597	
Balance at 30 September 2018	56,288	(950)	(3,628)	(3,628)	(1,084)	123,218	173,844	1,253	175,097	

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2019	58,641	(950)	74,559	132,250
Profit for the period, representing total comprehensive income for the period	-	-	224	224
Balance at 30 September 2019	<u>58,641</u>	<u>(950)</u>	<u>74,783</u>	<u>132,474</u>

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2018	56,288	(950)	79,602	134,940
Loss for the period, representing total comprehensive loss for the period	-	-	(204)	(204)
Balance at 30 September 2018	<u>56,288</u>	<u>(950)</u>	<u>79,398</u>	<u>134,736</u>



- 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 2019.

The total number of issued ordinary shares excluding treasury shares as at 30 September 2019 was 443,357,765 (30 September 2018: 435,515,791).

The number of ordinary shares held as treasury shares as at 30 September 2019 was 2,727,000 (30 September 2018: 2,727,000), constituting 0.62% of the total number of ordinary shares outstanding (30 September 2018: 0.63%).

As at 30 September 2019, there were no outstanding convertibles and no subsidiary holdings (30 September 2018: 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 2019 was 443,357,765 (30 September 2018: 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)(iv) 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 auditor's 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.**

Except as disclosed in item 5 below, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the audited financial statements for the year ended 30 June 2019.

**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 Group and the Company adopted SFRS(I) 16 *Leases* that is effective for annual periods beginning on or after July 1, 2019. The Group and the Company adopted the simplified transition approach and the comparative amount for the year prior to first adoption was not restated. All right-of-use assets are measured at the amount equal to the lease liability (adjusted for any prepaid or accrued lease payments) at the date of initial application. Under SFRS(I) 16, qualifying lease payments were no longer taken to other operating expenses but capitalised to the statement of financial position as right-of-use assets and depreciated over the term of the lease. Cash paid for the interest portion of lease liability is presented as part of financing activities, in accordance with the Group's and the Company's accounting policy.

As at 1 July 2019, the Group has recognised the ROU assets and lease liabilities of \$12.116 million and \$11.820 million respectively. The nature of expenses related to these leases has changed as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The Group is still in the progress of finalising its assessment of impact arising from adoption of SFRS(I) 16 *Leases* and thus the finalised impact may differ from the provisional figures determined at the moment.

**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.**

	<b>3 months ended 30.09.19</b>	<b>3 months ended 30.09.18</b>
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	0.57 cents	0.31 cents
(ii) On a fully diluted basis	0.57 cents	0.31 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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30.09.19</b>	<b>As at 30.06.19</b>	<b>As at 30.09.19</b>	<b>As at 30.06.18</b>
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	40.28 cents	39.60 cents	29.88 cents	29.83 cents

Net asset value per share is calculated based on the existing number of shares in issue of 443,357,765 (30 June 2019: 443,357,765 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**

For the three months ended 30 September 2019, the Group's revenue eased by 6.26% to \$80.303 million from \$85.662 million in the last corresponding period.

The Cable & Wire ("C&W") Segment's revenue decreased by \$7.091 million. Revenue from the C&W's Segment in Singapore and Malaysia were down mainly due to lower deliveries to both Infrastructure and Commercial & Residential Sectors as some of the project deliveries were towards its completion stage. The decrease was partially offset by improvement in revenue from higher exports to Brunei. In Vietnam, revenue expanded mainly driven by increased delivery to building construction projects, offset partially by decline in revenue from the Industrial Sectors.

Test & Inspection ("T&I") Segment's revenue grew by \$1.630 million. Drivers for growth include higher revenue from non-destructive testing, heat treatment and soil investigation & monitoring related work, both in Singapore and Indonesia as a result of new contracts executed.

Revenue was relatively stable for the Electrical Material Distribution ("EMD") Segment, with higher revenue from the Electronic Cluster and conversely with contractions in the Building and Infrastructure Cluster.

For the Switchboard Segment, revenue derived mainly from Infrastructure projects was comparable to the last corresponding period.

Despite lower revenue, gross profit ("GP") for the current period climbed 23.99% or \$2.565 million to \$13.256 million from \$10.691 million in the last corresponding period. The GP margin of 16.51%, was higher by 4.03% as compared to 12.48% achieved in the last corresponding period. Higher margins were attributable to the drop in copper prices during the period and lower deliveries for the low margin infrastructure projects secured 2-3 years ago that are nearing completion.

Other operating income decreased by \$249,000 to \$506,000 from \$755,000. The Group suffered foreign exchange loss and fair value loss on derivative financial instruments as compared to gain in the last corresponding period.

Administrative, selling and distribution expenses increased by \$142,000 and \$232,000 respectively, mainly because of higher staff cost.

Other operating expenses increased from \$50,000 to \$650,000. This was mainly due to the Group suffering a foreign exchange loss and fair value loss on derivative financial instruments and higher loss allowance for trade receivables.

Finance costs increased to \$263,000 from \$256,000, mainly due to adoption of SFRS(I) 16 *Leases*. The Group's operating leases are recognised as right-of-use assets and lease liabilities on its balance sheet. With these lease liabilities, an interest expense has been charged amounting to \$85,000 during the period. The increase was partially alleviated by lower utilisation of short-term bank borrowings during the period.

The Group's profit before income tax ("PBT") for the period ended 30 September 2019 improved by 75.30%, which was an increase of \$1.360 million from \$1.806 million to \$3.166 million in the current period. Driven by improvement in gross profit margin, the C&W Segment's PBT increased by \$993,000. The T&I Segment's PBT grew \$609,000, moving in tandem with higher revenue achieved during the period. The Switchboard Segment's PBT improved by \$19,000. PBT from the EMD Segment, was however down by \$263,000, mainly attributable to higher staff cost.

The Group incurred income tax expenses of \$551,000 for the current period, was up \$146,000 primarily due to higher profit attained for the current period.

### **Statement of financial position**

Cash and bank balance increased by \$1.692 million, due to higher collection from customers towards period end.

Trade receivables declined by \$2.202 million, mainly the result of lower sales for the quarter ended 30 September 2019 as compared to the quarter ended 30 June 2019 and higher collection from customers towards period end.

Contract assets was higher by \$225,000, primarily attributable to new and on-going projects.

Inventories increased by \$6.379 million, mainly due to higher purchases in the C&W Segment towards period end. In addition, the EMD Segment and the Switchboard Segment also held higher inventories for anticipated delivery in the next quarter.

Following the adoption of SFRS (I) 16 *Leases*, the Group's operating leases are recognised as right-of-use assets ("ROU") with corresponding lease liabilities recorded on the balance sheet.

Short-term bank borrowings reduced by \$3.445 million primarily because of settlement of borrowings by the C&W Segment and EMD Segment towards period end.

Trade payables increased by \$6.607 million, substantially due to higher purchases by the C&W Segment towards period end.

### **Statement of cash flows**

The cash and cash equivalent at the end of the period increased to \$18.514 million compared with \$16.822 million at the end of the previous period.

The Group's net cash from operating activities of \$7.038 million was attributable to operating profit before working capital changes, decrease in trade and other receivables, increase in trade payables and contract liabilities, offset partially by an increase in inventories and contract assets, decrease in other payables and income tax paid.

The net cash used in investing activities of \$1.373 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 used in financing activities of \$4.010 million was mainly due to repayment of short-term bank borrowings, finance lease, lease liabilities following the adoption of SFRF(I) 16, dividends 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.**

The effect of the US-China trade war and Brexit continues to be felt across borders and industries. As such, the operating landscape is expected to remain challenging as the Group's financial performance is influenced by other factors such as volatility in copper prices, foreign exchange rates and intensifying industry competition that leads to pressure on selling prices.

The Group will put more focus on the Industrial Sector as businesses may relocate from China to countries where we have a presence. The Group will also continue to develop business in the Infrastructure Sector for all our business segments.

The Group remains vigilant and continues to seek opportunities to further optimize available resources for 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/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared for the quarter ended 30 September 2019. It is not the Board's present practice to declare any interim dividend for the first quarter of the financial year.

**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, 11 November 2019



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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 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Mr. Lim Chye Huat @ Bobby Lim Chye Huat  
Chairman

Mr. Lim Boon Hock Bernard  
Chief Executive Officer

Singapore, 11 November 2019

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