

**SUNRIGHT LIMITED**  
(Company Reg. No. 197800523M)

**Half Year Financial Statements Announcement for the financial period ended 31 January 2016**

**PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

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

	Group		
	S\$'000		%
	31/1/2016	31/1/2015	Change
<b>Revenue</b>	64,349	70,735	-9%
<b>Other items of income:</b>			
Interest income	453	579	-22%
Dividend income	27	48	-44%
Gain on disposal of held for trading investment securities	-	271	-100%
	64,829	71,633	-9%
<b>Other items of expenses:</b>			
Fair value loss on held for trading investment securities	(32)	(716)	-96%
Raw materials and consumables used	(14,799)	(16,849)	-12%
Changes in inventories of finished goods and work-in-progress	(110)	86	NM
Employee benefits expense	(21,886)	(24,605)	-11%
Depreciation of property, plant and equipment	(9,884)	(11,645)	-15%
Operating lease rentals	(942)	(1,004)	-6%
Finance costs	(626)	(675)	-7%
Other operating expenses	(11,248)	(12,457)	-10%
<b>Profit before taxation</b>	5,302	3,768	41%
Income tax expense	(865)	(1,041)	-17%
<b>Profit for the period</b>	4,437	2,727	63%
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation loss	(3,390)	(2,480)	37%
<b>Other comprehensive income for the period, net of tax</b>	(3,390)	(2,480)	37%
<b>Total comprehensive income for the period</b>	1,047	247	NM
<b>Profit attributable to:</b>			
Owners of the Company	1,809	1,755	3%
Non-controlling interests	2,628	972	NM
	4,437	2,727	63%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(22)	(193)	-89%
Non-controlling interests	1,069	440	NM
	1,047	247	NM
Earnings per share attributable to owners of the Company (cents)			
- Basic	1.47	1.43	3%

**Notes:**

- i. NM - Percentage change not meaningful.

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediate preceding financial year:**

The following items have been included in arriving at profit before taxation:

Write-down of inventories  
 Reversal of impairment loss on trade receivables  
 Exchange gain, net  
 Gain/(loss) on disposal of property, plant and equipment

Group		
S\$'000		%
31/1/2016	31/1/2015	Change
(543)	(232)	NM
342	45	NM
414	913	-55%
25	(42)	NM

**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	
	S\$'000		S\$'000	
	31/1/2016	31/7/2015	31/1/2016	31/7/2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	59,169	68,285	284	349
Investment in subsidiaries	-	-	11,843	11,843
Deferred tax assets	2,221	2,285	-	-
Loans to subsidiaries	-	-	-	-
<b>Total non-current assets</b>	<b>61,390</b>	<b>70,570</b>	<b>12,127</b>	<b>12,192</b>
<b>Current assets</b>				
Investment securities	1,983	2,071	571	623
Inventories	6,523	6,784	-	-
Prepayments	752	663	91	61
Trade and other receivables	32,014	31,524	4,659	4,219
Tax recoverable	137	103	-	-
Fixed deposits	47,789	46,015	19,314	19,313
Cash and bank balances	18,380	18,279	3,890	4,870
<b>Total current assets</b>	<b>107,578</b>	<b>105,439</b>	<b>28,525</b>	<b>29,086</b>
<b>Total assets</b>	<b>168,968</b>	<b>176,009</b>	<b>40,652</b>	<b>41,278</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	35,727	35,727	35,727	35,727
Retained earnings/(accumulated losses)	37,797	36,599	(5,996)	(6,018)
Other reserves	(1,794)	(83)	155	155
<b>Total equity attributable to owners of the Company</b>	<b>71,730</b>	<b>72,243</b>	<b>29,886</b>	<b>29,864</b>
Non-controlling interests	48,275	47,426	-	-
<b>Total equity</b>	<b>120,005</b>	<b>119,669</b>	<b>29,886</b>	<b>29,864</b>
<b>Non-current liabilities</b>				
Loans and borrowings	9,096	12,771	64	112
Loans from subsidiaries	-	-	5,121	5,025
Long term payables	150	312	-	-
Deferred tax liabilities	4,854	4,882	2,129	2,129
<b>Total non-current liabilities</b>	<b>14,100</b>	<b>17,965</b>	<b>7,314</b>	<b>7,266</b>
<b>Current liabilities</b>				
Trade and other payables	18,906	20,070	950	1,650
Loans and borrowings	15,085	18,018	2,376	2,376
Provisions	27	26	-	-
Provision for taxation	845	261	126	122
<b>Total current liabilities</b>	<b>34,863</b>	<b>38,375</b>	<b>3,452</b>	<b>4,148</b>
<b>Total equity and liabilities</b>	<b>168,968</b>	<b>176,009</b>	<b>40,652</b>	<b>41,278</b>

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

Amount repayable in one year or less, or on demand

As at 31.1.2016		As at 31.7.2015	
Secured	Unsecured	Secured	Unsecured
S\$1,800,000	S\$13,285,000	S\$1,592,000	S\$16,426,000

Amount repayable after one year

As at 31.1.2016		As at 31.7.2015	
Secured	Unsecured	Secured	Unsecured
S\$1,562,000	S\$7,534,000	S\$1,020,000	S\$11,751,000

Details of any collaterals

The Group's loans and borrowings include obligations under finance leases, term loans and bank overdrafts. Obligations under finance leases and term loans are secured on certain assets of the companies within the Group of net book value amounting to S\$2,607,000 (31.7.2015: S\$2,421,000).

**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**

	As at 31.1.2016 S\$'000	As at 31.1.2015 S\$'000
<b>Cash flows from operating activities:</b>		
Profit before taxation	5,302	3,768
Adjustments:		
Depreciation of property, plant and equipment	9,884	11,645
Interest income	(453)	(579)
(Gain)/loss on disposal of property, plant and equipment	(25)	42
Property, plant and equipment written off	10	-
Write-down of inventories	543	232
Reversal of impairment loss on trade receivables	(342)	(45)
Dividend income	(27)	(48)
Net fair value loss on held for trading investment securities	32	716
Gain on disposal of held for trading investment securities	-	(271)
Finance costs	626	675
Currency realignment	(1,670)	(1,720)
<b>Operating cash flows before changes in working capital</b>	<b>13,880</b>	<b>14,415</b>
(Increase)/decrease in debtors	(152)	1,490
(Increase)/decrease in inventories	(282)	925
Decrease in creditors	(1,634)	(2,775)
<b>Cash flows generated from operations</b>	<b>11,812</b>	<b>14,055</b>
Income taxes paid	(342)	(727)
Interest paid	(626)	(675)
Interest received	368	579
<b>Net cash flows generated from operating activities</b>	<b>11,212</b>	<b>13,232</b>
<b>Cash flows from investing activities:</b>		
Short-term deposits with maturity more than 3 months	(987)	-
Dividend received from investment securities	27	48
Purchase of property, plant and equipment	(1,833)	(22,233)
Proceeds from disposal of property, plant and equipment	25	810
Proceeds from disposal of trading investment securities	-	490
<b>Net cash flows used in investing activities</b>	<b>(2,768)</b>	<b>(20,885)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from term loans	1,051	12,353
Repayment of term loans	(7,607)	(6,816)
Repayment of obligations under finance leases	(515)	(770)
Dividends paid to non-controlling interests	(220)	-
Dividends paid to owners of the Company	(491)	-
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(7,782)</b>	<b>4,767</b>
Net increase/(decrease) in cash and cash equivalents	662	(2,886)
Cash and cash equivalents at beginning of period	58,657	65,681
<b>Cash and cash equivalents at end of period</b>	<b>59,319</b>	<b>62,795</b>

**Notes:**

Included in cash and cash equivalents was an amount of S\$226,000 (2015: S\$312,000) bank overdrafts.

During the financial period ended 31 January 2016, the Group generated S\$11,212,000 from its operating activities, and used S\$2,768,000 and S\$7,782,000 in its investing activities and financing activities respectively. These resulted in a net increase of S\$662,000 in the Group's cash and cash equivalents as compared to 31 July 2015.

Cash and cash equivalents as at 31 January 2016 comprised of the following:

	Group	
	S\$'000	
	31.1.2016	31.1.2015
Cash and bank balances	18,380	26,562
Fixed deposits	47,789	36,545
	66,169	63,107
Less: Fixed deposits with maturity more than 3 months	(6,624)	-
Less: Bank overdrafts	(226)	(312)
	59,319	62,795

**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**

**Statement of changes in equity for financial period ended 31 January 2016**

	Total equity	Total equity attributable to owners of the Company	Share capital	Retained earnings/ (accumulated losses)	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
As at 1 August 2015	119,669	72,243	35,727	36,599	(12,551)	11,730	738	47,426
Total comprehensive income for the period	1,047	(22)	-	1,809	(1,831)	-	-	1,069
Transfer to statutory reserve fund	-	-	-	(120)	-	-	120	-
Dividends paid	(711)	(491)	-	(491)	-	-	-	(220)
As at 31 January 2016	120,005	71,730	35,727	37,797	(14,382)	11,730	858	48,275
<b>The Company</b>								
As at 1 August 2015	29,864	29,864	35,727	(6,018)	-	155	-	-
Total comprehensive income for the period	513	513	-	513	-	-	-	-
Dividend paid	(491)	(491)	-	(491)	-	-	-	-
As at 31 January 2016	29,886	29,886	35,727	(5,996)	-	155	-	-

**Statement of changes in equity for financial period ended 31 January 2015**

	Total equity	Total equity attributable to owners of the Company	Share capital	Retained earnings/ (accumulated losses)	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
As at 1 August 2014 (as previously reported)	71,750	71,750	35,727	33,841	(9,138)	11,320	-	-
Effects of adoption of new FRS 110	49,045	-	-	(623)	-	-	623	49,045
As at 1 August 2014 (restated)	120,795	71,750	35,727	33,218	(9,138)	11,320	623	49,045
Total comprehensive income for the period	247	(193)	-	1,755	(1,948)	-	-	440
Transfer to statutory reserve fund	-	-	-	(87)	-	-	87	-
Dividend paid to non-controlling interests	(258)	-	-	-	-	-	-	(258)
As at 31 January 2015	120,784	71,557	35,727	34,886	(11,086)	11,320	710	49,227
<b>The Company</b>								
As at 1 August 2014	15,368	15,368	35,727	(20,514)	-	155	-	-
Total comprehensive income for the period	196	196	-	196	-	-	-	-
As at 31 January 2015	15,564	15,564	35,727	(20,318)	-	155	-	-

**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 share capital during the financial period.

The Company did not have any outstanding convertibles as at 31 January 2016 and 31 January 2015.

There were neither treasury shares nor share option outstanding as at 31 January 2016 and 31 January 2015.

**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

<b>Company</b>	
As at 31/1/2016	As at 31/7/2015
122,806,000	122,806,000

The Company did not have any treasury shares.

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

Not applicable.

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

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

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 July 2015, except for those as disclosed in Note 5 on page 9.

**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**

In the current financial period, the Group had adopted all the new/revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 August 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

**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**

Earnings per ordinary share \*

<b>Group</b>	
31/1/2016	31/1/2015
1.47 cents	1.43 cents

\* The basic earnings per share was based on the profit for the period attributable to owners of the Company S\$1,809,000 (2015: S\$1,755,000) and the weighted average number of 122,806,000 (2015: 122,806,000) ordinary shares outstanding during the financial period.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year**

Net asset value per ordinary share attributable to the owners of the Company

<b>Group</b>	
31/1/2016	31/7/2015
58.4 cents	58.8 cents

<b>Company</b>	
31/1/2016	31/7/ 2015
24.3 cents	24.3 cents

**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 statement of comprehensive income

The Group's revenue decreased by S\$6.4 million or 9%, from S\$70.7 million in the previous corresponding period, to S\$64.3 million for the current half year. This decrease was attributed to lower sales in the distribution segment and the translation effect of a weakened Malaysian Ringgit ("MYR") against Singapore Dollars ("SGD"), which impacted revenue in the burn-in, testing and electronic manufacturing services segment.

A fair value loss on held for trading investment securities of S\$0.03 million, was recorded, following lower market valuation of the investments.

Raw materials and consumables used, as well as changes in inventories of finished goods and work-in-progress, decreased by S\$1.9 million or 11%, from S\$16.8 million to S\$14.9 million, mainly due to (i) the translation effect of a weakened MYR against SGD and (ii) lower sales in the distribution segment.

Employee benefits expense was lower by S\$2.7 million or 11%, mainly due to the translation effect of a weakened MYR against SGD.

Depreciation was lower by S\$1.8 million or 15%, from S\$11.6 million to S\$9.9 million, resulting from the translation effect of a weakened MYR against SGD.

Other operating expenses were lower by S\$1.2 million or 10%, primarily due to lower utility costs resulting from the translation effect of a weakened MYR against SGD, by S\$0.8 million, and higher reversal of impairment loss on trade receivables, by S\$0.3 million.

Consequently, the Group reported higher profit before tax of S\$5.3 million, in the current financial period, from S\$3.8 million in the previous corresponding period, representing an increase of S\$1.5 million or 41%.

Review of statement of financial position

Non-current assets decreased by S\$9.2 million, from S\$70.6 million as at 31 July 2015, to S\$61.4 million as at 31 January 2016, mainly due to the depreciation of property, plant and equipment.

Current assets were higher by S\$2.1 million, from S\$105.4 million to S\$107.6 million, primarily because of higher net cash holdings generated mainly from operating and financing activities.

Current liabilities decreased by S\$3.5 million, from S\$38.4 million to S\$34.9 million, largely attributable to lower loans and borrowings of S\$2.9 million, due to repayments.

Non-current liabilities were lower by S\$3.9 million, from S\$18.0 million to S\$14.1 million, following repayment of loans and borrowings.

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

No significant variance.

**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**

World-wide semiconductor revenue was reported at US\$333.7 billion in 2015, representing a decrease of 1.9% from US\$340 billion in 2014. This decline was the result of weakened demand for key electronic equipment, including smartphones and personal computers, high inventory levels and the continued impact of the strong United States dollar, in key markets outside of the United States.

According to International Monetary Fund report in January 2016, the global growth forecast was revised downwards by 0.2% to 3.4% in 2016. The gradual slowdown and rebalancing of the China economy, continued declines in oil prices, falling commodity prices and the fears of currency wars, are likely to weigh on world-wide growth prospects.

The Group will continue to be vigilant in cost controls, and deliver innovative solutions to our customers.

**11. Dividend**

(a) ***Current Financial Period Reported On***

Any dividend declared for the current financial period reported on? No

(b) ***Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) ***Date payable***

Not applicable

(d) ***Books closure date***

Not applicable

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

The directors do not recommend any interim dividend to be paid.

**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**

No IPT mandate had been obtained.

**14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board confirmed to the best of their knowledge that nothing has come to its attention which may render the unaudited interim financial results for the half-year ended 31<sup>st</sup> January 2016 to be false or misleading in any material respect.

On behalf of the Board,

**Samuel Lim Syn Soo**  
**Executive Chairman & CEO**

**Kenneth Tan Teoh Khoon**  
**Executive Director**

**BY ORDER OF THE BOARD**

**Adeline Lim Kim Swan**  
**Company Secretary**  
**Date: 15 March 2016**