

Half Year Financial Statements and Dividend Announcement

The Board of Directors is pleased to make the following announcement of the unaudited results for the Half-Year ended 30 June 2016.

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

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

**Unaudited Consolidated Statement of Comprehensive Income
For the Half-Year ended 30 June 2016**

	Group		Increase (Decrease) (%)
	30 Jun 16 S\$'000	30 Jun 15 S\$'000	
Revenue	11,700	9,693	20.7
Cost of Sales	(9,559)	(8,288)	15.3
Gross Profit	2,141	1,405	52.4
Other items of Income			
Interest Income	36	–	NM
Other Credits	298	35	NM
Other items of Expenses			
Marketing and Distribution Costs	(132)	(212)	(37.7)
Administrative Expenses	(1,667)	(2,050)	(18.7)
Finance Costs	(306)	(189)	61.9
Other Charges	(102)	(580)	NM
Share of results of an Associate	(47)	–	NM
Profit/(Loss) Before Tax	221	(1,591)	NM
Income Tax Expenses	(13)	–	NM
Profit/(Loss), Net of Tax	208	(1,591)	NM
Other Comprehensive Income, Net of Tax:			
Exchange Differences on Translating Foreign Operations, Net of Tax	(668)	362	NM
Total Comprehensive Income	(460)	(1,229)	NM
Profit/(Loss) attributable to:			
Equity Holders of the Company	208	(1,591)	NM
Total Comprehensive Income attributable to:			
Equity Holders of the Company	(460)	(1,229)	NM

NM – denotes not meaningful

Notes to the Consolidated Statement of Comprehensive Income

	Group		Increase (Decrease) (%)
	30 Jun 16	30 Jun 15	
	S\$'000	S\$'000	
Deposit forfeited	–	(34)	NM
Foreign exchange losses	(81)	(519)	(84.4)
(Provision)/Reversal for impairment on trade receivables	(14)	11	NM
Provision for impairment on other receivables	(7)	–	NM
Reversal/(Provision) for slow moving inventories	214	(27)	NM
Reversal for product warranty expense	29	12	141.7
Write back of other payables	35	12	191.7
Others	20	–	NM
Net	196	(545)	NM
<u>Presented in Profit or Loss as :</u>			
Other Credits	298	35	NM
Other Charges	(102)	(580)	NM
Net	196	(545)	NM
Depreciation and amortization	(362)	(87)	316.1

NM – denotes not meaningful

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

	Notes	Group		Company	
		30 Jun 16 S\$'000	31 Dec 15 Audited S\$'000	30 Jun 16 S\$'000	31 Dec 15 Audited S\$'000
ASSETS					
<u>Non-Current Assets:</u>					
Property, Plant and Equipment		6,773	6,757	–	–
Investments in Subsidiaries		–	–	14,404	14,318
Investments in Associates		466	498	–	–
Deferred Tax Assets		166	190	–	–
Other Receivables		45	51	–	–
Total Non-Current Assets		7,450	7,496	14,404	14,318
<u>Current Assets:</u>					
Inventories	1	9,874	14,605	–	–
Trade and Other Receivables		10,726	10,658	510	723
Other Assets		473	559	21	11
Cash and Cash Equivalents		2,187	2,355	50	91
Total Current Assets		23,260	28,177	581	825
Total Assets		30,710	35,673	14,985	15,143
EQUITY AND LIABILITIES					
<u>Equity:</u>					
Share Capital		14,379	14,379	14,379	14,379
Retained Earnings		329	121	406	419
Other Reserves		215	883	–	–
Total Equity		14,923	15,383	14,785	14,798
<u>Non-Current Liabilities:</u>					
Finance Leases		375	115	–	–
Other Financial Liabilities	2	3,350	1,399	–	–
Total Non-Current liabilities		3,725	1,514	–	–
<u>Current Liabilities:</u>					
Provisions		58	88	–	–
Income Tax Payable		–	116	–	–
Trade and Other Payables	3	3,469	5,180	200	345
Finance Leases		154	75	–	–
Other Financial Liabilities	3	8,136	12,394	–	–
Other Liabilities	4	245	923	–	–
Total Current Liabilities		12,062	18,776	200	345
Total Liabilities		15,787	20,290	200	345
Total Equity and Liabilities		30,710	35,673	14,985	15,143

Notes to the Statement of Financial Position

1. The decrease was due to inventories sold.
2. The increase was mainly due to new loans obtained during the period.
3. The decrease was due to repayment during the period.
4. The decrease was mainly due to a decrease in deposit received from overseas customers.

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

Amount repayable in one year or less, or on demand

Group (S\$'000)			
As at 30 Jun 2016		As at 31 Dec 15	
Secured	Unsecured	Secured	Unsecured
3,185	5,105	6,421	6,048

Amount repayable after 1 year

Group (S\$'000)			
As at 30 Jun 2016		As at 31 Dec 15	
Secured	Unsecured	Secured	Unsecured
3,531	194	953	561

Details of any collateral

Secured borrowings are made up of trust receipts, factoring payables, term loans, property and finance leases. The other financial liabilities and finance leases amounted to S\$3,074,000 and S\$529,000 (31 Dec 15: S\$nil and S\$190,000) are secured against the property and leased assets respectively.

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	
	30 Jun 16	30 Jun 15
	S\$'000	S\$'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax	221	(1,591)
Adjustments for:		
Depreciation of Property, Plant and Equipment	363	87
Interest Expense	306	189
Interest Income	(36)	–
Provision/(Reversal) for Impairment on Trade Receivables	14	–
Provision for Impairment on Other Receivables	7	–
(Reversal)/Provision for Slow Moving Inventories	(214)	27
Reversal for Product Warranty Expenses	(29)	(12)
Share of Results of an Associate	47	–
Written Off of Provision Made for Slow Moving Inventories	(93)	–
Written Back of Other Payables	(35)	(12)
Currency Translation differences	(130)	197
Operating Cash Flows before Changes in Working Capital	421	(1,115)
Inventories	4,556	1,653
Trade and Other Receivables	(259)	(445)
Other Assets	79	(114)
Trade and Other Payables	(1,560)	189
Other Liabilities	(662)	480
Provisions	–	2
Net Cash Flows From Operations	2,575	650
Income Taxes Paid	(135)	(102)
Net Cash Flows From Operating Activities (a)	2,440	548
Cash Flows From Investing Activities		
Purchase of Plant and Equipment	(387)	(735)
Interest Received	–	–
Net Cash Flows Used In Investing Activities (b)	(387)	(735)
Cash Flows From Financing Activities		
Proceeds from Borrowings	7,424	8,496
Repayment of Borrowings	(9,181)	(9,052)
Finance Lease Repayments	(78)	(30)
Interest Paid	(306)	(189)
Net Cash Flows Used In Financing Activities (c)	(2,141)	(775)
Net Decrease in Cash and Cash Equivalents	(88)	(962)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(80)	5
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balances	2,355	2,101
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balances (d)	2,187	1,144

Notes to the Consolidated Statement of Cash Flows

- (a) The cash flows from operations were mainly due to inventories sold during the period.
- (b) The cash flows used in investing activities mainly relate to the purchase of plant and equipment.
- (c) The cash flows used in financing activities was mainly due to cash used for repayment of borrowings and finance lease.
- (d) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	30 Jun 16	31 Dec 15
	S\$'000	Audited S\$'000
Cash and cash equivalents	2,187	2,355
Cash and cash equivalents in consolidated statement of cash flows	2,187	2,355

- 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 capitalization 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 – Group

	Attributable to Equity Holders of the Company					Non-Controlling Interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Treasury Shares	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000		
Current Year:							
Opening Balance at 1 Jan 2016	14,767	(388)	883	121	15,383	–	15,383
Total Comprehensive (Loss)/Income for the Year	–	–	(668)	208	(460)	–	(460)
Closing Balance at 30 Jun 2016	14,767	(388)	215	329	14,923	–	14,923
			(a)				
Previous Year:							
Opening Balance at 1 Jan 2015	14,767	(359)	(305)	8,918	23,021	–	23,021
Total Comprehensive Income/(Loss) for the Year	–	–	362	(1,591)	(1,229)	–	(1,229)
Closing Balance at 30 Jun 2015	14,767	(359)	57	7,327	21,792	–	21,792
			(a)				

(a) Unrealised and not available for distribution as cash dividends.

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Statement of Changes in Equity – Company

	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Current Year:				
Opening Balance at 1 Jan 2016	14,767	(388)	419	14,798
Total Comprehensive Loss for the Year	–	–	(13)	(13)
Closing Balance at 30 Jun 2016	<u>14,767</u>	<u>(388)</u>	<u>406</u>	<u>14,785</u>
Previous Year:				
Opening Balance at 1 Jan 2015	14,767	(359)	1,154	15,562
Total Comprehensive Loss for the Year	–	–	(78)	(78)
Closing Balance at 30 Jun 2015	<u>14,767</u>	<u>(359)</u>	<u>1,076</u>	<u>15,484</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or 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 end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in Company's share capital arising from Share Consolidation

	Company	
	30 Jun 16	30 Jun 15 Adjusted
Issued and paid-up share capital	14,767,000	14,767,000
Number of shares excluding treasury shares	33,450,856	33,550,912
Number of shares including treasury shares	34,527,656	34,527,712
Treasury shares	1,076,800	976,800

On 30 October 2015, the Company completed a Share Consolidation of every ten (10) shares (including treasury shares) into one (1) Consolidated Share. The issued share capital of the Company comprises 34,527,656 Consolidated Shares (including 1,076,800 treasury shares), after disregarding fractions shares arising from Share Consolidation.

The Share Consolidation has no impact on the dollar value of the issued and paid-up share capital of the Company. There are no changes to the Company's share capital during the Half-Year ended 30 June 2016.

There are no convertibles as at 30 June 2016.

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 2016 is 33,450,856 shares (30 June 2015: 33,550,912 shares).

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 shares buy-back carried out by the Group or Company relating to sales, transfers, disposal, cancellation and/or use of treasury shares during the Half-Year ended 30 June 2016.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review of Financial Statement(s), or an equivalent standard).

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

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

Not applicable.

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

The above financial information has been prepared using the same accounting policies and methods of computation as presented in the financial statements for the year ended 31 December 2015 except as described in paragraph 5.

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 form and the effect of, the change.

There are no changes in the accounting policies and methods of computation used in the preparation of financial information in this announcement except for the adoption of the respective new or revised Financial Reporting Standards ("FRS") which have no significant impact on the financial position or performance of the Group. Where applicable, the presentation of the financial information has been amended to comply with these standards.

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

	Group	
Earnings per Ordinary Share for the year based on net profit/(loss) attributable to equity holders of the Company:	30 Jun 16 Cents	30 Jun 15 Cents
(I) Based on the weighted average number of ordinary shares in issue (cents)	0.62	(4.74)
(II) On a fully diluted basis (cents)	0.62	(4.74)

On 30 October 2015, the Company completed the Share Consolidation exercise. For illustrative purpose, adjusted basic earnings per share for the comparative figures of the year ended 30 June 2015 are presented to account for the effect of the Share Consolidation. In this presentation, the weighted average number of ordinary shares is reduced by the number of shares that were absorbed into the Consolidated Shares as if the transaction took place at the start of the comparative periods.

Basic earnings per share is calculated on the basis of consolidated profit/(loss) after tax attributable to Equity Holders of the Company of S\$208,000 (30 June 15: S\$1,591,000) and on 33,450,856 (30 June 15: 33,550,912) weighted average ordinary shares in issue during the year under review.

There is no dilution effect in earnings per share as there are no shares under option.

7. Net Asset Value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period on and (b) immediately preceding financial year

	Group		Company	
	30 Jun 16	31 Dec 15 Audited	30 Jun 16	31 Dec 15 Audited
	Cents	Cents	Cents	Cents
Net Asset Value per Ordinary Share based on issued Share Capital at the end of the year (in cents)	44.61	45.99	44.20	44.24

The Group's net asset per ordinary share is calculated based on net assets attributable to Equity Holders of the Company of S\$14,923,000 (31 Dec 15: S\$15,383,000) and the share capital of 33,450,856 (31 Dec 15: 33,450,856) ordinary shares.

The Company's net asset per ordinary share is calculated based on net assets of S\$14,785,000 (31 Dec 15: S\$14,798,000) and the share capital of 33,450,856 (31 Dec 15: 33,450,856) ordinary 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.

Turnover and Profitability

Group revenue for the period ended 30 June 16 ("HY2016") increased by 20.7% to S\$11.7 million. Revenue increased mainly due to an increase in sales from the Singapore segment. Cost of sales increased by 15.3% to S\$9.6 million. Gross profit increased by 52.4% to S\$2.1 million mainly due to higher sales achieved in HY2016.

Marketing and Distribution Costs decreased by 37.7% to S\$0.1 million due mainly to a reduction in marketing related expenses. Administrative Expenses decreased by 18.7% to S\$1.7 million mainly due to a reduction in personnel costs, administrative expenses and other operating expenses. Finance costs increased by 61.9% to S\$0.3 million mainly due to an increase in interest for borrowings.

The foreign exchange loss of \$0.7 million arose from the recognition of translation loss of foreign entities.

The Group registered a net profit after tax of S\$0.2 million for HY2016.

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

Not applicable.

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

The Group foresees FY2016 to be a challenging year due to the continued general global economic slowdown. The Group aims to remain resilient by focusing on our core business and seek to make steady progress in the clean energy business.

11. Dividend

(a) Current Financial Period reported on

None.

(b) Corresponding Period of the immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

No dividend has been declared or recommended during the period under review.

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.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Mason Industries Pte Ltd	592,000	1,180,766

14. 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 confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

15. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the Half-Year ended 30 June 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Benedict Chen Onn Meng
Chief Executive Officer

10 August 2016