



**Half Year Financial Statement And Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS 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.**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH**

	<b>Group</b>		
	<u>31-03-21</u>	<u>31-03-20</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Revenue	33,373	37,190	(10.3)
Cost of sales	(26,360)	(29,768)	(11.4)
Gross profit	7,013	7,422	(5.5)
Other operating income	412	535	(23.0)
Distribution costs	(1,076)	(1,118)	(3.8)
Administrative expenses	(5,013)	(5,158)	(2.8)
Other operating expenses	(834)	(91)	816.5
Finance costs	(260)	(24)	983.3
Profit for the period	242	1,566	(84.5)
Income tax expense	(1,057)	(337)	213.6
<b>(Loss) Profit for the period</b>	<u>(815)</u>	<u>1,229</u>	n.m.
<b>Other comprehensive income:</b>			
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Net fair value gain (loss) on financial assets at FVTOCI	34	(37)	n.m.
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange difference arising on translation of foreign operations	352	561	(37.3)
Other comprehensive income for the period, net of tax	386	524	(26.3)
<b>Total comprehensive income for the period</b>	<u>(429)</u>	<u>1,753</u>	(124.5)

**Note:**

In addition to the charges and credits disclosed above, the following items have also been credited (charged) to the statement of comprehensive income:

	<b>Group</b>		
	<u>31-03-21</u>	<u>31-03-20</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Other income - interest income	86	320	(73.1)
- others	326	205	59.0
Depreciation of property, plant and equipment	(407)	(406)	0.2
Depreciation of right-of-use assets	(307)	(365)	(15.9)
(Allowance for) Reversal of inventory obsolescence	(16)	141	n.m.
Foreign exchange loss	(742)	(74)	902.7
Under provision of tax in respect of prior years	(514)	-	100.0
Gain on disposal of investments, properties, and/or plant and equipment	-	10	(100.0)

n.m. denotes not meaningful

**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.**

**STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	<u>31-03-21</u>	<u>30-09-20</u>	<u>31-03-21</u>	<u>30-09-20</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	48,376	43,184	20,232	24,915
Trade receivables	15,989	33,137	98	-
Other receivables	906	1,134	462	555
Inventories	16,280	17,325	-	-
Total current assets	<u>81,551</u>	<u>94,780</u>	<u>20,792</u>	<u>25,470</u>
<b>Non-current assets</b>				
Property, plant and equipment	5,439	5,597	-	-
Right-of-use assets	1,259	1,718	-	-
Investments in subsidiaries	-	-	19,514	19,514
Investment in associate	526	525	-	-
Financial assets at fair value through other comprehensive income	489	454	120	84
Deferred tax assets	403	397	-	-
Total non-current assets	<u>8,116</u>	<u>8,691</u>	<u>19,634</u>	<u>19,598</u>
<b>Total assets</b>	<b><u>89,667</u></b>	<b><u>103,471</u></b>	<b><u>40,426</u></b>	<b><u>45,068</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	10,063	16,525	28	22
Other payables	1,636	3,082	320	642
Lease liabilities	134	593	-	-
Income tax payable	917	1,727	30	55
Total current liabilities	<u>12,750</u>	<u>21,927</u>	<u>378</u>	<u>719</u>
<b>Non-current liabilities</b>				
Lease liabilities	6	8	-	-
Deferred tax liabilities	36	36	-	-
Total non-current liabilities	<u>42</u>	<u>44</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>				
Share capital	36,991	36,991	36,991	36,991
Currency translation reserve	516	164	-	-
Capital reserve	909	642	-	-
Investment revaluation reserve	(580)	(614)	29	(5)
Accumulated profits	39,039	44,317	3,028	7,363
Equity attributable to equity holders of the Company, representing total equity	<u>76,875</u>	<u>81,500</u>	<u>40,048</u>	<u>44,349</u>
<b>Total liabilities and equity</b>	<b><u>89,667</u></b>	<b><u>103,471</u></b>	<b><u>40,426</u></b>	<b><u>45,068</u></b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****(a) Amount repayable in one year or less, or on demand**

As at March 31, 2021		As at September 30, 2020	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	134*	Nil	593*

**(b) Amount repayable after one year**

As at March 31, 2021		As at September 30, 2020	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	6*	Nil	8*

\* Being lease liabilities on right-of-use assets arising upon adoption of SFRS(I)16.

**(c) Details of any collaterals**

Approximately \$163,000 (FY2020: \$163,000) of the Group's fixed deposits are pledged to a bank in return for facilities granted.

**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.****CONSOLIDATED STATEMENT OF CASH FLOWS**

Period ended:	<u>31-03-21</u>	<u>31-03-20</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Operating activities</b>		
Profit before tax	242	1,566
Adjustments for:		
Depreciation of property, plant and equipment	407	406
Depreciation of right-of-use assets	307	365
Interest income	(86)	(320)
Dividend income	(2)	-
Finance costs	260	-
Gain on disposal of property, plant and equipment	-	(10)
Property, plant and equipment written off	-	2
Allowance for (Reversal of) inventory obsolescence (net)	16	(141)
Operating profit before movements in working capital	1,144	1,868
Trade receivables	17,190	11,866
Other receivables	243	(451)
Inventories	1,218	5,105
Trade payables	(6,520)	(4,641)
Other payables	(1,417)	(890)
Cash from operations	11,858	12,857
Interest received	86	320
Interest paid	(260)	(24)
Income tax paid	(1,867)	(714)
Net cash from operating activities	9,817	12,439

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.**

**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**

<b>Period ended:</b>	<b><u>31-03-21</u></b>	<b><u>31-03-20</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Investing activities</b>		
Dividend received from associate	-	112
Dividend received from equity instruments held at FVTOCI	2	-
Proceeds from disposal of equity instruments held at FVTOCI	-	428
Proceeds from disposal of property, plant and equipment	-	14
Purchase of property, plant and equipment	(156)	(220)
Purchase of equity instruments held at FVTOCI	-	(89)
Net cash (used in) from investing activities	<u>(154)</u>	<u>245</u>
<b>Financing activities</b>		
Dividends paid	(4,196)	(5,035)
Fixed deposits and bank balances pledged	-	1
Repayment of lease liabilities	(296)	(331)
Net cash used in financing activities	<u>(4,492)</u>	<u>(5,365)</u>
Net increase in cash and cash equivalents	5,171	7,319
Cash and cash equivalents at beginning of period	43,021	41,298
Net effect of foreign exchange rate changes	21	(1,228)
<b>Cash and cash equivalents at end of period</b>	<b><u>48,213</u></b>	<b><u>47,389</u></b>
<b>Cash and cash equivalents represent:</b>		
Cash and bank balances	13,804	13,881
Fixed deposits	34,572	33,673
	<u>48,376</u>	<u>47,554</u>
Less: Fixed deposits and bank balances pledged	(163)	(165)
	<u>48,213</u>	<u>47,389</u>

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

	<u>Share capital</u>	<u>Currency translation reserve</u>	<u>Capital reserve</u>	<u>Investment revaluation deficit</u>	<u>Accumulated profits</u>	<u>Total attributable to equity holders of the Company</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>GROUP</b>						
Balance at October 1, 2019	36,991	365	501	(171)	45,942	83,628
Total comprehensive income for the period						
Profit for the period	-	-	-	-	1,229	1,229
Other comprehensive income for the period	-	561	-	(37)	-	524
Total	-	561	-	(37)	1,229	1,753
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(5,035)	(5,035)
Transfer to reserve fund	-	-	149	-	(149)	-
Total	-	-	149	-	(5,184)	(5,035)
Transfer of investment revaluation reserve of equity instrument at FVTOCI upon disposal	-	-	-	85	(85)	-
Balance at March 31, 2020	36,991	926	650	(123)	41,902	80,346
Balance at October 1, 2020	36,991	164	642	(614)	44,317	81,500
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(815)	(815)
Other comprehensive income for the period	-	352	-	34	-	386
Total	-	352	-	34	(815)	(429)
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(4,196)	(4,196)
Transfer to reserve fund	-	-	267	-	(267)	-
Total	-	-	267	-	(4,463)	(4,196)
<b>Balance at March 31, 2021</b>	<b>36,991</b>	<b>516</b>	<b>909</b>	<b>(580)</b>	<b>39,039</b>	<b>76,875</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.**

**STATEMENTS OF CHANGES IN EQUITY (Continued)**

	<u>Share capital</u> \$'000	<u>Investment revaluation deficit</u> \$'000	<u>Accumulated profits</u> \$'000	<u>Total</u> \$'000
<b>COMPANY</b>				
Balance at October 1, 2019	36,991	(179)	10,100	46,912
Total comprehensive income for the period				
Profit for the period	-	-	401	401
Other comprehensive income for the period	-	(37)	-	(37)
Total	-	(37)	401	364
Dividends, representing transaction with owners, recognised directly in equity	-	-	(5,035)	(5,035)
Transfer of investment revaluation reserve of equity instrument at FVTOCI upon disposal	-	85	(85)	-
Balance at March 31, 2020	<u>36,991</u>	<u>(131)</u>	<u>5,381</u>	<u>42,241</u>
Balance at October 1, 2020	36,991	(5)	7,363	44,349
Total comprehensive income for the period				
Loss for the period	-	-	(139)	(139)
Other comprehensive income for the period	-	34	-	34
Total	-	34	(139)	(105)
Dividends, representing transaction with owners, recognised directly in equity	-	-	(4,196)	(4,196)
<b>Balance at March 31, 2021</b>	<u><b>36,991</b></u>	<u><b>29</b></u>	<u><b>3,028</b></u>	<u><b>40,048</b></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 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 of the issuer, 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 since the end of the previous period reported on.

There are no 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.

There were no treasury shares held as at March 31, 2021 and as at March 31, 2020.

	As at March 31, 2021	As at March 31, 2020
Number of issued shares excluding treasury shares	83,916,757	83,916,757

**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 financial year.**

	As at March 31, 2021	As at September 30, 2020
Number of issued shares excluding treasury shares	83,916,757	83,916,757

The Company did not have any treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

**1(d)(v) 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 as at the end of 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 or reviewed by our auditors.

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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 paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current period reported on as those used in the most recently audited financial statements for the financial year ended September 30, 2020.

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 has adopted all the new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) pronouncements that are relevant to its operations. The adoption of new/revised SFRS(I) pronouncements does not result in changes to the Group and Company’s accounting policies and has no material financial effect on the amounts reported for the current financial period.

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.**

	Half-year ended March 31, 2021	Half-year ended March 31, 2020
(Loss) Earnings per ordinary share of the Group after deducting any provision for preference dividends:		
(a) Based on the weighted average number of ordinary shares on issue	(1.0 cent)	1.5 cents
Number of ordinary shares	83,916,757	83,916,757
(b) On a fully diluted basis	(1.0 cent)	1.5 cents
Adjusted number of ordinary shares	83,916,757	83,916,757

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 period reported on and (b) immediately preceding financial year.**

	Group	Company
Net asset value per ordinary share based on issued share capital as at the end of the:		
(a) Current period reported on (March 31, 2021)	91.6 cents	47.7 cents
(b) Immediately preceding financial year (September 30, 2020)	97.1 cents	52.8 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.**

#### **Statement of Comprehensive Income**

For the half-year ended March 31, 2021, the Group recorded revenue, profit before tax, and loss after tax of \$33.4m, \$0.2m, and \$0.8m respectively.

Revenue declined by \$3.8m or 10.3% compared to the same period last year due mainly to lower demand from the Group's Contract Manufacturing customers. Gross profit fell by \$0.4m to \$7.0m in this period due mainly to the lower sales.

Other operating expenses rose by \$0.7m due to higher foreign exchange loss arising from the revaluation of monetary items denominated in foreign currencies.

Finance costs rose by \$0.2m due mainly to one-time interest charges incurred on additional taxes arising on the Group's China subsidiary pursuant to a transfer pricing review in respect of prior years. Income tax expense rose due mainly to the additional taxes paid pursuant to this transfer pricing review.

As a result of the above, the Group reported a loss after tax of \$0.8m for the current reporting period.

#### **Statement of Financial Position**

Trade receivables declined \$17.1m due to collections from customers and lower sales.

Trade payables declined \$6.5m due to payments to suppliers.

Cash and bank balances rose by \$5.2m compared to the end of the previous financial year due mainly to collections from customers, offset partially by payments to suppliers. The bulk of the cash and bank balances are maintained with reputable financial institutions in Singapore.

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 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.**

Although Covid-19 vaccinations are on-going in many countries worldwide, there is still no certainty on when the pandemic will end and normal business activities can fully resume. The Group remains concerned about the possibility of a full or partial lockdown in future affecting the Group's operations and results. Thus, the Group has continued to strictly enforce safety measures such as social distancing, mask-wearing, and frequent sanitization etc on its premises to minimize the risks and spread of possible infections, and also stepped up on measures to enhance its ability to manage possible disruptions to its operations.

Foreign exchange rates still remain volatile. As the Group has sales denominated in the United States Dollar, any weakening of the United States Dollar will have an adverse impact on the Group to the extent that the revenue is not matched by costs denominated in the United States Dollar.

The Group continues to face intense pressures from customers for lower pricing on its products, as well as cost pressures in China and Malaysia, where its manufacturing operations are based in. The Group continuously monitors its activities to enforce stringent control of its costs and to identify opportunities to streamline operations for better efficiencies and operational excellence.

High costs and long lead times for raw materials also present challenges to the Group, and the Group actively liaises with both its customers and suppliers to better manage its costs and supply chain. The global chip shortage has started to cause longer lead times and higher costs for some of the components that the Group is purchasing, and the Group's margin in future may be affected if it is not able to pass on the higher costs to its customers.

**11. If a decision regarding dividend has been made:-**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**
- (b)(i) Amount per share ..... cents**
- (b)(ii) Previous corresponding period ..... cents**
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated).**

The directors are pleased to declare as follows:

<b>Current period reported on:</b>		
Type of dividend	Interim	Special
Amount per share	2.0 cents	Nil
Tax rate	One-tier tax exempt	One-tier tax exempt
<b>Corresponding period of previous financial year:</b>		
Type of dividend	Interim	Special
Amount per share	2.0 cents	1.0 cent
Tax rate	One-tier tax exempt	One-tier tax exempt

**(d) The date the dividend is payable.**

The dividend will be paid on June 11, 2021.

**(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

May 28, 2021.

- 12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

- 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 has been obtained.

- 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 has obtained undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1).

**BY ORDER OF THE BOARD**

**Ms Tan Meng Siew**  
**Company Secretary**  
**May 12, 2021**

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the half year ended March 31, 2021 to be false or misleading.

For and on behalf of the Board of Directors:

**Tan Koon Chwee**  
Managing Director

**Tan Kong Leong**  
Executive Director