



Q1FY18 Results Presentation

Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 11 August 2017.

Important Notice

This presentation contains forward-looking statements which can be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. Such statements may include comments on industry, business or market trends, projections, forecasts, and plans and objectives of management for future operations and operating and financial performance, as well as any related assumptions.

Readers of this presentation should understand that these statements are not historical facts or guarantees of future performance but instead represent only the Company's belief at the time the statements were made regarding future events, which are subject to significant risks, uncertainties and other factors, many of which are outside of the Company's control. Actual results and outcomes may differ materially from what is expressed or implied in such forward-looking statements.

The Company cautions readers not to place undue reliance on any forward-looking statements included in this presentation, which speak only as of the date made; and should any of the events anticipated by the forward-looking statements transpire or occur, the Company makes no assurances on what benefits, if any, the Company will derive therefrom.

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Corporate Profile

At a Glance

- Electronic Manufacturing Services (“EMS”) player established in 1992 in Hong Kong
- Listed on Main Board of SGX on 28 March 2007
- Production facilities in Daya Bay & Danshui Town, Guangdong, PRC (60 minutes from Shenzhen)
- Auditors: PricewaterhouseCoopers

Integrated EMS Provider

- Engineering Design & Development
- Product Design & Deployment
- Plastic Injection Moulding
- Tool Design and Tool Fabrication
- Metal Stamping & Machining
- Printed Circuit Box Assembly and Box Build Assembly
- Supply Chain Management

Accreditations

ISO9001:2008, ISO14001:2004, ISO013485: 2003

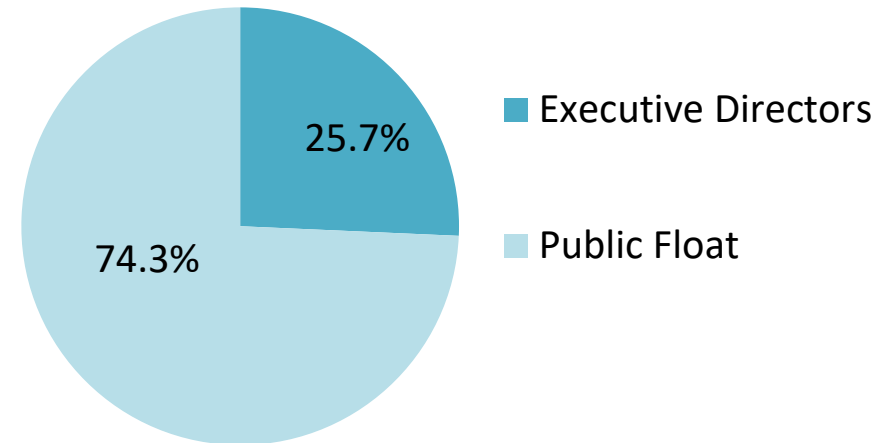
TL9000 R5.5, TS16949: 2009, IPC J-STD-001

IPC-A-610 QML Class 3

Employees

- As at 30 June 2017, around 4,000

Shareholding



Bloomberg Code	VALUE.SP
Reuters Code	VLUE.SI
ISIN Code	BN2
Issued shares (M)	423.8
Mkt cap (SG\$M) (4 Aug 2017)	349.7
Share price (SG cent) (4 Aug 2017)	82.5
Avg volume 3-mth ('000)	2,097
52 wk range (S\$) (4 Aug 2017)	0.45 – 0.88

Business Model

Value Add

A Premier Design and Manufacturing Partner

Integrated Manufacturing Services

- SMT
- Wire bonding
- FG assembly
- Metal part machining
- Injection molding
- Tool design & fabrication

Engaging in Customers Value Chain







- Design for manufacturing
- Design & build test fixtures
- Rapid prototyping
- Regulatory compliances
- Supply chain management services

Design & Development

- Mechanical & electrical engineering design from concept to mass production
- Better manufacturability with enhanced features & lower cost
- Software development
- Industrial design

Proactive deployment of Design & Development capabilities

Key Milestones

1992	2002	2003	2005	2007	2008
Headquartered in Hong Kong with manufacturing facilities in Danshui Town PRC	Use of ROHS equipment and accredited with TL9000	Adopted work cell management & updated to ISO9001:2000	Became Philips preferred supplier for its consumer lifestyle segment	Listed on SGX-Mainboard & commenced construction for Daya Bay Facility	Became Phillips preferred supplier for its Lighting segment
					

2008	2009	2012	2014	2015	2017
Completed Phase 1 construction of Daya Bay Facility	Opened Daya Bay Facility, acquired medical business	Celebrated 20 th anniversary with revenue crossing HK\$2 billion	Adoption of formal dividend policy	Received TS16949 certification	Received 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi
					

Daya Bay Facility – Bird's-Eye View

- Land use rights acquired in 2006
- Total site area > 110,000 sq m



Customer & Product Portfolio

**Industrial & Commercial
Electronics**

Consumer Electronics

- **Ability to accommodate customers requirement for various volume, mix and complexity**
- Customer base ranged from emerging enterprises in Northern American (low-volume complex custom product) to top global Multi-National Corporations (high-volume standards product)



Industrial & Commercial Electronics

Printers

Nasdaq-listed Company



Transaction Printer for Slot, POS & Teller Station Machines

Temperature Sensing Devices

Unit of a NYSE-listed MNC



Cold Chain Temperature Monitor for Industrial & Commercial Use

Global Brand owned by NYSE-listed MNC



Thermal Label Printer for Industrial & Commercial Use

Company owned by a UK PE Fund



Electronic Thermostats

Industrial & Commercial Electronics (Cont'd)

Communication Products

Toronto-listed Company



Taiwan-listed Company



Company Based in North America



High Precision GPS for Industrial Use



Industrial & Commercial Electronics (Cont'd)

Electronic Products for Automotive Industry

Tier 1 Automotive System Manufacturer

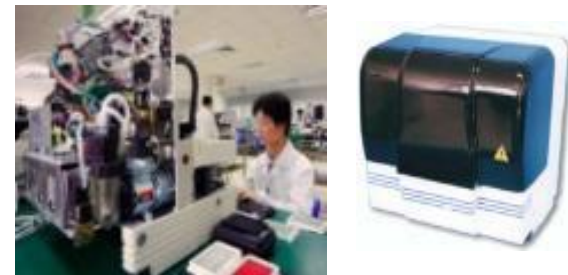


Data and media connectivity module

Others



Access Card Readers

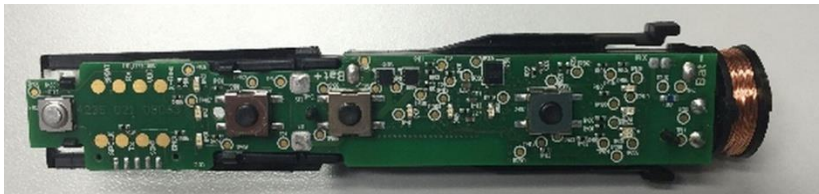
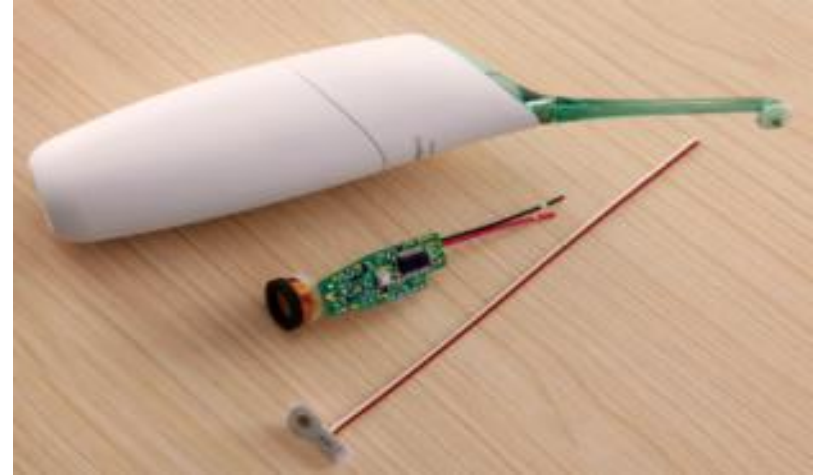


In-vitro Diagnostic Medical Equipment for Testing Human Tissue Samples

Consumer Electronics

Consumer Lifestyle Products

Consumer Lifestyle Division of a Dutch MNC



PCBA for Shavers & Electric Toothbrushes for Consumer Use



Subsidiary of Homax Group
(Wholly-owned by PE firm)

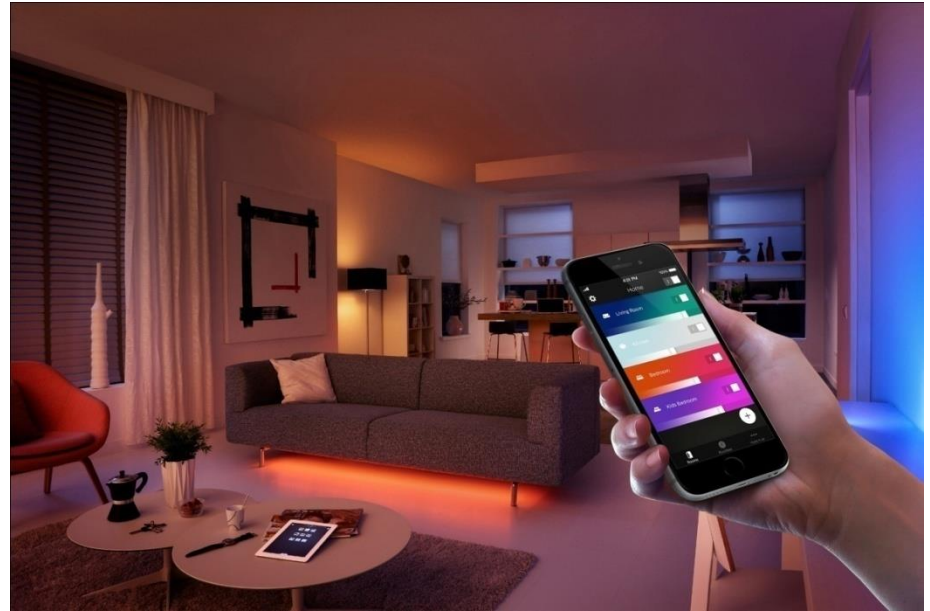
15W and 40W Bug Zappers



Consumer Electronics (Cont'd)

Smart Lighting with IOT Features

Lighting Division of a Dutch MNC



**Wireless lighting contain various LED specially chosen to produce wide range of intensities and over 16 million colours;
Wirelessly controlled by mobile application**



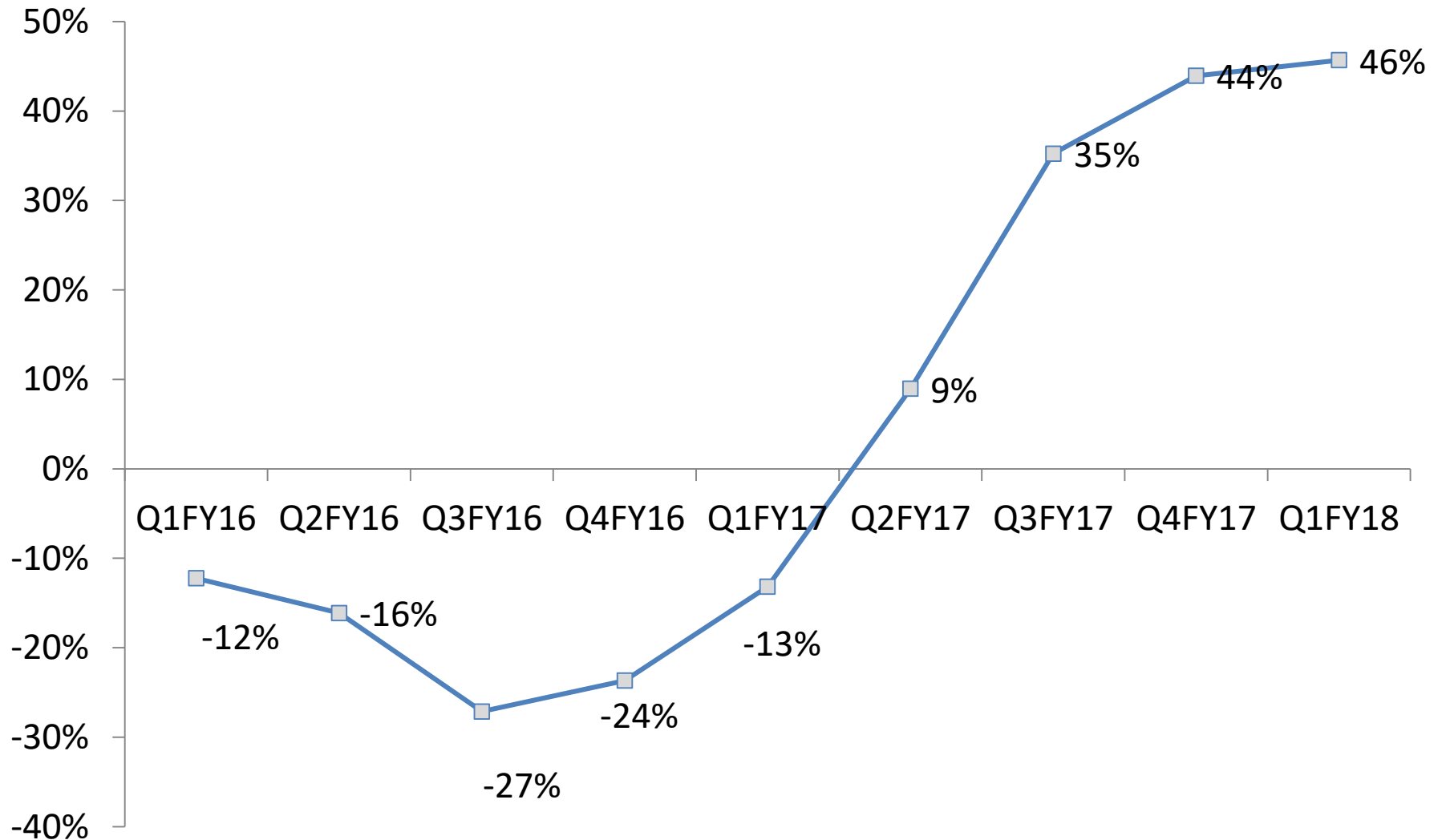
Q1FY18 Financial Highlights

Financial Highlights

HK\$'M	Q1 FY2018	Q1 FY2017	% Change
Revenue	695.7	477.5	45.7
Gross Profit	104.3	76.6	36.2
Gross Profit Margin	15.0%	16.0%	-1.0% pt
Net Profit for the period	48.7	29.6	64.8
Net Profit Margin	7.0%	6.2%	0.8% pt

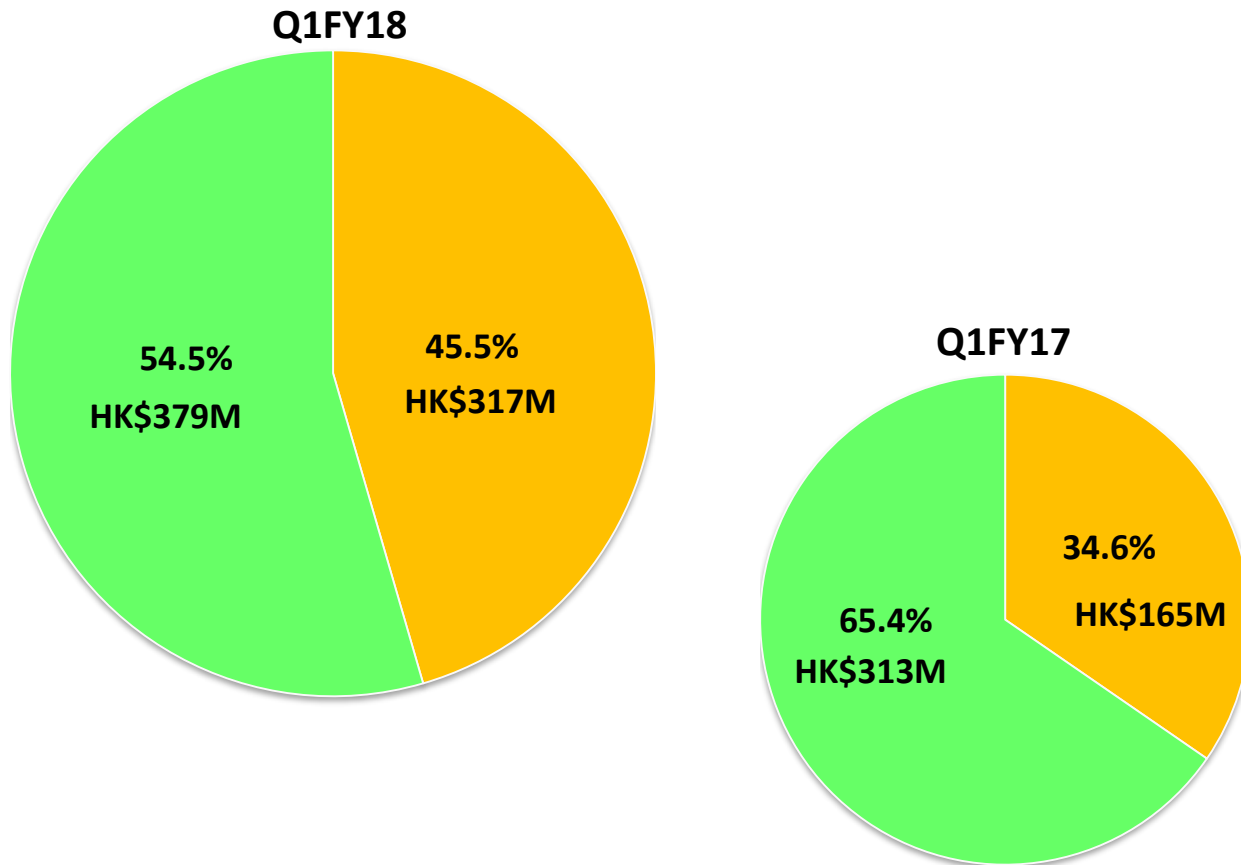
Return to Revenue Growth%

Comparable sales growth%



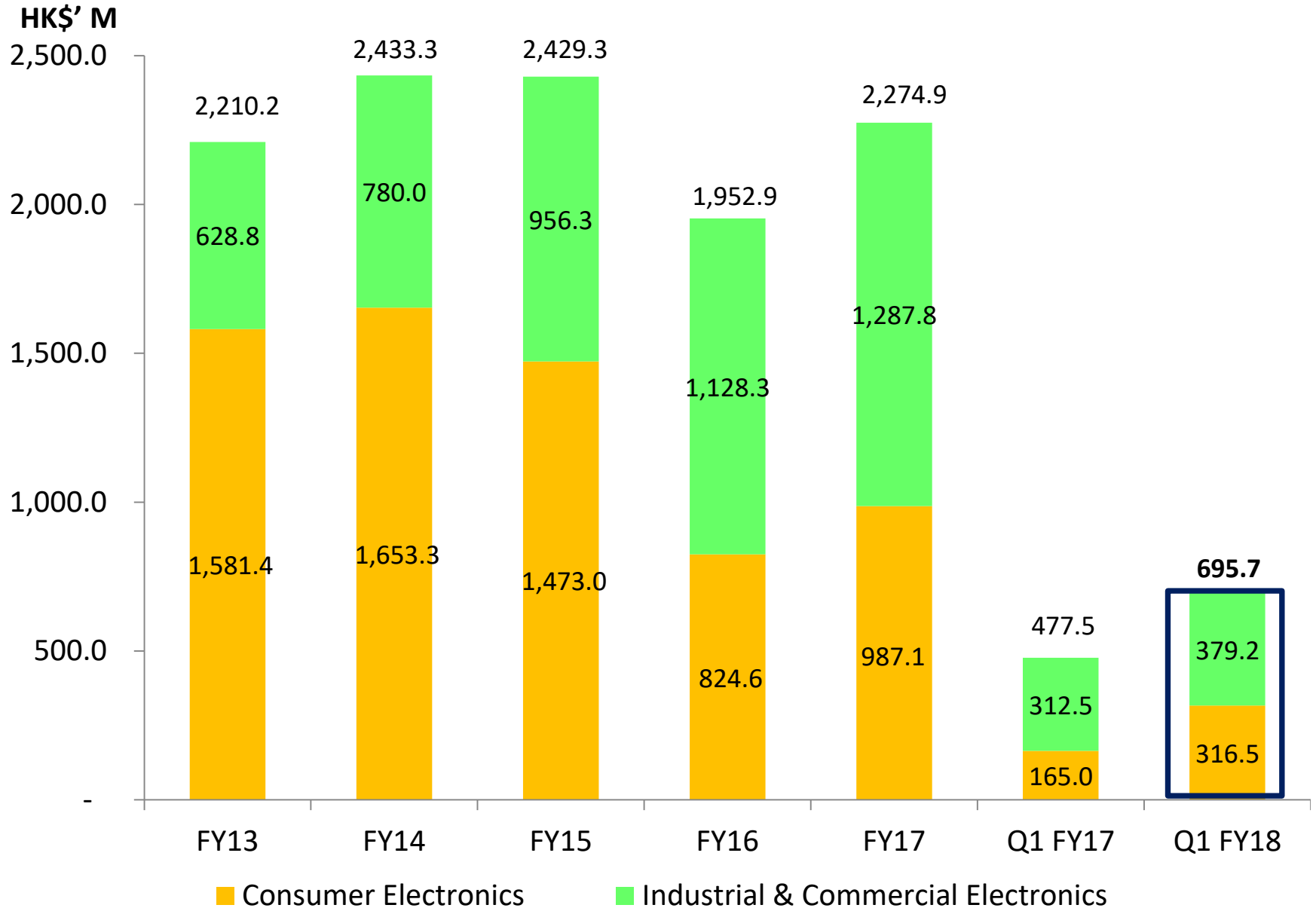
Financial Highlights

Revenue Contribution



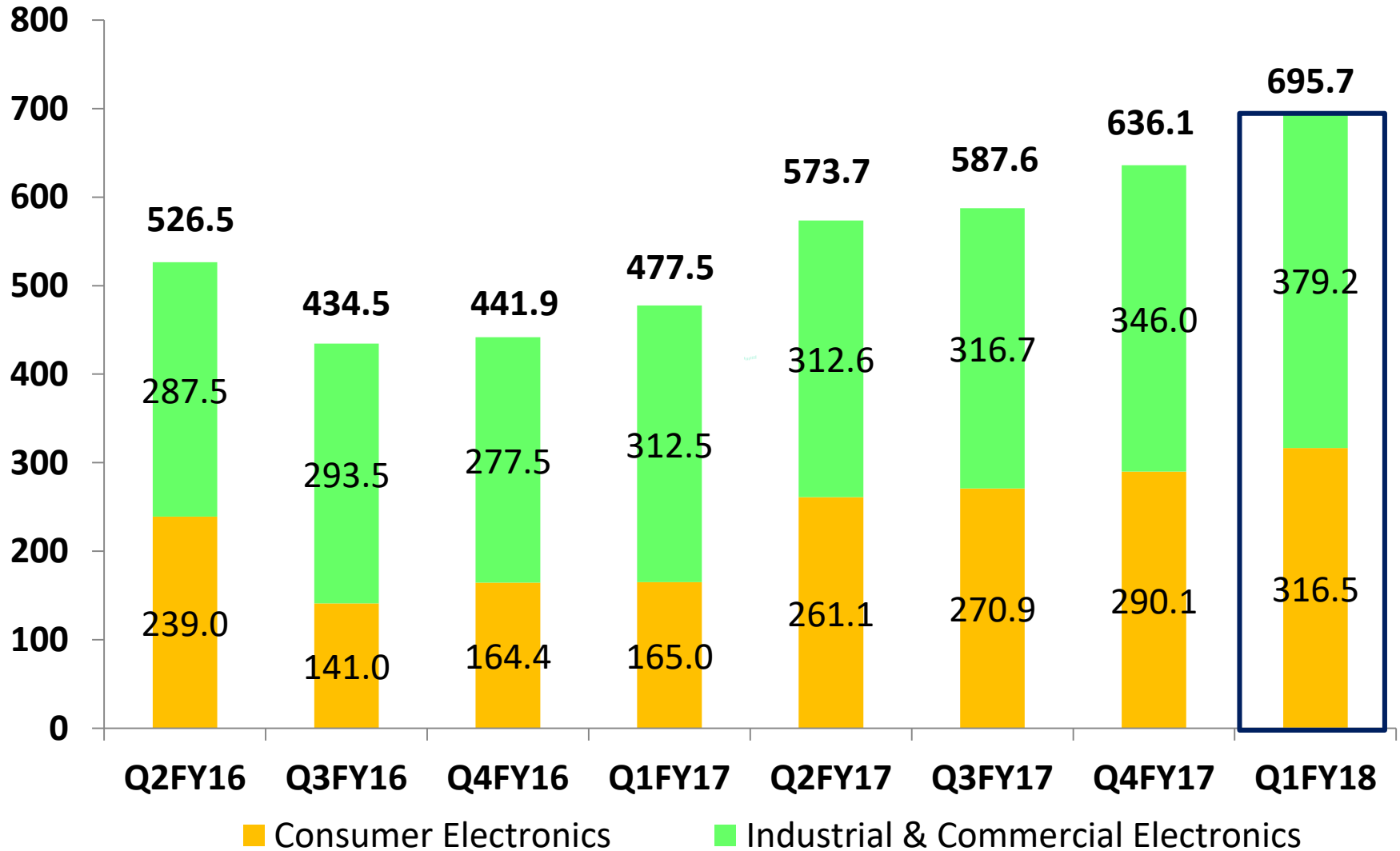
- Industrial and Commercial Electronics
- Consumer Electronics

Revenue Trend

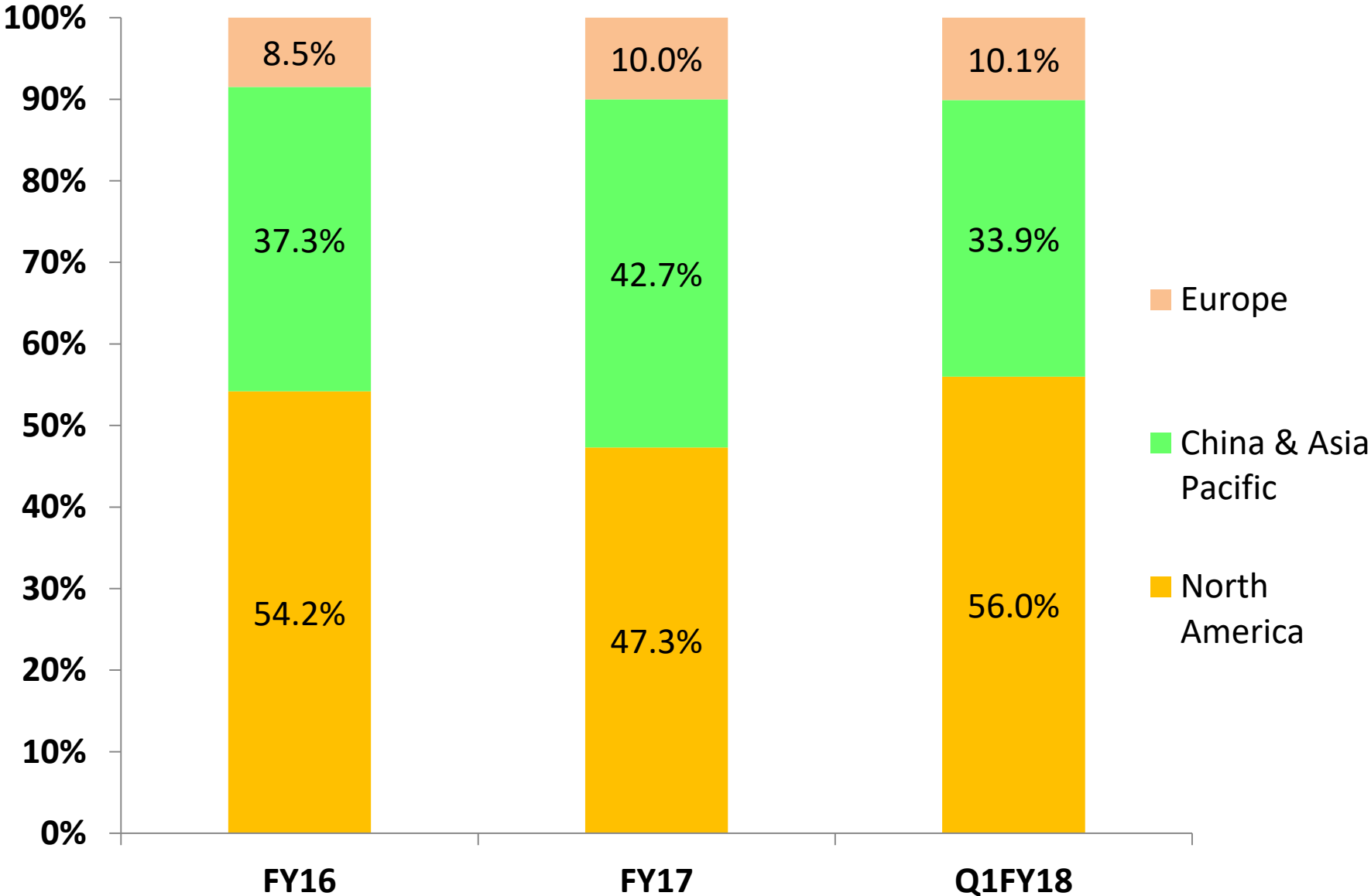


Quarterly Revenue

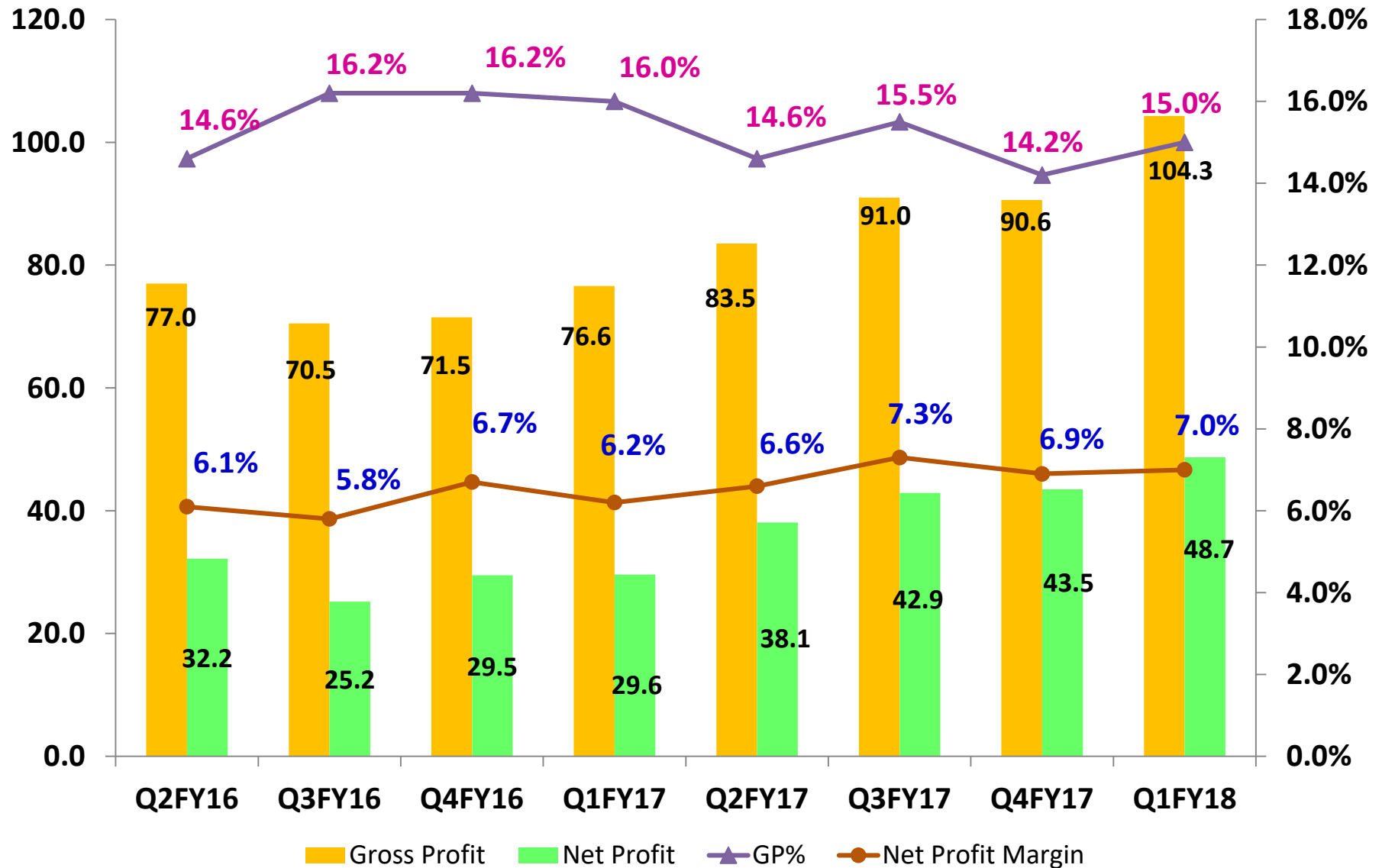
HK\$' M



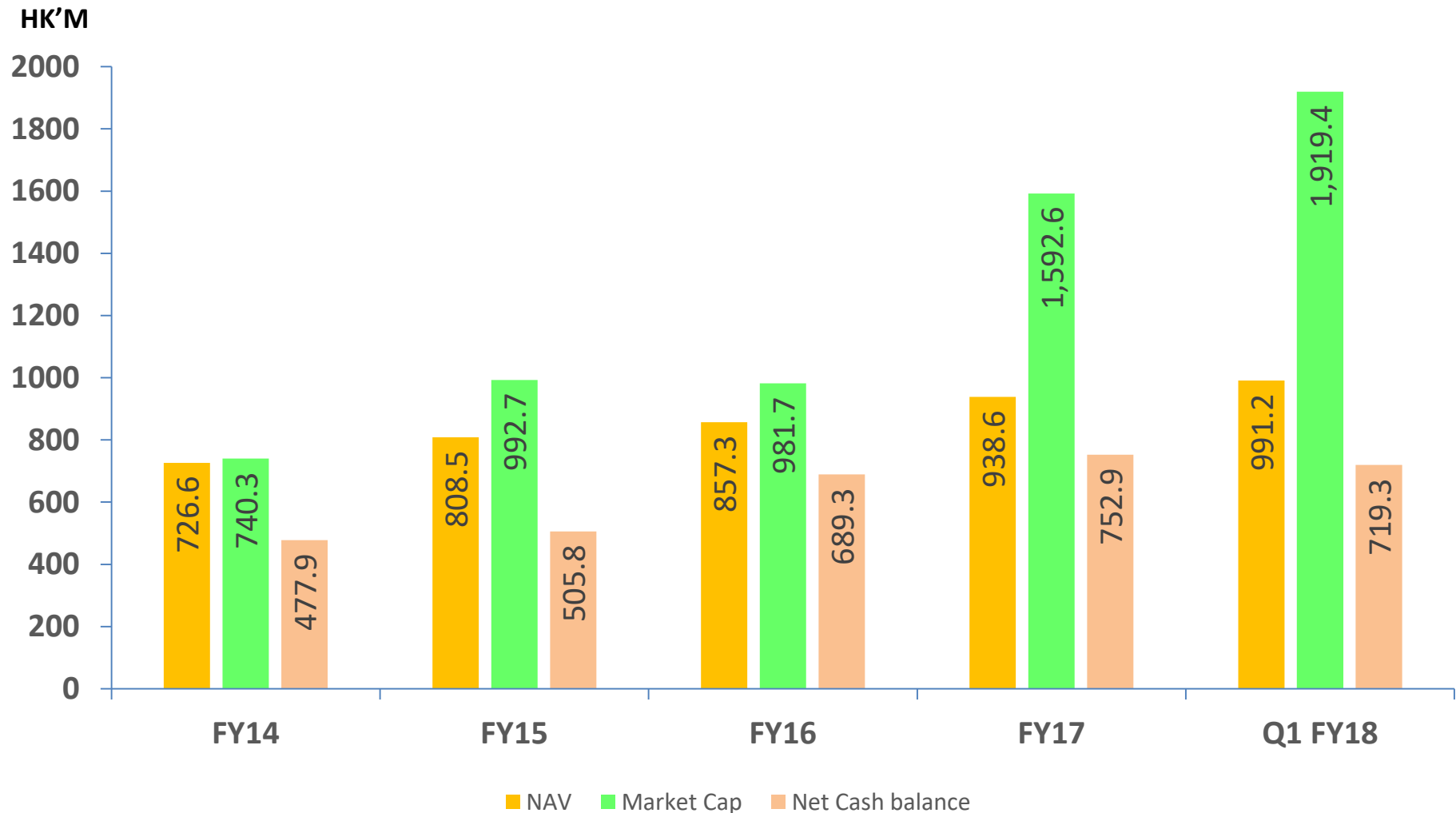
Revenue by Shipment Destination



Gross Profit & Net Profit Trend

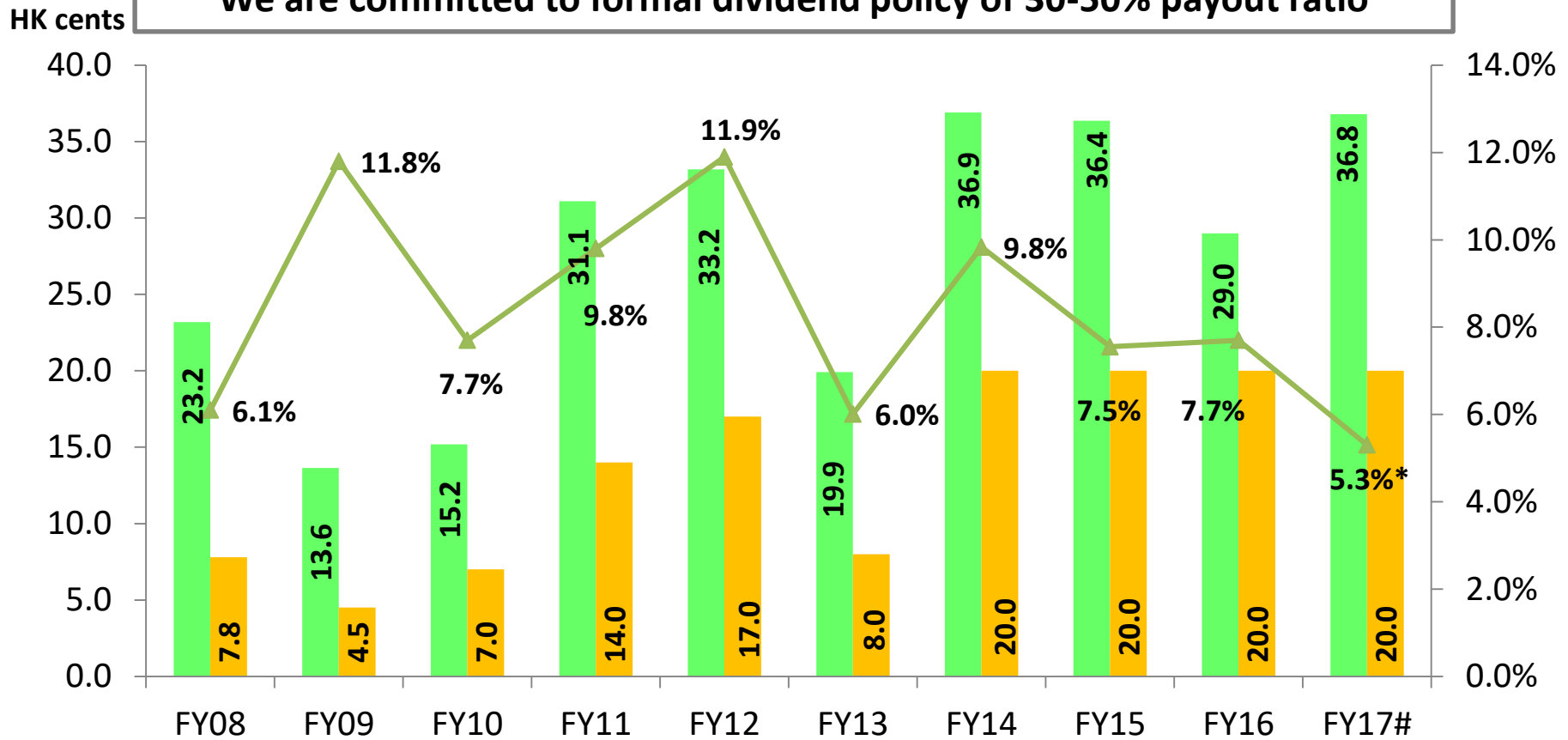


Market Capitalisation & Net Cash Balance



Earnings Per Share & Dividends Per Share

We are committed to formal dividend policy of 30-50% payout ratio



Share Price* (\$S)	0.21	0.07	0.15	0.21	0.21	0.19	0.30	0.43	0.41	0.68
Dividend Payout	30%	30%	42%	41%	47%	37%	49%	50%	63%	55% *

■ EPS *
 ■ Dividend per share
 ◆ Dividend Yield

* Adjusted for 1:10 bonus issue

Quantum of dividend has increased by 10% under 1:10 bonus issue

Summary of Cash Flows

HK\$'000	Q1FY18	Q1FY17
Operating Activities		
Net cash generated from operating activities	22,907	47,565
Investing Activities		
Net cash (used in)/generated from investing activities	(58,219)	8,326
Financing Activities		
Net cash generated from financing activities	2,086	-
Net (decrease)/increase in cash and cash equivalents	(33,226)	55,891
Effect of foreign exchange rate changes	(382)	(212)
Cash and Cash equivalents		
At beginning of the period	752,941	689,260
At end of the period	719,333	744,939

Balance Sheet & Key Ratios

HK\$'M	Q1 FY18	FY2017
Working capital		
Inventories	358.1	291.9
Trade Receivables	562.6	486.3
Trade Payables	(570.1)	(484.7)
	350.6	293.5
Net Current Assets	727.8	734.0
Net Cash	719.3	752.9
Net Assets	991.2	938.6

Turnover Days	Q1 FY18	FY2017
Inventory	55.3	55.1
Trade Receivables	73.8	78.0
Trade Payables	(88.0)	(91.5)
	41.1	41.6

Key Financial Ratios

	Q1 FY18	FY2017
Price (SGD) #	0.80	0.745
NAV per share (SGD)*	0.42	0.40*
Cash per share (SGD)*	0.30	0.32*
Cash to Mkt Cap ratio	37%	47%

	Q1 FY18	FY2017
Current ratio	1.7	1.8
ROE	19.7%	16.4%
ROA	9.8%	8.5%
PB ratio	1.92	1.68

Share price as at respective period or year end date

*Restated/adjusted based on 1:10 bonus issue

SGD/HKD Ex rate:

Q1 FY2018: 5.66;

FY2017: 5.56;

Business Outlook

Overview

- Strong performance across all segments in Q1
- Revenue increased by 45.7%
- Profit attributable to owners of the Company rose 64.8%

Capturing CE opportunities

- Strong growth in Q1 mainly driven by the smart LED lighting products with IOT features
- Remains optimistic on the growth prospects of the smart LED lighting product as IOT devices are gaining more popularity

Capturing ICE opportunities

- Growth driven by in-car connectivity modules used in the automotive industry and printers
- Recently qualified by another automaker or served by an existing automotive customer

Business Outlook

Corporate strategy & Macro environment

- Ride on successful penetration into the automotive industry to pursue further opportunities in this industry and expand product portfolio and customer base
- Like most manufacturers, operating in an uncertain macro-economic environment
- Be mindful of the possible business impact such as fluctuations in raw material price and lead time in procurement

Reader should refer to section 10 of the Results Announcements for the complete 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.