

Half Year Financial Statement And Dividend Announcement for the period ended 30 September 2017
These figures have not been audited.

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF-YEAR RESULTS

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

Statement of Comprehensive Income

	<u>GROUP</u>		
	1HFY2018 (01.04.17 to 30.09.17) S\$'000	1HFY2017 (01.04.16 to 30.09.16) S\$'000	Increase/ (Decrease) %
Revenue	7,875	7,766	1
Cost of sales (Note 1)	<u>(3,831)</u>	<u>(4,198)</u>	(9)
Gross profit	4,044	3,568	13
Other items of income			
Property income (gross)	607	717	(15)
Property expenses (Note 2)	(350)	(367)	(5)
Profit from property	257	350	(27)
Dividend income	354	323	10
Interest income	123	109	13
Other gains (Note 3)	310	21	N.M
Other items of expenses			
Marketing and distribution costs	(635)	(687)	(8)
Administration expenses (Note 4)	(1,017)	(1,019)	-
Other operating expenses (Note 5)	(5)	(6)	(17)
Other losses (Note 6)	(388)	(70)	N.M
Profit before tax from continuing operations	3,043	2,589	18
Income tax expense	(547)	(281)	95
Profits from continuing operations, net of tax	2,496	2,308	8
Other comprehensive income :			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	12	(27)	N.M
Fair value adjustment on available-for-sale financial assets, net of tax	2,971	285	N.M
Total other comprehensive income, net of tax	2,983	258	N.M
Total comprehensive income	<u>5,479</u>	<u>2,566</u>	<u>N.M</u>
Profit attributable to parent, net of tax	<u>2,496</u>	<u>2,308</u>	<u>8</u>
Total comprehensive income attributable to parent	<u>5,479</u>	<u>2,566</u>	<u>N.M</u>
Note 1			
-Included in cost of sales are			
Write-back / (allowance) for slow moving inventories	238	(53)	N.M
Depreciation	(110)	(101)	9
Note 2			
Property expenses :			
Building maintenance expenses	(204)	(197)	4
Depreciation of investment property	(110)	(121)	(9)
Utilities , property tax and others	(36)	(49)	(27)
	<u>(350)</u>	<u>(367)</u>	<u>(5)</u>
Note 3			
-Included in other gains are:			
Write back of allowance for doubtful debt	250	-	N.M
Gain on disposal of plant and equipment	8	-	N.M
Temporary Employment Credit	4	8	(50)
Sundry income	48	13	N.M
	<u>310</u>	<u>21</u>	<u>N.M</u>
Note 4			
-Included in administrative expenses are :			
Depreciation and amortization of property, plant and equipment and intangible assets	(85)	(83)	2
Note 5			
-Included in other operating expenses are :			
Project expenses	(5)	(6)	(17)

Note 6

-Included in other losses are :

Fair value loss on other financial asset, current	(19)	(36)	(47)
Foreign exchange loss	(369)	(22)	N.M
Loss on disposal of plant and equipment	-	(12)	N.M
	(388)	(70)	N.M

N.M. denotes Not Meaningful

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

	Group		Company	
	30-Sep-17 S\$'000	31-Mar-17 S\$'000	30-Sep-17 S\$'000	31-Mar-17 S\$'000
ASSETS LESS LIABILITIES				
Non-Current Assets				
Property, plant and equipment (7)	3,029	2,939	2,124	2,091
Investment property (Note 8)	17,369	17,479	17,369	17,479
Intangible assets	54	67	-	-
Investments in subsidiaries	-	-	5,398	5,398
Other financial assets (Note 9)	10,244	8,273	10,244	8,273
Other assets	10	10	10	10
Deferred tax asset	114	116	-	-
Total Non-Current Assets	30,820	28,884	35,145	33,251
Current Assets				
Inventories (Note 10)	1,518	1,312	-	-
Trade and other receivables (Note 11)	1,460	818	101	1,590
Other financial assets, current (Note 12)	270	533	270	289
Other assets	105	103	44	38
Cash and bank balances	26,266	25,948	9,745	9,285
Total Current Assets	29,619	28,714	10,160	11,202
Total assets	60,439	57,598	45,305	44,453
Current Liabilities				
Income tax payable	853	746	56	68
Trade and other payables (Note 13)	1,853	2,170	173	217
Other liabilities	2,087	2,127	265	268
Total Current Liabilities	4,793	5,043	494	553
Net Current Assets	24,826	23,671	9,666	10,649
Net Assets	55,646	52,555	44,811	43,900
EQUITY				
Share capital	34,521	34,466	34,521	34,466
Retained earnings	12,129	12,076	403	2,518
Other reserves	8,996	6,013	9,887	6,916
Total Equity	55,646	52,555	44,811	43,900

Note 7 : Property, plant and equipment includes owner occupied office unit of the investment property. The increase was due to the purchase of equipment, partially offset by depreciation charge during the reporting period .

Note 8 : Investment property comprises land and building situated at 7 & 9 Harrison Road. The reduction in carrying value was due to depreciation charge for the period.

Note 9 : Other non-current financial assets comprise investments in equity shares in corporations, the fair value of which are through other comprehensive income. The fair value of these investments were higher as at 30 September 2017 as compared to 31 March 2017.

Note 10 : Inventories comprise production raw materials, work-in progress and finished products. The year-on-year increase was attributable mainly to lower allowance for inventory obsolescence in 1HFY2018 as compared to FY2017.

Note 11 : Trade and other receivable rose due primarily to high volume of sales in September 2017.

Note 12 : Other current financial assets comprise investments in quoted equity shares and investment in short-term fixed income fund managed by a bank. The reduction in value was due to the maturity of fixed income fund in May 2017.

Note 13 : Trade and other payables reduced due mainly to lower inventory purchases nearing 30 September 2017.

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 30.09.17 (S\$'000)		As at 31.03.17 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

(b) Amount repayable after one year

As at 30.09.17 (S\$'000)		As at 31.03.17 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable

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

	Group	
	30.09.17 S\$'000	30.09.16 S\$'000
Cash flows from operating activities:		
Profit before income tax	3,043	2,589
Depreciation of property, plant and equipment	171	163
Depreciation of investment property	110	121
(Gain) / loss on disposal of property, plant and equipment	(8)	12
Amortisation of intangible assets	23	21
Fair value loss on other financial assets	19	36
Dividend income	(354)	(323)
Interest Income	(123)	(109)
Foreign exchange adjustment unrealised gains / (loss)	7	(51)
Operating cash flows before changes in working capital	2,888	2,459
Inventories	(215)	210
Trade and other receivables	(636)	491
Other assets	(2)	14
Trade and other payables	(310)	(625)
Other liabilities	(31)	(146)
Net cash flows from operations	1,694	2,403
Income tax paid	(421)	(281)
Net cash flows from operating activities	1,273	2,122
Cash flows from investing activities:		
Purchase of intangible assets	(10)	(5)
Purchase of property, plant and equipment	(263)	(210)
Disposal of property, plant and equipment	13	37
Disposal of other financial assets	1,243	-
Decrease / (increase) of cash restricted In use over 3 months	5,693	(4,250)
Interest income received	96	179
Dividend income received	354	254
Net cash flows from / (used in) investing activities	7,126	(3,995)
Cash flows from financing activities:		
Issue of shares	59	80
Purchase of treasury shares	(4)	(66)
Dividend paid	(2,443)	(1,741)
Net cash flows used in financing activities	(2,388)	(1,727)
Net increase / (decrease) in cash and cash equivalents	6,011	(3,600)
Effect of exchange rate changes on the balances of cash held in foreign currencies	-	39
Cash and cash equivalents, beginning balance	12,355	15,716
Cash and cash equivalents ending balance	18,366	12,155

Cash and Cash equivalents:

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	30.09.17 S\$'000	30.09.16 S\$'000
Fixed deposits	7,325	4,445
Cash and bank balances	11,041	7,710
Unrestricted cash	18,366	12,155
Fixed deposits with maturity over 3 months	7,900	9,600
Cash at end of the year	26,266	21,755

The Group generated net cash flows of S\$1.273 million from operating activities contributed mainly by the profit before tax earned in 1HFY2018. The restricted cash in the above cash flow statement refers to fixed deposits with maturity dates of three months and beyond as at the end of the respective reporting periods.

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

	Share capital	Treasury Shares	Available-for-sale financial assets reserve	Reserve on consolidation	Foreign currency translation reserve	Share option reserve	Retained earnings	Attributable to parent
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance at 1 April 2016	35,172	(720)	3,810	88	(946)	106	9,648	47,158
Issuance of new shares	80	-	-	-	-	-	-	80
Purchase of treasury shares	-	(66)	-	-	-	-	-	(66)
Profit, net of tax for the period	-	-	-	-	-	-	2,308	2,308
Exchange difference arising from translation of operation	-	-	-	-	(27)	-	-	(27)
Fair value adjustment on available-for-sale financial assets	-	-	285	-	-	-	-	285
Other comprehensive income for the year	-	-	285	-	(27)	-	-	258
Total comprehensive income for the year	-	-	285	-	(27)	-	2,308	2,566
Dividends paid	-	-	-	-	-	-	(1,741)	(1,741)
Balance at 30 September 2016	35,252	(786)	4,095	88	(973)	106	10,215	47,997
Balance at 1 April 2017	35,252	(786)	6,810	88	(991)	106	12,076	52,555
Issuance of new shares	59	-	-	-	-	-	-	59
Purchase of treasury shares	-	(4)	-	-	-	-	-	(4)
Profit, net of tax for the year	-	-	-	-	-	-	2,496	2,496
Exchange difference arising from translation of operation	-	-	-	-	12	-	-	12
Fair value adjustment on available-for-sale financial assets	-	-	2,971	-	-	-	-	2,971
Other comprehensive income for the year	-	-	2,971	-	12	-	-	2,983
Total comprehensive income for the year	-	-	2,971	-	12	-	2,496	5,479
Dividends paid	-	-	-	-	-	-	(2,443)	(2,443)
Balance at 30 September 2017	35,311	(790)	9,781	88	(979)	106	12,129	55,646
Company								
Balance at 1 April 2016	35,172	(720)	3,810	-	-	106	2,373	40,741
Issuance of new shares	80	-	-	-	-	-	-	80
Purchase of treasury shares	-	(66)	-	-	-	-	-	(66)
Profit, net of tax for the period	-	-	-	-	-	-	338	338
Fair value adjustment on available-for-sale financial assets	-	-	285	-	-	-	-	285
Total comprehensive income for the year	-	-	285	-	-	-	338	623
Dividends paid	-	-	-	-	-	-	(1,741)	(1,741)
Balance at 30 September 2016	35,252	(786)	4,095	-	-	106	970	39,637
Balance at 1 April 2017	35,252	(786)	6,810	-	-	106	2,518	43,900
Issuance of new shares	59	-	-	-	-	-	-	59
Purchase of treasury shares	-	(4)	-	-	-	-	-	(4)
Profit, net of tax for the year	-	-	-	-	-	-	328	328
Fair value adjustment on available-for-sale financial assets	-	-	2,971	-	-	-	-	2,971
Total comprehensive income for the year	-	-	2,971	-	-	-	328	3,299
Dividends paid	-	-	-	-	-	-	(2,443)	(2,443)
Balance at 30 September 2017	35,311	(790)	9,781	-	-	106	403	44,811

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 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 was no shares held by subsidiaries as at 30 September 2017 and 31 March 2017

Total number of issued shares excluding treasury shares and total number of shares held as treasury shares as at 31 March 2017 and 30 September 2017 were as follow:

	No of shares including treasury shares	No. of treasury shares	Total number of shares excluding treasury shares	Total number of shares held by subsidiaries	Share capital
					S\$ '000
As at 31 March 2017	35,665,796	846,440	34,819,356	-	35,252
Issue of shares arising upon the exercise of employees share option during 1HFY2018	83,000	-	83,000	-	59
Purchase of treasury shares during 1HFY2018	-	3,200	(3,200)	-	-
As at 30 September 2017	<u>35,748,796</u>	<u>849,640</u>	<u>34,899,156</u>	-	<u>35,311</u>
As at 30 September 2016	<u>35,665,796</u>	<u>846,440</u>	<u>34,819,356</u>	-	<u>35,252</u>

The number of unexercised employees' share option as at 31 March 2017 was 137,000. During 1HFY2018, 83,000 options were exercised. The table below set-out detailed movement of the employees' share option since the end of FY2017.

Offer date	Name of scheme	Balance at 1.4.2017	Exercised	Balance at 30.09.2017	Balance at 30.09.2016	Exercise price per share
20.02.2014	Employee's Share Option Scheme 2013	137,000	(83,000)	54,000	149,000	71 cents

(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	<u>30.09.2017</u> 34,899,156	<u>31.03.2017</u> 34,819,356
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(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares at the end of the current financial period reported on.

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

(v) A Statement showing all sales, transfer, 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 at the end of the current financial year.

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 matter)

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

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

Yes.

The Group has consistently applied the same accounting policies and methods of computation in the preparation of the Group's financial statements for the current reporting period as in the audited financial statements for the reporting year ended 31 March 2017.

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

No change in the accounting policies and methods of computation.

6 Earning 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

	<u>Group</u>	
	1HFY2018	1HFY2017
Earnings per Ordinary Share for the year based on net gain attributable to shareholders:-		
(i) Based on weighted average number of ordinary shares on issue	7.16 cents	6.63 Cents
(ii) On a fully diluted basis	7.16 cents	6.63 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 period reported on; and
b) immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	<u>30-Sep-17</u>	31-Mar-17	<u>30-Sep-17</u>	31-Mar-17
	S\$	S\$	S\$	S\$
Net Asset Value per Ordinary Share based on issued share capital at the end of the reporting period	1.60	1.51	1.28	1.26

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.

Revenue

The scale of the distribution business which is high in volume with low profit margin has been substantially reduced.

The wireless connectivity products business which targets the niche markets and involves the use of the Group's proprietary know-how, on the other hand, will continue to drive the Group's profitability forward.

In the period under review the wireless connectivity products sales grew by 3.0 per cent.

The Group's marketing efforts in China has paid off and saw an increase in sales. The geographical spread of the Group's revenue in Asia Pacific (including China) 40.0 per cent, Europe 32.0 per cent, North America 22.0 per cent and others 6.0 per cent.

Gross profit

Despite a marginal increase in revenue, the Group saw a significant improvement in gross profit margins – from 46.0 per cent to 52.0 per cent which translates to a 13.0 per cent improvement in gross profits. The improvements in gross profit margins were attributed to contributions from the Group's proprietary wireless connectivity products sales and income derived from design, engineering and other product related services.

Property profit

Industrial property market remained sluggish throughout 1HFY2018. Impacted by the reduced occupancy and rental rates, property income declined 15% while expense eased 5%, resulting in 27% decrease in profit.

Other gains

Other gains rose from S\$0.021 million in 1HFY2017 to S\$ 0.31 million in 1HFY2018 due primarily to write-back of doubtful debt provision following the successful collection of outstanding debts.

Marketing and distribution

Marketing and distribution expenses reduced by 8% year-on-year due mainly to lower staff related costs as some positions were vacant during 1HFY2018.

Other losses

Impacted by the weakening of US dollar against S\$, the Group suffered higher loss on foreign exchange, a main component of "Other losses".

Profit before tax

Profit before taxation improved 18.0 per cent for the period under review as compared to the corresponding period. – from \$2.589 million to \$3.043 million. This is primarily due to improvement in gross profit margins from the sales of the Group's proprietary wireless products and income from design, engineering and other product related services and write back of doubtful debt provision. Beside these, the Group was able to achieve greater productivity from its manufacturing, marketing and distribution functions.

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

Not applicable. No forecast or prospect statement has been previously disclosed.

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 need for more and faster connections over the internet from businesses, public places, households and consumers continue to be unabated. This has propelled growing demands for reliable and high performance wireless connectivity devices. The Group's expertise in design and manufacturing of wireless connectivity products has gained increasing recognition and acceptance in the market place. However, competition and cost pressure are expected to remain intense, this applies to our OEM and ODM customers as well. There will be up and downs in our business. Overall, we are confident in maintaining profitability and growth for the coming year.

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

Any dividend declared for the current financial period reported on ? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? None

(c) Date payable

Not Applicable

(d) Books closing date

Not Applicable

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

No dividend has been declared / recommended.

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 interested person transactions mandate has been obtained from shareholders.
There was no reportable interested person transactions during the reporting period ended 30 September 2017.

14 Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the half-year ended 30 September 2017 to be false or misleading in any material aspect.

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 confirms that it has complied with Rule 720(1).

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
Date : 13 November 2017