

Half Year Financial Statement And Dividend Announcement for the period ended 30 September 2020
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

	GROUP		
	1HFY2021 (01.04.20 to 30.09.20)	1HFY2020 (01.04.19 to 30.09.19)	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	15,033	14,259	5
Cost of sales (Note 1)	(7,619)	(6,388)	19
Gross profit	7,414	7,871	(6)
Other items of income			
Property income (gross)	557	604	(8)
Property expenses (Note 2)	(325)	(352)	(8)
Profit from property	232	252	(8)
Other income and gains (Note 3)	636	900	(29)
Other items of expenses			
Marketing and distribution costs	(770)	(854)	(10)
Administration expenses (Note 4)	(1,222)	(1,332)	(8)
Other operating expenses	-	(8)	N.M
Finance costs	(2)	(10)	(80)
Other losses (Note 5)	(614)	(179)	N.M
Profit before tax	5,674	6,640	(15)
Income tax expense	(809)	(744)	9
Profits, net of tax	4,865	5,896	(17)
Other comprehensive income :			
Items that will not be reclassified to profit or loss:			
Fair value changes on equity instruments at FVTOCI, net of tax	1,947	(273)	N.M
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	1	(155)	N.M
Total other comprehensive (loss) / income, net of tax	1	(155)	N.M
Total comprehensive income	6,813	5,468	25
Profit attributable to owners of parent, net of tax	4,865	5,896	(17)
Total comprehensive income attributable to owners of parent	6,813	5,468	25

Note 1

-Included in cost of sales are

Write-back / (allowance) for slow moving inventories	(178)	84	N.M
Depreciation of plant and equipment	(105)	(109)	(4)

Note 2

Property expenses :

Building maintenance expenses	(185)	(199)	(7)
Depreciation of investment property	(111)	(111)	-
Utilities , property tax and others	(29)	(42)	(31)
	(325)	(352)	(8)

Note 3

-Included in other gains are:

Foreign exchange adjustments gain, net	-	228	N.M
Temporary Employment Credit	-	1	N.M
Sundry income	167	-	N.M
Interest income	176	317	(44)
Dividend income	293	354	(17)
	636	900	(29)

Note 4

-Included in administrative expenses are :
Depreciation and amortization of other plant,
equipment and intangible assets

(178)	(172)	3
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Note 5

-Included in other losses are :

Losses on fair value changes of investments at FVTPL	-	(4)	N.M
Provision for loss on non-cancellable stock ordered	-	(175)	N.M
Foreign exchange loss adjustment, net	(604)	-	N.M
Loss on disposal of plant and equipment	(10)	-	N.M
	(614)	(179)	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-20 S\$'000	31-Mar-20 S\$'000	30-Sep-20 S\$'000	31-Mar-20 S\$'000
<u>ASSETS LESS LIABILITIES</u>				
Non-Current Assets				
Property, plant and equipment	4,974	4,873	1,869	1,911
Investment property	16,774	16,884	16,774	16,884
Intangible assets (Note 6)	15	27	-	-
Investments in subsidiaries	-	-	10,480	10,480
Other financial assets (Note 7)	4,327	2,649	4,328	2,649
Rights of use lease assets (8)	499	293	-	-
Other non-financial assets (9)	8	8	8	8
Deferred tax asset	365	365	-	-
Other receivable	-	-	-	2,239
Total Non-Current Assets	26,962	25,099	33,459	34,171
Current Assets				
Inventories (Note 10)	2,492	1,751	-	-
Trade and other receivables (Note 11)	3,402	1,462	16,164	15,135
Other financial assets, current	146	145	146	145
Other non-financial assets (Note 9)	241	178	62	37
Cash and bank balances (Note 12)	42,874	39,233	10,859	8,871
Total Current Assets	49,155	42,769	27,231	24,188
Total Assets	76,117	67,868	60,690	58,359
Current Liabilities				
Income tax payable	1,973	1,242	27	30
Trade and other payables (Note 13)	3,601	2,271	374	288
Other non-financial liabilities (Note 14)	1,981	2,828	247	270
Lease liability (Note 8)	368	179	-	-
Total Current Liabilities	7,923	6,520	648	588
Net Current Assets	41,232	36,249	26,583	23,600
Non-current liability				
Lease liability	162	129	-	-
Net Assets	68,032	61,219	60,042	57,771
<u>EQUITY</u>				
Share capital	34,559	34,559	34,559	34,559
Retained earnings	31,136	26,053	22,198	21,656
Other reserves	2,337	607	3,285	1,556
Total Equity	68,032	61,219	60,042	57,771

- Note 6: Intangible assets comprise fees paid for certification of products. The fees were capitalised and amortised over 3 years on straight-line basis. The decline in value was due to amortisation charge during the reporting period.
- Note 7 : Other non-current financial assets comprise investment in quoted equity shares which are designated as fair value through other comprehensive income. The increase was attributable to higher market value as at 30.09.2020 as compared to 31.03.2020.
- Note 8 Rights of use lease assets and liability are in respect of factory and office leases in Suzhou, PRC. The increase was due to adoption of SFRS(I)16 with effect from 1 April 2019.
- Note 9 : The increase in other non-financial assets was attributable to higher prepayment and deposit paid to secured goods and services.
- Note 10: Inventories comprise production raw materials, work-in progress and finished products. The increase in carrying value was due mainly to higher raw materials and work-in-progress to cater the production need.
- Note 11 : Trade and other receivables increased mainly due to:
- i) in tandem with the increase in revenue;
 - ii) customers' internal payment process delays. There was no disputes on the invoices , the delayed payment has since been received in full.
- Note 12 : The increase in cash and bank balances was contributed from profit generated from operations and proceeds from disposing part of the quoted equity shares held by the Group. Movement of cash and cash equivalent was presented in the statement of cashflow on paragraph 1(c).
- Note 13: Trade and other payables increase in tandem with higher inventory purchases.
- Note 14 : Other liabilities comprise deposits received from customers to secure goods and services, provision for warranty and deferred revenue. The decrease was attributable primarily to lower deposits received.

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 30.09.20 (S\$'000)		As at 31.03.20 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

(b) Amount repayable after one year

As at 30.09.20 (S\$'000)		As at 31.03.20 (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	
	30.09.20 S\$'000	30.09.19 S\$'000
Cash flows from operating activities:		
Profit before income tax	5,674	6,640
Depreciation of property, plant and equipment	271	260
Depreciation of investment property	111	111
Loss on disposal of property, plant and equipment	10	-
Amortisation of intangible assets	12	21
Dividend income	(293)	(354)
Interest Income	(175)	(317)
Interest expense	2	-
Foreign exchange adjustment unrealized gains	(25)	(246)
Operating cash flows before changes in working capital	5,587	6,115
Inventories	(743)	1,365
Trade and other receivables	(1,940)	(1,832)
Other non-financial assets, current	(63)	275
Other financial assets	-	3
Trade and other payables	1,331	(180)
Other liabilities	(846)	(2,287)
Net cash flows from operations	3,326	3,459
Income tax paid	(186)	(476)
Net cash flows from operating activities	3,140	2,983
Cash flows from investing activities:		
Purchase of intangible assets	-	(6)
Purchase of property, plant and equipment	(268)	(2,029)
Improvement on investment property	-	(32)
Disposal of property, plant and equipment	1	-
Disposal of other financial assets	268	344
(Increase) / decrease of cash restricted In use over 3 months	(1,300)	2,413
Interest income received	283	279
Dividend income received	293	354
Net cash flows (used in) from investing activities	(723)	1,323
Cash flows from financing activities:		
Lease liabilities – principal and interest paid	(74)	-
Dividend paid	-	(2,796)
Net cash flows used in financing activities	(74)	(2,796)
Net increase in cash and cash equivalents	2,343	1,510
Effect of exchange rate changes on the balances of cash held in foreign currencies	(2)	72
Cash and cash equivalents, beginning balance	34,433	24,438
Cash and cash equivalents, ending balance	36,774	26,020

Cash and Cash equivalents:

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

	30.09.20 S\$'000	30.09.19 S\$'000
Fixed deposits	28,562	21,570
Cash and bank balances	8,212	4,450
Unrestricted cash	36,774	26,020
Fixed deposits with maturity over 3 months	6,100	8,300
Cash at end of the year	42,874	34,320

As presented above, the net increase in cash and cash equivalents derived mainly from

- (i) Operating activities which in turn, was contributed from profit generated in 1HFY2021; and
- (ii) No cash outflow from financing activities as no dividend was paid during 1HFY2021.

Restricted cash of S\$ 6.1 million as at 30.09.20 refers to fixed deposits with maturity dates of more than three months from 30 September 2020.

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	Equity shares at FVOCI reserve	Reserve on consolidation	Foreign currency translation reserve	Retained earnings	Total equity attributable to parent
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Group							
Balance as at 1 April 2019	35,349	(790)	5,208	88	(1,015)	19,840	58,680
Profit, net of tax for the year	-	-	-	-	-	5,896	5,896
Exchange difference arising from translation of operation	-	-	-	-	(155)	-	(155)
Fair value changes on equity instruments	-	-	(273)	-	-	-	(273)
Other comprehensive loss for the year	-	-	(273)	-	(155)	-	(428)
Total comprehensive income for the year	-	-	(273)	-	(155)	5,896	5,468
Transfer from equity instruments at FVTOCI reserve	-	-	(276)	-	-	276	-
Dividends paid	-	-	-	-	-	(2,796)	(2,796)
Balance at 30 September 2019	35,349	(790)	4,659	88	(1,170)	23,216	61,352
Balance as at 1 April 2020	35,349	(790)	1,556	88	(1,037)	26,053	61,219
Profit, net of tax for the year	-	-	-	-	-	4,865	4,865
Exchange difference arising from translation of operation	-	-	-	-	1	-	1
Fair value changes on equity instruments	-	-	1,947	-	-	-	1,947
Other comprehensive income for the year	-	-	1,947	-	1	-	1,948
Total comprehensive income for the year	-	-	1,947	-	1	4,865	6,813
Transfer from equity instruments at FVTOCI reserve	-	-	(218)	-	-	218	-
Balance at 30 September 2020	35,349	(790)	3,285	88	(1,036)	31,136	68,032
Company							
Balance as 1 April 2019	35,349	(790)	5,208	-	-	6,965	46,732
Profit, net of tax for the year	-	-	-	-	-	336	336
Fair value changes on equity instruments	-	-	(273)	-	-	-	(273)
Total comprehensive (loss) income for the year	-	-	(273)	-	-	336	63
Transfer from equity instruments at FVTOCI reserve	-	-	(276)	-	-	276	-
Dividends paid	-	-	-	-	-	(2,796)	(2,796)
Balance at 30 September 2019	35,349	(790)	4,659	-	-	4,781	43,999
Balance at 1 April 2020	35,349	(790)	1,556	-	-	21,656	57,771
Profit, net of tax for the year	-	-	-	-	-	324	324
Fair value changes on equity instruments	-	-	1,947	-	-	-	1,947
Total comprehensive income for the year	-	-	1,947	-	-	324	2,271
Transfer from equity instruments at FVTOCI reserve	-	-	(218)	-	-	218	-
Balance at 30 September 2020	35,349	(790)	3,285	-	-	22,198	60,042

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 is no change in the total number of issued shares excluding treasury shares since 30 September 2019.

There is no shares held by subsidiaries as at 31 March 2020 and 30 September 2020.

Total number of issued shares excluding treasury shares and total number of shares held as treasury shares as at 30 September 2019, 31 March 2020 and 30 September 2020 are as follows:

	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 30 September 2019, 31 March 2020 and 30 September 2020:	35,802,796	849,640	34,953,156	-	35,349

No option was granted during 1HFY2021. As at 30 September 2020, there was no unexercised Employees' share option.

- (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.

	30.09.2020	31.03.2020
Total number of issued shares excluding treasury shares	34,953,156	34,953,156

- (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 30 September 2020.

- (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 30 September 2020.

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.

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

(a) updates on the efforts to resolve such outstanding audit issues.

(b) Confirmation from the Board that the impact of all outstanding issue on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not Applicable. The latest financial statements for the financial year ended 31 March 2020 are not subject to any adverse opinion, qualified opinion or disclaimer opinion.

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

Other than as disclosed under paragraph 5, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported on as those used in the most recent audited annual financial statements.

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, except for the adoption of the Singapore Reporting Standards (International) ("SFRS(I)") and Interpretation of SFRS(I) that are mandatory for financial years beginning on or after 1 January 2019. The adoption of these new SFRS(I) have no material impact to the results of the Group and of the Company for the 1HFY2021.

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

	Group	
	1HFY2021	1HFY2020
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	13.92 cents	16.87 cents
(ii) On a fully diluted basis	13.92 cents	16.87 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

	Group		Company	
	30-Sep-20	31-Mar-20	30-Sep-20	31-Mar-20
	S\$	S\$	S\$	S\$
Net Asset Value per Ordinary Share based on issued share capital at the end of the reporting period.	1.95	1.75	1.72	1.65

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 Group's main revenue generators are the sale of our proprietary products - products developed by our own development efforts. The range of our products includes high performance wireless radio modules, embedded boards, indoor and outdoor access points and wireless antennas. Our products are used by OEM, ODM and JDM as key components in the various industries, such as transportation, health care ,security surveillance and factory automation. Apart from hardware sale, the Group also provides design, engineering and other sales related services. Revenue for 1HFY2021 rose 5% as compared to 1HFY2020. The growth was organic, contributed mainly from our regular customers. The Group's products are sold globally. In 1HFY2021, Asia represents 38% of the total revenue, followed by Europe 31%, USA 28% and other regions 3%.

Gross profit margin

Gross profit margins declined by 5% as compared to 1HFY2020. The drop was attributable to large volume but lower yields products sold in 1HFY2021.

Property profit

The Group in compliance with the rental waiver / rental relief framework issued by IRAS, has granted the reliefs to all eligible tenants. This had resulted in a drop in rental income. The decrease in rental income, partially offset by lower repair and maintenance expenses, led to a 8% drop in property profit.

Other gains.

Other gains comprise interest income, dividend income and foreign exchange gains. The Group reported a drop of 29% in other gains for 1HFY2021 as compared to 1HFY2020 due to the following factors:
 (i) Lower interest income earned as general interest rates for fixed deposits reduced;
 (ii) Lower dividend income from investment in quoted shares as the number of shares reduced following the disposal;
 (iii) The Group suffered a loss in foreign exchange in 1HFY2021 impacted by the weakening of US\$ as compared to a exchange gain of S\$ 0.228 million reported in 1HFY2020. The exchange loss was recorded as " Other losses".

Other losses

The increase was attributable to foreign exchange loss incurred in 1HFY2021 as explained above.

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 negative impact brought about by the continual spread of Covid-19 in the USA, Europe where our major customers operate, coupled with the depressive macroeconomic environment present challenges and uncertainty for the Group.

The Company notes that in recent days there is a surge in global demands for silicon chips, one of the key components in our proprietary wireless connectivity products. In order to meet this sudden surge, manufacturers of silicon chips have been working to increase global supply. In the event that silicon chips manufacturers are unable to increase supply to meet global demands, many manufacturers like ourselves may suffer interruptions or delays in the manufacturing process and consequently delivery time of finished products. The management will continue to engage various silicon chips suppliers and plans its manufacturing and delivery schedules.

Notwithstanding the bearish outlook, the Group will continue to harness its research and development capability, exercise prudent cost controls, work with our customers, business partners, and suppliers to tackle the challenges ahead.

The Capital Reduction exercise approved by shareholders at the EGM held on 29 September 2020 has been approved by the High Court on 20 October 2020.

The distribution of cash to shareholders is expected to be around 17 November 2020.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ?

NIL

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ?

NIL

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No dividend has been declared / recommended. Consistent with the previous years' practices, dividend declaration / recommendation, if any, will be made when announcing the full year financial results.

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 half year ended 30 September 2020.

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 2020 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 : 6 November 2020