

Half Year Financial Statement And Dividend Announcement for the period ended 30 September 2014
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		
	1HFY2015 (01.04.14 to 30.09.14) S\$'000	1HFY2014 (01.04.13 to 30.09.13) S\$'000	Increase/ (Decrease) %
Revenue	6,150	7,691	(20)
Cost of Sales	(4,329)	(5,172)	(16)
Gross profit	1,821	2,519	(28)
<u>Other Items of Income</u>			
Property income (gross)	733	667	10
Property expenses	(349)	(352)	(1)
Profit from Property	384	315	22
Dividend income	248	164	51
Interest income	128	141	(9)
Other credits	225	391	(43)
<u>Other Items of Expenses</u>			
Distribution costs	(633)	(784)	(19)
Administration expenses	(1,197)	(1,224)	(2)
Other operating expenses	(5)	(5)	-
Finance cost	-	(1)	N.M
Other charges	-	(9)	N.M
Profit before income tax	971	1,507	(36)
Income tax expense	(108)	(169)	(36)
Profits, net of tax	863	1,338	(36)

Other comprehensive income / (loss), net of tax

Exchange differences on translating foreign operations	7	60	(88)
Fair value adjustment on available-for-sale financial assets	2,488	(1,234)	N.M
Total other comprehensive income / (loss)	2,495	(1,174)	N.M
Total comprehensive income for the year	3,358	164	1,946

Profit, Net of Tax Attributable to:

- Owners of the Parent	863	1,348	(36)
- Non-Controlling Interests	-	(10)	N.M
	863	1,338	(36)

Total Comprehensive Income Attributable to:

- Owners of the Parent	3,358	174	1,830
- Non-Controlling Interests	-	(10)	N.M
	3,358	164	1,948

Notes:**-Included in Cost of Sales are**

(Allowance) / write back for slow moving inventories	(22)	11	N.M
Depreciation	(87)	(89)	(2)

Profit from property was derived from Property Income less Property Expenses:**Property Income :**

Rental income from investment property	733	667	10
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Property Expenses :

Building maintenance expense	(191)	(190)	1
Depreciation of investment property	(97)	(97)	-
Utilities and others	(61)	(65)	(6)
	(349)	(352)	(1)

-Included in Other Credits are:

Foreign exchange adjustments gain, net	83	146	(43)
Fair value gain on other financial assets, current	101	5	1,921
Government grant income from SME grant	2	5	(66)
Sundry income	39	38	2
Write back of building reinstatement provision	-	197	N.M
	225	391	(42)

-Included in Administrative Expenses are :

Depreciation and amortization of other plant, equipment and intangible assets

(59)	(66)	(11)
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-Included in Other Operating Expenses are :

Project Expenses

(5)	(5)	-
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-Included in Other Charges are :

Allowance for impairment on trade receivables

-	(9)	N.M
-	(9)	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-14 S\$'000	31-Mar-14 S\$'000	30-Sep-14 S\$'000	31-Mar-14 S\$'000
<u>ASSETS LESS LIABILITIES</u>				
Non-Current Assets				
Plant and equipment	1,139	873	28	25
Investment property (Note 1)	19,569	18,608	19,569	18,608
Intangible assets (Note 2)	105	99	16	16
Investment in subsidiaries	-	-	5,398	5,888
Other financial assets - non current (Note 3)	8,630	6,142	8,630	6,142
Total Non-Current Assets	29,443	25,722	33,641	30,679
Current Assets				
Inventories (Note 4)	1,368	1,545	-	-
Trade and other receivables (Note 5)	1,281	893	124	1,564
Other financial assets - current (Note 6)	636	535	636	535
Other assets (Note 7)	246	236	152	149
Cash and bank balances	16,184	18,749	6,806	7,906
Total Current Assets	19,715	21,958	7,718	10,154
Total assets	49,158	47,680	41,359	40,833
Current Liabilities				
Income tax payable	320	344	39	45
Trade and other payables (Note 8)	1,833	2,044	138	156
Other liabilities (Note 9)	1,288	1,258	422	458
Total Current Liabilities	3,441	3,646	599	659
Net Current Assets	16,274	18,312	7,119	9,495
Net Assets	45,717	44,034	40,760	40,174
<u>EQUITY</u>				
Share capital	34,649	34,563	34,649	34,563
Treasury shares	(21)	-	(21)	-
Retained earnings	6,640	7,517	837	2,804
Other reserves	4,449	1,954	5,295	2,807
Total Equity	45,717	44,034	40,760	40,174

Note 1 : Investment property comprises land and building situated at 7 & 9 Harrison Road. The increase was due to costs incurred in the additions and alternations work done to the existing building.

Note 2 : Intangible assets comprise investment in club membership and fees paid for certification of products. The certification fees were capitalised and amortised over 3 years on straight-line basis. The increase was due to certification fees incurred in 1HFY2015.

Note 3 : Other non-current financial assets comprise investment in marketable securities. The increase was due to higher market value as at 30.09.2014 as compared to 31.03.2014.

Note 4 : The decrease in inventory was due to lower purchases and reduced buffer level of finished products.

Note 5: Trade and other receivable increased due partly to increase in receivable from fixed deposit interests, VAT and input tax and partly to high sale volume in September 2014.

Note 6 : Other financial assets - current comprise investment in quoted equity and retail bond. The increase was attributed to higher market values as at 30.09.2014 as compared to 31.03.2014.

Note 7 : Other assets include deposits and prepayments. The slight increase was attributed to higher prepayments .

Note 8 : The decrease in trade and other payables was due to lower inventory purchases.

Note 9 : Other liabilities comprise deposits received from customers, provision for building reinstatement , provision for warranty and provision for Cooperative Advertising and Promotion fund. The increase was due to higher deposits received from customers.

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 30.09.14 (S\$'000)		As at 31.03.14 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

(b) Amount repayable after one year

As at 30.09.14 (S\$'000)		As at 31.03.14 (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	
	30.09.14 S\$'000	30.09.13 S\$'000
Cash flows from operating activities:		
Profit before income tax	971	1,507
Depreciation of property, plant and equipment	119	117
Depreciation of investment property	97	97
Amortisation of intangible assets	27	38
Fair value (gain) / loss on other financial assets	(101)	5
Dividend income	(248)	(164)
Interest Income	(128)	(141)
Net effect of exchange rate changes in consolidating subsidiaries	7	61
Operating cash flows before changes in working capital	744	1,520
Inventories	177	(708)
Trade and other receivables	(388)	551
Other assets	(10)	59
Trade and other payables	(211)	220
Other liabilities	30	(15)
Net cash flows from operations	342	1,627
Taxation paid	(132)	(45)
Net cash flows from operating activities	210	1,582
Cash flows from investing activities:		
Payments of intangible assets	(33)	(79)
Purchase of plant and equipment	(385)	(301)
Improvement of investment property	(1,058)	-
Decrease / (increase) of cash restricted In use over 3 months	1,598	(1,167)
Interest income received	128	140
Dividend income received	248	164
Net cash flows from / (used in) investing activities	498	(1,243)
Cash flows from financing activities:		
Proceeds from issuance of shares	86	-
Purchase of treasury shares	(21)	-
Dividend paid	(1,740)	(1,733)
Net cash flows used in financing activities	(1,675)	(1,733)
Net decrease in cash and cash equivalents	(967)	(1,394)
Cash and cash equivalents, statement of cash flows, beginning balance	9,273	12,029
Cash and cash equivalents, statement of cash flows, ending balance	8,306	10,635

Cash and Cash equivalents:

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

	30.09.14	30.09.13
	S\$'000	S\$'000
Fixed deposits	4,575	7,885
Cash and bank balances	3,731	2,750
Unrestricted cash	8,306	10,635
Fixed deposits with maturity over 3 months	7,878	6,669
Cash at end of the year	16,184	17,304

Lower net cash flows were generated from operating activities in 1HFY2015 as compared to the same period last year due mainly to lower profits reported for 1HFY2015 as compared to 1HFY2014.

Cash flows used in investing activities include costs incurred in alteration and improvement work on Harrison building, purchase of plant and equipment and acquisition of intangible assets.

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

	Share capital S\$'000	Treasury shares S\$'000	Available-for-sale financial assets reserve S\$'000	Reserve on consolidation S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Attributable to parent, sub-total S\$'000	Non- Controlling Interests S\$'000	Total S\$'000
Group										
Balance at 1 April 2013	34,556	-	3,565	88	(859)	107	7,229	44,686	2	44,688
Profit, net of tax for the year	-	-	-	-	-	-	1,348	1,348	(10)	1,338
Exchange difference arising from translation of operation	-	-	-	-	60	-	-	60	-	60
Fair value adjustment on available-for-sale financial assets	-	-	(1,234)	-	-	-	-	(1,234)	-	(1,234)
Other comprehensive income for the year	-	-	(1,234)	-	60	-	-	(1,174)	-	(1,174)
Total comprehensive income for the year	-	-	(1,234)	-	60	-	1,348	174	(10)	164
Dividends paid	-	-	-	-	-	-	(1,733)	(1,733)	-	(1,733)
Balance at 30 September 2013	34,556	-	2,331	88	(799)	107	6,844	43,127	(8)	43,119

Balance at 1 April 2014	34,563	-	2,593	88	(940)	213	7,517	44,034	-	44,034
Issuance of new shares	86	-	-	-	-	-	-	86	-	86
Purchase of treasury shares	-	(21)	-	-	-	-	-	(21)	-	(21)
Profit, net of tax for the year	-	-	-	-	-	-	863	863	-	863
Exchange difference arising from translation of operation	-	-	-	-	7	-	-	7	-	7
Fair value adjustment on available-for-sale financial assets	-	-	2,488	-	-	-	-	2,488	-	2,488
Other comprehensive income for the year	-	-	2,488	-	7	-	-	2,495	-	2,495
Total comprehensive income for the year	-	-	2,488	-	7	-	863	3,358	-	3,358
Dividends paid	-	-	-	-	-	-	(1,740)	(1,740)	-	(1,740)
Balance at 30 September 2014	34,649	(21)	5,081	88	(933)	213	6,640	45,717	-	45,717

Company

Balance at 1 April 2013	34,556		3,566	-	-	107	2,615	40,844	-	40,844
Profit, net of tax for the year	-	-	-	-	-	-	339	339	-	339
Fair value adjustment on available-for-sale financial assets	-		(1,234)	-	-	-	-	(1,234)	-	(1,234)
Total comprehensive income for the year	-	-	(1,234)	-	-	-	339	(895)	-	(896)
Dividends paid	-	-	-	-	-	-	(1,733)	(1,733)	-	(1,733)
Balance at 30 September 2013	34,556	-	2,332	-	-	107	1,221	38,216	-	38,216
Balance at 1 April 2014	34,563		2,594	-	-	213	2,804	40,174	-	40,174
Issuance of new shares	86	-	-	-	-	-	-	86	-	86
Purchase of treasury shares	-	(21)	-	-	-	-	-	(21)	-	(21)
Profit, net of tax for the year	-	-	-	-	-	-	(227)	(227)	-	(227)
Fair value adjustment on available-for-sale financial assets	-	-	2,488	-	-	-	-	2,488	-	2,488
Total comprehensive income for the year	-	-	2,488	-	-	-	(227)	2,261	-	2,261
Dividends paid	-	-	-	-	-	-	(1,740)	(1,740)	-	(1,740)
Balance at 30 September 2014	34,649	(21)	5,082	-	-	213	837	40,760	-	40,760

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 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, 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.

During the half year ended 30 September 2014, a total of 305,000 options lapsed due to staff resignations and a total of 665,000 options were exercised at an exercised price of \$ 0.13 per share.

As at 30 September 2014, there were unexercised options of 1,765,000 at an exercised price of 13 cents (30 September 2013 : 2,755,000) and 4,390,000 at an exercised price of 14.2 cents (30 September 2013: Nil).

The table below set-out details of options exercised and expired during the half year ended 30 September 2014.

Offer date	Name of scheme	Balance at 1.4.2014	Lapsed	Exercised	Balance at 30.09.2014	Balance as at 30.09.2013	Offer price per share
28.01.2010	2003	2,455,000	(25,000)	(665,000)	1,765,000	2,755,000	13 cents
20.02.2014	2013	400,000	-	-	400,000	-	14.2 cents
20.02.2014	2013	4,270,000	(280,000)	-	3,990,000	-	14.2 Cents
Total		7,125,000	(305,000)	(665,000)	6,155,000	2,755,000	

Total number of issued shares excluding treasury shares as at 30 September 2014 : 173,884,000 (31 March 2014 : 173,339,000)
Details changes are tabulated below.

	No of shares	Share capital S\$ '000
As at 1 April 2014	173,339,000	34,563
Issue of shares arising from the exercise of employees share option	665,000	86
Treasury shares purchased	(120,000)	-
As at 30 September 2014	173,884,000	34,649

Total number of treasury shares as at 30 September 2014 : 120,000 (30 September 2013: Nil)

(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.

	30.09.14	31.03.14
Total number of issued shares excluding treasury shares	173,884,000	173,339,000

(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.

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)

Not applicable. 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 2014.

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

	Group	
	1HFY2015	1HFY2014
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	0.50	0.78
(ii) On a fully diluted basis	0.49	0.78

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-14	31-Mar-14	30-Sep-14	31-Mar-14
Net Asset Value per Ordinary Share based on issued share capital at the end of the reporting year reported on	26.29	25.40	23.44	23.18

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

Total revenue achieved in1HFY2015 were S\$ 6.15 million as compared to S\$ 7.691 million in1HFY2014.

The reduction in revenue was due mainly to the following reasons:

- 1) The Group re-modelled its distribution business to better employ its resources on growing the proprietary wireless connectivity business.
- 2) Some customers deferred their projects in an South East Asia country. As of date of this announcement, some of these projects have since been started and we have resumed shipments of our wireless connectivity products to the affected customers.

Gross Profit

Gross profit declined by 28% year-on-year due to:

- 1) Lower sales and gross profit margins in 1HFY2015 as compared to 1HFY2014.
- 2) Rising labour costs in China, the country where the Group manufactures its proprietary wireless connectivity products.
- 3) The distribution business has been operating under a different business model since the 3rd quarter of the last financial year. The new business model allows the Group to dispense off having its own sales and distribution team which is cost savings as sales are being handled by a 3rd party intermediary. Gross profit margins are however lower under this arrangement.

Profit From Property

The Group's property segment registered a 22 % increase in profit year-on-year. Rental income increased from S\$ 0.667 million in 1HFY2014 to S\$ 0.733 million in 1HFY2015 while rental expenses remained largely unchanged.

Despite the alteration and addition works which may have caused some inconveniences to the tenants, all office spaces were fully rented out at better average rental rate as compared to 1HFY2014.

Other Credits / Other charges.

Other credits reduced from S\$ 0.391 million in 1HFY2014 to S\$ 0.225 million in 1HFY2015 due mainly to the following factors:

- a) Gain in foreign exchange reduced by S\$ 0.063 million due mainly to the strengthening of US\$ against S\$.
- b) 1HFY2014's other credits included an one-off, non-recurring write back of building reinstatement provision.

There were no other charges in 1HFY2015.

Administrative Expenses / distribution costs

Administrative and distribution costs for 1HFY2015 were lower than 1HFY2014 as the Group continues to exercise caution in its costs management. The re-modelling of the distribution business has also contributed to the savings in administrative and distributions costs.

Profit before tax

In 1HFY2015 the profit before taxation was S\$ 0.971 million as compared to S\$ 1.507 million in 1HFY2014 .

The decline in profit was S\$ 0.536 million. However, in 1HFY2014, the Group enjoyed a one-time write back of building restatement provision of S\$ 0.197 million. Without this one-time write back , the Group's profit before taxation in 1HFY2014 would have been S\$ 1.31 million and the decline would have been S\$ 0.339 million.

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

With the ever increasing number of smart phones and IT devices globally, coupled with the strong demand for high speed wireless connectivity, the Group expects growth potential for its proprietary wireless connectivity business.

The Group will continue to invest in research and development. This allows the Group to introduce new products with new and additional features at faster pace.

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 were no interested person transactions exceeding S\$ 100,000 in aggregate during the financial period ended 30 September 2014.

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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lee Ellen
Company Secretary
Date: 11 November 2014