



PNE INDUSTRIES LTD

(Company registration no. 199905792R)

Full 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 YEAR ENDED 30 SEPTEMBER

	Group		
	30-09-20	30-09-19	+ / (-)
	\$'000	\$'000	%
Revenue	85,844	102,183	(16.0)
Cost of sales	(65,937)	(80,000)	(17.6)
Gross profit	19,907	22,183	(10.3)
Other operating income	1,489	2,260	(34.1)
Distribution costs	(2,335)	(2,574)	(9.3)
Administrative expenses	(10,438)	(11,412)	(8.5)
Other operating expenses	(624)	(354)	76.3
Finance costs	(42)	-	n.m.
Share of results of associate	61	118	(48.3)
Profit before tax	8,018	10,221	(21.6)
Income tax expense	(1,824)	(2,077)	(12.2)
Profit for the year	6,194	8,144	(23.9)
Other comprehensive income:			
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Net fair value (loss) gain on financial assets at FVTOCI	(568)	136	n.m.
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange difference arising on translation of foreign operations	(201)	(400)	(49.8)
Other comprehensive income for the year, net of tax	(769)	(264)	191.3
Total comprehensive income for the year	5,425	7,880	(31.2)

Note:

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

	Group		
	<u>30-09-20</u>	<u>30-09-19</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Other income - interest income	548	817	(32.9)
- others	921	571	61.3
Depreciation of property, plant and equipment	(810)	(846)	(4.3)
Depreciation of right-of-use assets	(745)	-	n.m.
Loss allowance recognised on trade receivables	(99)	(321)	(69.2)
(Allowance for) Reversal of inventory obsolescence	(587)	180	n.m.
Foreign exchange (loss) gain, net	(487)	861	n.m.
Adjustment for over provision of tax in respect of prior years	95	29	227.6
Gain on disposal of investments, properties, and/or plant and equipment	10	11	(9.1)
Reversal of (Loss on) impairment on plant and equipment	10	(26)	n.m.

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	
	30-09-20	30-09-19	30-09-20	30-09-19
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and bank balances	43,184	41,464	24,915	26,696
Trade receivables	33,137	32,086	-	-
Other receivables	1,134	1,038	555	62
Inventories	17,325	20,064	-	-
Total current assets	94,780	94,652	25,470	26,758
Non-current assets				
Property, plant and equipment	5,597	6,553	-	-
Right-of-use assets	1,718	-	-	-
Investments in subsidiaries	-	-	19,514	20,064
Investment in associate	525	551	-	-
Financial assets at fair value through other comprehensive income	454	1,802	84	816
Deferred tax assets	397	188	-	-
Total non-current assets	8,691	9,094	19,598	20,880
Total assets	103,471	103,746	45,068	47,638
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	16,525	15,726	22	26
Other payables	3,082	3,147	642	629
Lease liabilities	593	-	-	-
Income tax payable	1,727	1,195	55	71
Total current liabilities	21,927	20,068	719	726
Non-current liabilities				
Lease liabilities	8	-	-	-
Deferred tax liabilities	36	50	-	-
Total non-current liabilities	44	50	-	-
Capital and reserves				
Share capital	36,991	36,991	36,991	36,991
Currency translation reserve	164	365	-	-
Capital reserve	642	501	-	-
Investment revaluation reserve	(614)	(171)	(5)	(179)
Accumulated profits	44,317	45,942	7,363	10,100
Equity attributable to equity holders of the Company, representing total equity	81,500	83,628	44,349	46,912
Total liabilities and equity	103,471	103,746	45,068	47,638

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 September 30, 2020		As at September 30, 2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	593*	Nil	Nil

(b) Amount repayable after one year

As at September 30, 2020		As at September 30, 2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Nil	8*	Nil	Nil

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

(c) Details of any collateral

Approximately \$163,000 (2019: \$164,000) of the Group's fixed deposits is pledged to a bank in return for bank guarantees issued to third parties.

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**

Year ended:	30-09-20 \$'000	30-09-19 \$'000
Operating activities		
Profit before tax	8,018	10,221
Adjustments for:		
Share of results of associate	(61)	(118)
Depreciation of property, plant and equipment	810	846
Depreciation of right-of-use assets	745	-
(Reversal of) Loss on impairment on property, plant and equipment	(10)	26
Interest income	(548)	(817)
Gain on disposal of property, plant and equipment	(10)	(11)
Property, plant and equipment written off	10	7
Loss allowance recognised on trade receivables	99	321
Allowance for (Reversal of) inventory obsolescence (net)	587	(180)
Operating profit before movements in working capital	9,640	10,295
Trade receivables	(1,682)	(573)
Other receivables	(93)	821
Inventories	2,171	39
Trade payables	515	(2,930)
Other payables	(63)	571
Cash from operations	10,488	8,223
Interest received	548	817
Interest paid	(42)	-
Income tax paid	(1,507)	(1,203)
Net cash from operating activities	9,487	7,837

- 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)

Year ended:	<u>30-09-20</u>	<u>30-09-19</u>
	<u>\$'000</u>	<u>\$'000</u>
Investing activities		
Dividend received from associate	112	-
Dividends received from equity instruments held at FVTOCI	3	-
Proceeds from disposal of equity instruments held at FVTOCI	866	2,432
Proceeds from disposal of property, plant and equipment	13	18
Purchase of property, plant and equipment	(1,034)	(784)
Purchase of equity instruments held at FVTOCI	(89)	-
Net cash (used in) from investing activities	<u>(129)</u>	<u>1,666</u>
Financing activities		
Dividends paid	(7,553)	(5,035)
Fixed deposits and bank balances pledged	1	-
Repayment of lease liabilities	(687)	-
Net cash used in financing activities	<u>(8,239)</u>	<u>(5,035)</u>
Net increase in cash and cash equivalents	1,119	4,468
Cash and cash equivalents at beginning of year	41,300	36,532
Net effect of foreign exchange rate changes	602	300
Cash and cash equivalents at end of year	<u>43,021</u>	<u>41,300</u>
Cash and cash equivalents represent:		
Cash and bank balances	15,098	11,735
Fixed deposits	<u>28,086</u>	<u>29,729</u>
	43,184	41,464
Less: Fixed deposits and bank balances pledged	<u>(163)</u>	<u>(164)</u>
	<u>43,021</u>	<u>41,300</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 reserve</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>
GROUP						
Balance at October 1, 2018	36,991	765	303	(796)	43,520	80,783
Total comprehensive income for the year						
Profit for the year	-	-	-	-	8,144	8,144
Other comprehensive income for the year	-	(400)	-	136	-	(264)
Total	-	(400)	-	136	8,144	7,880
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(5,035)	(5,035)
Transfer to reserve fund	-	-	198	-	(198)	-
Total	-	-	198	-	(5,233)	(5,035)
Transfer of investment revaluation reserve of equity instrument at FVTOCI upon disposal	-	-	-	489	(489)	-
Balance at September 30, 2019	36,991	365	501	(171)	45,942	83,628
Total comprehensive income for the year						
Profit for the year	-	-	-	-	6,194	6,194
Other comprehensive income for the year	-	(201)	-	(568)	-	(769)
Total	-	(201)	-	(568)	6,194	5,425
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	-	(7,553)	(7,553)
Transfer to reserve fund	-	-	141	-	(141)	-
Total	-	-	141	-	(7,694)	(7,553)
Transfer of investment revaluation reserve of equity instrument at FVTOCI upon disposal	-	-	-	125	(125)	-
Balance at September 30, 2020	36,991	164	642	(614)	44,317	81,500

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 reserve</u> \$'000	<u>Accumulated profits</u> \$'000	<u>Total</u> \$'000
COMPANY				
Balance at October 1, 2018	36,991	(796)	8,862	45,057
Total comprehensive income for the year				
Profit for the year	-	-	6,762	6,762
Other comprehensive income for the year	-	128	-	128
Total	-	128	6,762	6,890
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	-	489	(489)	-
Balance at September 30, 2019	36,991	(179)	10,100	46,912
Total comprehensive income for the year				
Profit for the year	-	-	4,941	4,941
Other comprehensive income for the year	-	49	-	49
Total	-	49	4,941	4,990
Dividends, representing transaction with owners, recognised directly in equity	-	-	(7,553)	(7,553)
Transfer of investment revaluation reserve of equity instrument at FVTOCI upon disposal	-	125	(125)	-
Balance at September 30, 2020	36,991	(5)	7,363	44,349

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 or treasury shares 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.

	As at September 30, 2020	As at September 30, 2019
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 September 30, 2020	As at September 30, 2019
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.

The Company did not have any treasury shares during or 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.

Save 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, 2019.

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 SFRS(I) 16 Leases that is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases, as it requires most of such leases to be recognised on the Group's statements of financial position as a right-of-use ("ROU") asset together with the associated lease liabilities.

The Group has applied the modified retrospective approach and thus, the comparative information was not restated. The Group has further opted to measure the ROU asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments as at October 1, 2019. As such, as at October 1, 2019, the Group recognised \$1,274,000 of ROU assets and lease liabilities (excluding short-term leases and leases of low-value assets). The Group has also reclassified \$1,180,000 of assets relating to leasehold land from property, plant and equipment to ROU asset as at October 1, 2019.

There is no significant impact to the Group's net profit, net assets, or net cash flows arising from the adoption of SFRS(I) 16.

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.

	Year ended September 30, 2020	Year ended September 30, 2019
Profit 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	7.4 cents	9.7 cents
Number of ordinary shares	83,916,757	83,916,757
(b) On a fully diluted basis	7.4 cents	9.7 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 (September 30, 2020)	97.1 cents	52.8 cents
(b) Immediately preceding financial year (September 30, 2019)	99.6 cents	55.9 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 year ended September 30, 2020 ("FY20"), the Group recorded revenue and profit for the year of \$85.8m and \$6.2m respectively.

Revenue declined \$16.3m or 16.0% vs FY19, due mainly to a \$14.6m reduction in Contract Manufacturing sales. The reduction was attributable to the normalization of orders of the Contract Manufacturing segment this year, whereas in FY19, higher orders were received because of the strategic expansion of sales channels by a customer in that year. The revenue recorded by the Trading segment fell by \$1.7m in FY20 due to weak demand from customers.

FY20 gross profit declined \$2.3m due to the lower revenue and higher allowance for inventories this year. However, gross profit margin increased to 23.2% in FY20 vs 21.7% in FY19 due to a better product mix.

Other operating income fell by \$0.8m, while other operating expenses rose by \$0.3m, vs FY19. This was due mainly to the foreign exchange ("FX") loss in FY20. The Group incurred \$0.5m of FX loss in FY20 which was recorded in other operating expenses. However, in FY19, the Group had a \$0.9m FX gain recorded in other operating income.

Administrative expenses reduced by \$1.0m vs FY19 due mainly to lower staff costs as a result of the lower level of operations.

As a result of the above, profit before tax fell by \$2.2m vs FY19.

Under other comprehensive income, the Group recorded a \$0.6m fair value loss on financial assets which is mainly attributable to the revaluation of its investment in DSP Innovation BV. This is pursuant to a reduction in the valuation of this company as assessed by an independent valuer engaged by the Group.

Statement of Financial Position

Although revenue declined vs FY19, trade receivables rose slightly by \$1.0m vs September 30, 2019. Trade payables also rose slightly by \$0.8m vs September 30, 2019. Both increases were due to higher sales and purchases respectively in the last few months of FY20 as compared to the last few months of FY19.

Inventories declined \$2.7m vs FY19 due to utilisation during the year.

Financial assets held at FVTOCI declined \$1.3m vs FY19. This is due mainly to (i) \$0.6m reduction in fair value of the Group's investment in DSP Innovation BV; and (ii) the disposal of the Group's entire \$0.8m investment in PNE PCB Bhd.

The increase in the Group's cash and bank balances vs FY19 is due partly to the \$0.9m proceeds from the disposal of the Group's investment in PNE PCB Bhd. The Group ended the year with a strong cash and bank balance of \$43.2m, up \$1.7m vs FY19. The bulk of the cash and bank balances are maintained with reputable banks in Singapore.

The Group has no bank borrowings. The lease liabilities are all attributable to right-of-use assets that have been recognised during the year pursuant to the adoption of SFRS(I) 16 Leases.

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.

The Covid19 outbreak is still on-going with no end in sight as yet. There are even signs of the outbreak escalating in various areas, including Malaysia where the Group has operations in, and in Europe where the Group's associate as well as some of the Group's customers and suppliers are located in. As such, there is a lot of uncertainty and it is not possible to estimate reliably the impact on future demand for the Group's products, as well as the potential disruptions that may occur in case of more lockdowns.

While international trade disputes have not had a significant impact on the Group yet, any major escalation in future may still negatively affect the Group's prospects.

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.

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:

Current period reported on:		
Type of dividend	Final	Special
Amount per share	3.0 cents	2.0 cents
Tax rate	One-tier tax exempt	One-tier tax exempt
Corresponding period of previous financial year:		
Type of dividend	Final	Special
Amount per share	3.0 cents	3.0 cents
Tax rate	One-tier tax exempt	One-tier tax exempt

(d) The date the dividend is payable

Payment of the dividend, if approved by the shareholders at the forthcoming Annual General Meeting of the Company, will be made on 26 February 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.

Notice is hereby given that the Share Transfer Books and Register of Members of PNE Industries Ltd will be closed at 5.00 p.m. on 29 January 2021 for the preparation of dividend entitlement and shall reopen on the following working day.

Duly completed and stamped registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 29 January 2021 will be registered to determine shareholders' entitlements to the said dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 29 January 2021 will be entitled to the proposed dividend.

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).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

ANALYSIS BY BUSINESS SEGMENT

- (i) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Revenue		Profit	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Contract Manufacturing	78,726	93,341	6,843	7,979
Trading	7,115	8,842	658	1,108
Others	3	-	(50)	199
Total	85,844	102,183	7,451	9,286
Interest income			548	817
Share of results of associate			61	118
Finance costs			(42)	-
Profit before tax			8,018	10,221
Income tax expense			(1,824)	(2,077)
Profit for the year			6,194	8,144

- (ii) Segment assets and liabilities

	2020	2019
	\$'000	\$'000
<u>Segment assets</u>		
Contract manufacturing	54,821	55,075
Trading	3,979	4,604
Others	636	613
Total segment assets	59,436	60,292
Unallocated	44,035	43,454
Consolidated assets	103,471	103,746
<u>Segment liabilities</u>		
Contract manufacturing	17,568	17,436
Trading	1,389	706
Others	650	731
Total segment liabilities	19,607	18,873
Unallocated	2,364	1,245
Consolidated liabilities	21,971	20,118

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

ANALYSIS BY BUSINESS SEGMENT (continued)

(iii) Other segment information

	<u>Depreciation</u>		<u>Additions to non-current assets*</u>		<u>Allowance for (Reversal of) inventories</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Contract manufacturing	1,324	788	929	780	537	(191)
Trading	231	58	105	4	50	11
Total	1,555	846	1,034	784	587	(180)

* Excluding deferred tax assets

ANALYSIS BY GEOGRAPHICAL INFORMATION

	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Netherlands	14,809	32,710	894	1,537
Poland	9,547	23,281	-	-
Europe (excluding Netherlands and Poland)	27,731	20,211	-	-
People's Republic of China	19,812	9,757	2,086	1,278
Malaysia	5,593	6,553	5,232	6,081
Singapore	3,563	4,075	479	198
Others	4,789	5,596	-	-
	85,844	102,183	8,691	9,094

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

The decline in profit of both the contract manufacturing segment and the trading segment were due to the decrease in turnover of the respective segments.

The decline in revenue from the Netherlands and Poland were due mainly to the normalization of orders in FY20, because in FY19, higher orders were received due to the expansion of sales channels by a customer during that year. The increase in revenue from China in FY20 was due to higher orders from customers in China.

The reduction in non-current assets in Malaysia was due to the disposal of the Company's FVTOCI equity investment in PNE PCB Berhad. The reduction in non-current assets in the Netherlands was due to the lower fair value of the Group's FVTOCI equity investment in DSP Innovation BV.

17. A breakdown of sales as follows:-

		Latest financial year \$'000	Previous financial year \$'000	% increase / (decrease)
(a)	Sales reported for first half year	37,190	48,223	(22.9)
(b)	Operating profit after tax before deducting minority interests reported for first half year	1,229	2,851	(56.9)
(c)	Sales reported for second half year	48,654	53,960	(9.8)
(d)	Operating profit after tax before deducting minority interests reported for second half year	4,965	5,293	(6.2)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year ended September 30, 2020 (One-tier tax exempt dividend*)	Latest Full Year ended September 30, 2019 (One-tier tax exempt dividend*)
Ordinary	\$6,713,341	\$7,552,508
Preference	-	-
Total:	\$6,713,341	\$7,552,508

* Includes interim dividends declared and paid during the financial year, as well as final dividend recommended in respect of that financial year, but payable/paid in the following financial year.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Bee Foon	60	Sister of all directors (except independent directors)	General Manager in Human Resource and Administration - in charge of human resource management and general admin matters. - Position held since 1 st Jan 2000.	No changes
Eugene Tan Wei Kang	49	Son of substantial shareholder, Mr Tan Kong Hock, and nephew of all other directors (except independent directors)	Senior Manager – Business Development of PNE Appliance Controls Pte Ltd. - in charge of developing new business for the company. - Position held since 1 st Jul 2006.	No changes
Tan Meng Siew	48	Daughter of chairman, Mr Tan Kong Heng, niece of all other directors (except independent directors)	Financial Controller - in charge of finance and accounting functions. - Position first held in 1999. Also appointed as Company Secretary on 31 st Dec 2004.	No changes

BY ORDER OF THE BOARD

Ms Tan Meng Siew
Company Secretary
November 25, 2020