



1HFY21 Results Presentation

Important Notice

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

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

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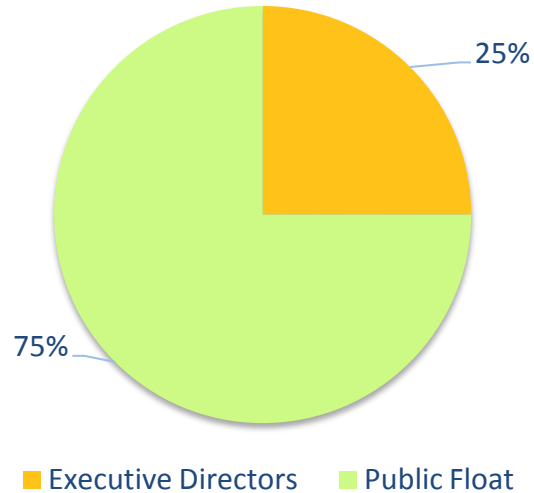
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Corporate Profile

Shareholding



Bloomberg Code	VALUE.SP
Reuters Code	VLUE.SI
Stock Code	BN2
Index	FTSE ST Small Cap, FTSE ST China, FTSE Global MicroCap
Issued shares (M)	435.6
Mkt cap (SG\$M) (4 Nov 2020)	246.1
Share price (SG\$) (4 Nov 2020)	0.565
Average volume 3-mth ('000)	1,059
52 wk range (SG\$) (4 Nov 2020)	0.435 – 0.86

Corporate Information

- Electronic Manufacturing Services (“EMS”) player established in 1992 in Hong Kong
- Listed on Main Board of SGX on 28 March 2007
- Production facilities in Daya Bay & Danshui Town, Guangdong, PRC (60 minutes from Shenzhen) and Vinh Phuc Province, Vietnam
- Auditors: PricewaterhouseCoopers
- Around 3,500 employees (31 Mar 2020)

Integrated EMS Provider

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

Accreditations

ISO9001:2008, ISO14001:2004, ISO13485: 2003, TL9000 R5.5, TS16949: 2009, IPC J STD-001, IPC-A-610 QML Class 3

Business Model

Value Add

A Premier Design and Manufacturing Partner

Integrated Manufacturing Services

- SMT
- Auto insertion & Selective soldering
- Wire bonding
- FG assembly
- CNC machining
- Injection molding
- Tool design & fabrication

Engaging in Customers Value Chain















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

Design & Development

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

Proactive deployment of Design & Development capabilities

Key Milestones

1992	2002	2003	2005	2007	2008	2008
Headquartered in Hong Kong with manufacturing facilities in Danshui Town PRC	Use of ROHS equipment and accredited with TL9000	Adopted work cell management & updated to ISO9001:2000	Became Philips preferred supplier for its consumer lifestyle segment	Listed on SGX-Mainboard & commenced construction for Daya Bay Facility	Became Phillips preferred supplier for its Lighting segment	Completed Phase 1 construction of Daya Bay Facility
						
2009	2012	2014	2015	2017	2019	2019
Opened Daya Bay Facility, acquired medical business	Celebrated 20 th anniversary with revenue crossing HK\$2 billion	Adoption of formal dividend policy	Received TS16949 certification	Received 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi	Awarded 2019 Sustainability Award, Small Cap – Runner Up from SIAS	Established Manufacturing footprint in Vietnam
						

Daya Bay Facility – Bird's-Eye View

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



Customer & Product Portfolio

**Industrial & Commercial
Electronics**

Consumer Electronics

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

Industrial & Commercial Electronics

Printers

Nasdaq-listed Company



Transaction Printer for Slot, POS & Teller Station Machines

Global Brand owned by NYSE-listed MNC



Thermal Label Printer for Industrial & Commercial Use

Industrial & Commercial Electronics

Sensing Devices

Unit of a NYSE-listed MNC



Cold Chain Temperature Monitor for Industrial & Commercial Use

Company owned by a UK PE Fund



Electronic Thermostats

Biotechnology company based in United States and Canada



Networked Pheromone Dispenser

Industrial & Commercial Electronics (Cont'd)

Communication Products

United States based Company



Taiwan-listed Company



Company Based in North America



High Precision GPS for Industrial Use



Industrial & Commercial Electronics (Cont'd)

Electronic Products for Automotive Industry

Tier 1 Automotive System Manufacturer

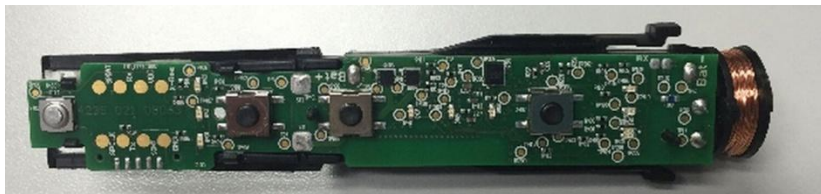
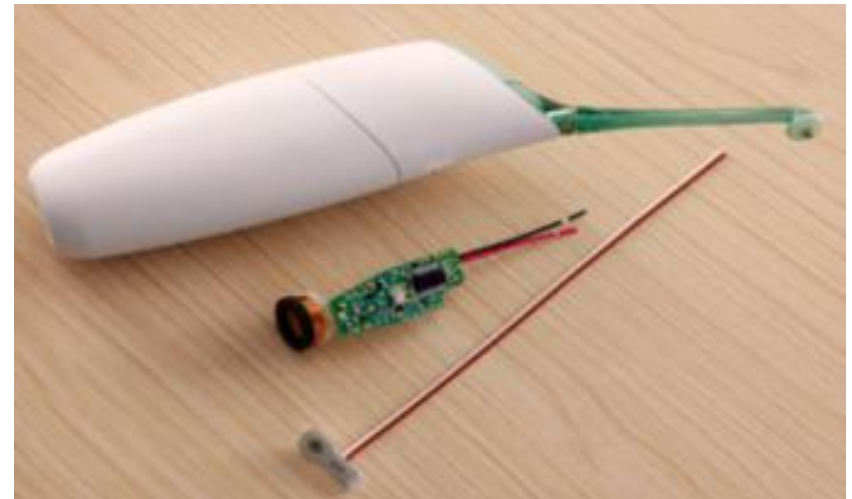


Data and media connectivity module

Consumer Electronics

Consumer Lifestyle Products

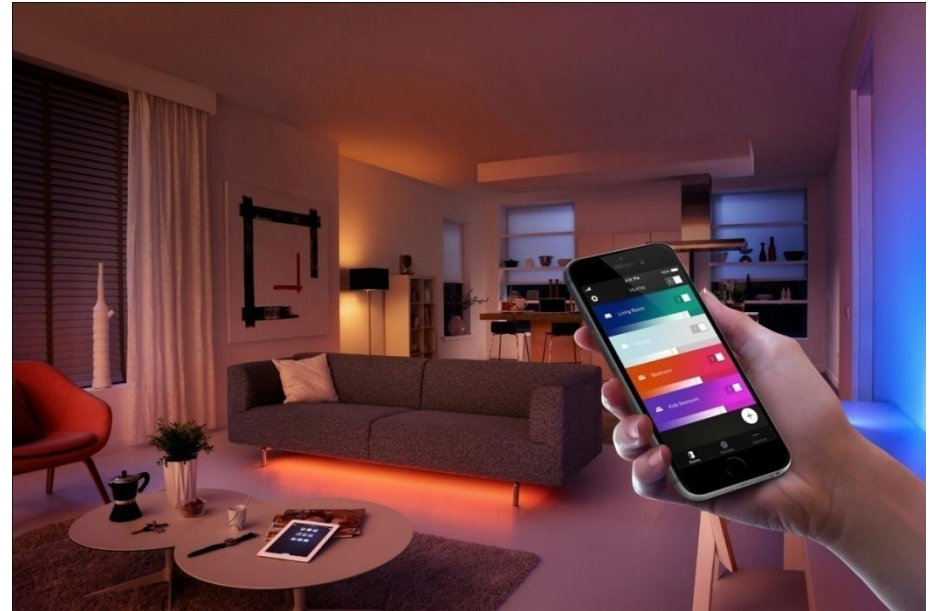
Consumer Lifestyle Division of a Dutch MNC



PCBA for Shavers & Electric Toothbrushes for Consumer Use

Consumer Electronics (Cont'd)

Smart Lighting with IOT Features



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



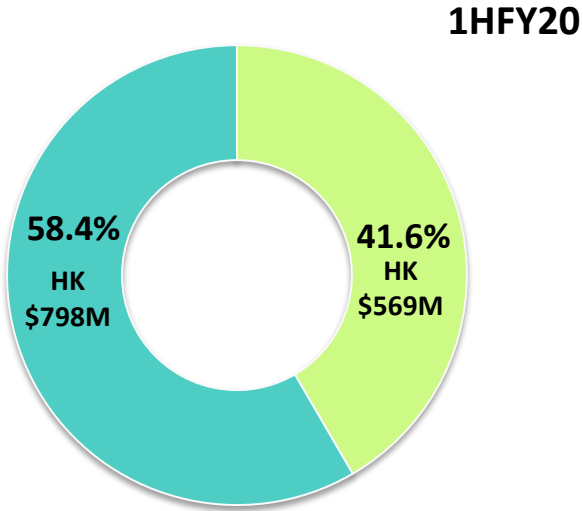
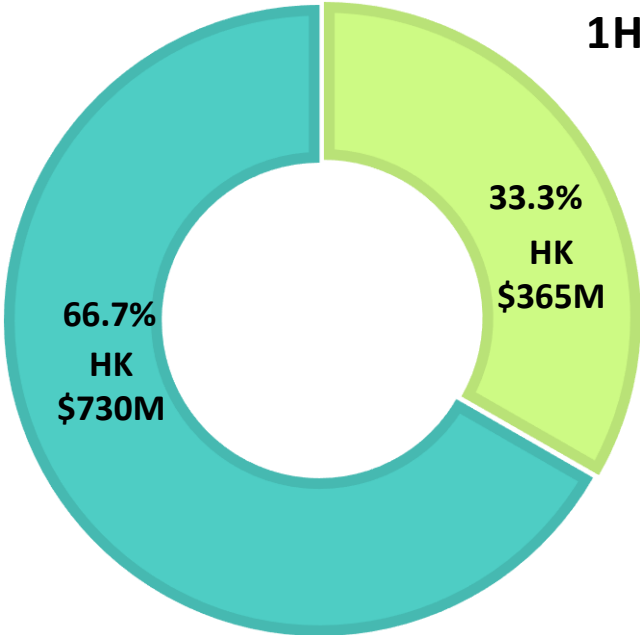
1HFY21 Financial Highlights

Financial Highlights

HK\$'M	1HFY21	1HFY20	% Change
Revenue	1,094.9	1,367.1	-19.9
Gross Profit	185.9	205.9	-9.7
Gross Profit Margin	17.0%	15.1%	1.9% pt
Net Profit for the period	91.5	104.1	-12.1
Net Profit Margin	8.4%	7.6%	0.8% pt

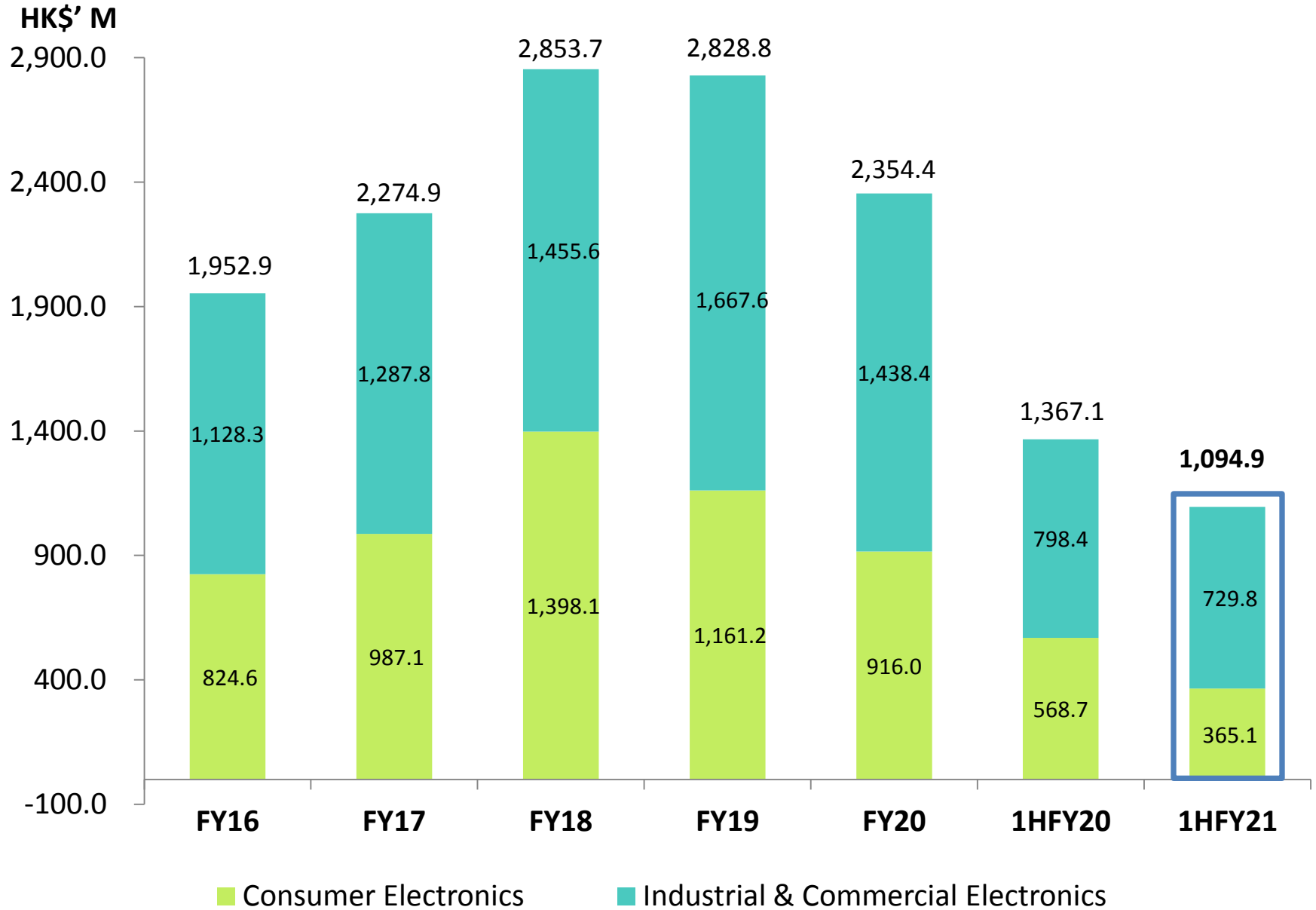
Financial Highlights

Revenue Contribution

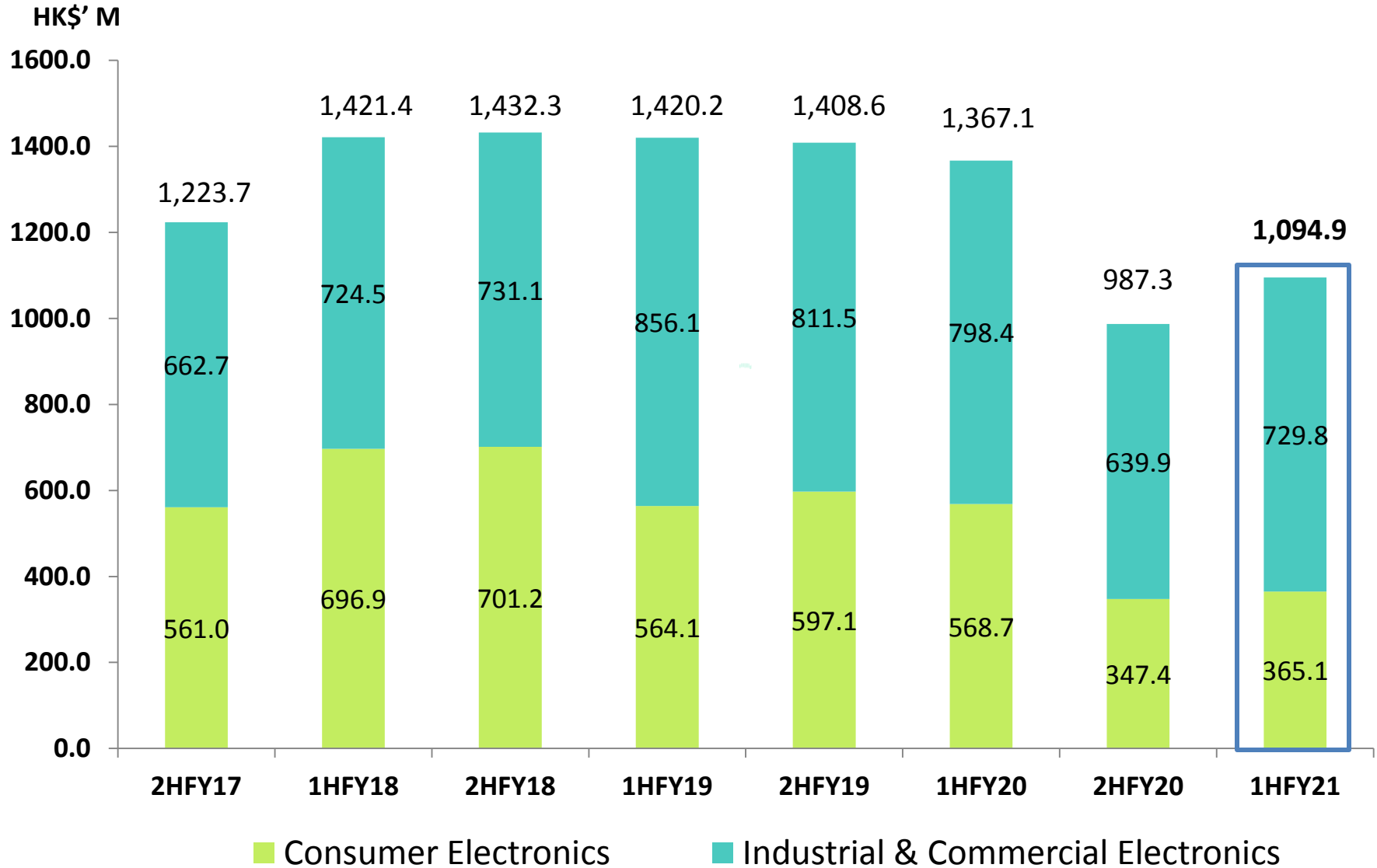


- Consumer Electronics
- Industrial and Commercial Electronics

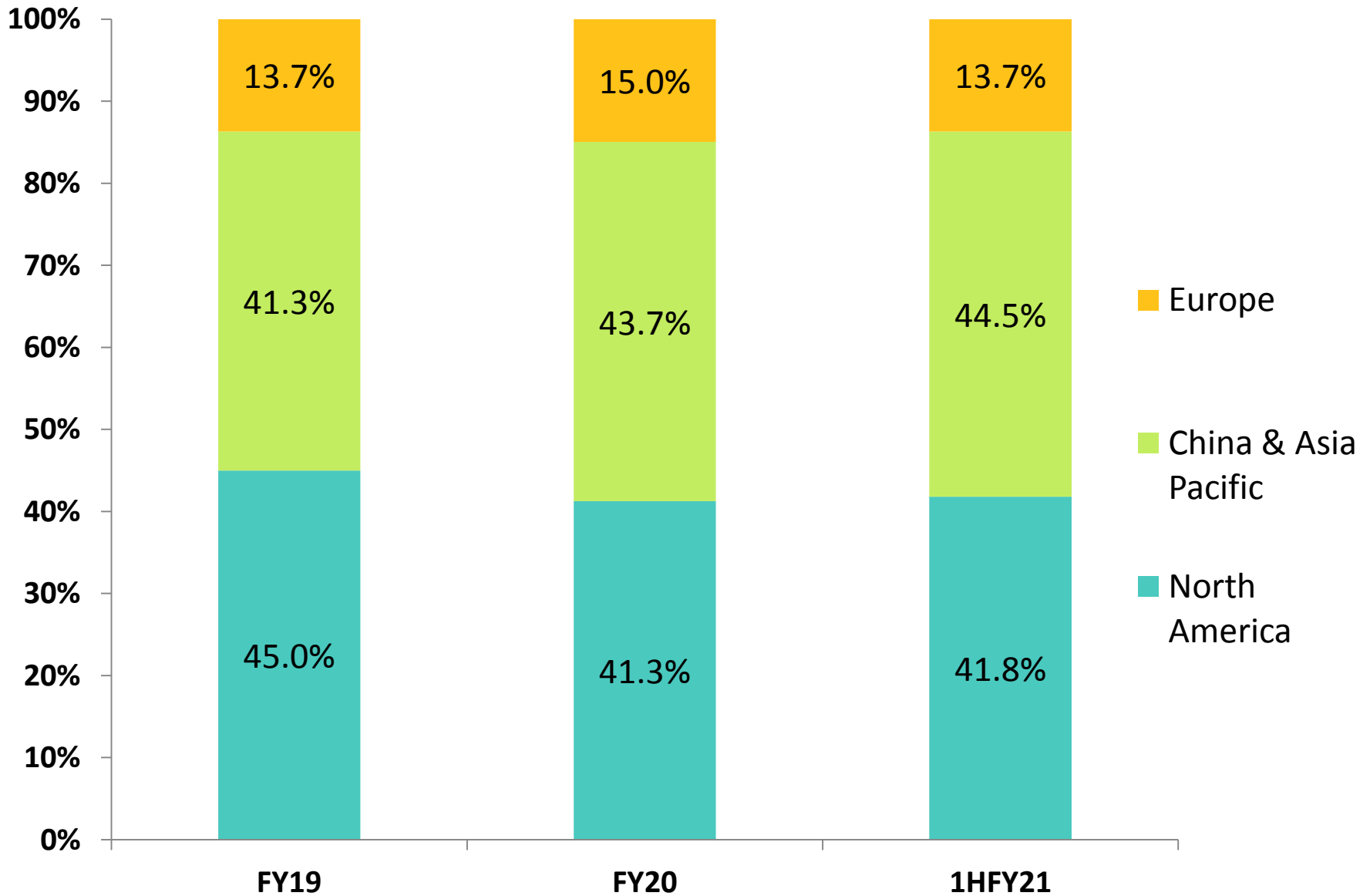
Revenue Trend



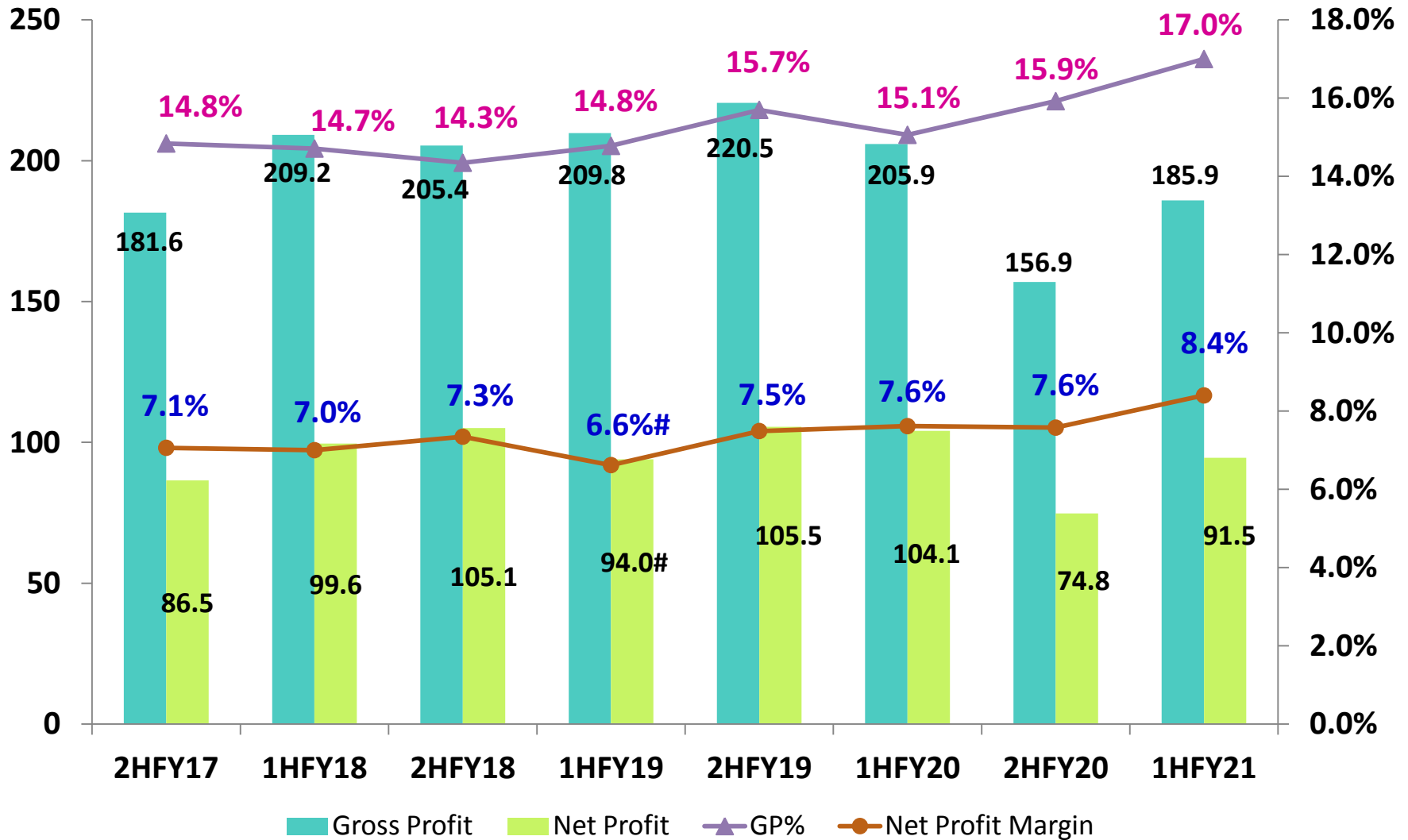
Half-year Revenue



Revenue by Shipment Destination

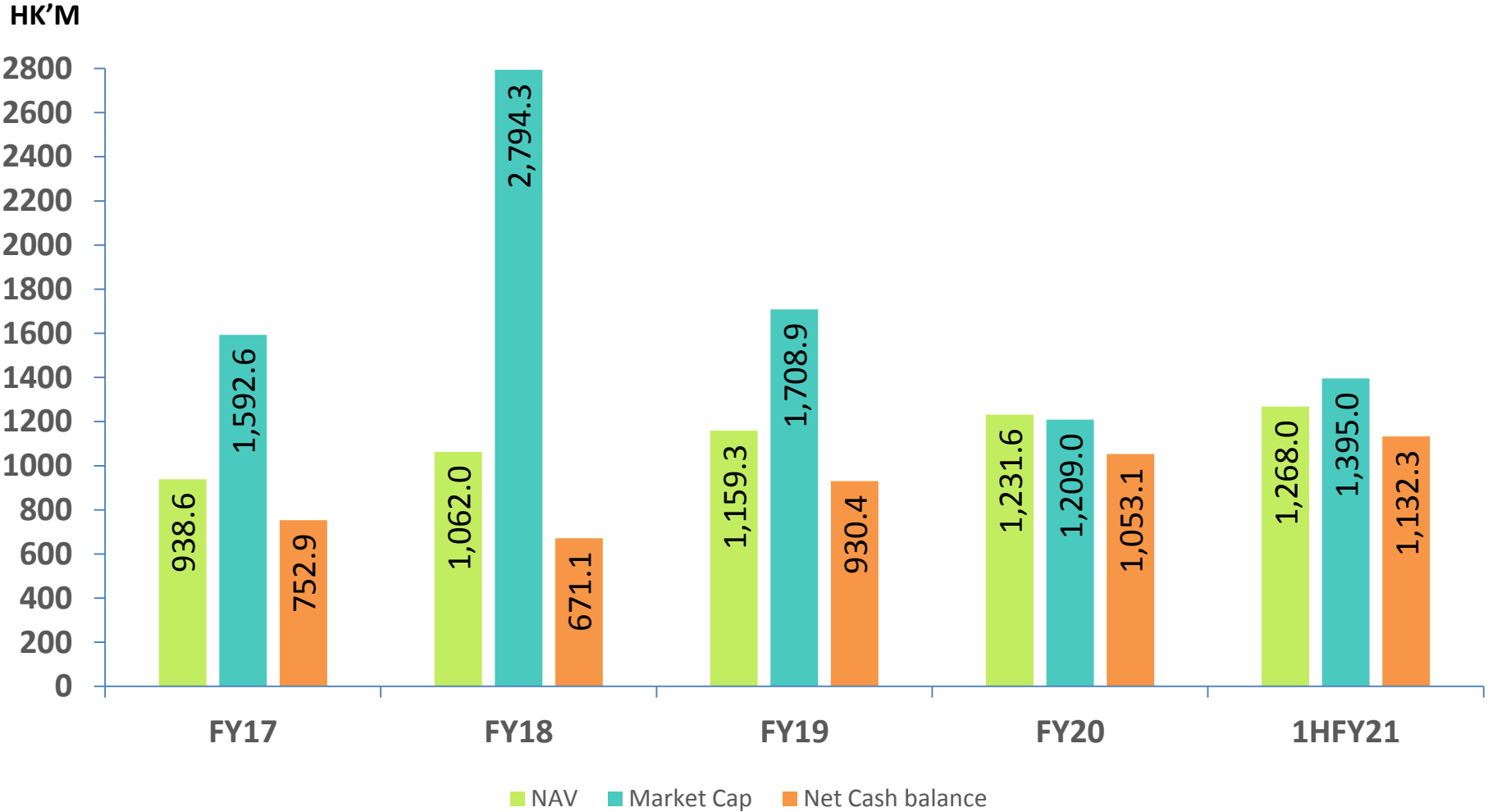


Gross Profit & Net Profit Trend



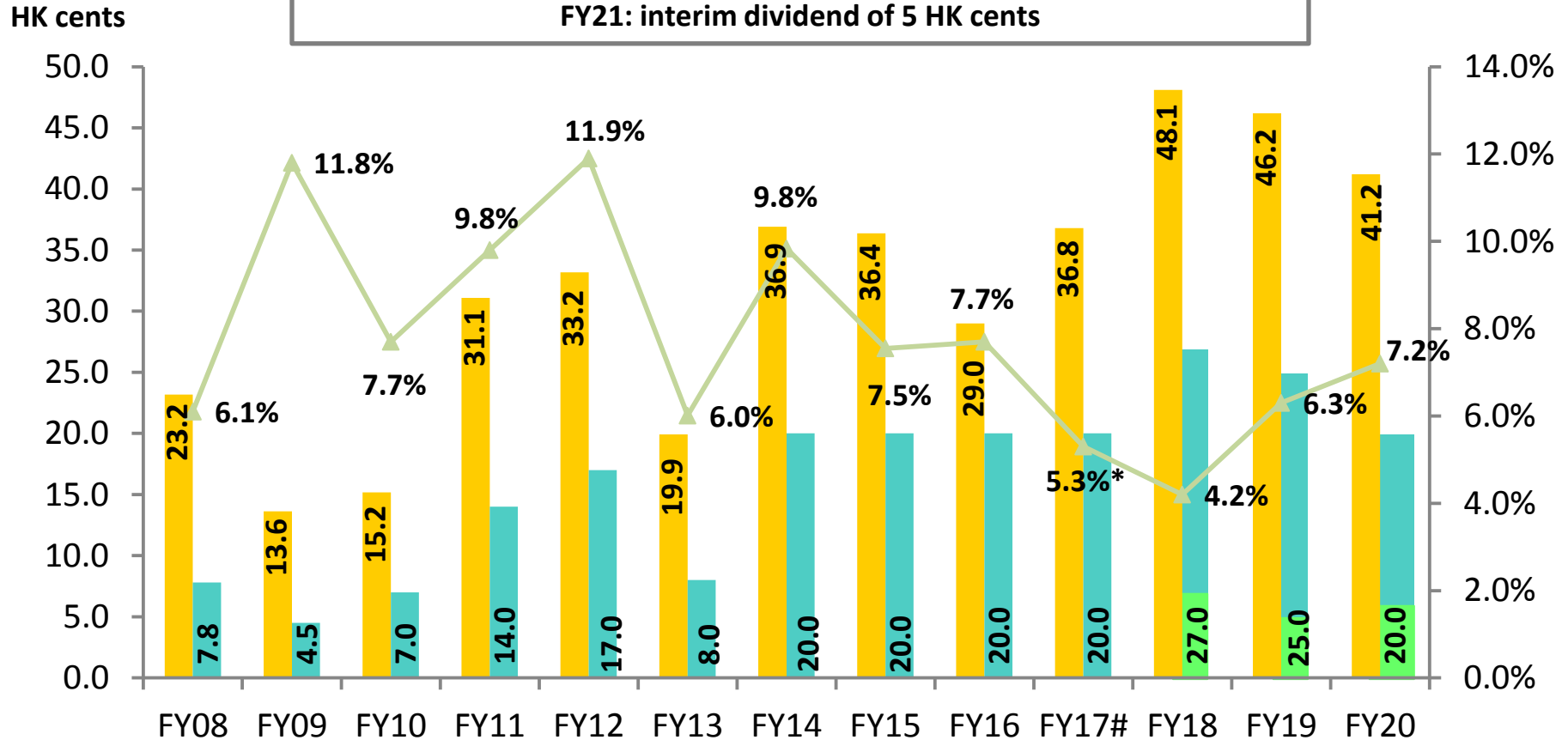
Included the impairment loss of HK\$13.6M recognised in respect of flash floods at the Danshui Factory

Market Capitalisation & Net Cash Balance



Earnings Per Share & Dividends Per Share

We are committed to formal dividend policy of 30-50% payout ratio
FY21: interim dividend of 5 HK cents



Share Price* (S\$)	0.21	0.07	0.15	0.21	0.21	0.19	0.30	0.43	0.41	0.68	1.08	0.68	0.51
Dividend Payout	30%	30%	42%	41%	47%	37%	49%	50%	63%	55% *	57%	54%	49%

■ EPS *
 ■ Dividend per share
 ▲ Dividend Yield
■ Interim Dividend

* Adjusted for 1:10 bonus issue completed on Jun 2017

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

Summary of Cash Flows

HK\$'000	1HFY21	1HFY20
Operating Activities		
Net cash generated from operating activities	131,504	187,883
Investing Activities		
Net cash generated from / (used in) investing activities	8,501	(7,561)
- CAPEX	(34,965)	(18,994)
- Redemption of financial assets at fair value	38,630	-
- Others	4,836	11,433
Financing Activities		
Net cash used in financing activities	(61,538)	(83,769)
Net increase in cash and cash equivalents	78,467	96,553
Effect of foreign exchange rate changes	763	1,282
Cash and Cash equivalents		
At beginning of the period	1,053,096	930,445
At end of the period	1,132,326	1,028,280

Balance Sheet & Key Ratios

HK\$'M	1HFY21	FY20
Working capital		
Inventories	210.2	227.9
Trade Receivables	513.5	326.4
Trade Payables	<u>(433.6)</u>	<u>(291.2)</u>
	<u>290.1</u>	<u>263.1</u>
Net Current Assets	936.4	902.4
Net Cash	1,132.3	1,053.1
Net Assets	1,268.0	1,231.6

Turnover Days	1HFY21	FY20
Inventories	42.2	41.8
Trade Receivables	85.6	50.6
Trade Payables	<u>(87.1)</u>	<u>(53.4)</u>
	<u>40.7</u>	<u>39.0</u>

Key Financial Ratios

	1HFY21	FY20
Price (SGD) #	0.57	0.51
NAV per share (SGD)*	0.51	0.52
Cash per share (SGD)*	0.46	0.44
Cash to Mkt Cap ratio	81%	87%

	1HFY21	FY20
Current ratio	2.0	2.2
ROE	14.4%	14.5%
ROA	8.2%	8.9%
PB ratio	1.10	0.98

Share price as at respective period or year end date

*SGD/HKD Ex rate:

1HFY21: 5.67;

FY20: 5.44

Business Review

Supply Side

- Stringent travel restrictions in China gradually released so China factories were able to fill up the workforce since the start of FY2021

Demand Side

- Under COVID-19 pandemic, customer demand from both CE and ICE segments continues to weaken, with the exception of printers and sensing devices customers

Reader should refer to section 10 of the Results Announcements for the complete commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Business Review

Progress of Vietnam expansion

- Construction of Vietnam campus has started in July 2020
- 4,000 sqm leased factory, located a few miles away from the Vietnam campus, has commenced production during the period
- This demonstrates the Group's immediate solution for customers who seek to diversify their procurement chain outside China
- A few existing customers are in different stages of production transfer from the Group's China site to Vietnam site

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Business Outlook

Near term outlook

- In efforts to mitigate the increasing risk of Sino-US trade tensions, some customers in the auto industry and CE segment continue their planned transfer of their production for the US end-market from China to North America and ASEAN
- Switch-over to other suppliers in these regions expected to complete in FY2021 and its negative impact to reflect in FY2022
- Expect to remain profitable for FY2021, however the outlook of the near term beyond FY2021 continue to be highly uncertain due to far-from-over COVID-19 pandemic and Sino-US trade tensions

Reader should refer to section 10 of the Results Announcements for the complete commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.



Sustainability

Corporate Sustainability Highlights



Sustainability Award (Small Cap) 2019

Runner Up

Recognised for the efforts in adopting and reporting on environment, social and governance practices



Environmental Compliance

Achieved ISO14000 accreditation, standards for environmental management since 2008



Diversity

Achieved an almost equal ratio of worker and staff distribution by gender. No incidents of discrimination reported.



Local Community Engagement

Carried out such engagements at least once every quarter