



1HFY2024 Results Presentation

Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 9 Nov 2023

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Investor Relations Contact:

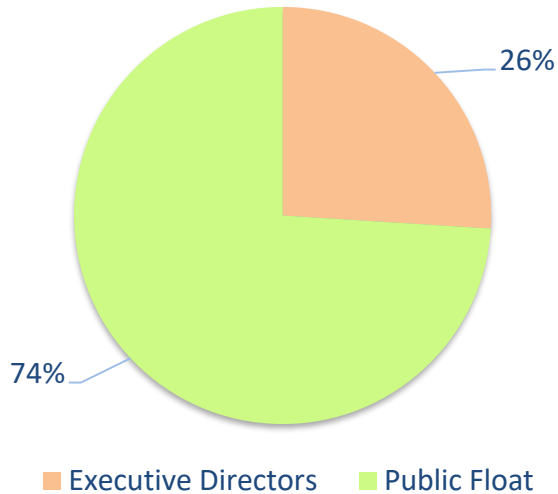
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Cogent.

Corporate Profile

Shareholding



Bloomberg Code	VALUE.SP
Reuters Code	VLUE.SI
Stock Code	BN2
Index	FTSE ST Small Cap, FTSE Global MicroCap
Issued shares (M)	435.6
Mkt cap (SG\$M) (8 Nov 2023)	235.2
Share price (SG\$) (8 Nov 2023)	0.54
52 wk range (SG\$) (8 Nov 2023)	0.48 – 0.57

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, Guangdong, PRC (60 minutes from Shenzhen) and Vinh Phuc Province, Vietnam (30 minutes from Hanoi International Airport)
- Auditors: PricewaterhouseCoopers
- Globally around 3,000 employees (30 Sep 2023)

Integrated EMS Provider

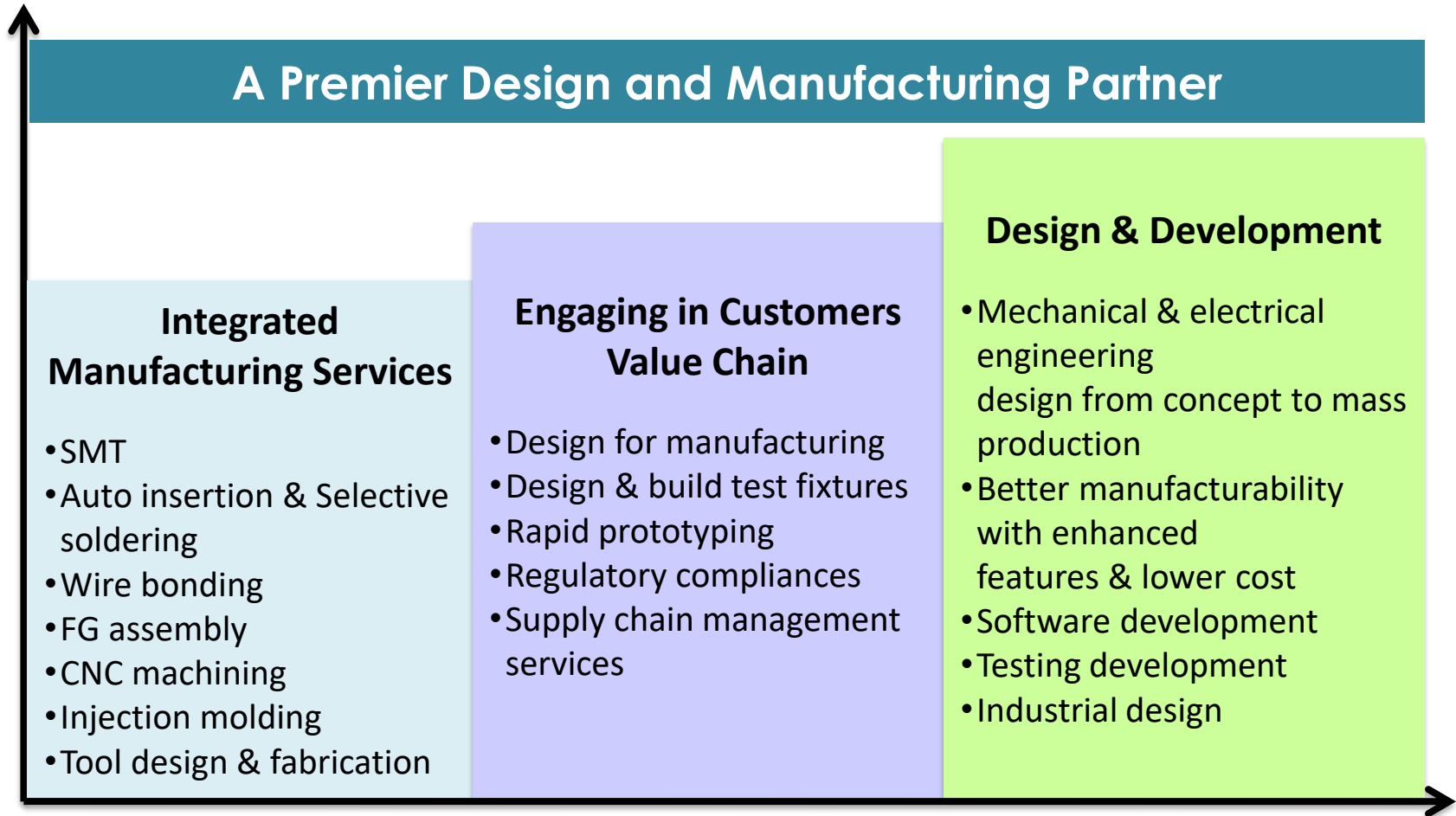
- Engineering Design & Development
- Product Design & Deployment
- Plastic Injection Moulding
- Tool Design and Tool Fabrication
- Metal Stamping & Machining
- Printed Circuit Box Assembly and Box Build Assembly
- Supply Chain Management
- Integrated Manufacturing Sites in China and Vietnam

Accreditations

ISO9001:2015, ISO14001:2015, TL9000:2016(H) R6.3/5.7, IATF16949: 2016, IPC J STD-001/ IPC-A-610 QML Class 3, ANSI/ESD S20.20 - 2014

Business Model

Value Add



Proactive deployment of Design & Development capabilities

Key Milestones

1992

Headquartered in Hong Kong with manufacturing facilities in Danshui Town PRC



2002

Use of ROHS equipment and accredited with TL9000



2003

Adopted work cell management & updated to ISO9001:2000



2005

Became Philips preferred supplier for its consumer lifestyle segment



2007

Listed on SGX-Mainboard & commenced construction for Daya Bay Facility



2008

Became Phillips preferred supplier for its Lighting segment



2008

Completed Phase 1 construction of Daya Bay Facility



2012

Celebrated 20th anniversary with revenue crossing HK\$2 billion



2014

Adoption of formal dividend policy



2015

Received TS16949 certification



2017

Received 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi



2019

Awarded 2019 Sustainability Award, Small Cap – Runner Up from SIAS



2019

Established Manufacturing footprint in Vietnam



2022

Vietnam Campus commenced mass production



Multi-national Footprint



China Campus

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

Vietnam Campus

- Land use rights acquired in 2019
- Total site area > 52,000 sq m



Customer & Product Portfolio

**Industrial & Commercial
Electronics**

Consumer Electronics

- **Ability to accommodate customers requirement for various volume, mix and complexity**
- Customer base ranges from emerging enterprises in Northern American (low-volume complex custom product) to top global multinational 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 (Cont'd)

Sensing Devices

Unit of a NYSE-listed MNC



Cold Chain Temperature Monitor for Industrial & Commercial Use

Biotechnology company based in United States and Canada



Networked Pheromone Dispenser

Industrial & Commercial Electronics (Cont'd)

Communication Products

United States-based Company



United States & Canada-based Company



Cooling solutions for HPC environments

Taiwan-listed Company



Industrial & Commercial Electronics (Cont'd)

Communication Products

Network Access Solutions Provider based in Canada



Industrial & Commercial Electronics (Cont'd)

Electronic Products for Automotive Industry

Tier 1 Automotive System Manufacturer



Data and media connectivity module

Industrial & Commercial Electronics (Cont'd)

Industrial & Commercial Applications

Startup owned by PE Fund



Hardware Provider for Retail Chain Stores

NYSE-listed United States
Company

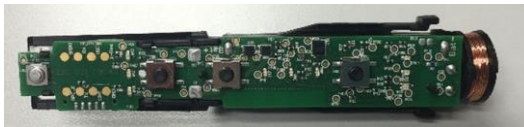
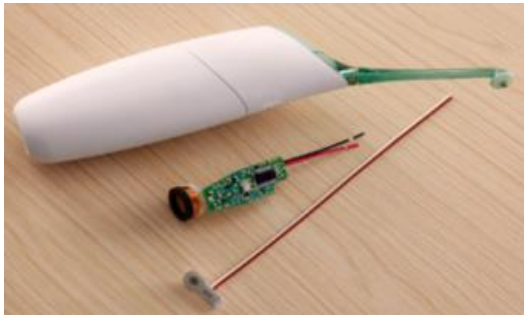


Residential and Commercial Water Solutions

Consumer Electronics

Consumer Lifestyle Products

Consumer Lifestyle Division of a Dutch MNC



PCBA for Shavers & Electric Toothbrushes for Consumer Use

Smart Lighting with IOT Features

World leader in lighting for professionals and consumers and lighting for IOT



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

Consumer Electronics (Cont'd)

Electronic products for leading global entertainment conglomerate





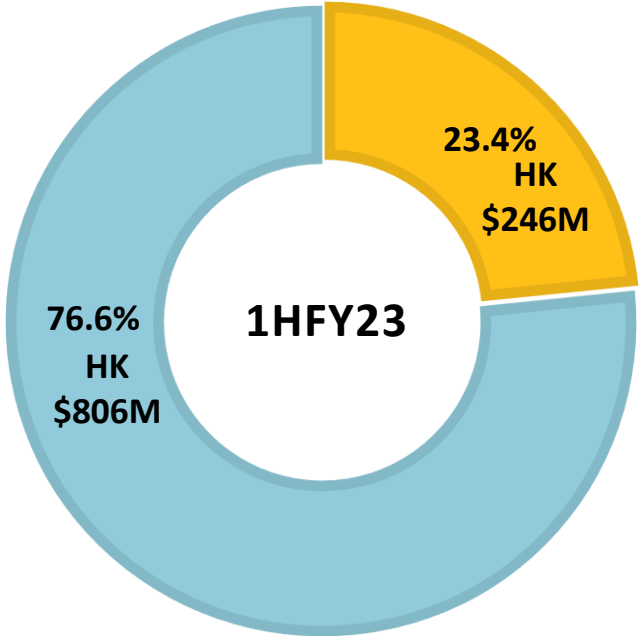
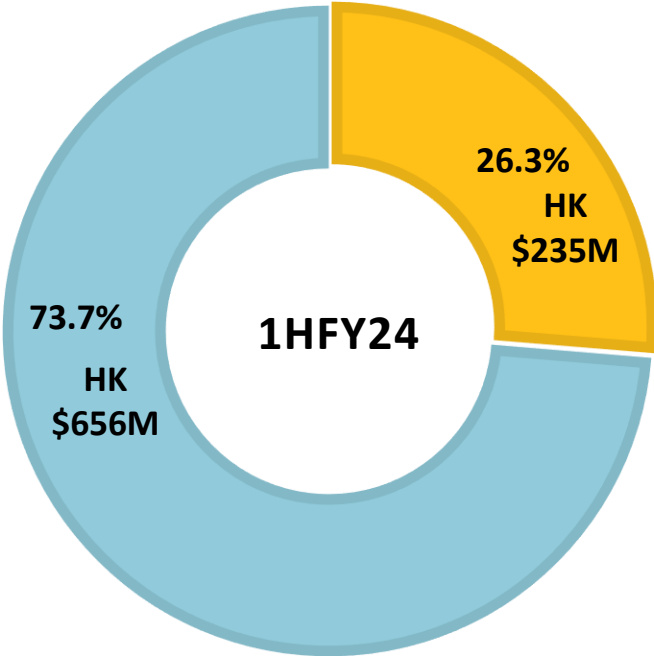
1HFY2024 Financial Highlights

Financial Highlights

HK\$'M	1HFY24	1HFY23	% Change
Revenue	891.3	1,051.6	-15.2
Gross Profit	138.9	131.2	5.8
Gross Profit Margin	15.6%	12.5%	3.1% pt
Net Profit for the period	82.1	57.9	42.0
Net Profit Margin	9.2%	5.5%	3.7% pt

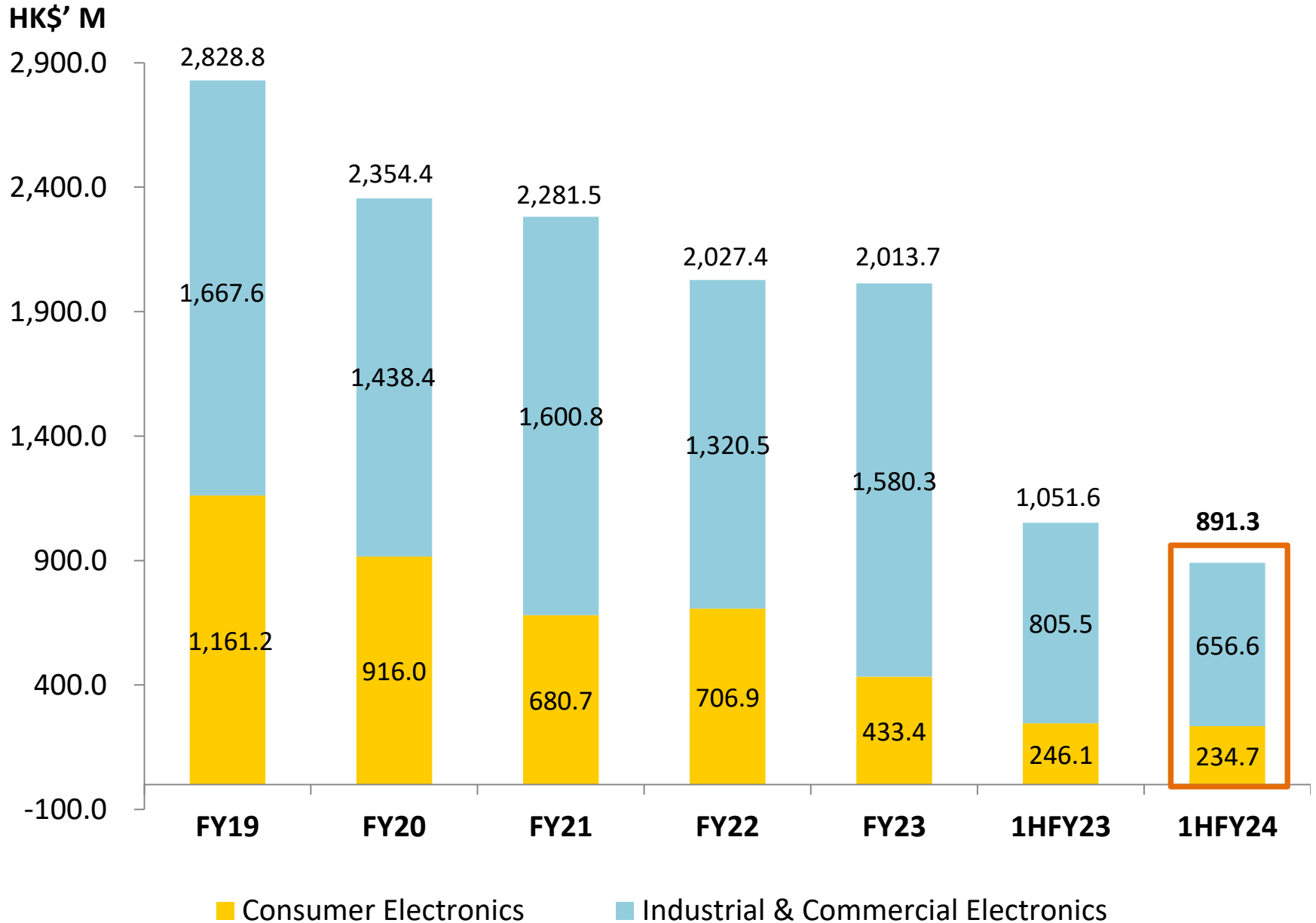
Financial Highlights

Revenue Contribution

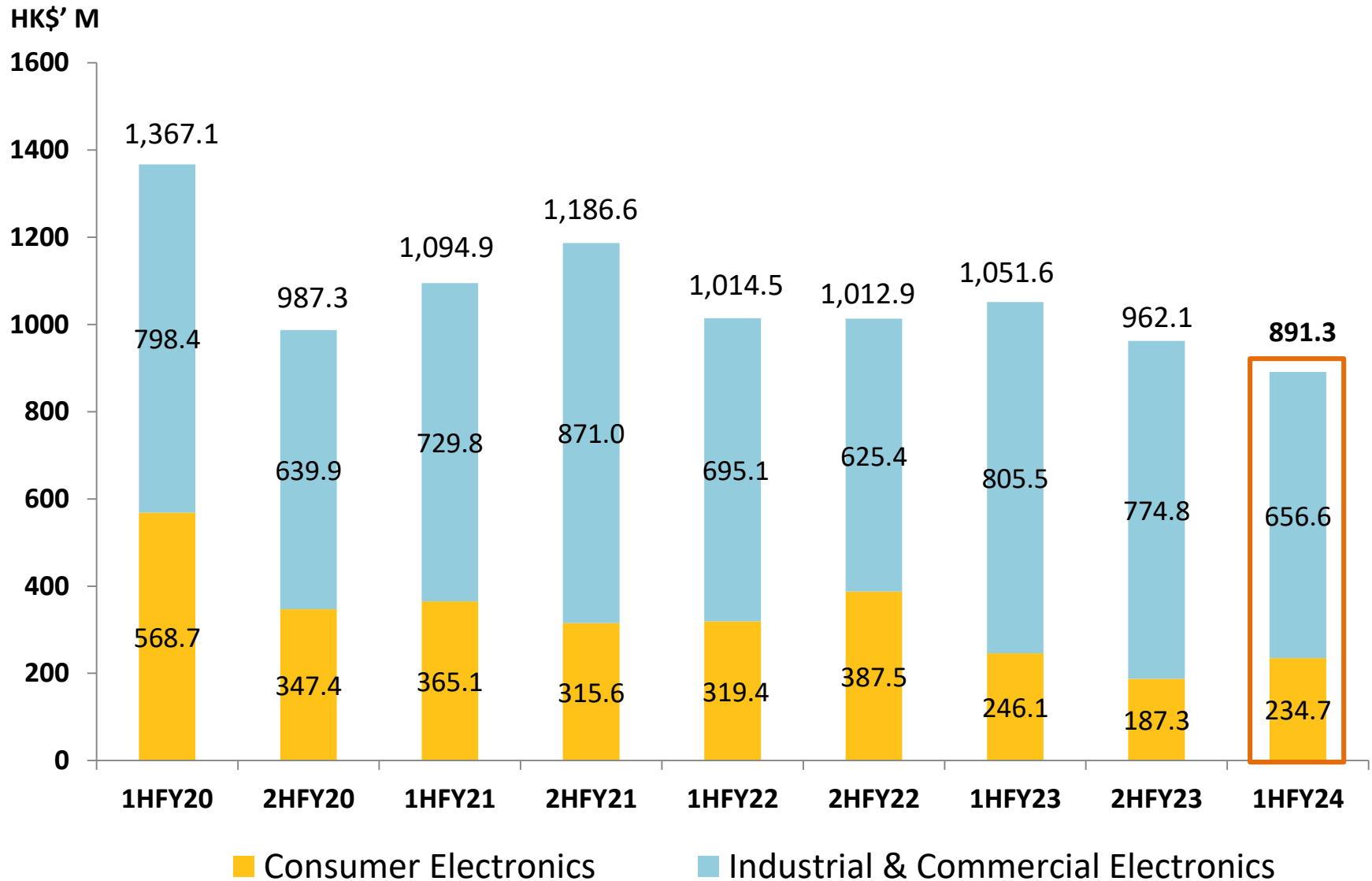


- Consumer Electronics
- Industrial and Commercial Electronics

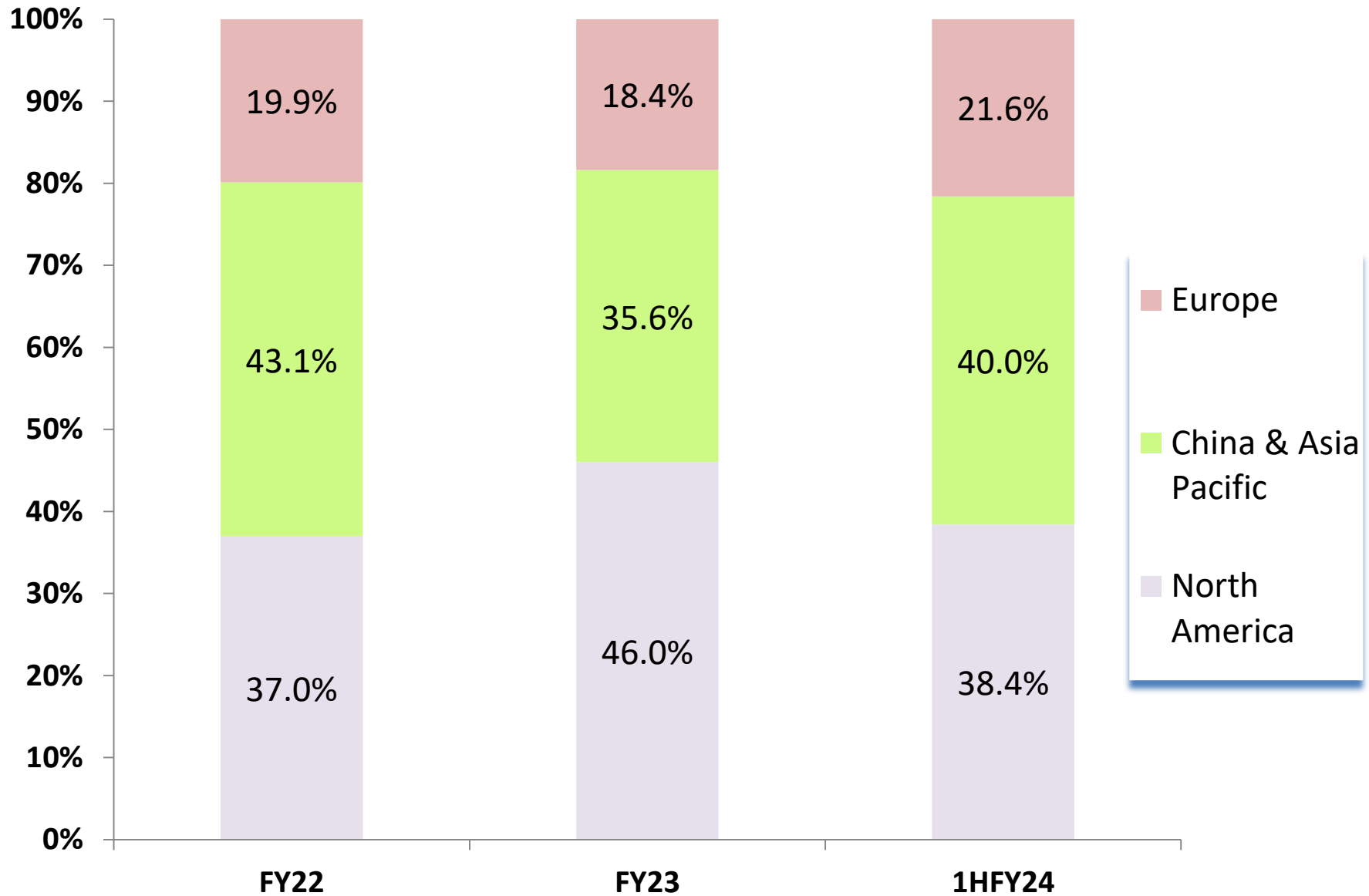
Revenue Trend



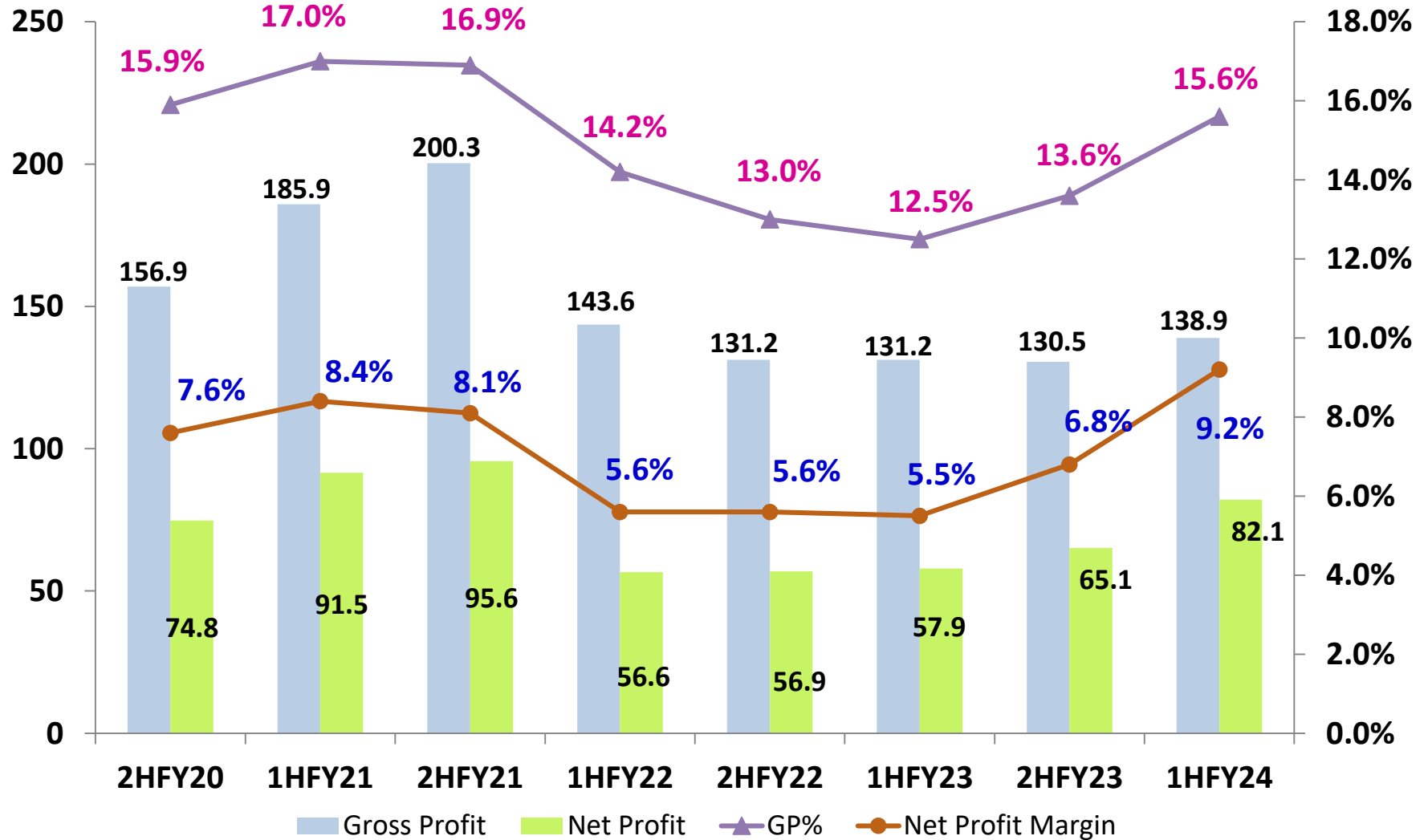
Half-Year Revenue Trend



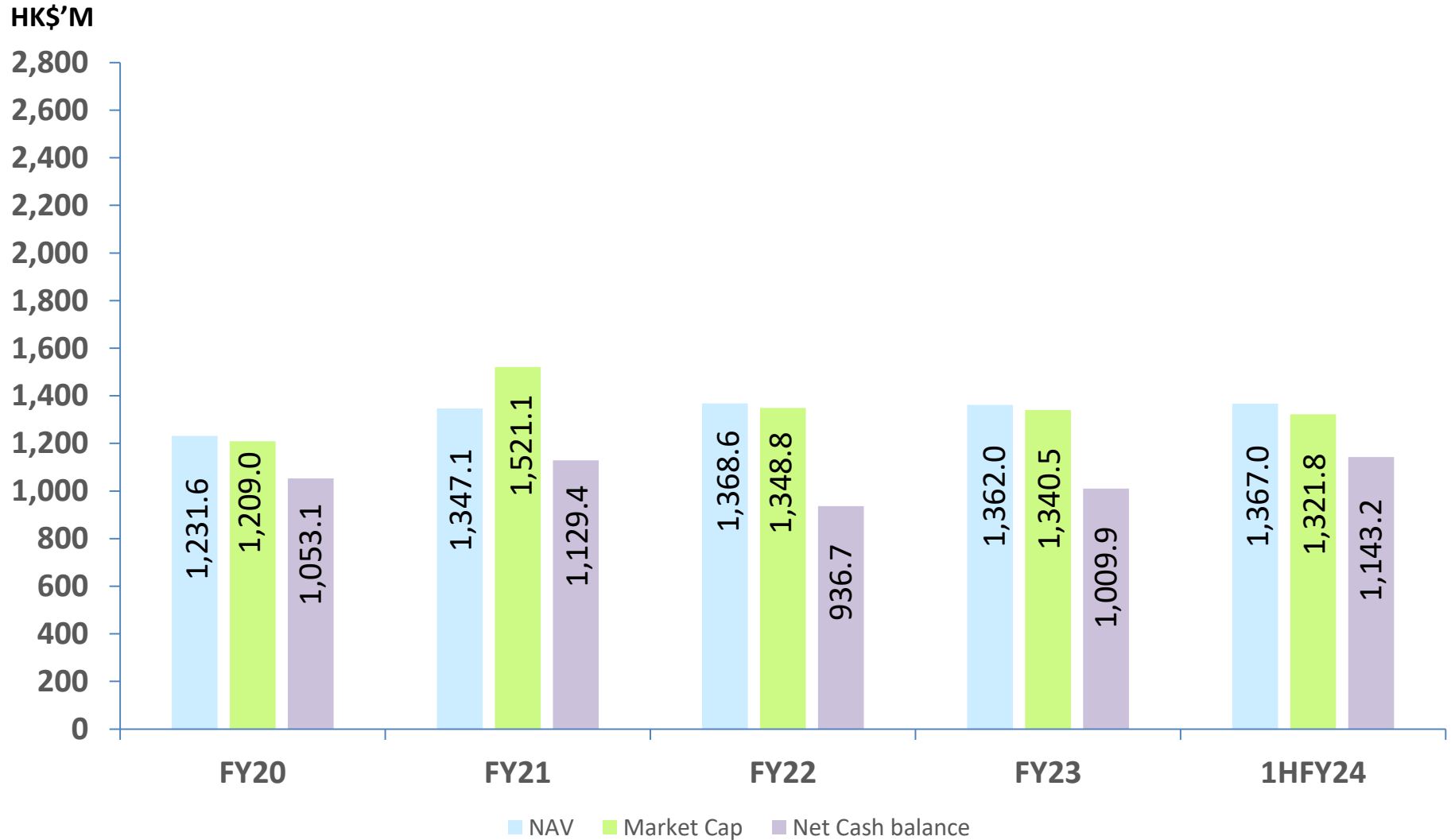
Revenue by Shipment Destination



Gross Profit & Net Profit Trend

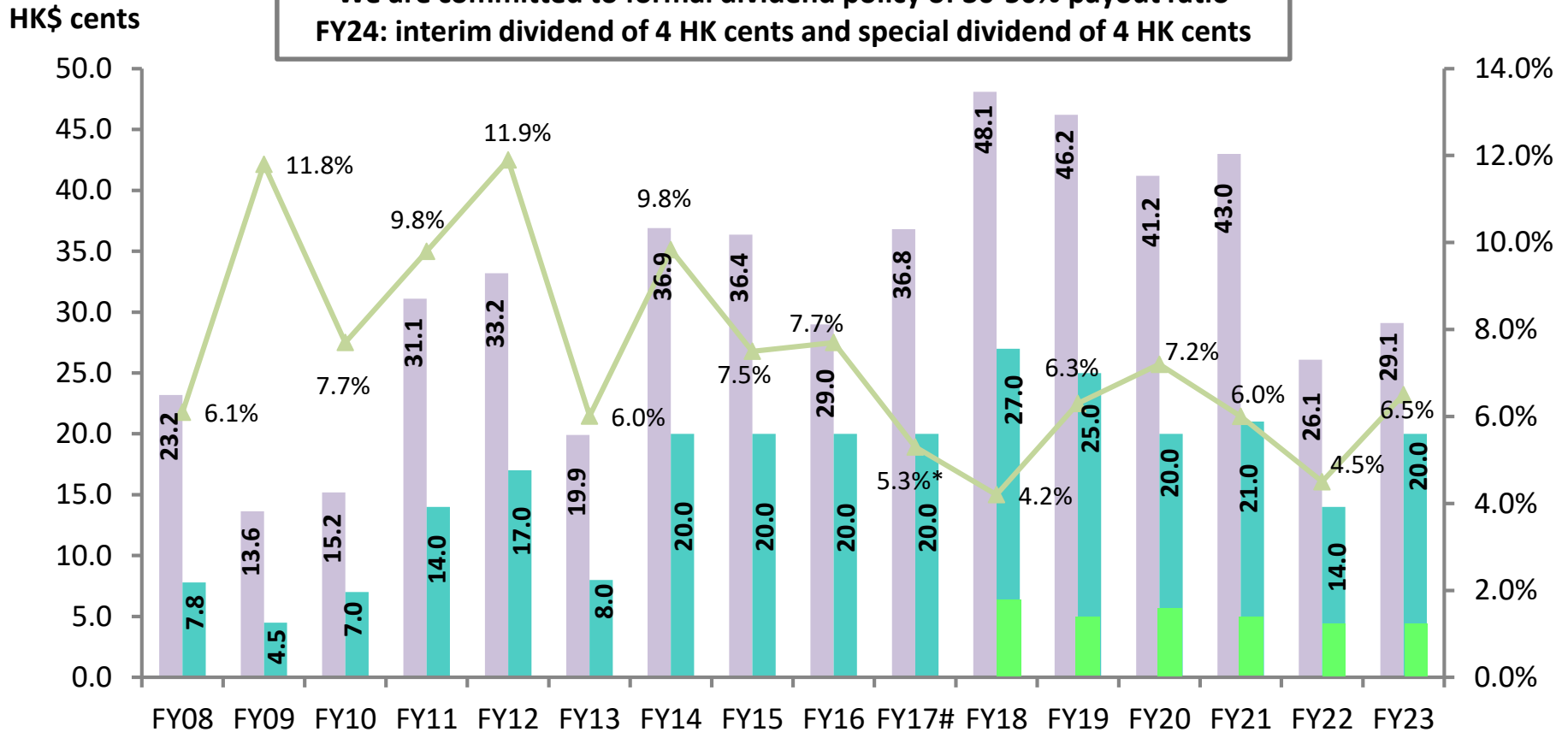


Market Capitalisation & Net Cash Balance



Earnings Per Share & Dividends Per Share

We are committed to formal dividend policy of 30-50% payout ratio
 FY24: interim dividend of 4 HK cents and special dividend of 4 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	0.61	0.535	0.52
Dividend Payout	30%	30%	42%	41%	47%	37%	49%	50%	63%	55%*	57%	54%	49%	49%	53%	68%

EPS * Dividend per share Dividend Yield Interim Dividend

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

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

Summary of Cash Flows

HK\$'000	1HFY24	1HFY23
Operating Activities		
Net cash generated from operating activities	193,137	137,695
Investing Activities		
Net cash generated from / (used in) investing activities	11,984	(19,154)
- CAPEX	(14,134)	(24,999)
- Interest received	25,640	5,439
- Others	478	406
Financing Activities		
Net cash used in financing activities	(67,640)	(74,118)
- Dividend paid	(66,209)	(42,669)
- Purchase of treasury shares	(1,431)	(31,449)
Net increase in cash and cash equivalents	137,481	44,423
Effect of foreign exchange rate changes	(4,244)	(1,777)
Cash and Cash equivalents		
At beginning of the period	1,009,930	936,665
At end of the period	1,143,167	979,311

Balance Sheet & Key Ratios

HK\$'M	1HFY24	FY23
Working capital		
Inventories	187.5	203.6
Trade Receivables	385.0	463.8
Trade Payables	<u>(291.2)</u>	<u>(233.6)</u>
	<u>281.3</u>	<u>433.8</u>
Net Current Assets	1,013.8	993.3
Net Cash	1,143.2	1,009.9
Net Assets	1,367.0	1,362.0

Turnover Days	1HFY24	FY23
Inventories	45.5	42.4
Trade Receivables	78.8	84.1
Trade Payables	<u>(70.6)</u>	<u>(48.7)</u>
	<u>53.7</u>	<u>77.8</u>

Key Financial Ratios

	1HFY24	FY23
Price (SGD) #	0.53	0.52
NAV per share (SGD)*	0.58	0.56
Cash per share (SGD)*	0.48	0.41
Cash to Mkt Cap ratio	87%	75%

	1HFY24	FY23
Current ratio	2.4	2.4
ROE	12.0%	9.0%
ROA	7.8%	5.9%
PB ratio	0.91	0.94

Share price as at respective period/year end date

*SGD/HKD Ex rate:

1HFY24: 5.74

FY23: 5.92

Business Review

Macroeconomic Environment

Factors favouring the cost dynamics	Impact
<ul style="list-style-type: none">• Visibility of component supply chain has improved, with more stable cost of materials• Depreciation of RMB has improved direct labor costs and manufacturing overheads in China	Improved gross profit margin
<ul style="list-style-type: none">• Rising interest rates	Boosted interest income
Challenges	Impact
<ul style="list-style-type: none">• High inflation and rising geopolitical tensions• Shaky business confidence	Weakening revenue from some customers

Reader should refer to section 4 under Other Information 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

Diversification of Customer Base

- **Customers acquired last year are now contributing to revenue**
 - Hardware provider for retail chain stores
 - Customer providing cooling solutions for high performance computing environments

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Business Review

Diversification of Customer Base

- **Customers newly acquired earlier this year**
 - Trial production on schedule
 - Expect initial shipments in the second half of this year
 - Expect full year revenue contribution in FY25[^]
 - These customers include:
 - Customer supplying electronic products to leading global entertainment conglomerate
 - Network access solutions provider based in Canada

[^]

FY25: Financial year ending 31 March 2025

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Business Review

Diversification of Customer Base

- Strategic efforts to diversify our customer base have yielded positive results
- New customers from different industries demonstrate our ability to expand into new sectors
- Also enhances revenue diversification for better resilience in challenging economic conditions
- However, growing these new customers through new projects will take time
- In the short term, their revenue contribution may not fully compensate for the decline from existing customers due to the global economic slowdown

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Business Review

Navigating Challenging Environments

- Uncertainty surrounding the global economy poses a potential risk of pushing some economies into a recession
- Will prioritise customer acquisition efforts leveraging the Group's Vietnam solution
- Also emphasising diversification as a strategic imperative
- Barring unforeseen circumstance, expecting to remain profitable for FY24[^]

[^]

FY24: Financial year ending 31 March 2024

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Business Review

Share Buyback

- HK\$250 million Share Buyback Program was announced in Feb 2022 to increase shareholder value and improve return on equity
- Utilisation of HK\$68 million to repurchase 22 million company shares
- Intend to continue with the Share Buyback Program

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Business Review

Interim and Special Dividends

- Interim dividend of HKD 4 cents per share
- Special interim dividend of HKD 4 cents per share
- To reward shareholders for their continuous support by sharing the improved interest income

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SIAS Investor Choice Awards 2023

We are proud to have received the following awards from SIAS:



Joint Winner, Singapore Corporate Governance Award 2023, Small Cap Category

Joint Winner, Most Transparent Company Award 2023, Technology Category



Sustainability

Corporate Sustainability Highlights



Local Community Engagement

Carried out such engagements at least once every quarter



Environmental Compliance

Achieved ISO14000 accreditation, standards for environmental management since 2008



Diversity

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



Carbon Reduction

Installed solar panels for China campus that will generate power output for factory use and reduce carbon emissions



Thank you.