

Full Year Financial Statements for the Financial Period Ended 31 December 2009
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Financial Year Ended on 31 Dec		
	2009	2008	Change
	S\$'000	S\$'000	%
Revenue	41,824	46,434	(9.9)
Cost of sales	(34,528)	(41,216)	(16.2)
Gross profit	7,296	5,218	39.8
Other items of income			
Interest income	1	48	(97.9)
Other income	473	2,371	(80.1)
Other items of expense			
Selling expenses	(3,805)	(4,366)	(12.8)
General and administrative expenses	(2,660)	(2,353)	13.0
Finance costs	(103)	(212)	(51.4)
Other expenses	(60)	(490)	(87.8)
Profit before income tax	1,142	216	n.m.
Income tax expense	(69)	(61)	13.1
Profit net of tax	1,073	155	n.m.
Attributable to:			
Equity holders of the Company	1,073	176	n.m.
Minority interests	-	(21)	(100.0)
	1,073	155	n.m.
Earnings before depreciation, interest, tax and amortisation ("EBDITA")	3,574	2,875	24.3

nm : not meaningful

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009	Financial Year Ended on 31 Dec		Change %
	2009	2008	
	S\$'000	S\$'000	
Profit for the financial period	1,073	155	n.m.
Other comprehensive income			
- Currency translation differences	(474)	(387)	22.5
Total comprehensive income for the financial period, net of tax	599	(232)	n.m.
Total comprehensive income attributable to:			
Equity holders of the Company	599	(211)	n.m.
Minority interest	-	(21)	n.m.
	<u>599</u>	<u>(232)</u>	n.m.

1(a)(ii) Additional information to the income statement

	Financial Year Ended on 31 Dec	
	2009	2008
(1) Financial indicators/ratios		
Gross profit margin	17.4%	11.2%
EBDITA margin	8.5%	6.2%
Profit before forex, interest and tax margin	3.1%	1.3%
Profit before income tax margin	2.7%	0.5%
Profit after income tax margin	2.6%	0.4%

(2) Profit before tax is stated after charging/(crediting) :-

	Financial Year Ended on 31 Dec	
	2009 S\$'000	2008 S\$'000
Other income including interest income	(474)	(699)
Loss/(gain) on disposal of property, plant and equipment	3	(1,720)
Interest on borrowings	103	212
Depreciation and amortisation	2,330	2,495
(Write-back)/allowance for stock obsolescence and shrinkage	(188)	803
Foreign exchange loss, net	57	234

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>				
Property, plant and equipment	11,289	11,754	-	-
Intangible assets (Goodwill)	2,409	2,409	-	-
Intangible assets (Customer Relationship)	1,566	1,827	-	-
Investment in subsidiaries	-	-	22,308	25,251
Loans to subsidiaries	-	-	2,074	2,173
Deferred income tax assets	839	1,025	-	-
	16,103	17,015	24,382	27,424
<u>Current assets</u>				
Stocks	8,900	13,006	-	-
Trade and other receivables	9,332	9,240	7	-
Prepaid operating expenses	352	138	2	2
Tax recoverable	64	44	-	-
Due from subsidiaries	-	-	1,010	-
Due from related parties (trade)	2,039	-	-	-
Fixed deposits, cash and bank balances	7,240	3,607	214	147
	27,927	26,035	1,233	149
<u>Current liabilities</u>				
Loans and borrowings	2,084	2,947	-	-
Trade and other payables	7,366	5,507	588	582
Due to directors (non-trade)	2,650	4,812	2,650	4,812
Due to subsidiaries	-	-	-	1,968
Due to related parties (trade)	2,146	1,513	-	-
Provision for income tax	36	266	10	14
	14,282	15,045	3,248	7,376
Net current assets/(liabilities)	13,645	10,990	(2,015)	(7,227)
<u>Non-current liabilities</u>				
Deferred income tax liabilities	275	347	-	-
Loans and borrowings	382	1,161	-	-
	657	1,508	-	-
Net assets	29,091	26,497	22,367	20,197
<u>Equity attributable to equity holders of the Company</u>				
Share capital	25,142	23,147	25,142	23,147
Reserves	3,949	3,350	(2,775)	(2,950)
	29,091	26,497	22,367	20,197
Total equity	29,091	26,497	22,367	20,197

1(b)(ii) Aggregate amount of group's borrowings and debt securities

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	<u>As at 31-Dec-09</u>		<u>As at 31-Dec-08</u>	
	<u>Secured</u> S\$'000	<u>Unsecured</u> S\$'000	<u>Secured</u> S\$'000	<u>Unsecured</u> S\$'000
Borrowings and debt securities				
- Amount repayable in one year or less, or on demand	2,084	-	2,947	-
- Amount repayable after one year	382	-	1,161	-

Details of any collateral

The above borrowings are secured by corporate guarantees by the Company to the financial institutions.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>Financial Year Ended on 31 Dec</u>	
	<u>2009</u> S\$'000	<u>2008</u> S\$'000
Cash flows from operating activities :		
Profit before income tax	1,142	216
Adjustments for:		
Interest income	(1)	(48)
Finance costs	103	212
Depreciation of property, plant and equipment	2,069	2,234
Loss/(gain) on disposal of property, plant and equipment	3	(1,720)
Impairment loss on property plant and equipment	-	234
Amortisation of Intangible assets	261	261
(Write-back)/allowance for stock obsolescence and shrinkage	(188)	803
Net exchange adjustment	138	97
Operating income before reinvestment in working capital	3,527	2,289
Decrease/(increase) in stocks	4,294	(1,077)
(Increase)/decrease in trade and other receivables	(306)	2,619
(Increase)/decrease in amount due from related parties	(2,039)	491
Increase/(decrease) in trade and other payables	1,496	(5,563)
Increase/(decrease) in amount due to related parties	633	(131)
Cash generated/(used) in operations	7,605	(1,372)
Interest income	1	48
Finance costs	(103)	(212)
Income taxes paid, net of refund	(330)	(489)
Net cash generated/(used in) operations	7,173	(2,025)
Cash flows from investing activities :		
Purchase of property, plant and equipment	(1,736)	(1,328)
Proceeds from disposal of property, plant and equipment	-	2,501
Payment for acquisition of subsidiary company	-	(2,150)
Net cash used in investing activities	(1,736)	(977)

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

	Financial Year Ended on 31 Dec	
	2009	2008
	S\$'000	S\$'000
Cash flows from financing activities :		
Proceeds from loans and borrowings	868	2,132
Repayment of loans and borrowings	(2,511)	(1,688)
Net cash (used in)/provided by financing activities	(1,643)	444
Net increase/(decrease) in cash and cash equivalents	3,794	(2,558)
Cash and cash equivalents at beginning of financial year	3,607	6,192
Effects of exchange rate changes on opening cash and cash equivalents	(161)	(27)
Cash and cash equivalents at end of financial period	7,240	3,607

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

<u>GROUP</u>	Attributable to equity holders of the Company					Minority Interests	Total Equity
	Share Capital	Share Option Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2008	21,310	192	(1,759)	5,128	3,561	21	24,892
Total comprehensive income for the financial period	1,837	-	(387)	176	(211)	(21)	1,605
Balance at 31 December 2008	23,147	192	(2,146)	5,304	3,350	-	26,497
Balance at 1 January 2009	23,147	192	(2,146)	5,304	3,350	-	26,497
Total comprehensive income for the financial period	1,995	-	(474)	1,073	599	-	2,594
Balance at 31 December 2009	25,142	192	(2,620)	6,377	3,949	-	29,091

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 (continued)

COMPANY	Share Capital	Share Option Reserve	Revenue Reserve	Total Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2008	21,310	192	(2,649)	(2,457)	18,853
Total comprehensive income for the financial period	1,837	-	(493)	(493)	1,344
Balance at 31 December 2008	23,147	192	(3,142)	(2,950)	20,197
Balance at 1 January 2009	23,147	192	(3,142)	(2,950)	20,197
Total comprehensive income for the financial period	1,995	-	175	175	2,170
Balance at 31 December 2009	25,142	192	(2,967)	(2,775)	22,367

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, 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

In December 2009, the Company issued and allotted 13,574,952 ordinary shares to Executive Directors.

	No. of ordinary shares (in thousands)	S\$'000
Issued and paid up capital :-		
Balance at 1 January 2009	180,414	23,147
Allotment of shares	13,575	1,995
Balance at 31 December 2009	193,989	25,142

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 year

	<u>31 Dec 09</u>	<u>31 Dec 08</u>
Number of issued shares excluding Treasury shares	193,989,634	180,414,682

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There was no treasury shares held by the Company during current financial year 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 nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the most recent audited financial statements as at 31 December 2008, except for the adoption of FRS and INTFRS that are mandatory for the financial year beginning on or after January 2009. The adoption of these FRS and INTFRS have no significant impact on the financial performance or position of the Group.

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

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Financial Year Ended on 31 Dec	
	2009	2008
Net profit attributable to shareholders (S\$'000)	1,073	176
<u>Number of shares (in thousands)</u>		
Shares outstanding at beginning of the period	180,414	174,288
Issue of shares under the Put Option	-	6,126
Allotment of shares	13,575	-
Weighted average number of ordinary shares for the calculation of basic earnings per share	193,989	180,414
<u>Earnings per share (cents)</u>		
Basic	0.55	0.10
Diluted	0.55	0.10

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year

	Group		Company	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	15.00	14.69	11.53	11.20

Net assets backing per share for as at 31 December 2009 is computed based on 193,989,634 shares (2008: 180,414,682 shares).

- 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**

During the financial period ended on 31 December 2009 ("FY2009"), the Group revenue decreased by 10% to \$41.8 million as compared to \$46.4 million recorded in the last financial year ("FY2008"). The turnover contribution ratio from manufacturing and distribution activities was 70:30 in FY2009, compared to 64:36 in FY2008.

The Group's turnover from Manufacturing activities maintained at \$29.5 million as compared to \$29.9 million recorded last year. There had been an increase in shipment volume by 14%, which was substantially due to increased sales to the China and Malaysia markets. However, the increase was offset by the continuing erosion in average selling price ("ASP") of resistors, especially in the China market due to inherent price competition and this resulted in the erosion of ASP by about 14%.

The lower Group revenue was mainly due to the \$4.2 million reduction in turnover from the Distribution segment. Currently the Group's Distribution business is mainly carried out in the ASEAN region which was more badly affected by the global economic downturn. This resulted in sales for Distribution business falling by 25% to \$12.4 million.

The Group registered a gross profit margin of 17.4% which was comparably better than the previous financial year of 11.2% and in absolute terms there was an increase of \$2.1 million gross profit. The better gross profit was substantially due to the lower cost of sales. The lower cost of sales was mainly attributable to:

- Better utilization of manufacturing capacity as a result of increase in shipment volume;
- Prudent control of expenses in all aspects in response to the global financial and economic crisis which started in 2H2008;
- Cost restructuring program in which the Group ceased operations for non-performing overseas subsidiaries;
- Steps taken to re-align product focus to achieve a better product mix.

The selling expenses had also reduced by 12.8% due to cost control measures whereas general and administrative expenses saw an increase of 13% due mainly to a provision of bonus and incentive for FY2009, the group did not provide for bonus and incentive in the previous financial year.

Decrease in other income was mainly due to an one-off gain on disposal of the Group's leasehold building in FY2008.

Overall, the Group has improved its profit before depreciation, interest, tax and amortization by 24% or \$0.7 million.

Cash Flow

Cash generated from operations improved to \$7.6 million due to better management of inventory. Net cash generated from Operations was \$7.2 million. The Group paid off \$2.5 million of loans and \$1.7 million for purchase of equipment. As at 31 December 2009, the Group's cash balance stood at \$7.2 million, an increase of \$3.6 million as compared to the previous financial year closing cash balance of \$3.6 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The financial results of the current financial year have been consistent with the commentaries made in the "Half Year Financial Statements and Dividend Announcement" that was made on 5 August 2009.

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

Based on existing customer's activities and market sentiments, the Group expects its shipment volume of chip resistors to grow in China whilst shipment to Europe and Malaysia is also expected to show some improvements.

The Group has embarked on an expansion plan to increase its storage space to ease existing logistics flow and also to increase existing production capacity. This will include purchase of additional machinery and equipment.

Barring unforeseen circumstances, the Directors are of the opinion that the Group will remain profitable in FY2010.

11 Dividend

(a) *Current Financial Period Reported On (ie. For the Financial Year 2009)*

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 closure date*

Not applicable.

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

No dividend has been declared or proposed to be declared for the financial year under review.

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

13 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

SEGMENTAL RESULTS BY ACTIVITY

	Manufacturing	Distribution	Corporate & Others	Consolidated
<u>2009</u>	S\$'000	S\$'000	S\$'000	S\$'000
Sales of goods to external customers	29,473	12,351	-	41,824
Revenue	29,473	12,351	-	41,824
Profit/(loss) before foreign exchange differences, interest and tax ("PBFIT")	1,524	151	(374)	1,301
Foreign exchange loss				(57)
Interest income				1
Interest expense				(103)
Profit before income tax				1,142
Income tax				(69)
Profit after tax				1,073
Minority interests				-
Net profit attributable to equity holders				1,073
	Manufacturing	Distribution	Corporate & Others	Consolidated
<u>2008</u>	S\$'000	S\$'000	S\$'000	S\$'000
Sales of goods to external customers	29,884	16,550	-	46,434
Revenue	29,884	16,550	-	46,434
Profit/(loss) before foreign exchange differences, interest and tax ("PBFIT")	904	20	(310)	614
Foreign exchange loss				(234)
Interest income				48
Interest expense				(212)
Profit before income tax				216
Income tax				(61)
Profit after tax				155
Minority interests				21
Net profit attributable to equity holders				176

* includes the gain on disposal of the Group's leasehold building.

REVENUE BY GEOGRAPHICAL AREA

	2009		2008		Change
	S\$'000	% of Total	S\$'000	% of Total	%
Singapore	8,093	19%	15,230	33%	(47%)
Malaysia	8,330	20%	6,455	14%	29%
Thailand	5,632	13%	5,173	11%	9%
Philippines	334	1%	554	1%	(40%)
China / Hong Kong	15,280	37%	10,978	24%	39%
USA	863	2%	1,571	3%	(45%)
Europe	2,514	6%	5,708	12%	(56%)
Rest of World	778	2%	765	2%	2%
	<u>41,824</u>	<u>100%</u>	<u>46,434</u>	<u>100%</u>	<u>(10%)</u>

Turnover by geographical area is based on geographical location of customers billed to.

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

Reasons for the change in the contributions to turnover by:

- China / Hong Kong : The increase was in line with the Group's conscientious effort to grow its turnover in this region.
- Malaysia : The increase was due to increased orders from existing customers.
- Singapore/USA/Europe : The decrease was due to reduced demand from customers.

The Group is constantly taking steps to assess its market and product focus, so as to maximize its returns from this turnover.

Please also refer to comments made in item 8 and 10 for further information.

15 A breakdown of sales as follows:-

	Financial Year Ended on 31 Dec		
	2009	2008	Change
	S\$'000	S\$'000	%
REVENUE			
Turnover/sale of goods			
- Manufacturing activities	29,473	29,884	(1.4%)
- Distribution activities	12,351	16,550	(25.4%)
	<u>41,824</u>	<u>46,434</u>	(9.9%)

Breakdown of Group Sales as follows:

	Financial Year Ended on 31 Dec		
	2009	2008	Change
	S\$'000	S\$'000	%
Revenue reported for first half year	17,098	24,989	(32%)
Operating (loss)/profit after tax before deducting minority interests reported for first half year	(852)	1,601	(153%)
Revenue reported for second half year	24,726	21,445	15%
Operating profit/(loss) after tax before deducting minority interests reported for second half year	1,925	(1,446)	(233%)

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

Not applicable.

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary

24 February 2010