
Full Year Financial Statements for the Financial Period Ended 31 December 2010

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		
	2010	2009	Change
	S\$'000	S\$'000	%
Revenue	61,808	41,824	47.8
Cost of sales	(52,181)	(34,528)	51.1
Gross profit	9,627	7,296	31.9
Other items of income			
Interest income	1	1	0.0
Other income	413	473	(12.7)
Other items of expense			
Selling expenses	(5,080)	(3,805)	33.5
General and administrative expenses	(2,270)	(2,660)	(14.7)
Finance costs	(136)	(103)	32.0
Other expenses	(733)	(60)	n.m.
Profit before income tax	1,822	1,142	59.5
Income tax expense	(365)	(69)	429.0
Profit net of tax	1,457	1,073	35.8
Attributable to:			
Equity holders of the Company	1,457	1,073	35.8
Earnings before depreciation, interest, tax and amortisation ("EBDITA")	4,756	3,574	33.1
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 2010	Financial Year Ended on 31 Dec		Change
	2010	2009	
	S\$'000	S\$'000	
Profit for the financial period	1,457	1,073	35.8
Other comprehensive income			
- Currency translation differences	(268)	(474)	(43.5)
Total comprehensive income for the financial period, net of tax	1,189	599	98.5
Total comprehensive income attributable to:			
Equity holders of the Company	1,189	599	98.5
Minority interest	-	-	n.m.
	<u>1,189</u>	<u>599</u>	98.5

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

	Financial Year Ended on 31 Dec	
	2010	2009
(1) Financial indicators/ratios		
Gross profit margin	15.6%	17.4%
EBDITA margin	7.7%	8.5%
Profit before forex, interest and tax margin	3.5%	3.1%
Profit before income tax margin	2.9%	2.7%
Profit after income tax margin	2.4%	2.6%
(2) Profit before tax is stated after charging/(crediting) :-		
	Financial Year Ended on 31 Dec	
	2010	2009
	S\$'000	S\$'000
Other income including interest income	(414)	(474)
Loss on disposal of property, plant and equipment	67	3
Interest on borrowings	136	103
Depreciation and amortisation	2,799	2,330
Allowance/(write-back) for stock obsolescence and shrinkage	238	(188)
Foreign exchange loss, net	215	57
Currency translation loss on liquidation of subsidiaries	451	165

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-10	31-Dec-09	31-Dec-10	31-Dec-09
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>				
Property, plant and equipment	17,315	11,289	-	-
Intangible assets	3,714	3,975	-	-
Investment in subsidiaries	-	-	22,308	22,308
Loans to subsidiaries	-	-	2,031	2,074
Deferred income tax assets	575	839	-	-
	21,604	16,103	24,339	24,382
<u>Current assets</u>				
Stocks	12,236	8,900	-	-
Trade and other receivables	12,434	9,332	2	7
Prepaid operating expenses	111	352	5	2
Tax recoverable	232	64	-	-
Due from subsidiaries	-	-	-	1,010
Due from related parties (trade)	357	2,039	-	-
Fixed deposits, cash and bank balances	6,018	7,240	148	214
Forward currency contracts	56	-	-	-
	31,444	27,927	155	1,233
<u>Current liabilities</u>				
Loans and borrowings	6,877	2,084	-	-
Trade and other payables	8,256	7,366	441	588
Due to directors (non-trade)	-	2,650	-	2,650
Due to subsidiaries	-	-	125	-
Due to related parties (trade)	1,195	2,146	-	-
Provision for income tax	172	36	12	10
	16,500	14,282	578	3,248
Net current assets/(liabilities)	14,944	13,645	(423)	(2,015)
<u>Non-current liabilities</u>				
Deferred income tax liabilities	243	275	-	-
Loans and borrowings	4,079	382	-	-
	4,322	657	-	-
Net assets	32,226	29,091	23,916	22,367
<u>Equity attributable to equity holders of the Company</u>				
Share capital	27,088	25,142	27,088	25,142
Reserves	5,138	3,949	(3,172)	(2,775)
	32,226	29,091	23,916	22,367
Total equity	32,226	29,091	23,916	22,367

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-10</u>		<u>As at 31-Dec-09</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	6,877	-	2,084	-
- Amount repayable after one year	4,079	-	382	-

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>2010</u> S\$'000	<u>2009</u> S\$'000
Cash flows from operating activities :		
Profit before income tax	1,822	1,142
Adjustments for:		
Interest income	(1)	(1)
Finance costs	136	103
Depreciation of property, plant and equipment	2,538	2,069
Loss on disposal of property, plant and equipment	67	3
Loss on liquidation of subsidiary	451	-
Amortisation of Intangible assets	261	261
Allowance for stock obsolescence and shrinkage	238	138
Net exchange adjustment	(545)	(188)
Operating income before reinvestment in working capital	<u>4,967</u>	<u>3,527</u>
(Increase)/decrease in stocks	(3,574)	4,294
Increase in trade and other receivables	(2,861)	(306)
Decrease/(increase) in amount due from related parties	1,682	(2,039)
Increase in trade and other payables	796	1,496
(Decrease)/increase in amount due to related parties	(951)	633
Cash generated from operations	<u>59</u>	<u>7,605</u>
Interest income	1	1
Finance costs	(135)	(103)
Income taxes paid, net of refund	(164)	(330)
Net cash (used in)/generated from operations	<u>(239)</u>	<u>7,173</u>
Cash flows from investing activities :		
Purchase of property, plant and equipment	(8,402)	(1,736)
Proceeds from disposal of property, plant and equipment	15	-
Payment to directors	(2,650)	-
Net cash used in investing activities	<u>(11,037)</u>	<u>(1,736)</u>

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	
	2010	2009
	S\$'000	S\$'000
Cash flows from financing activities :		
Net proceeds from the issue of ordinary shares	1,946	-
Proceeds from loans and borrowings	10,494	868
Repayment of loans and borrowings	(2,004)	(2,511)
Net cash provided by/(used in) financing activities	10,436	(1,643)
Net (decrease)/increase in cash and cash equivalents	(840)	3,794
Cash and cash equivalents at beginning of financial year	7,240	3,607
Effects of exchange rate changes on opening cash and cash equivalents	(382)	(161)
Cash and cash equivalents at end of financial period	6,018	7,240

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

GROUP	Attributable to equity holders of the Company					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
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
Balance at 1 January 2010	25,142	192	(2,620)	6,377	3,949	29,091
Total comprehensive income for the financial period	1,946	-	(268)	1,457	1,189	3,135
Balance at 31 December 2010	27,088	192	(2,888)	7,834	5,138	32,226

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 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
Balance at 1 January 2010	25,142	192	(2,967)	(2,775)	22,367
Total comprehensive income for the financial period	1,946	-	(397)	(397)	1,549
Balance at 31 December 2010	27,088	192	(3,364)	(3,172)	23,916

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 February 2010, the Rights Issue was completed, with a total of 48,497,408 Rights Shares and 48,497,408 Warrants officially listed and quoted on SGX-ST:

	No. of ordinary shares (in thousands)	S\$'000
Issued and paid up capital :-		
Balance at 1 January 2010	193,989	25,142
Rights Shares	48,498	1,940
Exercise of Warrants	148	6
Balance at 31 December 2010	242,635	27,088

There were 48,349,218 Warrants outstanding as at 31 December 2010.

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 10</u>	<u>31 Dec 09</u>
Number of issued shares excluding Treasury shares	242,635,233	193,989,634

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 2009, except for the adoption of FRS and INTFRS that are mandatory for the financial year beginning on or after January 2010. 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	
	2010	2009
Net profit attributable to shareholders (\$'000)	1,457	1,073
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares for the calculation of basic earnings per share	233,813	181,269
Weighted average number of ordinary shares for the calculation of diluted earnings per share	248,337	-
<u>Earnings per share (cents)</u>		
Basic	0.62	0.59
Diluted	0.59	-

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 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	13.28	15.00	9.86	11.53

Net assets backing per share for as at 31 December 2010 is computed based on 242,635,233 shares (2009: 193,989,634 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 year ended 31 December 2010 ("FY2010"), the Group revenue increased by 48% to \$61.8 million as compared to \$41.8 million recorded in the previous financial year ended 31 December 2009 ("FY2009"). The turnover contribution ratio from manufacturing and distribution activities remained at 70:30 which was similar to FY2009.

The Group's turnover from Manufacturing activities improved by 47% to \$43.3 million in FY2010 compared to \$29.5 million recorded in FY2009. The increase in shipment volume of approximately 58% was substantially due to increased sales to the China, Europe and Thailand markets after the Group completed the expansion of its production capacity.

The Group's turnover from Distribution activities increased by 50% to \$18.5 million in FY2010 compared to \$12.4 million in FY2009. The improvement was the result of the expanded distribution networks, especially in the China and ASEAN region.

The Group registered a gross profit margin of 15.6% in FY2010 which was slightly lower than FY2009 of 17.4% although in absolute terms there was an increase of \$2.3 million in gross profit. Despite the improved sales activities, the margin was negatively impacted by erosion in average selling price ("ASP") of resistors and higher cost of materials due to rising metal price. One-third of the volume growth in Manufacturing activities was contributed by the European market but the weakening Euro resulted in an eroded ASP.

Selling expenses increased by 33.5%, due mainly to hiring of additional staff to strengthen the Group's sales and marketing team. The increase was also attributable to additional freight costs incurred which was in-line with higher sales activities during the period.

The Group incurred a currency translation loss of \$0.45 million when it disposed of two of its foreign subsidiaries during the period. This amount was a one-time non cash expense.

The Group suffered an exchange loss of \$0.22 million due mainly to the depreciation of the Euro. The Group closely monitors and ensures its exchange exposure is maintained at an acceptable level by entering into currency hedging arrangements.

Cash Flow

Net cash inflow from operating activities for FY2010 of \$0.06 million compared to \$7.6 million in FY2009 was mainly due to an increase in inventory to cater for the expanded production capacity and increased sales activities.

Net cash used in investing activities related mainly to capital expenditure incurred for the expansion of the Group's manufacturing plant, and the repayment of outstanding consideration due pursuant to the acquisition of CRL. The repayment was funded from the net proceeds of \$1.9 million from the Rights Issue in February 2010 and the Group's internal funds of \$0.75 million.

The Group's cash balance stood at \$6.0 million as at 31 December 2010.

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 13 August 2010.

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 expanded capacity, the manufacturing plant is able to support higher sales activities.

For growth, the Group will continue to look out for regional expansion. The Group will also work closely with key distributor partners to further promote the products.

Barring unforeseen circumstances, the Directors are of the opinion that the Group will remain profitable in FY2011.

11 Dividend

(a) Current Financial Period Reported On (ie. For the Financial Year 2010)

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
	S\$'000	S\$'000	S\$'000	S\$'000
<u>2010</u>				
Sales of goods to external customers	43,278	18,530	-	61,808
Revenue	43,278	18,530	-	61,808
Profit/(loss) before foreign exchange differences, interest and tax ("PBFIT")	1,613	1,049	(490)	2,172
Foreign exchange loss				(215)
Interest income				1
Interest expense				(136)
Profit before income tax				1,822
Income tax				(365)
Profit after tax				1,457
Minority interests				-
Net profit attributable to equity holders				1,457
	Manufacturing	Distribution	Corporate & Others	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
<u>2009</u>				
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

REVENUE BY GEOGRAPHICAL AREA

	2010		2009		Change
	S\$'000	% of Total	S\$'000	% of Total	%
Singapore	8,793	15%	8,093	19%	9%
Malaysia	8,165	13%	8,330	20%	(2%)
Thailand	8,892	15%	5,632	13%	58%
Philippines	194	0%	334	1%	(42%)
India	1,529	2%	630	2%	143%
China / Hong Kong	24,680	40%	15,280	37%	62%
USA	1,215	2%	863	2%	41%
Europe	7,664	12%	2,514	6%	205%
Rest of World	676	1%	148	0%	357%
	<u>61,808</u>	<u>100%</u>	<u>41,824</u>	<u>100%</u>	<u>48%</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.
- Europe : The increase was due to increased orders from existing customers.
- Thailand : The increase was due to increased orders from new and existing customers.

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

15 A breakdown of sales as follows:-

	Financial Year Ended on 31 Dec		
	2010	2009	Change
	S\$'000	S\$'000	%
REVENUE			
Turnover/sale of goods			
- Manufacturing activities	43,278	29,473	46.8%
- Distribution activities	18,530	12,351	50.0%
	<u>61,808</u>	<u>41,824</u>	47.8%

Breakdown of Group Sales as follows:

	Financial Year Ended on 31 Dec		
	2010	2009	Change
	S\$'000	S\$'000	%
Revenue reported for first half year	28,798	17,098	68%
Operating profit/(loss) after tax before deducting minority interests reported for first half year	118	(852)	(114%)
Revenue reported for second half year	33,010	24,726	34%
Operating profit after tax before deducting minority interests reported for second half year	1,339	1,925	(30%)

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

28 February 2011