

SUNRIGHT LIMITED AND ITS SUBSIDIARIES

(Company Reg. No. 197800523M)

Condensed Interim Financial Statements
For the Second Half Year and Full Year ended 31 July 2021

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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

		The Group						
		2nd Half Year ended 31 July 2021	2nd Half Year ended 31 July 2020	Increase/ (decrease) %	Full Year ended 31 July 2021	Full Year ended 31 July 2020	Increase/ (decrease) %	
Note		S\$'000	S\$'000		S\$'000	S\$'000		
	Revenue	4	52,700	50,248	5%	111,396	110,622	1%
	Other items of income:							
	Interest income		647	1,152	-44%	1,451	2,349	-38%
	Dividend income		36	36	0%	65	77	-16%
	Other income		2,793	4,183	-33%	5,919	4,879	21%
	Items of expenses:							
	Raw materials and consumables used		(13,729)	(13,108)	5%	(28,989)	(24,950)	16%
	Changes in inventories of finished goods and work-in-progress		(607)	(116)	>100%	(1,680)	(451)	>100%
	Employee benefits expense		(20,361)	(19,785)	3%	(41,453)	(42,296)	-2%
	Depreciation of property, plant and equipment		(10,433)	(10,828)	-4%	(20,920)	(22,898)	-9%
	Finance costs		(238)	(413)	-42%	(453)	(1,026)	-56%
	Other expenses		(10,228)	(11,929)	-14%	(21,576)	(24,618)	-12%
	Profit before tax	6	580	(560)	>100%	3,760	1,688	>100%
	Income tax (expense)/credit	8	(572)	1,017	NM	(1,251)	13	NM
	Profit, net of tax		8	457	-98%	2,509	1,701	48%
	Other comprehensive income:							
	Item that will not be reclassified to profit or loss							
	Remeasurement gain/(loss) arising from net defined benefit liabilities, net of tax		128	(38)	NM	128	(38)	NM
	Item that may be reclassified subsequently to profit or loss							
	Foreign currency translation differences reclassified to profit or loss on voluntary liquidation of a subsidiary		(117)	-	NM	(117)	-	NM
	Foreign currency translation loss		(2,743)	(2,299)	19%	(218)	(2,139)	-90%
	Other comprehensive income for the year, net of tax		(2,732)	(2,337)	17%	(207)	(2,177)	-90%
	Total comprehensive income for the year		(2,724)	(1,880)	45%	2,302	(476)	>100%
	Profit attributable to:							
	Owners of the Company		26	1,463	-98%	1,314	1,685	-22%
	Non-controlling interests		(18)	(1,006)	-98%	1,195	16	>100%
			8	457	-98%	2,509	1,701	48%
	Total comprehensive income attributable to:							
	Owners of the Company		(1,328)	416	NM	1,190	720	65%
	Non-controlling interests		(1,396)	(2,296)	-39%	1,112	(1,196)	NM
			(2,724)	(1,880)	45%	2,302	(476)	NM
	Earnings per share attributable to owners of the Company (cents)							
	- Basic		0.0	1.2	-98%	1.1	1.4	-22%

NM : Not meaningful

B. Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		31 July 2021	31 July 2020	31 July 2021	31 July 2020
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	43,142	47,027	421	719
Investment in subsidiaries		-	-	12,112	10,706
Deferred tax assets		1,100	1,151	-	-
Loans to a subsidiary		-	-	144	450
Other receivables		568	568	-	-
Total non-current assets		44,810	48,746	12,677	11,875
Current assets					
Investment securities		4,924	3,190	384	313
Inventories		4,627	5,432	-	-
Prepayments		851	1,275	104	78
Tax recoverables		1,269	375	-	-
Trade and other receivables		19,207	15,090	940	2,619
Loans to a subsidiary		-	-	306	457
Cash and short-term deposits		97,873	103,334	20,792	19,919
Total current assets		128,751	128,696	22,526	23,386
Total assets		173,561	177,442	35,203	35,261
EQUITY AND LIABILITIES					
Equity					
Share capital	13	35,727	35,727	35,727	35,727
Retained earnings/(accumulated losses)		36,489	35,415	(3,200)	(4,083)
Other reserves		11,868	12,120	155	155
Total equity attributable to owners of the Company		84,084	83,262	32,682	31,799
Non-controlling interests		60,173	59,713	-	-
Total equity		144,257	142,975	32,682	31,799
Liabilities					
Non-current liabilities					
Loans and borrowings	12	5,091	3,658	741	140
Defined benefit liabilities		1,417	1,445	-	-
Deferred tax liabilities		809	353	-	-
Total non-current liabilities		7,317	5,456	741	140
Current liabilities					
Trade and other payables		17,202	16,852	947	1,160
Contract liabilities		440	494	-	-
Loans and borrowings	12	4,240	10,675	784	2,132
Provisions		34	43	-	-
Income tax payable		71	947	49	30
Total current liabilities		21,987	29,011	1,780	3,322
Total liabilities		29,304	34,467	2,521	3,462
Total equity and liabilities		173,561	177,442	35,203	35,261

C. Condensed Interim Statements of Changes in Equity

The Group	Total equity	Total equity attributable to owners of the Company	Share capital	Retained earnings/ (accumulated losses)	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2020								
As at 1 August 2019	143,998	82,542	35,727	33,768	1,690	10,497	860	61,456
Profit for the year	1,701	1,685	-	1,685	-	-	-	16
Other comprehensive income for the year, net of tax	(2,177)	(965)	-	(38)	(927)	-	-	(1,212)
Total comprehensive income for the year	(476)	720	-	1,647	(927)	-	-	(1,196)
Dividends paid to non-controlling interests	(547)	-	-	-	-	-	-	(547)
As at 31 July 2020	142,975	83,262	35,727	35,415	763	10,497	860	59,713
FY2021								
As at 1 August 2020	142,975	83,262	35,727	35,415	763	10,497	860	59,713
Profit for the year	2,509	1,314	-	1,314	-	-	-	1,195
Other comprehensive income for the year, net of tax	(207)	(124)	-	128	(252)	-	-	(83)
Total comprehensive income for the year	2,302	1,190	-	1,442	(252)	-	-	1,112
Dividends on ordinary shares	(368)	(368)	-	(368)	-	-	-	-
Dividends paid to non-controlling interests	(652)	-	-	-	-	-	-	(652)
As at 31 July 2021	144,257	84,084	35,727	36,489	511	10,497	860	60,173
The Company								
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2020								
As at 1 August 2019	30,530	30,530	35,727	(5,352)	-	155	-	-
Profit for the year	1,269	1,269	-	1,269	-	-	-	-
Total comprehensive income for the year	1,269	1,269	-	1,269	-	-	-	-
As at 31 July 2020	31,799	31,799	35,727	(4,083)	-	155	-	-
FY2021								
As at 1 August 2020	31,799	31,799	35,727	(4,083)	-	155	-	-
Profit for the year	1,251	1,251	-	1,251	-	-	-	-
Total comprehensive income for the year	1,251	1,251	-	1,251	-	-	-	-
Dividends on ordinary shares	(368)	(368)	-	(368)	-	-	-	-
As at 31 July 2021	32,682	32,682	35,727	(3,200)	-	155	-	-

D. Condensed Interim Consolidated Cash Flow Statement

		The Group	
		Full Year ended 31 July 2021	Full Year ended 31 July 2020
Note		S\$'000	S\$'000
Cash flows from operating activities:			
	Profit before tax	3,760	1,688
	Adjustments for:		
	Net gain on disposal of property, plant and equipment	(2,565)	(2,902)
	Depreciation of property, plant and equipment	20,920	22,898
	Net write-down of inventories	291	452
	Net impairment loss on trade receivables	106	406
	Dividend income	(65)	(77)
	Net fair value (gain)/loss on investment securities	(1,157)	878
	Finance costs	453	1,026
	Interest income	(1,451)	(2,349)
	Net unrealised exchange loss	40	39
	Waiver of a bank loan*	(230)	-
	Operating cash flows before changes in working capital	20,102	22,059
	Decrease/(increase) in inventories	514	(587)
	(Increase)/decrease in prepayments and receivables	(2,959)	11,413
	Decrease in payables and contract liabilities	(2,841)	(1,623)
	Cash flows from operations	14,816	31,262
	Net income taxes paid	(2,441)	(1,512)
	Interest paid	(354)	(1,134)
	Interest received	1,557	2,466
	Net cash flows from operating activities	13,578	31,082
Cash flows from investing activities:			
	Increase in short-term deposits with maturity more than three months	(3,956)	(5,243)
	Dividend income	65	77
	Purchase of property, plant and equipment	(14,100)	(4,407)
	Proceeds from disposal of property, plant and equipment	2,541	3,206
	Purchase of investment securities	(937)	(1,693)
	Proceeds from disposal of investment securities	302	369
	Net cash flows used in investing activities	(16,085)	(7,691)
Cash flows from financing activities:			
	Proceeds from term loans	11,037	11,417
	Repayment of term loans	(13,458)	(24,508)
	Repayment of principle portion of lease liabilities	(2,622)	(3,572)
	Dividends paid on ordinary shares	(368)	-
	Dividends paid to non-controlling interests	(652)	(547)
	Net cash flows used in financing activities	(6,063)	(17,210)
	Net (decrease)/increase in cash and cash equivalents	(8,570)	6,181
	Effect of exchange rate changes on cash and cash equivalents	(847)	(1,345)
	Cash and cash equivalents at beginning of year	40,855	36,019
	Cash and cash equivalents at end of year	31,438	40,855

* This pertained to the waiver of a bank loan in one of the subsidiaries, as part of COVID-19 related government reliefs.

D. Condensed Interim Consolidated Cash Flow Statement

Cash and cash equivalents comprised the following:

	The Group	
	31 July 2021	31 July 2020
	S\$'000	S\$'000
Cash at banks and on hand	19,033	18,730
Bank deposits	78,840	84,604
Cash and short-term deposits	97,873	103,334
Less: Bank deposits with maturity more than three months	(66,435)	(62,479)
Cash and cash equivalents	<u>31,438</u>	<u>40,855</u>

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

Sunright Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 31 July 2021 comprise the Company and its subsidiaries (collectively, the "Group"). The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the Group are:

- a) Manufacturing of burn-in/test and electronic equipment;
- b) Provision of product development services;
- c) Research and development in burn-in and test related activities;
- d) Provision of semiconductor burn-in services;
- e) Provision of burn-in support services;
- f) Provision of semiconductor testing services; and
- g) Provision of electronic manufacturing services.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 July 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 January 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand (\$'000) unless otherwise stated.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period¹. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

¹ Refer to Annual Report FY2020, Notes to the Financial Statements (Note 2.3).

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group is organised into the following main business segments:

- a) Burn-in, testing and electronic manufacturing services segment is in the business of manufacturing burn-in equipment, assembly of electronic and electrical components, provision of burn-in and testing services and research and development of burn-in and test related activities. This reportable segment has been formed by aggregating the burn-in and test related activities and assembly activities, which are regarded by management to exhibit similar economic characteristics.
- b) "Others" segment involves Group-level corporate services, treasury and investments functions, business of trading in and distribution of high-technology electronic products (which does not meet any of the quantitative thresholds for disclosure under SFRS(I) 8 Operating Segments), and consolidation adjustments which are not directly attributable to particular business segment above.

Key management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

4.1 Business segment

	Burn-in, testing and electronic manufacturing services		Others		Consolidated	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
2nd Half Year ended 31 July						
Revenue:						
External customers	52,700	50,248	-	-	52,700	50,248
Results:						
Segment profit/(loss)	20	(1,181)	151	(118)	171	(1,299)
Interest income					647	1,152
Finance costs					(238)	(413)
Profit before tax					580	(560)
Income tax (expense)/credit					(572)	1,017
Profit for the year					8	457
Other information:						
Depreciation of property, plant and equipment	10,247	10,620	186	208	10,433	10,828
Additions to property, plant and equipment	8,638	3,024	20	18	8,658	3,042

4. Segment and revenue information (cont'd)

4.1 Business segment (cont'd)

	Burn-in, testing and electronic manufacturing services		Others		Consolidated	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Full Year ended 31 July						
Revenue:						
External customers	111,396	110,622	-	-	111,396	110,622
Results:						
Segment profit/(loss)	2,573	540	189	(175)	2,762	365
Interest income					1,451	2,349
Finance costs					(453)	(1,026)
Profit before tax					3,760	1,688
Income tax (expense)/credit					(1,251)	13
Profit for the year					2,509	1,701
Other information:						
Depreciation of property, plant and equipment	20,550	22,479	370	419	20,920	22,898
Additions to property, plant and equipment	16,866	6,923	72	22	16,938	6,945

4.2 Disaggregation of Revenue

	The Group			
	2nd Half Year ended 31 July 2021 S\$'000	2nd Half Year ended 31 July 2020 S\$'000	Full Year ended 31 July 2021 S\$'000	Full Year ended 31 July 2020 S\$'000
Burn-in, testing and electronic manufacturing services				
Major type of goods and services				
Sale of goods	18,161	19,451	40,572	37,168
Rendering of services	34,539	30,797	70,824	73,454
Total Revenue	52,700	50,248	111,396	110,622
Primary geographical markets				
Singapore	2,204	1,689	3,322	1,917
Malaysia	31,424	28,292	69,351	68,950
China	11,776	9,287	22,365	20,084
Other Asian markets*	2,004	4,971	4,343	6,781
United States	2,569	3,043	6,527	6,478
Others	2,723	2,966	5,488	6,412
Total Revenue	52,700	50,248	111,396	110,622

* Classified under "Other Asian markets" are Taiwan, Philippines, Thailand and Vietnam.

^ Non-current assets consist of property, plant and equipment.

The goods and services are transferred to the customers at a point in time.

4. Segment and revenue information (cont'd)

4.3 A breakdown of sales

	The Group		
	Financial Year ended 31 July 2021	Financial Year ended 31 July 2020	Increase/ (decrease)
	S\$'000	S\$'000	%
(a) Revenue reported for first half year	58,696	60,374	-3%
(b) Profit for the year reported for first half year	2,501	1,244	>100%
(c) Revenue reported for second half year	52,700	50,248	5%
(d) Profit for the year reported for second half year	8	457	-98%

5. Financial assets and liabilities

	The Group		The Company	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Investment in securities	4,924	3,190	384	313
Trade and other receivables	19,775	15,639	940	2,619
Loans to a subsidiary	-	-	450	907
Cash and short-term deposits	97,873	103,334	20,792	19,919
Total financial assets	122,572	122,163	22,566	23,758
Financial Liabilities				
Trade and other payables	(17,168)	(16,587)	(942)	(1,087)
Loans and borrowing	(9,331)	(14,333)	(1,525)	(2,272)
Total financial liabilities	(26,499)	(30,920)	(2,467)	(3,359)

6. Profit before taxation

6.1 Significant items

	The Group			
	2nd Half Year ended 31 July 2021	2nd Half Year ended 31 July 2020	Full Year ended 31 July 2021	Full Year ended 31 July 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Net write-down of inventories	(203)	(293)	(291)	(452)
Net reversal of impairment/(impairment loss) on trade	15	(406)	(106)	(406)
Net exchange gain/(loss)	146	(103)	(100)	(204)
Net fair value gain/(loss) on investment securities	322	(753)	1,157	(878)
Net gain on disposal of property, plant and equipment	1,392	2,444	2,565	2,902

6. Profit before taxation (cont'd)**6.2 Related party transactions**

There are no material related party transactions apart from those disclosed in the condensed interim financial statements.

7. Significant commitments for purchases of property, plant and equipment

Commitments for purchases of property, plant and equipment amounted to \$3,409,000 as at 31 July 2021.

8. Income tax

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	2nd Half Year ended 31 July 2021	2nd Half Year ended 31 July 2020	Full Year ended 31 July 2021	Full Year ended 31 July 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Current income tax:</i>				
Current income tax expense	(214)	1,744	703	2,521
(Over)/under provision in respect of previous year	(2)	29	(12)	(6)
	<u>(216)</u>	<u>1,773</u>	<u>691</u>	<u>2,515</u>
<i>Deferred tax:</i>				
Origination and reversal of temporary differences	775	(898)	547	(636)
(Over)/under provision in respect of previous year	13	(1,892)	13	(1,892)
	<u>788</u>	<u>(2,790)</u>	<u>560</u>	<u>(2,528)</u>
Income tax expense/(credit)	<u>572</u>	<u>(1,017)</u>	<u>1,251</u>	<u>(13)</u>

9. Dividends

	The Group	
	Financial Year 2021	Financial Year 2020
	S\$'000	S\$'000
Recognised and paid during the financial year:		
Ordinary tax exempt (one-tier) dividend for 2020 at 0.3 cent (2019: Nil) per share	368	-
Proposed but not recognised as a liability:		
Ordinary tax exempt (one-tier) dividend for 2021 at 0.3 cent (2020: 0.3 cent) per share	368	368

10. Net asset value

	The Group		The Company	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
Net asset value per ordinary share attributable to the owners of the Company (cents)	68.5	67.8	26.6	25.9

11. Property, plant and equipment

For the six months ended 31 July 2021, the Group acquired property, plant and equipment amounting to \$8,658,000 (2020: \$3,042,000) and disposed off assets amounting to \$4,000 (2020: \$258,000).

12. Loans and borrowings

	The Group		The Company	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year or on demand				
Secured	1,008	3,648	132	259
Unsecured	3,232	7,027	652	1,873
	<u>4,240</u>	<u>10,675</u>	<u>784</u>	<u>2,132</u>
Amount repayable after one year				
Secured	-	221	-	132
Unsecured	5,091	3,437	741	8
	<u>5,091</u>	<u>3,658</u>	<u>741</u>	<u>140</u>

Obligation under leases included in the Group's loans and borrowings are secured on certain assets of the companies within the Group of net book value amounting to \$779,000 (2020: \$3,513,000).

13. Share capital

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 was no change in share capital during the current financial year.

The Company did not have any outstanding convertibles as at 31 July 2021 and 31 July 2020.

There were neither treasury shares nor subsidiary holdings as at 31 July 2021 and 31 July 2020.

13. Share capital (cont'd)

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

The Group and the Company			
31 July 2021		31 July 2020	
Number of shares	Amount	Number of shares	Amount
'000	S\$'000	'000	S\$'000
<i>Issued and fully paid ordinary shares:</i>			
Balance at beginning and end of the year			
122,806	35,727	122,806	35,727

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

Not applicable. The Company did not hold any treasury shares as at 31 July 2021 and 31 July 2020.

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

Not applicable. The Company did not have any subsidiary holdings as at 31 July 2021 and 31 July 2020.

14. Subsequent events

There were no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. Other Information required by Listing Rule Appendix 7.2

1. Review

- (a) 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 the auditors.

- (b) Where the figures have been audited or reviewed, the auditor's report (including any modifications or emphasis of a matter)**

Not applicable.

- (c) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (This is not required for any audit issue that is a material uncertainty relating to going concern)**

- (i) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

- (ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

2. Review of performance of the Group

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:-

- (i) 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**
- (ii) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Review of performance

6 Months ended 31 July 2021 (2HFY2021) vs 6 Months ended 31 July 2020 (2HFY2020)

The Group recorded revenue of \$52.7 million in 2HFY2021. This was an increase of \$2.5 million or 5% as compared to \$50.2 million in 2HFY2020, as a result of higher demand for services, but lower sale of products.

Interest income of \$0.6 million was lower by \$0.5 million or 44%, following lower interest rates on placements of fixed deposits.

Other income decreased by \$1.4 million or 33% to \$2.8 million, mainly attributable to (i) lower gain on disposal of property, plant and equipment ("PPE") by \$1.1 million; and (ii) lower COVID-19 government relief grants of \$0.7 million; partially offset by (iii) fair value gain on investment securities of \$0.3 million.

Raw materials and consumables used, as well as changes in inventories of finished goods and work-in-progress, totalling \$14.3 million, were higher by \$1.1 million or 8% to support higher deliveries for electronic manufacturing services.

Employee benefits expense of \$20.4 million was higher by \$0.6 million or 3%, following alignment of staff costs to operational requirements.

Depreciation of PPE recorded at \$10.4 million was lower by \$0.4 million or 4%, as certain machinery and test equipment were fully depreciated.

Finance costs was \$0.2 million. This was lower by \$0.2 million or 42%, following repayment of bank loans.

Other expenses of \$10.2 million declined by \$1.7 million or 14%, mainly attributable to (i) absence of fair value loss on investment securities of \$0.8 million; (ii) lower utility cost by \$0.2 million; (iii) lower impairment loss on trade receivables by \$0.4 million; and (v) lower write-down of inventories by \$0.1 million.

Consequently, the Group reported a profit before tax of \$0.6 million in 2HFY2021, compared to a loss of \$0.6 million in 2HFY2020, representing an increase of \$1.1 million.

Financial year ended 31 July 2021 (FY2021) vs 31 July 2020 (FY2020)

The Group's revenue increased by \$0.8 million or 1%, from \$110.6 million in FY2020, to \$111.4 million FY2021, as a result of higher orders for products but lower demand for services.

Interest income was lower by \$0.9 million or 38%, from \$2.3 million to \$1.5 million, following lower interest rates on placements of fixed deposits.

Other income increased by \$1.0 million or 21%, from \$4.9 million to \$5.9 million, mainly attributable to fair value gain on investment securities of \$1.2 million, partially offset by lower gain on disposal of PPE by \$0.3 million.

Raw materials and consumables used, as well as changes in inventories of finished goods and work-in-progress, were higher by \$5.3 million or 21%, from \$25.4 million to \$30.7 million, to support higher product deliveries.

Employee benefits expense was lower by \$0.8 million or 2%, from \$42.3 million to \$41.5 million, following lower headcount and alignment of staff costs to operational requirements.

Depreciation of PPE was lower by \$2.0 million or 9%, from \$22.9 million to \$20.9 million, as certain machinery and test equipment were fully depreciated.

Finance costs reduced by \$0.6 million or 56%, from \$1.0 million to \$0.5 million, following repayment of bank loans.

Other expenses decreased by \$3.0 million or 12%, from \$24.6 million to \$21.6 million, mainly attributable to (i) lower utility cost by \$1.1 million; (ii) absence of fair value loss on investment securities of \$0.9 million; (iii) lower travelling expense by \$0.4 million; (iv) lower impairment loss on trade receivables by \$0.3 million; and (v) lower write-down of inventories by \$0.2 million.

Consequently, the Group reported a higher profit before tax of \$3.8 million in FY2021, from \$1.7 million in FY2020, representing an increase of \$2.1 million.

Review of financial position

PPE was lower by \$3.9 million or 8%, from \$47.0 million as at 31 July 2020, to \$43.1 million as at 31 July 2021. This decrease was primarily due to depreciation charge of \$20.9 million, partially offset by capital expenditure of \$16.9 million.

Investment securities increased by \$1.7 million or 54%, from \$3.2 million to \$4.9 million, following additional net purchases of \$0.6 million and fair value gain of \$1.2 million.

Inventories decreased by \$0.8 million or 15%, from \$5.4 million to \$4.6 million, following a decrease in work-in-progress by \$1.4 million, partially offset by an increase in raw materials by \$0.8 million.

Prepayment decreased by \$0.4 million or 33%, mainly attributable to lower trade purchases and purchases of machinery and test equipment.

Tax recoverables was higher by \$0.9 million, primarily due to higher monthly tax instalment payments made during the current financial year, coupled with a lower tax payable position resulting from the use of accelerated capital allowances that was provided as part of tax relief.

Current trade and other receivables were higher by \$4.1 million or 27%, from \$15.1 million to \$19.2 million, due to improved sales in the second half of current financial year as compared with the second half of previous financial year.

Cash and short-term deposits were lower by \$5.5 million or 5%, from \$103.3 million to \$97.9 million, reflecting its usage for purchases of PPE.

Current trade and other payables were higher by \$0.4 million or 2%, from \$16.9 million to \$17.3 million, mainly due to higher non-trade payables.

Total loans and borrowing were lower by \$5.0 million or 35%, from \$14.3 million to \$9.3 million, primarily due to net repayment of bank loans of \$2.4 million, waiver of a bank loan of \$0.2 million, and repayment of lease liabilities of \$2.6 million.

Income tax payable was lower by \$0.9 million or 93%, from \$0.9 million to \$0.1 million, primarily due to higher monthly tax instalment payments made during the current financial year.

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

There is no material variance from our half year financial statement announcement for the period ended 31 January 2021 commentary under Section 10.

4. 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

According to International Monetary Fund's outlook in July 2021, the global economic growth for 2021 is maintained at 6.0% and forecast for 2022 is revised upwards by 0.5% to 4.9%. The revision largely reflects improved outlook for advanced economies on the back of successful vaccine rollouts as well as additional policy support in the second half of 2021.

Based on the latest industry reports, worldwide semiconductor revenue is projected to grow by 22.4% to USD570.8 billion in 2021, from the anticipated continued growth in consumer, computing, 5G, and automotive semiconductors. The industry is forecasted to grow further by 6.2% to USD606 billion in 2022.

However, the supply of semiconductors globally remains tight. Component prices have risen and lead times lengthened, with the re-imposition of lockdown measures to curb the more transmissible Delta variant currently experienced in Asia. It remains challenging to engage and perform equipment qualifications under such conditions, as our customers' priority is to resolve supply and mass manufacturing bottlenecks.

Accordingly, notwithstanding that growth is projected for the industry, the supply disruption is expected to exert pressure on the Group's businesses.

5. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	First and final tax exempt (one-tier)
Dividend Type	Cash
Dividend Amount per Ordinary Share	0.3 cent

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First and final tax exempt (one-tier)
Dividend Type	Cash
Dividend Amount per Ordinary Share	0.3 cent

(c) Date payable

10 December 2021.

(d) Books closure date

Notice is hereby given that subject to shareholders approving the proposed first and final tax exempt (one-tier) dividend at the Company's 43rd Annual General Meeting. The Register of Members and the Transfer Books of the Company will be closed from 5.00 p.m. on 25 November 2021 for the preparation of dividend warrants.

Registrable transfers received by the Company's Share 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 25 November 2021 will be registered before entitlements to the proposed first and final tax exempt (one-tier) dividend are determined. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 25 November 2021 will be entitled for the proposed first and final tax exempt (one-tier) dividend.

(f) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

Not applicable.

6. Interested person transactions

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 had been obtained.

7. 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 confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

8. Review of performance of the Group – turnover and earnings

Please refer to paragraph 2 within Section F.

9. 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

Basic earnings per ordinary share amounts are calculated by dividing profit net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the current financial period.

	The Group	
	31 July 2021	31 July 2020
Profit attributable to owners of the Company (\$'000)	1,314	1,685
Weighted average number of ordinary shares ('000)	122,806	122,806
Earnings per ordinary shares (cents)	1.1	1.4

10. 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.

There was no person occupying a managerial position in the Company or any of its principal subsidiaries who was a relative of a Director or Chief Executive Officer or substantial shareholder of the Company for FY2021.

11. Confirmation by Board pursuant to Rule 705(5) of the Listing Manual

Not applicable for full year results announcement.

BY ORDER OF THE BOARD

Adeline Lim Kim Swan
Company Secretary
Date: 27 September 2021