

Full Year Financial Statements and Dividend Announcement for the Year Ended 30 June 2020

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the second half and full year ended 30 June 2020

	2nd Half Year Ended		Change %	Group Financial Year Ended		Change %
	2020	2019		2020	2019	
	\$'000 Unaudited	\$'000 Audited		\$'000 Unaudited	\$'000 Audited	
Revenue	13,774	18,088	(23.9)	29,410	33,598	(12.5)
Cost of sales	(9,298)	(11,920)	(22.0)	(18,896)	(23,054)	(18.0)
Gross profit	<u>4,476</u>	<u>6,168</u>	(27.4)	<u>10,514</u>	<u>10,544</u>	(0.3)
Other operating income	1,140	456	n.m.	1,658	932	77.9
Impairment loss on other financial asset ^[1]	(75)	(375)	(80.0)	(125)	(375)	(66.7)
Distribution costs	(35)	(26)	34.6	(62)	(54)	14.8
Administrative expenses	(2,413)	(2,622)	(8.0)	(5,084)	(5,267)	(3.5)
Net foreign exchange gains/(loss)	111	(107)	n.m.	82	(59)	n.m.
Finance costs	(19)	(3)	n.m.	(38)	(5)	n.m.
Profit before income tax	<u>3,185</u>	<u>3,491</u>	(8.8)	<u>6,945</u>	<u>5,716</u>	21.5
Income tax expense	(324)	(662)	(51.1)	(974)	(1,070)	(9.0)
Profit for the year	<u><u>2,861</u></u>	<u><u>2,829</u></u>	1.1	<u><u>5,971</u></u>	<u><u>4,646</u></u>	28.5
Other comprehensive loss for the year:						
<i>Item that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	<u>(9)</u>	<u>(7)</u>	28.6	<u>(10)</u>	<u>(6)</u>	66.7
Other comprehensive loss for the period, net of tax	<u>(9)</u>	<u>(7)</u>	28.6	<u>(10)</u>	<u>(6)</u>	66.7
Total comprehensive income for the year	<u><u>2,852</u></u>	<u><u>2,822</u></u>	1.1	<u><u>5,961</u></u>	<u><u>4,640</u></u>	28.5
Profit for the year is arrived at:-						
Depreciation of property, plant and equipment	(551)	(639)	(13.8)	(1,146)	(1,271)	(9.8)
Depreciation of right-of-use assets	(119)	-	n.m.	(235)	-	n.m.
Interest expenses	(19)	(3)	n.m.	(38)	(5)	n.m.
Interest income	281	255	10.2	623	500	24.6
Rental income	198	146	35.6	344	297	15.8
Allowance for inventories obsolescence	(218)	(115)	89.6	(218)	(215)	1.4
Gain/(Loss) on disposal of property, plant and equipment	-	(99)	n.m.	1	(99)	n.m.

n.m. : not meaningful

^[1] Represents an impairment loss of bond investment issued under Hyflux Ltd's Medium Term Note Programme.

1(b)(i) A statement of financial position of the Company and the Group, together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

ASSETS	Group		Company	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$'000	\$'000	\$'000	\$'000
	Unaudited	Audited	Unaudited	Audited
Current assets				
Cash and bank balances	8,620	6,479	8,620	5,627
Fixed and call deposits	29,644	27,387	29,644	27,387
Trade receivables	4,633	6,624	4,633	6,918
Other receivables and prepayments	574	410	574	409
Inventories	2,000	3,036	2,000	3,036
Other financial assets at amortised cost	-	628	-	628
Total current assets	45,471	44,564	45,471	44,005
Non-current assets				
Property, plant and equipment	11,477	12,065	11,477	12,065
Intangible assets ^[2]	255	-	255	-
Investment in associate ^[3]	500	-	500	-
Right-of-use assets ^[4]	1,461	-	1,461	-
Total non-current assets	13,693	12,065	13,693	12,065
Total assets	59,164	56,629	59,164	56,070
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	1,653	2,947	1,720	2,990
Other payables	2,534	1,999	2,534	1,989
Lease liabilities	262	35	262	35
Income tax payable	1,302	1,135	1,302	1,135
Total current liabilities	5,751	6,116	5,818	6,149
Non-current liabilities				
Lease liabilities	1,255	41	1,255	41
Deferred tax liabilities	928	928	928	928
Total non-current liabilities	2,183	969	2,183	969
Total liabilities	7,934	7,085	8,001	7,118
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(973)	(973)	(973)	(973)
Reserves	20,471	18,785	20,404	18,193
Total equity	51,230	49,544	51,163	48,952
Total liabilities and total equity	59,164	56,629	59,164	56,070

^[2] Represents the capitalization of development cost paid for the new SAP system as at 30 June 2020.

^[3] Represents the investment in Movel AI Pte. Ltd.

^[4] The Group adopted SFRS(I) 16 Leases with effect from 1 July 2019. The effects of changes in accounting standard are disclosed in Note 5.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

30 June 2020 (*)		30 June 2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
262	-	35	-

Amount repayable after one year

30 June 2020 (*)		30 June 2019	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,255	-	41	-

(*) Unaudited

Details of any collateral

Certain plant and equipment with a carrying amount of \$81,000 (30 June 2019: \$154,000) are secured by the lessors' titles to the leased assets.

1(c) A statement of cash flows for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOW

For the second half and full year ended 30 June 2020

	30-Jun-20 2nd Half Year Ended \$'000	30-Jun-19 \$'000	30-Jun-20 Financial Year Ended \$'000	30-Jun-19 Financial Year Ended \$'000
Operating activities				
Profit before income tax	3,185	3,491	6,945	5,716
Adjustments for:				
Depreciation of property, plant and equipment	551	639	1,146	1,271
Depreciation of right-of-use assets	119	-	235	-
Impairment loss on other financial asset	75	375	125	375
(Gain)/Loss on disposal of property, plant and equipment	-	99	(1)	99
Allowance for inventories obsolescence	218	115	218	215
Interest expense	19	3	38	5
Interest income	(281)	(255)	(623)	(500)
Operating cash flows before movements in working capital	<u>3,886</u>	<u>4,467</u>	<u>8,083</u>	<u>7,181</u>
Trade receivables	417	(1,931)	1,991	(1,648)
Other receivables and prepayments	(113)	(97)	(164)	(59)
Inventories	627	(166)	818	141
Trade payables	(313)	1,492	(1,294)	1,042
Other payables	729	270	535	(55)
Cash generated from operations	<u>5,233</u>	<u>4,035</u>	<u>9,969</u>	<u>6,602</u>
Income tax paid	(368)	(511)	(807)	(1,011)
Interest paid	(19)	(3)	(38)	(5)
Interest received	281	255	623	500
Net cash from operating activities	<u>5,127</u>	<u>3,776</u>	<u>9,747</u>	<u>6,086</u>
Investing activities				
Additions to property, plant and equipment	(251)	(408)	(557)	(774)
Additions to intangible asset	(255)	-	(255)	-
Proceeds from maturity of other financial assets at amortised cost	-	5	503	1,011
Additions to investment in an associate	(500)	-	(500)	-
Withdrawals from/(Placement of) fixed deposits	1,100	(10,000)	(3,611)	(4,033)
Net cash from/(used in) investing activities	<u>94</u>	<u>(10,403)</u>	<u>(4,420)</u>	<u>(3,796)</u>
Financing activities				
Dividend paid	(1,710)	(1,368)	(4,275)	(3,592)
Repayment of lease liabilities	(129)	(17)	(255)	(35)
Net cash used in financing activities	<u>(1,839)</u>	<u>(1,385)</u>	<u>(4,530)</u>	<u>(3,627)</u>
Net effect of exchange rate changes in consolidating subsidiaries	(9)	(7)	(10)	(6)
Net increase/(decrease) in cash and cash equivalents	3,373	(8,019)	787	(1,343)
Cash and cash equivalents at beginning of financial period	7,247	17,852	9,833	11,176
Cash and cash equivalents at end of financial period (NOTE A)	<u>10,620</u>	<u>9,833</u>	<u>10,620</u>	<u>9,833</u>

NOTE A

	The Group			
	2nd Half Year Ended		Financial Year Ended	
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents consists of:				
Cash and bank balances	8,620	6,479	8,620	6,479
Fixed and call deposits	2,000	3,354	2,000	3,354
	<u>10,620</u>	<u>9,833</u>	<u>10,620</u>	<u>9,833</u>

Cash and cash equivalents comprise cash on hand, cash at bank and demand deposits (maturity within 3 months) that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1(d)(i) A statement for the Company and the Group showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

For the second half and full year ended 30 June 2020

GROUP	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2019	31,732	(973)	10	18,775	18,785	49,544
Total comprehensive income for the period	-	-	10	1,709	1,719	1,719
Balance at 30 September 2019 (*)	31,732	(973)	20	20,484	20,504	51,263
Total comprehensive income for the period	-	-	(11)	1,401	1,390	1,390
Dividends	-	-	-	(2,565)	(2,565)	(2,565)
Balance at 31 December 2019 (*)	31,732	(973)	9	19,320	19,329	50,088
Total comprehensive income for the period	-	-	(9)	2,861	2,852	2,852
Dividends	-	-	-	(1,710)	(1,710)	(1,710)
Balance at 30 June 2020 (*)	31,732	(973)	-	20,471	20,471	51,230
Balance at 1 July 2018	31,732	(973)	16	17,721	17,737	48,496
Total comprehensive income for the period	-	-	-	862	862	862
Balance at 30 September 2018	31,732	(973)	16	18,583	18,599	49,358
Total comprehensive income for the period	-	-	1	955	956	956
Dividends	-	-	-	(2,224)	(2,224)	(2,224)
Balance at 31 December 2018	31,732	(973)	17	17,314	17,331	48,090
Total comprehensive income for the period	-	-	(7)	2,829	2,822	2,822
Dividends	-	-	-	(1,368)	(1,368)	(1,368)
Balance at 30 June 2019	31,732	(973)	10	18,775	18,785	49,544

(*) Unaudited

COMPANY	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2019	31,732	(973)	18,193	18,193	48,952
Total comprehensive income for the period	-	-	1,711	1,711	1,711
Balance at 30 September 2019 (*)	31,732	(973)	19,904	19,904	50,663
Total comprehensive income for the period	-	-	1,411	1,411	1,411
Dividends	-	-	(2,565)	(2,565)	(2,565)
Balance at 31 December 2019 (*)	31,732	(973)	18,750	18,750	49,509
Total comprehensive income for the period	-	-	3,364	3,364	3,364
Dividends	-	-	(1,710)	(1,710)	(1,710)
Balance at 30 June 2020 (*)	31,732	(973)	20,404	20,404	51,163
Balance at 1 July 2018	31,732	(973)	17,237	17,237	47,996
Total comprehensive income for the period	-	-	853	853	853
Balance at 30 September 2018	31,732	(973)	18,090	18,090	48,849
Total comprehensive income for the period	-	-	1,022	1,022	1,022
Dividends	-	-	(2,224)	(2,224)	(2,224)
Balance at 31 December 2018	31,732	(973)	16,888	16,888	47,647
Total comprehensive income for the period	-	-	2,673	2,673	2,673
Dividends	-	-	(1,368)	(1,368)	(1,368)
Balance at 30 June 2019	31,732	(973)	18,193	18,193	48,952

(*) Unaudited

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.

Since the end of the previous period reported on (i.e. 31 December 2019), there was no change in the Company's share capital during the six months ended 30 June 2020.

The Company does not have any subsidiary that holds shares issued by the Company.

	As at 30 June 2020	As at 30 June 2019
Number of shares that may be issued on conversion of all the outstanding convertibles	-	-
Treasury Shares	4,154,000	4,154,000
Total number of issued shares excluding treasury shares	171,046,041	171,046,041

Pursuant to the share buyback mandate originally approved by the shareholders on 29 October 2008 and renewed subsequently and the share buyback mandate approved by the shareholders on 27 October 2015, the Company purchased and currently holds as treasury shares a total of 4,154,000 shares through on-market purchases transacted on the SGX-ST. The total amount paid for these purchases was approximately \$973,000 which has been deducted from shareholders' equity. All the repurchased shares are held as treasury shares.

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

Total number of issued shares excluding treasury shares	Number of shares
Balance as at 30 June 2020	171,046,041
Balance as at 30 June 2019	171,046,041

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.

As at 30 June 2020, there were no sales, transfers, cancellations and/or use of treasury shares.

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 as the Company does not have any subsidiary that holds shares issued by the Company.

2. **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 Company's auditors.

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

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

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

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. **Whether the same accounting policies and methods of computations as in the Company's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements.

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.**

The Group and the Company adopted SFRS(I) 16 *Leases* on 1 July 2019. The Group and the Company adopted the simplified transition approach and the comparative amount for the year prior to first adoption was not restated. All right-of-use ("ROU") assets are measured at the amount equal to the lease liability (adjusted for any prepaid or accrued lease payments) at the date of initial application. Under SFRS(I) 16, qualifying lease payments were no longer taken to other operating expenses but capitalized to the statement of financial position as ROU assets and depreciated over the term of the lease. Cash paid for the interest portion of lease liability is presented as part of operating activities, in accordance with the Group's and the Company's accounting policy.

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.**

Group	Period/Year ended 30 June			
	2H 2020	2H 2019	FY 2020	FY 2019
Earnings per ordinary share (cents) ("EPS")				
Basic	1.67	1.66	3.49	2.72
Diluted	1.67	1.66	3.49	2.72
Weighted average number of ordinary shares in issue for basic EPS	171,046,041	171,046,041	171,046,041	171,046,041
Weighted average number of ordinary shares in issue for diluted EPS	171,046,041	171,046,041	171,046,041	171,046,041

7. **Net asset value (for the Company and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	30-Jun-2020	30-Jun-2019	30-Jun-2020	30-Jun-2019
Net assets value per ordinary share (cents):	29.95	28.97	29.91	28.62
Number of ordinary shares at period/year end	171,046,041	171,046,041	171,046,041	171,046,041

As of the balance sheet date, the numbers of ordinary shares of the Group and Company used for the above calculation have been adjusted to exclude the number of treasury shares.

8. **Review of Group Performance for the Second Half ended 30 June 2020 (“2H 2020”) vs. Second Half ended 30 June 2019 (“2H 2019”) and Full Year ended 30 June 2020 (“FY 2020”) vs. Full Year ended 30 June 2019 (“FY 2019”).**

STATEMENT OF COMPREHENSIVE INCOME

Revenue

FY 2020 vs. FY 2019

In FY 2020, the Group reported revenue of \$29.4 million, a decrease of \$4.2 million or 12.5% as compared to FY 2019 of \$33.6 million. The Burn-In Services business segment registered higher revenue of \$11.1 million in FY 2020, as compared to revenue of \$10.6 million in FY 2019. While the Manufacturing and PCBA Services business segment had registered a lower revenue year on year, it still remained the largest contributor to the Group revenue, with revenue of \$14.1 million in FY 2020 as compared to \$18.8 million in FY 2019. The Engineering Services business segment registered a flat revenue of \$4.2 million in FY 2020, as was also the case in FY 2019.

2H 2020 vs. 2H 2019

In 2H 2020, the Group reported revenue of \$13.8 million, a decrease of \$4.3 million or 23.9% as compared to 2H 2019 of \$18.1 million. The Burn-In Services business segment and the Manufacturing and PCBA Services business segments registered revenue of \$4.7 million and \$6.9 million respectively in 2H 2020, as compared to revenue of \$5.8 million and \$10.4 million respectively in 2H 2019. The Engineering Services business segment registered higher revenue of \$2.2 million in 2H 2020, as compared to revenue of \$1.9 million in 2H 2019.

Gross profit

FY 2020 vs. FY 2019

The Group reported a constant gross profit of \$10.5 million in FY 2020, as was the case in FY 2019. The Group's gross profit margin also increased from 31.4% in FY 2019 to 35.7% in FY 2020.

The increase in the Group's gross profit margin was attributed to higher weighted average sales in the Burn-In Services business segment, accompanied by a reduction in unit cost of production as a result of the ongoing cost control measures and the enhancement in productivity across all business segments.

2H 2020 vs. 2H 2019

The Group reported a gross profit of \$4.5 million in 2H 2020, a decrease of \$1.7 million or 27.4% as compared to \$6.2 million in 2H 2019. The gross profit margin decreased from 34.1% in 2H 2019 to 32.5% in 2H 2020.

The decrease in the Group's gross profit margin was attributed to lower weighted average sales in the Burn-In Services business segment.

Profit for the period

FY 2020 vs. FY 2019 / 2H 2020 vs. 2H 2019

The Group reported a profit of \$6.0 million for FY 2020 as compared to \$4.6 million for FY 2019 with a profit of \$2.9 million for 2H 2020 as compared to \$2.8 for 2H 2019.

The Burn-in Services business segment continued to be the largest contributor in profit for the comparative periods, with the Manufacturing and PCBA Services business segment maintaining profitability while the Engineering Services business segment registered reduced losses in FY 2020. The Group's profit in FY 2020 was also supported by the grants of \$0.6 million from government support schemes.

STATEMENT OF FINANCIAL POSITION

Total Group's assets increased by \$2.6 million or 4.6% from \$56.6 million as at 30 June 2019 to \$59.2 million as at 30 June 2020. The increase was primarily due to the increase in cash and cash balances of \$2.1 million, fixed and call deposits of \$2.3 million, the recognition of \$1.5 million ROU assets in relation to the land lease with JTC (in accordance with the adoption of SFRS(I) 16 *Leases*), capitalization of development cost of \$0.2 million paid for a new SAP system as well as investment in associate of \$0.5 million. The overall increase was partially offset by the decrease in trade and other receivables of \$1.8 million, inventories of \$1.0 million, plant and equipment of \$0.6 million as well as other financial assets at amortised cost of \$0.6 million.

Other financial assets at amortised cost as at 30 June 2020 include bond investment of \$500,000 in the \$100 million tranche at 4.25 per cent which matured in September 2018, issued under Hyflux Ltd's Medium Term Note Programme. In respect of this bond investment, the Group has recognised an impairment loss of \$375,000 for the financial year ended 30 June 2019. In FY 2020, a further impairment loss of \$125,000 was recognised in view of the developments in relation to Hyflux Ltd's financial situation. The said bond investment was fully impaired as at 30 June 2020.

Total Group's liabilities increased by \$0.8 million or 12.0% from \$7.1 million as at 30 June 2019 to \$7.9 million as at 30 June 2020. The increase was primarily due to the recognition of \$1.4 million lease liability in relation to the land lease with JTC, in accordance with the adoption of SFRS(I) 16 *Leases* and income tax payable of \$0.2 million. This overall increase was partially offset by the decrease in trade and other payables of \$0.8 million.

The Group had a positive working capital of \$39.7 million as at 30 June 2020 as compared to \$38.4 million as at 30 June 2019.

STATEMENT OF CASH FLOW

The Group generated net cash from operating activities of \$9.7 million for FY 2020. This was primarily due to the profit generated for the year.

Net cash used in investing activities was \$4.4 million, which was mainly attributed to the placement of fixed deposits with financial institutions with over three (3)-month tenures, investment in an associate and development cost paid for the new SAP system.

There was an increase in cash and cash equivalents of \$0.8 million for FY 2020.

The Group closed FY 2020 with cash and cash equivalents of \$10.6 million.

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

The Company did not make any forecasts and prospect statements in respect of the Group's results for the period ended 30 June 2020. The Group's results for the second half year ended 30 June 2020 were generally in line with the commentary under paragraph 10 of the Group's previous results announcement in respect of the period ended 31 December 2019.

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.**

The ongoing Covid-19 pandemic and the trade war between China and the United States of America have severely impacted the global economy. While the Group had performed respectfully over the past months, we continue to remain cautious as the business environment continues to be challenging. The Group will continue to focus on its core competencies while seeking new opportunities for growth, including mergers and acquisitions or even new partnership, to aid the business and enhance shareholder value.

11. **Dividends**

- (a) **Any dividend declared for the current financial period reported on.**

Dividend declared and paid

Period	31 December 2019
Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1.0 cent per ordinary share
Tax Rate	One tier tax exempt

Period	30 June 2020	30 June 2020
Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Rate	1.0 cent per ordinary share	0.5 cents per ordinary share
Tax Rate	One tier tax exempt	One tier tax exempt

- (b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**

Period	31 December 2018	30 June 2019	30 June 2019
Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	0.8 cents per ordinary share	1.0 cent per ordinary share	0.5 cents per ordinary share
Tax Rate	One tier tax exempt	One tier tax exempt	One tier tax exempt

- (c) **State the tax rate and the country where the dividend is derived.**

See item 11(a) above.

- (d) **The date the dividend is payable.**

Final and Special dividend

The proposed one-tier tax exempt final and special dividend, which shall be subject to shareholders' approval at the forthcoming annual general meeting of the Company, are payable on 27 November 2020.

(e) Books Closure Date.

Notice is hereby given that the Transfer books and the Register of Members will be closed on 16 November 2020 for the preparation of the final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5:00 p.m. on 13 November 2020 will be registered to determine shareholders' entitlement to the one-tier tax exempt final dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 13 November 2020 will be entitled to the final dividend.

Special dividend

Notice is hereby given that the Transfer books and the Register of Members will be closed on 16 November 2020 for the preparation of the special dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5:00 p.m. on 13 November 2020 will be registered to determine shareholders' entitlement to the one-tier tax exempt special dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 13 November 2020 will be entitled to the special dividend.

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

Not applicable.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions (“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.**

The Group has not sought a general mandate from shareholders for IPTs.

14. **Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.**

The Group raised approximately \$29.0 million from its IPO on 25 July 2007. As at 30 June 2020, the total net proceeds of approximately \$26.7 million (after deducting the IPO expenses of approximately \$2.3 million, as disclosed on page 33 of the Company’s prospectus dated 11 July 2007) from the IPO were used for the following purposes:

	Use of IPO proceeds as at 30 June 2020 (S\$ million)	Balance as at 30 June 2020 (S\$ million)
Expansion of our customer base and widen our portfolio of services	6.0	0.0
Potential mergers and acquisitions	3.3	4.7
Expansion of our overseas operations	3.0	0.0
Working capital	9.7	0.0
Total	22.0	4.7

The IPO proceeds used for working capital purposes have been applied to the following uses:

- Purchase of plant and equipment;
- Purchase and replenishment of inventories;
- Payments to suppliers and service providers;
- Loan repayments; and
- Payments for other day to day operations.

Management has confirmed that the above use of proceeds was in line with the Company’s planned utilisation of funds.

15. **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 it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

PART II - Additional Information Required for Full Year Announcement

16. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Revenues by major business segments and by geographical areas (identified by location of customers) were:

Year ended 30 June 2020

	Burn-in Services	Manufacturing and PCBA Services	Engineering	Eliminations	Total
Business segments	\$'000	\$'000	\$'000		\$'000
Revenue					
External revenue	11,108	14,109	4,193	-	29,410
Inter-segment revenue	-	633	-	(633)	-
	<u>11,108</u>	<u>14,742</u>	<u>4,193</u>	<u>(633)</u>	<u>29,410</u>
Segment results	4,953	2,154	(513)	-	6,594
Interest expense					(38)
Interest income					623
Rental income					344
Unallocated income					142
Unallocated expenses					(720)
Profit before income tax					<u>6,945</u>
Income tax expense					(974)
Profit for the year					<u><u>5,971</u></u>
Consolidated Balance Sheet					
Assets					
Segment assets	6,774	9,939	3,113		19,826
Unallocated corporate assets					39,338
Total assets					<u>59,164</u>
Liabilities					
Segment liabilities	2,167	2,738	799		5,704
Unallocated corporate liabilities					2,230
Total liabilities					<u>7,934</u>
Other Information					
Additions to non-current assets	186	574	52		812
Depreciation					
Allocated	525	663	193		1,381

Year ended 30 June 2019

	Burn-in Services	Manufacturing and PCBA Services	Engineering	Eliminations	Total
Business segments	\$'000	\$'000	\$'000		\$'000
Revenue					
External revenue	10,543	18,831	4,224	-	33,598
Inter-segment revenue	-	1,854	-	(1,854)	-
	<u>10,543</u>	<u>20,685</u>	<u>4,224</u>	<u>(1,854)</u>	<u>33,598</u>
Segment results	4,075	2,807	(1,012)	-	5,870
Interest expense					(5)
Interest income					500
Rental income					297
Unallocated income					72
Unallocated expenses					(1,018)
Profit before income tax					<u>5,716</u>
Income tax expense					(1,070)
Profit for the year					<u><u>4,646</u></u>
Consolidated Balance Sheet					
Assets					
Segment assets	5,925	12,393	3,601		21,919
Unallocated corporate assets					34,710
Total assets					<u>56,629</u>
Liabilities					
Segment liabilities	1,552	2,772	622		4,946
Unallocated corporate liabilities					2,139
Total liabilities					<u>7,085</u>
Other Information					
Additions to non-current assets	137	586	51		774
Depreciation					
Allocated	399	712	160		1,271

Geographical Segments

Geographical Segments

	Revenue		Carry amount of non-current assets	
	2020 \$'000	2019 \$'000	2019 \$'000	2018 \$'000
Singapore	17,213	19,158	13,693	12,065
USA	6,103	6,447	-	-
Malaysia	2,637	3,608	-	-
Others	3,457	4,385	-	-
	<u>29,410</u>	<u>33,598</u>	<u>13,693</u>	<u>12,065</u>

Included in revenues of \$29,410,000 (2019: \$33,598,000) are revenues of \$9,056,000 (2019: \$9,169,000) and \$7,164,000 (2019: 9,493,000) arising from sales to two major customers from the Burn-in Services and Manufacturing and PCBA Services business segments, and revenues of \$3,234,000 (2019: 2,219,000) arising from sales to a major customer from the Engineering business segment. These revenues account for approximately 66% (2019: 62%) of the Group's revenue.

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

See item 8 above.

18. A breakdown of sales.

	2020 \$'000	2019 \$'000	Change %
First Half			
Revenue	15,636	15,510	0.8
Profit after tax	3,110	1,817	71.2
Second Half			
Revenue	13,774	18,088	(23.9)
Profit after tax	2,861	2,829	1.1

19. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year.

	Financial year 30 June 2020 \$'000	Financial year 30 June 2019 \$'000
Ordinary - paid	4,275	3,592
Ordinary - proposed	-	-
Preference	-	-
Total	<u>4,275</u>	<u>3,592</u>

20. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) in the format below. If there are no such persons, the Company must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Lim Eng Hong	71	Founder and substantial shareholder	Chief Executive Officer, 1985	Nil
Mr Alvin Lim Tai Meng	44	Son of Mr Lim Eng Hong	Chief Operating Officer, 2013	Nil

BY ORDER OF THE BOARD

Lim Eng Hong
Chief Executive Officer
27 August 2020