

**Full Year Financial Statements and Dividend Announcement for the Year Ended 30 June 2023**

**PART I – 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.

Condensed interim consolidated statement of profit or loss and other comprehensive income  
For the second half and full year ended 30 June 2023

		2nd Half Year Ended		Change %	Group Financial Year Ended		Change %
		2023	2022		2023	2022	
		\$'000 Unaudited	\$'000 Unaudited		\$'000 Unaudited	\$'000 Audited	
Revenue	N3	17,128	15,340	11.7	34,896	30,849	13.1
Cost of sales		(13,688)	(11,865)	15.4	(26,896)	(23,064)	16.6
<b>Gross profit</b>		<u>3,440</u>	<u>3,475</u>	(1.0)	<u>8,000</u>	<u>7,785</u>	2.8
Other operating income		732	448	63.4	1,347	818	64.7
Distribution costs		(85)	(55)	54.5	(151)	(106)	42.5
Administrative expenses		(2,300)	(2,604)	(11.7)	(4,619)	(4,922)	(6.2)
Net foreign exchange (loss)/gains		(164)	77	n.m.	(458)	153	n.m.
Share of loss of associate		(29)	(42)	(31.0)	(29)	(42)	(31.0)
Finance costs		(9)	(11)	(18.2)	(20)	(25)	(20.0)
Profit before income tax	N4	<u>1,585</u>	<u>1,288</u>	23.1	<u>4,070</u>	<u>3,661</u>	11.2
Income tax expense	N5	(359)	(122)	194.3	(811)	(520)	56.0
<b>Profit for the year</b>		<u>1,226</u>	<u>1,166</u>	5.1	<u>3,259</u>	<u>3,141</u>	3.8
<b>Other comprehensive income:</b>							
Exchange differences arising on translation of foreign operation		(3)	-	n.m.	(3)	-	n.m.
<b>Total comprehensive income for the year</b>		<u>1,223</u>	<u>1,166</u>	4.9	<u>3,256</u>	<u>3,141</u>	3.7

n.m. : not meaningful

**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.**

**Condensed interim statements of financial position  
As at 30 June 2023**

<b>ASSETS</b>	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-23</b>	<b>30-Jun-22</b>	<b>30-Jun-23</b>	<b>30-Jun-22</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Current assets</b>				
Cash and bank balances	6,346	4,618	126	203
Fixed deposits	26,400	28,500	17,300	18,500
Trade receivables	N6 7,443	8,049	-	12
Other receivables and prepayments	1,126	729	407	16
Inventories	N7 5,153	3,779	-	-
<b>Total current assets</b>	<b>46,468</b>	<b>45,675</b>	<b>17,833</b>	<b>18,731</b>
<b>Non-current assets</b>				
Property, plant and equipment	N8 11,966	10,832	-	-
Right-of-use asset	786	1,003	-	-
Subsidiaries	-	-	51,464	51,464
Associate	171	200	-	-
Other receivables and prepayments	-	1,042	-	-
<b>Total non-current assets</b>	<b>12,923</b>	<b>13,077</b>	<b>51,464</b>	<b>51,464</b>
<b>Total assets</b>	<b>59,391</b>	<b>58,752</b>	<b>69,297</b>	<b>70,195</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	3,296	2,910	91	-
Other payables	1,779	1,628	1,906	139
Lease liabilities	N9 254	241	-	-
Income tax payable	499	636	4	1
<b>Total current liabilities</b>	<b>5,828</b>	<b>5,415</b>	<b>2,001</b>	<b>140</b>
<b>Non-current liabilities</b>				
Lease liabilities	N9 567	797	-	-
Deferred tax liabilities	1,296	1,103	-	-
<b>Total non-current liabilities</b>	<b>1,863</b>	<b>1,900</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>7,691</b>	<b>7,315</b>	<b>2,001</b>	<b>140</b>
<b>Capital and reserves</b>				
Share capital	30,759	30,759	30,759	30,759
Reserves	20,941	20,678	36,537	39,296
<b>Total equity</b>	<b>51,700</b>	<b>51,437</b>	<b>67,296</b>	<b>70,055</b>
<b>Total liabilities and total equity</b>	<b>59,391</b>	<b>58,752</b>	<b>69,297</b>	<b>70,195</b>

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

See paragraph N9 of the "Notes to the condensed interim consolidated financial statements" below.

**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.**

**Condensed interim consolidated statement of cash flows  
For the second half and full year ended 30 June 2023**

	30-Jun-23 2nd Half Year Ended \$'000	30-Jun-22 Financial Year Ended \$'000	30-Jun-23 Financial Year Ended \$'000	30-Jun-22 Financial Year Ended \$'000
<b>Operating activities</b>				
Profit before income tax	1,585	1,288	4,070	3,661
<b>Adjustments for:</b>				
Share of loss of associate	29	42	29	42
Depreciation of property, plant and equipment	566	508	1,085	985
Depreciation of right-of-use asset	124	121	247	241
Impairment loss on associate	-	168	-	168
Gain on disposal of property, plant and equipment	-	(16)	(3)	(16)
Allowance for inventories obsolescence	224	53	224	53
Interest expense	9	11	20	25
Interest income	(454)	(33)	(775)	(95)
Operating cash flows before movements in working capital	<u>2,083</u>	<u>2,142</u>	<u>4,897</u>	<u>5,064</u>
Trade receivables	(1,070)	(1,678)	606	(159)
Other receivables and prepayments	127	(464)	117	(580)
Inventories	(417)	606	(1,598)	(879)
Trade payables	1,347	160	386	(814)
Other payables	327	341	151	132
Cash generated from operations	<u>2,397</u>	<u>1,107</u>	<u>4,559</u>	<u>2,764</u>
Income tax paid	(430)	(253)	(755)	(539)
Interest paid	(9)	(11)	(20)	(25)
Interest received	(60)	33	261	95
Net cash from operating activities	<u>1,898</u>	<u>876</u>	<u>4,045</u>	<u>2,295</u>
<b>Investing activities</b>				
Additions to property, plant and equipment	(503)	(635)	(1,177)	(736)
Advances paid for the purchase of property, plant and equipment	-	(1,042)	-	(1,042)
Proceeds from disposal of property, plant and equipment	-	16	3	16
(Placement of)/Withdrawals from fixed deposits	(1,100)	(2,700)	(8,900)	4,000
Net cash (used in)/from investing activities	<u>(1,603)</u>	<u>(4,361)</u>	<u>(10,074)</u>	<u>2,238</u>
<b>Financing activities</b>				
Dividends paid	(1,283)	(1,283)	(2,993)	(2,993)
Repayment of lease liabilities	(124)	(118)	(247)	(237)
Net cash used in financing activities	<u>(1,407)</u>	<u>(1,401)</u>	<u>(3,240)</u>	<u>(3,230)</u>
Net (decrease)/increase in cash and cash equivalents	(1,112)	(4,886)	(9,269)	1,303
Cash and cash equivalents at beginning of financial year	8,961	22,004	17,118	15,815
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3)	-	(3)	-
<b>Cash and cash equivalents at end of financial year (NOTE A)</b>	<u>7,846</u>	<u>17,118</u>	<u>7,846</u>	<u>17,118</u>

**NOTE A**

	30-Jun-23 2nd Half Year Ended \$'000	30-Jun-22 Financial Year Ended \$'000	30-Jun-23 Financial Year Ended \$'000	30-Jun-22 Financial Year Ended \$'000
Cash and cash equivalents consists of:				
Cash and bank balances	6,346	4,618	6,346	4,618
Fixed and call deposits	1,500	12,500	1,500	12,500
	<u>7,846</u>	<u>17,118</u>	<u>7,846</u>	<u>17,118</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**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

For the second half and full year ended 30 June 2023

GROUP	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	30,759	-	-	20,678	20,678	51,437
Total comprehensive income for the period	-	-	-	2,033	2,033	2,033
Dividends	-	-	-	(1,710)	(1,710)	(1,710)
<b>Balance at 31 December 2022 (*)</b>	30,759	-	-	21,001	21,001	51,760
Total comprehensive income for the period	-	-	(3)	1,226	1,223	1,223
Dividends	-	-	-	(1,283)	(1,283)	(1,283)
<b>Balance at 30 June 2023 (*)</b>	30,759	-	(3)	20,944	20,941	51,700
<b>Balance at 1 July 2021</b>	31,732	(973)	-	20,530	20,530	51,289
Total comprehensive income for the period	-	-	-	1,975	1,975	1,975
Transaction with owners, recognised directly in equity						
Dividends	-	-	-	(1,710)	(1,710)	(1,710)
Cancellation of Treasury shares	(973)	973	-	-	-	-
	(973)	973	-	(1,710)	(1,710)	(1,710)
<b>Balance at 31 December 2021 (*)</b>	30,759	-	-	20,795	20,795	51,554
Total comprehensive income for the period	-	-	-	1,166	1,166	1,166
Dividends	-	-	-	(1,283)	(1,283)	(1,283)
<b>Balance at 30 June 2022</b>	30,759	-	-	20,678	20,678	51,437

(\*) Unaudited

COMPANY	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	30,759	20,705	18,591	39,296	70,055
Total comprehensive income for the period	-	-	51	51	51
Dividends	-	-	(1,710)	(1,710)	(1,710)
<b>Balance at 31 December 2022 (*)</b>	30,759	20,705	16,932	37,637	68,396
Total comprehensive income for the period	-	-	183	183	183
Dividends	-	-	(1,283)	(1,283)	(1,283)
<b>Balance at 30 June 2023 (*)</b>	30,759	20,705	15,832	36,537	67,296
<b>Balance at 1 July 2021</b>	-**	-	-	-	-**
Total comprehensive income for the period	-	-	-	-	-
Shares allotted and issued	30,759	-	-	-	30,759
Effect of corporate restructuring	-	20,705	-	20,705	20,705
<b>Balance at 31 December 2021 (*)</b>	30,759	20,705	-	20,705	51,464
Total comprehensive income for the period	-	-	19,874	19,874	19,874
Dividends	-	-	(1,283)	(1,283)	(1,283)
<b>Balance at 30 June 2022</b>	30,759	20,705	18,591	39,296	70,055

(\*) Unaudited

\*\* Less than thousand

## Notes to the condensed interim consolidated financial statements

### N1. Corporate Information

The Company (Registration No. 202002889W) is incorporated in Singapore with its principal place of business and registered office at 19A Serangoon North Avenue 5, Singapore 554859. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the second half and full year ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries consist of the provision of burn-in and related services, design and manufacture of burn-in boards and boards related products, engineering services and equipment distribution, and trading of imaging equipment and energy-efficient products and provision of business support activities.

### N2. Basis of Preparation

The condensed interim financial statements as at and for the second half and full year ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee. 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 December 2022.

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 consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### N2.1. New and amended standards adopted by the Group

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

#### N2.2. Use of judgements and 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 30 June 2022.

No critical judgement was made in the process of applying the Group’s accounting policies that would have a significant effect on the amounts recognized in the financial statements.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 6 - Calculation of loss allowance for trade receivables
- Note 7 - Allowance for inventories
- Note 8 - Impairment of property, plant and equipment

### N3. Segment and revenue information

The Group is primarily engaged in three main operating divisions namely, Burn-In and related services (“Burn-in Services”), Burn-In boards and related products (“Manufacturing and PCBA Services”), and engineering services and equipment distribution (“Engineering”). These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing the performance of the operating segments.

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

#### N3.1. Reportable segments

For the full year ended 30 June 2023

<b>Business segments</b>	<b>Burn-in Services \$'000</b>	<b>Manufacturing and PCBA Services \$'000</b>	<b>Engineering \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>					
External revenue	6,247	20,267	8,382	-	<b>34,896</b>
Inter-segment revenue	403	1,177	346	(1,926)	-
	<u>6,650</u>	<u>21,444</u>	<u>8,728</u>	<u>(1,926)</u>	<u><b>34,896</b></u>
<b>Segment results</b>	631	1,445	1,285	-	<b>3,361</b>
Interest expense					<b>(20)</b>
Interest income					<b>775</b>
Rental income					<b>524</b>
Unallocated expenses					<b>(570)</b>
Profit before income tax					<u><b>4,070</b></u>
Income tax expense					<b>(811)</b>
<b>Profit for the year</b>					<u><u><b>3,259</b></u></u>
<b>Other Information</b>					
Additions to non-current assets	139	947	91		<b>1,177</b>
<b>Depreciation</b>					
Allocated	240	772	320		<b>1,332</b>

For the full year ended 30 June 2022

<b>Business segments</b>	<b>Burn-in Services \$'000</b>	<b>Manufacturing and PCBA Services \$'000</b>	<b>Engineering \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>					
External revenue	6,340	17,008	7,501	-	30,849
Inter-segment revenue	196	884	168	(1,248)	-
	<u>6,536</u>	<u>17,892</u>	<u>7,669</u>	<u>(1,248)</u>	<u>30,849</u>
<b>Segment results</b>	1,039	1,489	805	-	3,333
Interest expense					(25)
Interest income					95
Rental income					528
Unallocated income					154
Unallocated expenses					(424)
Profit before income tax					<u>3,661</u>
Income tax expense					(520)
<b>Profit for the year</b>					<u><u>3,141</u></u>
<b>Other Information</b>					
Additions to non-current assets	508	1,251	19		1,778
Impairment loss on associate included in unallocated expenses					168
<b>Depreciation</b>					
Allocated	258	674	294		1,226

For the second half year ended 30 June 2023

<b>Business segments</b>	<b>Burn-in Services \$'000</b>	<b>Manufacturing and PCBA Services \$'000</b>	<b>Engineering \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>					
External revenue	2,849	10,389	3,890	-	17,128
Inter-segment revenue	403	1,177	346	(1,926)	-
	<u>3,252</u>	<u>11,566</u>	<u>4,236</u>	<u>(1,926)</u>	<u>17,128</u>
<b>Segment results</b>	(20)	501	467	-	948
Interest expense					(9)
Interest income					454
Rental income					262
Unallocated expenses					(70)
Profit before income tax					<u>1,585</u>
Income tax expense					(359)
<b>Profit for the year</b>					<u><u>1,226</u></u>
<b>Other Information</b>					
Additions to non-current assets	114	307	82		503
<b>Depreciation</b>					
Allocated	117	415	158		690

For the second half year ended 30 June 2022

Business segments	Burn-in Services \$'000	Manufacturing and PCBA Services \$'000	Engineering \$'000	Eliminations \$'000	Total \$'000
<b>Revenue</b>					
External revenue	3,052	8,253	4,035	-	15,340
Inter-segment revenue	196	884	168	(1,248)	-
	<u>3,248</u>	<u>9,137</u>	<u>4,203</u>	<u>(1,248)</u>	<u>15,340</u>
<b>Segment results</b>	192	527	551	-	1,270
Interest expense					(11)
Interest income					33
Rental income					274
Unallocated income					36
Unallocated expenses					(314)
Profit before income tax					<u>1,288</u>
Income tax expense					(122)
<b>Profit for the year</b>					<u><u>1,166</u></u>
<b>Other Information</b>					
Additions to non-current assets	495	1,174	8		1,677
Impairment loss on associate included in unallocated expenses					168
<b>Depreciation</b>					
Allocated	131	337	161		629

**Consolidated Statement of financial position**

**As at 30 June 2023**

Business segments	Burn-in Services \$'000	Manufacturing and PCBA Services \$'000	Engineering \$'000	Eliminations \$'000	Total \$'000
<b>Assets</b>					
Segment assets	3,635	13,738	7,975	-	25,348
Unallocated corporate assets					34,043
Total assets					<u>59,391</u>
<b>Liabilities</b>					
Segment liabilities	1,061	3,420	1,415	-	5,896
Unallocated corporate liabilities					1,795
Total liabilities					<u>7,691</u>

**As at 30 June 2022**

Business segments	Burn-in Services \$'000	Manufacturing and PCBA Services \$'000	Engineering \$'000	Eliminations \$'000	Total \$'000
<b>Assets</b>					
Segment assets	4,176	13,952	6,577	-	24,705
Unallocated corporate assets					34,047
Total assets					<u>58,752</u>
<b>Liabilities</b>					
Segment liabilities	1,171	3,067	1,338	-	5,576
Unallocated corporate liabilities					1,739
Total liabilities					<u>7,315</u>



## Geographical Segments

	Revenue				Carrying amount of non-current assets	
	2nd Half Year Ended		Financial Year Ended		Financial Year Ended	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Audited
Singapore	5,663	4,998	11,640	11,066	12,923	13,077
USA	5,468	5,025	11,232	9,639	-	-
China	2,165	2,777	4,615	4,135	-	-
Malaysia	1,361	760	2,689	1,815	-	-
Philippines	836	1,023	2,010	2,696	-	-
Others	1,635	757	2,710	1,498	-	-
	<u>17,128</u>	<u>15,340</u>	<u>34,896</u>	<u>30,849</u>	<u>12,923</u>	<u>13,077</u>

### For the second half year ended 30 June 2023 (“2H 2023”) vs. second half year ended 30 June 2022 (“2H 2022”)

Included in revenue of \$17,128,000 (2H 2022: \$15,340,000) is revenue of \$5,051,000 (2H 2022: \$4,031,000) arising from sales to a major customer from the Burn-in Services business segment and Manufacturing and PCBA business segment, \$2,089,000 (2H 2022: \$Nil) arising from sales to a major customer from the Manufacturing and PCBA business segment, and \$2,286,000 (2H 2022: 3,329,000) arising from sales to a major customer from the Engineering business segment. These revenues account for approximately 55% (2H 2022: 48%) of the Group’s revenue.

### For the full year ended 30 June 2023 (“FY 2023”) vs. full year ended 30 June 2022 (“FY 2022”)

Included in revenue of \$34,896,000 (FY 2022: \$30,849,000) are revenue of \$10,046,000 (FY 2022: \$9,113,000) arising from sales to a major customer from the Burn-in Services business segment and Manufacturing and PCBA Services business segment, \$3,617,000 (FY2022: \$Nil) arising from sales to a major customer from the Manufacturing and PCBA business segment, and \$6,255,000 (FY 2022: 5,873,000) arising from sales to a major customer from the Engineering business segment. These revenues account for approximately 57% (FY 2022: 49%) of the Group’s revenue.

## Breakdown of sales

	Financial Year Ended		Change
	2023	2022	
	\$'000	\$'000	%
<b>First Half</b>			
Revenue	17,768	15,509	14.6
Profit after tax	<u>2,033</u>	<u>1,975</u>	2.9
<b>Second Half</b>			
Revenue	17,128	15,340	11.7
Profit after tax	<u>1,226</u>	<u>1,166</u>	5.1

#### N4. Profit before income tax

Profit before income tax has been arrived at after (charging) crediting:

	2nd Half Year Ended		Change	Financial Year Ended		Change
	2023	2022		2023	2022	
	\$'000	\$'000	%	\$'000	\$'000	%
	Unaudited	Unaudited		Unaudited	Audited	
<b>Profit for the period is arrived at:-</b>						
Depreciation of property, plant and equipment	(566)	(508)	11.4	(1,085)	(985)	10.2
Depreciation of right-of-use asset	(124)	(121)	2.5	(247)	(241)	2.5
Interest expenses	(9)	(11)	(18.2)	(20)	(25)	(20.0)
Interest income	454	33	1,275.8	775	95	715.8
Rental income	262	274	(4.4)	524	528	(0.8)
Allowance for inventories obsolescence	(224)	(53)	322.6	(224)	(53)	322.6
Impairment loss on associate	-	(168)	n.m.	-	(168)	n.m.
Gain on disposal of property, plant and equipment	-	16	n.m.	3	16	(81.3)

n.m. : not meaningful

#### N4.1. Related party transactions

There are no material-related party transactions.

#### N5. Income tax expense

The Group calculates the income tax expense for the financial period 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:

	2nd Half Year Ended		Change	Financial Year Ended		Change
	2023	2022		2023	2022	
	\$'000	\$'000	%	\$'000	\$'000	%
	Unaudited	Unaudited		Unaudited	Audited	
Income tax:						
- Current	85	169	(49.7)	498	575	(13.4)
- Under (Over) provision in respect of prior years	81	(47)	n.m.	120	(55)	n.m.
Deferred tax	193	-	n.m.	193	-	n.m.
	<u>359</u>	<u>122</u>	194.3	<u>811</u>	<u>520</u>	56.0

n.m. : not meaningful

#### N6. Calculation of loss allowance for trade receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, where appropriate.

At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Group has observed payments from customers continue to be forthcoming and therefore, the Group expects the probability of default to remain low.

The carrying amount of trade receivables of the Group and Company at the end of the reporting period were \$7,443,000 and \$Nil (2022: \$8,049,000 and \$12,000) respectively.

**N7. Allowance for inventories**

The Group reviews the carrying value of its inventories so that they are stated at the lower of cost and net realisable value. In assessing net realisable value, management identifies inventories where there has been a significant decline in price or cost, aged inventory items and inventory items that may not be realised as a result of certain events, and estimates the recoverable amount of such inventory based on values at which such inventory items are expected to be realised at the end of the reporting period. Management also reviews the possible future use of the aged inventory items as well as the demand for ongoing production and the ability to sell the products at prices above costs, taking into consideration the general economic conditions and market demand.

The carrying amount of inventories of the Group at the end of the reporting period was \$5,153,000 (2022: \$3,779,000), net of allowance amounting to \$538,000 (2022: \$1,179,000). The cost of inventories recognised as an expense including allowance made for obsolescence of inventories was \$224,000 (2022: \$53,000).

**N8. Impairment of property, plant and equipment**

The Group assesses at the end of each reporting period whether property, plant and equipment have any indication of impairment. If there are indicators of impairment, the recoverable amount of property, plant and equipment will be determined based on the higher of value in use calculations or the fair value less costs to sell.

A considerable amount of judgement is required in determining the recoverable amount of the property, plant and equipment, which includes, among other factors, the recent transaction prices for similar assets, the condition, utility, age, wear and tear and/or obsolescence of the property, plant and equipment.

The carrying amount of property, plant and equipment of the Group at the end of the reporting was \$11,966,000 (2022: \$10,832,000).

**N9. Aggregate amount of Group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

30 June 2023 (*)		30 June 2022	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
254	-	241	-

**Amount repayable after one year**

30 June 2023 (*)		30 June 2022	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
567	-	797	-

(\*) Unaudited

There is no collateral on the Group's borrowings and debt securities.

**N10. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 June 2023 and 30 June 2022:

	Group		Company	
	30-Jun-23 \$'000 Unaudited	30-Jun-22 \$'000 Audited	30-Jun-23 \$'000 Unaudited	30-Jun-22 \$'000 Audited
<b>Financial assets</b>				
Financial assets at amortised cost	<u>40,840</u>	<u>40,783</u>	<u>17,831</u>	<u>18,720</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	<u>5,075</u>	<u>4,538</u>	<u>1,997</u>	<u>139</u>

1(d)(ii) Details of any changes in the company's share capital arising from the rights issue, bonus issue, subdivision, consolidation, share buy-backs, the exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for the acquisition or 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.

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

	As at 30 June 2023	As at 30 June 2022
Number of shares that may be issued on conversion of all the outstanding convertibles	-	-
Treasury Shares	-	-
Total number of issued shares excluding treasury shares	171,046,041	171,046,041
Percentage of aggregate number of treasury shares and subsidiary holdings* held against the total number of issued shares excluding 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.**

<b>Total number of issued shares excluding treasury shares</b>	<b>Number of shares</b>
Balance as at 30 June 2023	171,046,041
Balance as at 30 June 2022	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 2023, 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 has 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.**

See paragraph N2 of the "Notes to the condensed interim consolidated 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.**

See item 4 above.

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: (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustment made to the earnings).

Group	Period/Year ended 30 June			
	2H 2023	2H 2022	FY 2023	FY 2022
<b>Earnings per ordinary share (cents) ("EPS")</b>				
Basic	0.72	0.68	1.90	1.84
Diluted	0.72	0.68	1.90	1.84
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-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
Net assets value per ordinary share (cents)	30.22	30.07	39.34	40.96
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 2023 ("2H 2023") vs. Second Half ended 30 June 2022 ("2H 2022") and Full Year ended 30 June 2023 ("FY 2023") vs. Full Year ended 30 June 2022 ("FY 2022").

#### Statement of Profit or Loss and Other Comprehensive Income

##### Revenue

###### FY 2023 vs. FY 2022

In FY 2023, the Group reported revenue of \$34.9 million, an increase of \$4.1 million or 13.1% as compared to FY 2022 of \$30.8 million. The Burn-In Services business segment registered revenue of \$6.2 million in FY 2023, as compared to revenue of \$6.3 million in FY 2022. The Manufacturing and PCBA Services business segment, which remained as the largest contributor to the Group revenue, registered higher revenue of \$20.3 million in FY 2023 as compared to revenue of \$17.0 million in FY 2022. The Engineering Services business segment registered higher revenue of \$8.4 million in FY 2023, as compared to revenue of \$7.5 million in FY 2022.

###### 2H 2023 vs. 2H 2022

In 2H 2023, the Group reported revenue of \$17.1 million, an increase of \$1.8 million or 11.7% as compared to 2H 2022 of \$15.3 million. The Burn-In Services business segment registered lower revenue of \$2.8 million in 2H 2023 as compared to revenue of \$3.0 million in 2H 2022. The Manufacturing and PCBA Services business segment, which remained as the largest contributor to the Group revenue, registered higher revenue of \$10.4 million in 2H 2023 as compared to revenue of \$8.3 million in 2H 2022. The Engineering Services business segment registered lower revenue of \$3.9 million in 2H 2023 as compared to revenue of \$4.0 million in 2H 2022.

## **Gross profit**

### FY 2023 vs. FY 2022

The Group reported a gross profit of \$8.0 million in FY 2023, an increase of \$0.2 million or 2.8% as compared to \$7.8 million in FY 2022.

The increase in gross profit for the comparative periods was in line with the increase in revenue. However, due to the substantial increase in electricity cost for FY 2023 as compared to FY 2022, the gross profit margin had been reduced.

### 2H 2023 vs. 2H 2022

The Group reported a gross profit of \$3.4 million in 2H 2023 as compared to \$3.5 million in 2H 2022.

Although the revenue increased, the Group's gross profit had decreased marginally mainly attributable to the increase in weighted average unit cost of production.

## **Profit for the period**

### FY 2023 vs. FY 2022 / 2H 2023 vs. 2H 2022

The Group reported a profit of \$3.3 million in FY 2023, an increase of \$0.2 million or 3.8% as compared to \$3.1 million in FY 2022.

The Group reported a consistent profit of \$1.2 million in 2H 2023 and 2H 2022.

With the gross profit reported as above, the Group reported higher profit in FY 2023 was in addition to the higher interest income generated from fixed deposits, partly offset by an unrealised foreign exchange loss as a result of unfavorable USD and RMB rates against SGD.

## **STATEMENT OF FINANCIAL POSITION**

The Group's total assets increased by \$0.6 million or 1.1% from \$58.8 million as at 30 June 2022 to \$59.4 million as at 30 June 2023. The increase was primarily due to the increase in cash and bank balances of \$1.7 million, property, plant and equipment of \$1.1 million as well as inventories of \$1.4 million. The overall increase was partly offset by the decrease in fixed and call deposits of \$2.1 million, trade and other receivables of \$1.3 million as well as right-of-use assets of \$0.2 million.

The Group's total liabilities increased by \$0.4 million or 5.1% from \$7.3 million as at 30 June 2022 to \$7.7 million as at 30 June 2023. The increase was primarily due to the increase in trade and other payables of \$0.5 million as well as deferred tax liabilities of \$0.2 million. The overall increase was partly offset by the decrease in lease liabilities of \$0.2 million as well as income tax payable of \$0.1 million.

The Group had a positive working capital of \$40.6 million as at 30 June 2023 as compared to \$40.3 million as at 30 June 2022.

## **STATEMENT OF CASH FLOWS**

The Group generated net cash from operating activities of \$4.0 million for FY 2023. This was primarily due to the profit generated for the year.

Net cash used in investing activities was \$10.1 million, which was mainly attributed to the placement of fixed deposits placed with financial institutions over three (3)-month tenures. Net cash used in financing activities was \$3.2 million, which was primarily due to the dividend paid.

There was a decrease in cash and cash equivalents of \$9.3 million for FY 2023.

The Group closed FY 2023 with cash and cash equivalents of \$7.8 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 or prospect statements in respect of the Group's results for the period ended 30 June 2023. The Group's results for the second half year ended 30 June 2023 were generally in line with the commentary under item 10 of the Group's previous results announcement in respect of the period ended 31 December 2022.

**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.**

Despite the current energy crisis, higher borrowing cost environment and uncertainty of the trade war between the USA and China causing trade disruption, the Group remains cautiously optimistic for FY2024. The Group will continue to focus on core business while exploring growth opportunities through mergers, acquisitions, and partnerships to enhance shareholder value.

**11. Dividends**

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

Dividend declared and paid

<b>Period</b>	<b>31 December 2022</b>
<b>Name of Dividend</b>	Interim
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	0.75 cents per ordinary share
<b>Tax Rate</b>	One tier tax exempt

Dividend proposed

<b>Period</b>	<b>30 June 2023</b>
<b>Name of Dividend</b>	Final
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	1.0 cent per ordinary share
<b>Tax Rate</b>	One tier tax exempt

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

<b>Period</b>	<b>31 December 2021</b>	<b>30 June 2022</b>
<b>Name of Dividend</b>	Interim	Final
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Rate</b>	0.75 cents per ordinary share	1.0 cent per ordinary share
<b>Tax Rate</b>	One tier tax exempt	One tier tax exempt

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

Not applicable.



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

Final dividend

The proposed one-tier tax exempt final dividend, which shall be subject to shareholders' approval at the forthcoming annual general meeting of the Company, are payable on 28 November 2023.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Final dividend

Notice is hereby given that the Transfer books and the Register of Members will be closed on 14 November 2023 for the preparation of the final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5 p.m. on 10 November 2023 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 10 November 2023 will be entitled to the final 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 2023, 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 Avi-Tech Electronics Limited's prospectus dated 11 July 2007) from the IPO were used for the following purposes:

	<b>Use of IPO proceeds as at 30 June 2023 (\$ million)</b>	<b>Balance as at 30 June 2023 (\$ million)</b>
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
<b>Total</b>	<b>22.0</b>	<b>4.7</b>

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.**

See paragraph N3.1 of the "Notes to the condensed interim consolidated financial statements" above.

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.**

See paragraph N3.1 of the "Notes to the condensed interim consolidated financial statements" above.

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 2023 \$'000	Financial year 30 June 2022 \$'000
Ordinary - paid	2,993	2,993
Ordinary - proposed	-	-
Preference	-	-
Total	<u>2,993</u>	<u>2,993</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	74	Founder and substantial shareholder	Chief Executive Officer, 1985	Nil
Mr Alvin Lim Tai Meng	47	Son of Mr Lim Eng Hong	Chief Operating Officer, 2013	Nil

**BY ORDER OF THE BOARD**  
**Lim Eng Hong**  
**Chief Executive Officer**  
**22 August 2023**