

AVI-TECH ELECTRONICS LIMITED
(Company Registration No. 198105976H)

Full Year Financial Statements and Dividend Announcement for the Year Ended 30 June 2016

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 fourth quarter and full year ended 30 June 2016

	4th Quarter Ended		Change %	Group Financial Year Ended		Change %
	2016	2015		2016	2015	
	\$'000 Unaudited	\$'000 Audited		\$'000 Unaudited	\$'000 Audited	
Continuing operations						
Revenue	9,289	8,221	13.0	33,940	28,390	19.5
Cost of sales	(6,538)	(6,062)	7.9	(22,983)	(21,509)	6.9
Gross profit	2,751	2,159	27.4	10,957	6,881	59.2
Other operating income	347	160	n.m.	1,589	1,115	42.5
Distribution costs	(20)	(13)	53.8	(69)	(64)	7.8
Administrative expenses	(1,170)	(1,597)	(26.7)	(4,595)	(4,033)	13.9
Finance costs	(5)	(9)	(44.4)	(28)	(31)	(9.7)
Profit before income tax	1,903	700	n.m.	7,854	3,868	n.m.
Income tax expense	(531)	(154)	n.m.	(1,476)	(146)	n.m.
Profit for the year from continuing operations	1,372	546	n.m.	6,378	3,722	71.4
Discontinued operations						
(Loss)/Profit for the year from discontinued operations	-	(287)	n.m.	(153)	2,828	n.m.
Profit for the year, attributable to owners of the Company	1,372	259	n.m.	6,225	6,550	(5.0)
Other comprehensive (loss)/income for the year:						
<i>Item that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	(1)	837	n.m.	165	(267)	n.m.
Other comprehensive (loss)/income for the year, net of tax	(1)	837	n.m.	165	(267)	n.m.
Total comprehensive income for the year, attributable to owners of the Company	1,371	1,096	25.1	6,390	6,283	1.7
Profit for the year is arrived at:-						
Depreciation of property, plant and equipment	(245)	(320)	(23.4)	(1,025)	(1,432)	(28.4)
Reversal of allowance for doubtful debts	-	(3)	n.m.	-	(273)	n.m.
Reversal of allowance for inventories obsolescence	-	(28)	n.m.	-	(2,179)	n.m.
Foreign currency exchange adjustment (loss)/gain	(33)	(808)	(95.9)	232	1,252	(81.5)
Interest expenses	(5)	(8)	(37.5)	(28)	(39)	(28.2)
Interest income	110	21	n.m.	392	180	n.m.
Rental income	188	188	-	752	751	0.1
Loss on disposal of a subsidiary	-	(143)	n.m.	(161)	(143)	12.6

n.m. : not meaningful

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Group		Company	
	30-Jun-16 \$'000 Unaudited	30-Jun-15 \$'000 Audited	30-Jun-16 \$'000 Unaudited	30-Jun-15 \$'000 Audited
ASSETS				
Current assets				
Cash and bank balances	3,758	12,382	3,679	12,071
Fixed and call deposits	20,769	15,420	20,769	15,420
Trade receivables	7,212	6,177	7,212	6,202
Other receivables and prepayments	428	741	427	971
Inventories	3,074	3,532	3,074	3,532
Held-to-maturity financial investments	1,763	-	1,763	-
	<u>37,004</u>	<u>38,252</u>	<u>36,924</u>	<u>38,196</u>
Assets classified as held for sale and/or for distribution	-	46	-	-
Total current assets	<u>37,004</u>	<u>38,298</u>	<u>36,924</u>	<u>38,196</u>
Non-current assets				
Property, plant and equipment	12,701	12,662	12,701	12,662
Fixed and call deposits	3,000	-	3,000	-
Total non-current assets	<u>15,701</u>	<u>12,662</u>	<u>15,701</u>	<u>12,662</u>
Total assets	<u><u>52,705</u></u>	<u><u>50,960</u></u>	<u><u>52,625</u></u>	<u><u>50,858</u></u>
LIABILITIES AND EQUITY				
Current liabilities				
Bank loan	612	612	612	612
Trade payables	2,586	3,021	2,870	3,281
Other payables	2,354	2,381	2,339	2,346
Finance lease	19	7	19	7
Income tax payable	490	-	490	-
	<u>6,061</u>	<u>6,021</u>	<u>6,330</u>	<u>6,246</u>
Liabilities directly associated with assets classified as held for sale and/or for distribution	-	2	-	-
Total current liabilities	<u>6,061</u>	<u>6,023</u>	<u>6,330</u>	<u>6,246</u>
Non-current liabilities				
Bank loan	384	996	384	996
Finance lease	19	-	19	-
Deferred tax liabilities	926	151	926	151
Total non-current liabilities	<u>1,329</u>	<u>1,147</u>	<u>1,329</u>	<u>1,147</u>
Total liabilities	<u>7,390</u>	<u>7,170</u>	<u>7,659</u>	<u>7,393</u>
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(983)	(933)	(983)	(933)
Reserves	14,566	12,991	14,217	12,666
Total equity	<u>45,315</u>	<u>43,790</u>	<u>44,966</u>	<u>43,465</u>
Total liabilities and total equity	<u><u>52,705</u></u>	<u><u>50,960</u></u>	<u><u>52,625</u></u>	<u><u>50,858</u></u>

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

30 June 2016 (*)		30 June 2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
631	-	619	-

Amount repayable after one year

30 June 2016 (*)		30 June 2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
403	-	996	-

(*) Unaudited

Details of any collateral

The building and leasehold improvements with a carrying amount of \$10,561,000 (30 June 2015: \$10,680,000) are mortgaged as security for a bank loan and credit facilities.

Certain plant and equipment with a carrying amount of \$86,000 (30 June 2015: \$6,000) 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 fourth quarter and full year ended 30 June 2016

	30-Jun-16 4th Quarter Ended \$'000	30-Jun-15 \$'000	30-Jun-16 Financial Year Ended \$'000	30-Jun-15 Financial Year Ended \$'000
Operating activities				
Profit/(Loss) before income tax				
Continuing operations	1,903	700	7,854	3,868
Discontinued operations	-	(287)	(153)	2,829
Adjustments for:				
Loss on disposal of subsidiary	-	143	161	143
Depreciation of property, plant and equipment	245	320	1,025	1,432
Reversal of allowance for doubtful debts	-	(3)	-	(273)
Reversal of allowance for inventories obsolescence	-	(28)	-	(2,179)
Gain on disposal of property, plant and equipment	(6)	(2)	(8)	(4)
Foreign currency gain	-	(638)	-	(638)
Interest expenses	5	8	28	39
Interest income	(110)	(21)	(392)	(180)
Operating cash flows before movements in working capital	<u>2,037</u>	<u>192</u>	<u>8,515</u>	<u>5,037</u>
Trade receivables	(739)	(897)	(1,026)	(1,874)
Other receivables and prepayments	(25)	463	316	(389)
Inventories	921	(148)	458	1,947
Trade payables	23	703	(435)	102
Other payables	449	605	(29)	(256)
Cash generated from operations	<u>2,666</u>	<u>918</u>	<u>7,799</u>	<u>4,567</u>
Income tax (paid) refund	(4)	(3)	(211)	5
Interest paid	(5)	(8)	(28)	(39)
Interest received	110	21	392	180
Net cash from operating activities	<u>2,767</u>	<u>928</u>	<u>7,952</u>	<u>4,713</u>
Investing activities				
Additions to property, plant and equipment	(748)	(848)	(1,020)	(1,593)
Proceeds from maturity of held-to-maturity investments	-	-	-	2,022
Proceeds from disposal of property, plant and equipment	21	-	21	20
Purchase of held-to-maturity investment	(515)	-	(1,763)	-
Withdrawals from/(Placements of) fixed deposits	1,744	1,599	(5,624)	(12,420)
Net cash from/(used in) investing activities	<u>502</u>	<u>751</u>	<u>(8,386)</u>	<u>(11,971)</u>
Financing activities				
Dividends paid	(1,372)	(1,027)	(4,800)	(1,027)
Exercise of share option	-	-	35	-
Purchase of treasury shares	(118)	-	(118)	-
Finance lease obligations	57	-	57	-
Repayment of finance lease obligations	(4)	(11)	(26)	(43)
Repayment of bank loan	(153)	(153)	(612)	(612)
Net cash used in financing activities	<u>(1,590)</u>	<u>(1,191)</u>	<u>(5,464)</u>	<u>(1,682)</u>
Net effect of exchange rate changes in consolidating subsidiaries	(65)	974	(35)	(92)
Net increase/(decrease) in cash and cash equivalents	1,614	1,462	(5,933)	(9,032)
Cash and cash equivalents at beginning of financial period/year	4,869	10,954	12,416	21,448
Cash and cash equivalents at end of financial period/year (NOTE A)	<u>6,483</u>	<u>12,416</u>	<u>6,483</u>	<u>12,416</u>

NOTE A

	The Group			
	4th Quarter Ended \$'000	\$'000	Financial Year Ended \$'000	\$'000
Cash and cash equivalents consists of:				
Cash and bank balances	3,758	12,416	3,758	12,416
Fixed and call deposits	2,725	-	2,725	-
	<u>6,483</u>	<u>12,416</u>	<u>6,483</u>	<u>12,416</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 Group and Company 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.

GROUP	----- Attributable to owners of the Company -----							Non-controlling interest ⁽¹⁾	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total reserves \$'000			
Balance at 1 July 2015	31,732	(933)	(151)	17	13,125	12,991	-	43,790	
Total comprehensive income for the period	-	-	169	-	1,768	1,937	-	1,937	
Balance at 30 September 2015 (*)	31,732	(933)	18	17	14,893	14,928	-	45,727	
Total comprehensive income for the period	-	-	7	-	1,679	1,686	-	1,686	
Dividends	-	-	-	-	(3,424)	(3,424)	-	(3,424)	
Balance at 31 December 2015 (*)	31,732	(933)	25	17	13,148	13,190	-	43,989	
Total comprehensive income for the period	-	-	(10)	-	1,406	1,396	-	1,396	
Reissue of treasury shares	-	68	-	-	-	-	-	68	
Exercise of share option	-	-	-	(15)	-	(15)	-	(15)	
Dividends	-	-	-	-	(1,376)	(1,376)	-	(1,376)	
Balance at 31 March 2016 (*)	31,732	(865)	15	2	13,178	13,195	-	44,062	
Total comprehensive income for the period	-	-	(1)	-	1,372	1,371	-	1,371	
Repurchase of shares	-	(118)	-	-	-	-	-	(118)	
Balance at 30 June 2016 (*)	31,732	(983)	14	2	14,550	14,566	-	45,315	
Balance at 1 July 2014	31,732	(933)	116	17	7,602	7,735	330	38,864	
Total comprehensive income for the period	-	-	(262)	-	1,710	1,448	-	1,448	
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	6	6	
Balance at 30 September 2014 (*)	31,732	(933)	(146)	17	9,312	9,183	336	40,318	
Total comprehensive income for the period	-	-	(401)	-	2,634	2,233	-	2,233	
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	14	14	
Balance at 31 December 2014 (*)	31,732	(933)	(547)	17	11,946	11,416	350	42,565	
Total comprehensive income for the period	-	-	(441)	-	1,947	1,506	-	1,506	
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	12	12	
Dividends	-	-	-	-	(1,027)	(1,027)	-	(1,027)	
Balance at 31 March 2015 (*)	31,732	(933)	(988)	17	12,866	11,895	362	43,056	
Total comprehensive income for the period	-	-	837	-	259	1,096	-	1,096	
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(362)	(362)	
Balance at 30 June 2015	31,732	(933)	(151)	17	13,125	12,991	-	43,790	

(*) Unaudited

(1) Representing share option reserve of a subsidiary

STATEMENTS OF CHANGES IN EQUITY

For the fourth quarter and full year ended 30 June 2016

COMPANY	Share capital \$'000	Treasury shares \$'000	Share option reserves \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2015	31,732	(933)	17	12,649	12,666	43,465
Total comprehensive income for the period	-	-	-	1,900	1,900	1,900
Balance at 30 September 2015 (*)	31,732	(933)	17	14,549	14,566	45,365
Total comprehensive income for the period	-	-	-	1,700	1,700	1,700
Dividends	-	-	-	(3,424)	(3,424)	(3,424)
Balance at 31 December 2015 (*)	31,732	(933)	17	12,825	12,842	43,641
Total comprehensive income for the period	-	-	-	1,405	1,405	1,405
Reissue of treasury shares	-	68	-	-	-	68
Exercise of share option	-	-	(15)	-	(15)	(15)
Dividends	-	-	-	(1,376)	(1,376)	(1,376)
Balance at 31 March 2016 (*)	31,732	(865)	2	12,854	12,856	43,723
Total comprehensive income for the period	-	-	-	1,361	1,361	1,361
Repurchase of shares	-	(118)	-	-	-	(118)
Balance at 30 June 2016 (*)	31,732	(983)	2	14,215	14,217	44,966
Balance at 1 July 2014	31,732	(933)	17	8,356	8,373	39,172
Total comprehensive income for the period	-	-	-	825	825	825
Balance at 30 September 2014 (*)	31,732	(933)	17	9,181	9,198	39,997
Total comprehensive income for the period	-	-	-	2,004	2,004	2,004
Balance at 31 December 2014 (*)	31,732	(933)	17	11,185	11,202	42,001
Total comprehensive income for the period	-	-	-	1,702	1,702	1,702
Dividends	-	-	-	(1,027)	(1,027)	(1,027)
Balance at 31 March 2015 (*)	31,732	(933)	17	11,860	11,877	42,676
Total comprehensive income for the period	-	-	-	789	789	789
Balance at 30 June 2015	31,732	(933)	17	12,649	12,666	43,465

(*) Unaudited

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As announced on 23 November 2015, following the completion of share consolidation, the issued share capital of the Company comprises 171,211,041 Shares (excluding 3,989,000 treasury shares on a post-consolidation basis).

On 26 January 2016, as 290,000 treasury shares (on a post-consolidated basis) were transferred in fulfillment of the exercise of employee share options under the Avi-Tech Employee Share Option Scheme (“ESOS”), no new shares were issued pursuant to the said exercise.

On 16 and 17 May 2016, the Company acquired an aggregate of 500,000 of its own shares through on-market purchases transacted on the Singapore Exchange Securities Trading Limited (“SGX-ST”) which are held as treasury shares.

As at 30 June 2016, there are 4,199,000 treasury shares (on a post-consolidated basis) after the transfer and repurchase of shares described above.

As at 30 June 2016, there are 45,000 unissued shares (on a post-consolidated basis) comprised in options granted on 3 July 2012 and 16 November 2012 pursuant to the Avi-Tech Employee Share Option Scheme (30 June 2015: 670,000 on a pre-consolidated basis). These options were granted with an exercise price set at a discount to the then market price and are exercisable after the second anniversary from the date of the grant.

	As at 30 June 2016	As at 30 June 2015
Number of shares that may be issued on conversion of all the outstanding convertibles	45,000	670,000
Treasury Shares	4,199,000	7,978,000
Total number of issued shares excluding treasury shares	171,001,041	342,422,096

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 a total of 4,199,000 shares (on a post-consolidated basis) through on-market purchases transacted on the SGX-ST. The total amount paid for the purchases was approximately \$983,000 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 2016	171,001,041
Balance as at 30 June 2015	342,422,096

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

As announced on 26 January 2016, 290,000 treasury shares were transferred in fulfillment of the exercise of employee share options under the Avi-Tech ESOS.

On 16 and 17 May 2016, the Company acquired an aggregate of 500,000 of its own shares through on-market purchases transacted on the SGX-ST which are held as treasury shares.

As at 30 June 2016, there are 4,199,000 treasury shares after the transfer and repurchase of shares described above.

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 qualifications or emphasis of a matter).

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.

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 July 2015, which may result in more extensive disclosures in the 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.

Group	Period/ Year ended 30 June			
	4Q 2016	4Q 2015 *	FY 2016	FY 2015 *
Earnings per ordinary share (cents) ("EPS")				
For continuing and discontinued operations				
Basic	0.80	0.15	3.63	3.83
Diluted	0.80	0.15	3.63	3.82
For continuing operations				
Basic	0.80	0.32	3.72	2.17
Diluted	0.80	0.32	3.72	2.17
Weighted average number of ordinary shares in issue for basic EPS	171,167,708	171,211,041	171,272,708	171,211,041
Weighted average number of ordinary shares in issue for diluted EPS	171,212,708	171,546,041	171,462,708	171,546,041

* Adjusted to reflect the share consolidation of every two existing ordinary shares into one ordinary share effected on 23 November 2015.

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: (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	30-Jun-2016	30-Jun-2015 *	30-Jun-2016	30-Jun-2015 *
Net assets value per ordinary share (cents):	26.50	25.58	26.30	25.39
Number of ordinary shares at period/year end	171,001,041	171,211,041	171,001,041	171,211,041

* Adjusted to reflect the share consolidation of every two existing ordinary shares into one ordinary share effected on 23 November 2015.

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 Fourth Quarter ended 30 June 2016 (“4Q 2016”) vs. Fourth Quarter ended 30 June 2015 (“4Q 2015”) and Full Year ended 30 June 2016 (“FY 2016”) vs. Full Year ended 30 June 2015 (“FY 2015”).**

STATEMENT OF COMPREHENSIVE INCOME

Revenue from continuing operations

FY 2016 vs. FY 2015

In FY 2016, the Group reported a revenue of \$33.9 million, an increase of \$5.5 million or 19.5% as compared to FY 2015 of \$28.4 million. The Burn-In Services and the Engineering Services business segments reported higher revenue of \$9.0 million and \$11.3 million respectively in FY 2016, as compared to \$6.7 million and \$7.9 million respectively in FY 2015. The Burn-In Boards and Board Manufacturing business segment continues to contribute steadily to the Group’s revenue, with a marginal decrease in revenue from \$13.8 million in FY 2015 to \$13.7 million in FY 2016.

4Q 2016 vs. 4Q 2015

In 4Q 2016, the Group reported a revenue of \$9.3 million, an increase of \$1.1 million or 13.0% as compared to 4Q 2015 of \$8.2 million. The Burn-In Boards and Board Manufacturing business segment, which registered higher revenue of \$4.2 million in 4Q 2016 as compared to \$3.3 million in 4Q 2015, was the biggest contributor to the 4Q 2016 revenue. The Burn-In Services and the Engineering Services business segments registered substantially consistent revenue of \$2.3 million and \$2.7 million respectively in 4Q 2016 as compared to revenue of \$2.2 million and \$2.7 million reported in 4Q 2015.

Gross profit from continuing operations

FY 2016 vs. FY 2015/4Q 2016 vs. 4Q 2015

The Group reported a gross profit of \$11.0 million for FY 2016, an increase of \$4.1 million or 59.2% as compared to \$6.9 million for FY 2015. Gross profit margin over that period had also increased from 24.2% in FY 2015 to 32.3% in FY 2016.

The Group reported a gross profit of \$2.8 million for 4Q 2016, an increase of \$0.6 million or 27.4% as compared to \$2.2 million for 4Q 2015. Gross profit margin over that period had also increased from 26.3% in 4Q 2015 to 29.6% in 4Q 2016.

The increase in the gross profit margin for the two comparative periods was primarily due to the higher revenue reported by the Group in addition to the ongoing cost control measures and the enhancement in productivity across all business segments.

Profit for the period

FY 2016 vs. FY 2015/4Q 2016 vs. 4Q 2015

The Group reported a profit of \$6.2 million for FY 2016 as compared to \$6.6 million for FY 2015 aided with a profit of \$1.4 million for 4Q 2016 as compared to \$0.3 million for 4Q 2015.

The marginal decrease in profit for the comparative periods was a result of no further gains being registered in the discontinued operations of the US subsidiaries, and foreign exchange rates contributing to higher administration expenses. Nonetheless, the profit from continuing operations had increased in the comparative periods due to the higher revenue and improved gross profit margins across the business segments. Overall, the Group registered a positive profit for the comparative periods.

DISCONTINUED OPERATIONS

The voluntary liquidation of the two subsidiaries, Aplegen, Inc. and Verde Designs, Inc., in United States of America had been completed in 4Q2015 and 2Q2016 respectively. The impact of liquidation of the subsidiaries is recorded under discontinued operations in the statement of comprehensive income.

The results of the discontinued operations in the Imaging Equipment and Energy Efficient Products business segment are as follows:

	FY 2016 \$'000 Unaudited	FY 2015 \$'000 Audited
Revenue	-	1,533
Total income	8	1,296
Loss on disposal	* (161)	-
(Loss)/Profit before income tax	<u>(153)</u>	<u>2,829</u>
Income tax expense	-	(1)
(Loss)/Profit for the period	<u><u>(153)</u></u>	<u><u>2,828</u></u>

* The impact of liquidation of the subsidiaries is as follows:

	\$'000 Unaudited
Loss on disposal:	
Consideration receivable	38
Net assets derecognised	(36)
Cumulative exchange differences in respect of net assets of the subsidiary reclassified from equity on loss of control of subsidiary	<u>(163)</u>
Loss on disposal	<u><u>(161)</u></u>

STATEMENT OF FINANCIAL POSITION

Total Group's assets increased by \$1.7 million or 3.4% from \$51.0 million as at 30 June 2015 to \$52.7 million as at 30 June 2016. The increase was primarily due to the increase in held-to-maturity financial assets of \$1.8 million.

Total Group's liabilities increased by \$0.2 million or 3.1% from \$7.2 million as at 30 June 2015 to \$7.4 million as at 30 June 2016. The increase was primarily due to the increase in income tax payables and deferred tax liabilities of \$0.5 million and \$0.8 million respectively. The overall increase was offset by the decrease in trade and other payables of \$0.5 million as well as repayment of bank loan of \$0.6 million.

The Group had a positive working capital of \$30.9 million as at 30 June 2016 as compared with \$32.3 million as at 30 June 2015.

STATEMENT OF CASH FLOW

The Group generated net cash from operating activities of \$8.0 million for FY 2016. This was primarily due to the higher profit generated from the continuing operations, as compared to the prior year.

Net cash used in investing activities was \$8.4 million, which was mainly due to the purchase of held-to-maturity investments and fixed deposits placed with financial institutions with over three month tenures upon maturity. Net cash used in financing activities was \$5.5 million, primarily due to dividend payout and repayment of bank loan.

There was a decrease in cash and cash equivalents of \$5.9 million for FY 2016.

The Group closed the period with cash of \$6.5 million and with bank borrowings of \$1.0 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 31 March 2016. The Group's results for the fourth quarter ended 30 June 2016 were generally in line with the commentary set out in paragraph 10 of the Group's previous results announcement in respect of the period ended 31 March 2016.

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 Group had reported eight consecutive quarters of profit with total operating profit before tax of more than \$10 million. Subject to finalisation of the audited financial statements for FY 2016 and the Group meeting the relevant requirements under the Listing Manual, the Company intends to submit an application for its removal from the Watch-List.

The Group remains committed to strengthen its core competencies, practise prudent financial management and enhance productivity to drive sustainable performance and growth. The Group remains optimistic of continued positive performance and will also continue to seek viable opportunities to grow its business and enhance shareholder returns.

11. Dividends

(a) Current financial year reported on

Any dividend declared for the current financial period reported on?

Dividend declared and paid

Period	31 December 2015
Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	0.8 cents per ordinary share
Tax Rate	One tier tax exempt

Dividend proposed

Period	30 June 2016
Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1.0 cent per ordinary share
Tax Rate	One tier tax exempt

(b) Corresponding period of the immediately preceding financial year

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

Period	31 December 2014	30 June 2015	30 June 2015
Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	0.6 cents per ordinary share *	0.6 cents per ordinary share *	1.4 cents per ordinary share *
Tax Rate	One tier tax exempt	One tier tax exempt	One tier tax exempt

* Adjusted based on post-consolidated basis

(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.

The proposed one-tier tax exempt final dividend, which shall be subject to shareholders' approval at the forthcoming annual general meeting of the Company, is payable on 29 December 2016.

(e) Books Closure Date.

Notice is hereby given that the Transfer books and the Register of Members will be closed on 16 December 2016 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 15 December 2016 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 15 December 2016 will be entitled to the final dividend.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”), 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 2016, 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 2016 (S\$ million)	Balance as at 30 June 2016 (S\$ million)
Expansion of our customer base and widen our portfolio of services	6.0	0.0
Potential mergers and acquisitions	2.8	5.2
Expansion of our overseas operations	3.0	0.0
Working capital	9.7	0.0
Total	21.5	5.2

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 2016

	Burn-in Services \$'000	Burn-in Boards and Board Manufacturing \$'000	Engineering Services \$'000	Imaging Equipment and Energy Efficient Products \$'000	Eliminations	Total \$'000
Business segments						
<u>Continuing operations</u>						
Revenue						
External revenue	8,965	13,704	11,271	-	-	33,940
Inter-segment revenue	-	822	-	-	(822)	-
	<u>8,965</u>	<u>14,526</u>	<u>11,271</u>	<u>-</u>	<u>(822)</u>	<u>33,940</u>
Segment results	3,494	2,248	1,004	-	-	6,746
Interest expense						(28)
Interest income						392
Rental income						752
Unallocated income						581
Unallocated expenses						(589)
Profit before income tax						<u>7,854</u>
Income tax expense						(1,476)
Profit for the year (continuing operations)						<u><u>6,378</u></u>
<u>Discontinued operations</u>						
Revenue						
External revenue						-
						<u>-</u>
Segment results				(153)		(153)
Loss before income tax						<u>(153)</u>
Income tax expense						-
Loss for the year (discontinued operations)						<u><u>(153)</u></u>
Consolidated Balance Sheet						
Assets						
Segment assets	6,072	9,281	7,634	-		22,987
Unallocated corporate assets						29,718
Total assets						<u>52,705</u>
Liabilities						
Segment liabilities	1,305	1,995	1,641	-		4,940
Unallocated corporate liabilities						2,450
Total liabilities						<u>7,390</u>
Other Information						
Additions to non-current assets	222	719	136	-		1,077
Depreciation						
Allocated	271	414	340	-		1,025

Year ended 30 June 2015

	Burn-in Services \$'000	Burn-in Boards and Board Manufacturing \$'000	Engineering Services \$'000	Imaging Equipment and Energy Efficient Products \$'000	Eliminations	Total \$'000
Business segments						
<u>Continuing operations</u>						
Revenue						
External revenue	6,656	13,844	7,890	-	-	28,390
Inter-segment revenue	-	745	91	-	(836)	-
	6,656	14,589	7,981	-	(836)	28,390
Segment results	1,292	1,971	(322)	-	-	2,941
Interest expense						(31)
Interest income						180
Rental income						751
Unallocated income						564
Unallocated expenses						(537)
Profit before income tax						3,868
Income tax expense						(146)
Profit for the year (continuing operations)						3,722
<u>Discontinued operations</u>						
Revenue						
External revenue				1,533		1,533
						1,533
Segment results				2,837		2,837
Interest expense						(8)
Profit before income tax						2,829
Income tax expense						(1)
Profit for the year (discontinued operations)						2,828
Consolidated Balance Sheet						
Assets						
Segment assets	5,512	10,635	6,224	46		22,417
Unallocated corporate assets						28,543
Total assets						50,960
Liabilities						
Segment liabilities	1,263	2,625	1,514	2		5,404
Unallocated corporate liabilities						1,766
Total liabilities						7,170
Other Information						
Additions to non-current assets	905	586	102	-		1,593
Depreciation						
Allocated	335	696	401	-		1,432

Geographical Segments

Geographical Segments

	Revenue		Carrying amount of non-current assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Continuing operations				
Singapore	18,272	14,753	12,701	12,662
USA	7,312	6,611	-	-
Malaysia	4,656	2,845	-	-
Others	3,700	4,181	-	-
Discontinued operations				
USA	-	1,533	-	-
	<u>33,940</u>	<u>29,923</u>	<u>12,701</u>	<u>12,662</u>

Included in revenues of \$33,940,000 (FY 2015 : \$29,923,000) are revenues of approximately \$7,045,000 (FY 2015: \$7,625,000) arising from sales to the Group's largest customer which contributed revenue to the Burn-in Services and Burn-In Boards and Board Manufacturing business segments and \$6,486,000 (FY 2015 : \$3,946,000) arising from sales to the Group's largest customer from the Engineering Services business segment. This accounts for about 40% (FY 2015: 39%) of the Group's revenue.

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

See item 8 above.

18. A breakdown of sales

	2016 \$'000	2015 \$'000	Change %
First Half			
Revenue	15,852	15,444	2.6
Profit after tax before deducting non controlling interest	3,447	4,344	(20.6)
Second Half			
Revenue	18,088	14,479	24.9
Profit after tax before deducting non controlling interest	2,778	2,206	25.9

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 2016 \$'000	Financial year 30 June 2015 \$'000
Ordinary - paid	4,800	1,027
Ordinary - proposed	-	-
Preference	-	-
Total	<u>4,800</u>	<u>1,027</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 issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

<i>Name</i>	<i>Age</i>	<i>Family relationship with any director, CEO and/or substantial shareholder</i>	<i>Current position and duties, and the year the position was first held</i>	<i>Details of changes in duties and position held, if any, during the year</i>
Mr Lim Eng Hong	67	Founder and substantial shareholder	Chief Executive Officer	Nil
Mr Alvin Lim Tai Meng	40	Son of Mr Lim Eng Hong	Chief Operating Officer	Nil

BY ORDER OF THE BOARD

Lim Eng Hong
Chief Executive Officer
12 August 2016