

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

Full Year Financial Statements and Dividend Announcement for the Year Ended 30 June 2019

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 2019

	4th Quarter Ended		Change %	Group Financial Year Ended		Change %
	2019	2018		2019	2018	
	\$'000 Unaudited	\$'000 Audited		\$'000 Unaudited	\$'000 Audited	
Revenue	10,711	7,460	43.6	33,598	35,720	(5.9)
Cost of sales	(6,555)	(5,647)	16.1	(23,054)	(25,771)	(10.5)
Gross profit	<u>4,156</u>	<u>1,813</u>	129.2	<u>10,544</u>	<u>9,949</u>	6.0
Other operating income	326	217	50.2	932	887	5.1
Impairment loss on other financial asset ^[1]	(125)	-	n.m.	(375)	-	n.m.
Distribution costs	(14)	(15)	(6.7)	(54)	(67)	(19.4)
Administrative expenses	(1,372)	(1,252)	9.6	(5,267)	(5,012)	5.1
Net foreign exchange (loss)/gains	(15)	317	n.m.	(59)	(54)	9.3
Finance costs	(1)	(1)	-	(5)	(7)	(28.6)
Profit before income tax	<u>2,955</u>	<u>1,079</u>	173.9	<u>5,716</u>	<u>5,696</u>	0.4
Income tax expense	(546)	(237)	130.4	(1,070)	(833)	28.5
Profit for the year	<u><u>2,409</u></u>	<u><u>842</u></u>	186.1	<u><u>4,646</u></u>	<u><u>4,863</u></u>	(4.5)
Other comprehensive (loss) gain for the year: <i>Item that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	<u>(2)</u>	<u>20</u>	n.m.	<u>(6)</u>	<u>(4)</u>	50.0
Other comprehensive (loss) gain for the period, net of tax	<u>(2)</u>	<u>20</u>	n.m.	<u>(6)</u>	<u>(4)</u>	50.0
Total comprehensive income for the year	<u><u>2,407</u></u>	<u><u>862</u></u>	179.2	<u><u>4,640</u></u>	<u><u>4,859</u></u>	(4.5)
Profit for the year is arrived at:-						
Depreciation of property, plant and equipment	(319)	(313)	1.9	(1,271)	(1,210)	5.0
Interest expenses	(1)	(1)	-	(5)	(7)	(28.6)
Interest income	127	115	10.4	500	454	10.1
Rental income	73	77	(5.2)	297	307	(3.3)
Allowance for inventories obsolescence	(65)	(291)	(77.7)	(215)	(387)	(44.4)
Loss on disposal of property, plant and equipment	-	-	n.m.	(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 2019

	Group		Company	
	30-Jun-19 \$'000 Unaudited	30-Jun-18 \$'000 Audited	30-Jun-19 \$'000 Unaudited	30-Jun-18 \$'000 Audited
ASSETS				
Current assets				
Cash and bank balances	6,479	5,176	5,627	4,721
Fixed and call deposits	27,387	26,000	27,387	26,000
Trade receivables	6,624	4,976	6,918	4,976
Other receivables and prepayments	410	351	409	350
Inventories	3,036	3,392	3,036	3,392
Other financial assets at amortised cost ^[2]	628	1,501	628	1,501
Total current assets	44,564	41,396	44,005	40,940
Non-current assets				
Other financial assets at amortised cost	-	513	-	513
Property, plant and equipment	12,065	12,661	12,065	12,661
Total non-current assets	12,065	13,174	12,065	13,174
Total assets	56,629	54,570	56,070	54,114
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	2,947	1,905	2,990	1,950
Other payables	1,999	2,054	1,989	2,053
Finance leases	35	35	35	35
Income tax payable	1,135	1,076	1,135	1,076
Total current liabilities	6,116	5,070	6,149	5,114
Non-current liabilities				
Finance leases	41	76	41	76
Deferred tax liabilities	928	928	928	928
Total non-current liabilities	969	1,004	969	1,004
Total liabilities	7,085	6,074	7,118	6,118
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(973)	(973)	(973)	(973)
Reserves	18,785	17,737	18,193	17,237
Total equity	49,544	48,496	48,952	47,996
Total liabilities and total equity	56,629	54,570	56,070	54,114

^[2] Other financial assets at amortised cost 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 S\$375,000 for the financial year.

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

30 June 2019 (*)		30 June 2018	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
35	-	35	-

Amount repayable after one year

30 June 2019 (*)		30 June 2018	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
41	-	76	-

(*) Unaudited

Details of any collateral

Certain plant and equipment with a carrying amount of \$154,000 (30 June 2018: \$229,000) 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 2019

	30-Jun-19 4th Quarter Ended \$'000	30-Jun-18 \$'000	30-Jun-19 Financial Year Ended \$'000	30-Jun-18 Financial Year Ended \$'000
Operating activities				
Profit before income tax	2,955	1,079	5,716	5,696
Adjustments for:				
Depreciation of property, plant and equipment	319	313	1,271	1,210
Impairment loss on other financial asset	125	-	375	-
Loss on disposal of property, plant and equipment	-	-	99	-
Allowance for inventories obsolescence	65	291	215	387
Interest expenses	1	1	5	7
Interest income	(127)	(115)	(500)	(454)
Operating cash flows before movements in working capital	<u>3,338</u>	<u>1,569</u>	<u>7,181</u>	<u>6,846</u>
Trade receivables	(788)	(127)	(1,648)	3,940
Other receivables and prepayments	(73)	35	(59)	(11)
Inventories	(73)	21	141	97
Trade payables	444	245	1,042	(3,006)
Other payables	531	482	(55)	(264)
Cash generated from operations	<u>3,379</u>	<u>2,225</u>	<u>6,602</u>	<u>7,602</u>
Income tax paid	(3)	(3)	(1,011)	(522)
Interest paid	(1)	(1)	(5)	(7)
Interest received	127	115	500	454
Net cash from operating activities	<u>3,502</u>	<u>2,336</u>	<u>6,086</u>	<u>7,527</u>
Investing activities				
Additions to property, plant and equipment	(51)	(57)	(774)	(396)
Proceeds from maturity of other financial assets at amortised cost	-	-	1,011	273
(Placement of)/Withdrawals from fixed deposits	(7,500)	(3,005)	(4,033)	2,000
Net cash (used in)/from investing activities	<u>(7,551)</u>	<u>(3,062)</u>	<u>(3,796)</u>	<u>1,877</u>
Financing activities				
Dividend paid	(1,368)	(2,224)	(3,592)	(5,303)
Exercise of share option	-	-	-	5
Repayment of finance lease obligations	(9)	(13)	(35)	(54)
Repayment of bank loan	-	-	-	(384)
Net cash used in financing activities	<u>(1,377)</u>	<u>(2,237)</u>	<u>(3,627)</u>	<u>(5,736)</u>
Net effect of exchange rate changes in consolidating subsidiaries	(2)	25	(6)	(1)
Net (decrease)/increase in cash and cash equivalents	(5,428)	(2,938)	(1,343)	3,667
Cash and cash equivalents at beginning of financial period	15,261	14,114	11,176	7,509
Cash and cash equivalents at end of financial period (NOTE A)	<u>9,833</u>	<u>11,176</u>	<u>9,833</u>	<u>11,176</u>

NOTE A

	The Group			
	4th Quarter Ended		Financial Year Ended	
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents consists of:				
Cash and bank balances	6,479	5,176	6,479	5,176
Fixed and call deposits	3,354	6,000	3,354	6,000
	<u>9,833</u>	<u>11,176</u>	<u>9,833</u>	<u>11,176</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 fourth quarter and full year ended 30 June 2019

GROUP	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
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	-	-	(5)	-	420	415	415
Balance at 31 March 2019 (*)	31,732	(973)	12	-	17,734	17,746	48,505
Total comprehensive income for the period	-	-	(2)	-	2,409	2,407	2,407
Dividends	-	-	-	-	(1,368)	(1,368)	(1,368)
Balance at 30 June 2019 (*)	31,732	(973)	10	-	18,775	18,785	49,544
Balance at 1 July 2017	31,732	(983)	20	2	18,161	18,183	48,932
Total comprehensive income for the period	-	-	(9)	-	1,713	1,704	1,704
Balance at 30 September 2017 (*)	31,732	(983)	11	2	19,874	19,887	50,636
Total comprehensive income for the period	-	-	(6)	-	1,666	1,660	1,660
Dividends	-	-	-	-	(3,079)	(3,079)	(3,079)
Reissue of treasury shares	-	10	-	-	-	-	10
Exercise of share option	-	-	-	(2)	-	(2)	(2)
Balance at 31 December 2017 (*)	31,732	(973)	5	-	18,461	18,466	49,225
Total comprehensive income for the period	-	-	(9)	-	642	633	633
Dividends	-	-	-	-	(2,224)	(2,224)	(2,224)
Balance at 31 March 2018 (*)	31,732	(973)	(4)	-	16,879	16,875	47,634
Total comprehensive income for the period	-	-	20	-	842	862	862
Balance at 30 June 2018	31,732	(973)	16	-	17,721	17,737	48,496

(*) Unaudited

STATEMENTS OF CHANGES IN EQUITY
For the fourth quarter and full year ended 30 June 2019

COMPANY	Share capital \$'000	Treasury shares \$'000	Share option reserves \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
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	-	-	-	288	288	288
Balance at 31 March 2019 (*)	31,732	(973)	-	17,176	17,176	47,935
Total comprehensive income for the period	-	-	-	2,385	2,385	2,385
Dividends	-	-	-	(1,368)	(1,368)	(1,368)
Balance at 30 June 2019 (*)	31,732	(973)	-	18,193	18,193	48,952
Balance at 1 July 2017	31,732	(983)	2	17,745	17,747	48,496
Total comprehensive income for the period	-	-	-	1,676	1,676	1,676
Balance at 30 September 2017 (*)	31,732	(983)	2	19,421	19,423	50,172
Total comprehensive income for the period	-	-	-	1,660	1,660	1,660
Dividends	-	-	-	(3,079)	(3,079)	(3,079)
Reissue of treasury shares	-	10	-	-	-	10
Exercise of share option	-	-	(2)	-	(2)	(2)
Balance at 31 December 2017 (*)	31,732	(973)	-	18,002	18,002	48,761
Total comprehensive income for the period	-	-	-	640	640	640
Dividends	-	-	-	(2,224)	(2,224)	(2,224)
Balance at 31 March 2018 (*)	31,732	(973)	-	16,418	16,418	47,177
Total comprehensive income for the period	-	-	-	819	819	819
Balance at 30 June 2018	31,732	(973)	-	17,237	17,237	47,996

(*) 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 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 March 2019), there was no change in the Company's share capital during the three months ended 30 June 2019.

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

	As at 30 June 2019	As at 30 June 2018
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 2019	171,046,041
Balance as at 30 June 2018	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 2019, 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 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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual 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 Company and the Group adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) (“SFRS(I)”) with effect from 1 July 2018. SFRS(I) is identical to the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Company and the Group applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (30 June 2019).

There is no change to the Company's and the Group's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time.

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 2019	4Q 2018	FY 2019	FY 2018
Earnings per ordinary share (cents) (“EPS”)				
Basic	1.41	0.49	2.72	2.84
Diluted	1.41	0.49	2.72	2.84
Weighted average number of ordinary shares in issue for basic EPS	171,046,041	171,046,041	171,046,041	171,031,041
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-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018
Net assets value per ordinary share (cents):	28.97	28.35	28.62	28.06
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 Fourth Quarter ended 30 June 2019 (“4Q 2019”) vs. Fourth Quarter ended 30 June 2018 (“4Q 2018”) and Full Year ended 30 June 2019 (“FY 2019”) vs. Full Year ended 30 June 2018 (“FY 2018”).**

STATEMENT OF COMPREHENSIVE INCOME

Revenue

FY 2019 vs. FY 2018

In FY 2019, the Group reported revenue of \$33.6 million, a decrease of \$2.1 million or 5.9% as compared to FY 2018 of \$35.7 million. The Burn-In Services business segment registered higher revenue of \$10.6 million in FY 2019, as compared to revenue of \$10.1 million in FY 2018. The Manufacturing and PCBA Services business segment continues to contribute steadily to the Group’s revenue, with revenue totaling \$18.8 million in FY 2019 as compared to \$19.0 million in FY 2018.

The Engineering Services business segment registered lower revenue of \$4.2 million in FY 2019 as compared to revenue of \$6.6 million in FY 2018.

4Q 2019 vs. 4Q 2018

In 4Q 2019, the Group reported revenue of \$10.7 million, an increase of \$3.2 million or 43.6% as compared to 4Q 2018 of \$7.5 million. The Burn-In Services business segment registered higher revenue of \$3.4 million in 4Q 2019 as compared to \$2.5 million in 4Q 2018. The Manufacturing and PCBA Services business segment registered higher revenue of \$6.8 million in 4Q 2019 as compared to \$3.3 million in 4Q 2018.

The Engineering Services business segment registered lower revenue of \$0.5 million in 4Q 2019 as compared to the revenue of \$1.7 million in 4Q 2018.

Gross profit

FY 2019 vs. FY 2018

The Group reported a gross profit of \$10.5 million in FY 2019, an increase of \$0.6 million or 6.0% as compared to \$9.9 million in FY 2018. The Group’s gross profit margin also increased from 27.9% in FY 2018 to 31.4% in FY 2019.

Notwithstanding the decline in Group’s revenue, the increase in Group’s gross profit attributed to higher weighted average sales in the Burn-In Services and Manufacturing and PCBA Services business segments as compared to the Engineering Services business segment.

4Q 2019 vs. 4Q 2018

The Group reported a gross profit of \$4.2 million in 4Q 2019, an increase of \$2.4 million or 129.2% as compared to \$1.8 million in 4Q 2018. The Group’s gross profit margin also increased from 24.3% in 4Q 2018 to 38.8% in 4Q 2019.

The increase in Group’s gross profit was primarily attributed to the increase in revenue reported by the Burn-In Services business segment and the Manufacturing and PCBA Services business segment in 4Q 2019 as compared to 4Q 2018.

Profit for the period

FY 2019 vs. FY 2018

Profit in FY2019 was S\$4.6 million, with a S\$0.4 million impairment loss of bond investment issued under Hyflux Ltd's Medium Term Note Programme, a decrease of \$0.3 million or 4.5% as compared to \$4.9 million in FY 2018.

4Q 2019 vs. 4Q 2018

The Group reported a profit of \$2.4 million in 4Q 2019, an increase of \$1.6 million or 190% as compared to \$0.8 million in 4Q 2018.

The increase in Group's profit was primarily attributed to the increase in revenue reported by the Burn-In Services business segment and the Manufacturing and PCBA Services business segment in 4Q 2019 as compared to 4Q 2018.

STATEMENT OF FINANCIAL POSITION

Total Group's assets increased by \$2.0 million or 3.8% from \$54.6 million as at 30 June 2018 to \$56.6 million as at 30 June 2019. The increase was primarily due to the increase in cash and cash balances of \$1.3 million, fixed and call deposits of \$1.4 million as well as trade and other receivables of \$1.7 million. The overall increase was offset by the decrease in inventories of \$0.4 million, other financial assets at amortised cost of \$1.4 million as well as property, plant and equipment of \$0.6 million.

Other financial assets at amortised cost 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 S\$375,000 for the financial year ended 30 June 2019 in view of the developments in relation to Hyflux Ltd's financial situation.

The Group will continue to monitor the development of the restructuring of Hyflux Ltd.

Total Group's liabilities increased by \$1.0 million or 16.6% from \$6.1 million as at 30 June 2018 to \$7.1 million as at 30 June 2019. The increase was primarily due to the increase in trade and other payables of \$1.0 million.

The Group had a positive working capital of \$38.4 million as at 30 June 2019 as compared to \$36.3 million as at 30 June 2018.

STATEMENT OF CASH FLOW

The Group generated net cash from operating activities of \$6.1 million for FY 2019. This was primarily due to the profit generated for the year.

Net cash used in investing activities was \$3.8 million, which was mainly attributed to the placement of fixed deposits with financial institutions with over three-month tenures. Net cash used in financing activities was \$3.6 million, which was primarily due to dividend paid.

There was a decrease in cash and cash equivalents of \$1.3 million for FY 2019.

The Group closed FY 2019 with cash and cash equivalent of \$9.8 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 and prospect statements in respect of the Group's results for the period ended 30 June 2019. The Group's results for the fourth quarter ended 30 June 2019 were generally in line with the commentary under paragraph 10 of the Group's previous results announcement in respect of the period ended 31 March 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.**

While the global economy remains uncertain, the Group remains hopeful on its business outlook and committed to continue working towards strengthening its core competencies and extending its customer base while at the same time, seeking new opportunities for growth, including mergers and acquisitions, 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 2018
Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	0.8 cents per ordinary share
Tax Rate	One tier tax exempt

Period	30 June 2019	30 June 2019
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 2017	30 June 2018	30 June 2018
Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	1.3 cent per ordinary share	1.0 cent per ordinary share	0.3 cent 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 29 November 2019.

(e) Books Closure Date.

Notice is hereby given that the Transfer books and the Register of Members will be closed on 15 November 2019 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 14 November 2019 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 14 November 2019 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 15 November 2019 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 14 November 2019 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 14 November 2019 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 (“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 2019, 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 2019 (S\$ million)	Balance as at 30 June 2019 (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 2019

Business segments	Burn-in Services \$'000	Manufacturing and PCBA Services \$'000	Engineering \$'000	Eliminations	Total \$'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					<u>(1,018)</u>
Profit before income tax					5,716
Income tax expense					<u>(1,070)</u>
Profit for the year					<u><u>4,646</u></u>
Consolidated Balance Sheet					
Assets					
Segment assets	6,878	12,285	2,756		21,919
Unallocated corporate assets					<u>34,710</u>
Total assets					<u><u>56,629</u></u>
Liabilities					
Segment liabilities	1,552	2,772	622		4,945
Unallocated corporate liabilities					<u>2,139</u>
Total liabilities					<u><u>7,084</u></u>
Other Information					
Capital expenditure	137	586	51		774
Depreciation					
Allocated	399	712	160		1,271

Year ended 30 June 2018

Business segments	Burn-in Services \$'000	Manufacturing and PCBA Services \$'000	Engineering \$'000	Eliminations	Total \$'000
Revenue					
External revenue	10,114	19,049	6,557	-	35,720
Inter-segment revenue	-	1,696	-	(1,696)	-
	<u>10,114</u>	<u>20,745</u>	<u>6,557</u>	<u>(1,696)</u>	<u>35,720</u>
Segment results	4,133	1,979	(710)	-	5,402
Interest expense					(7)
Interest income					454
Rental income					307
Unallocated income					52
Unallocated expenses					(512)
Loss before income tax					<u>5,696</u>
Income tax benefit					(833)
Profit for the year					<u><u>4,863</u></u>
Consolidated Balance Sheet					
Assets					
Segment assets	5,954	11,215	3,860		21,029
Unallocated corporate assets					<u>33,541</u>
Total assets					<u><u>54,570</u></u>
Liabilities					
Segment liabilities	1,121	2,111	727		3,959
Unallocated corporate liabilities					<u>2,115</u>
Total liabilities					<u><u>6,074</u></u>
Other Information					
Capital expenditure	100	279	17		396
Depreciation					
Allocated	343	645	222		1,210

Geographical Segments

	Revenue		Carry amount of non-current assets	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Singapore	19,158	16,962	12,065	12,661
USA	6,447	7,073	-	-
Malaysia	3,608	5,310	-	-
Others	4,385	6,375	-	-
	<u>33,598</u>	<u>35,720</u>	<u>12,065</u>	<u>12,661</u>

Included in revenues of \$33,598,000 (2018: \$35,720,000) are revenues of \$9,493,000 (2018: \$12,258,000) and \$9,169,000 (2018: \$3,860,000) arising from sales to two major customer from the Burn-in Services and Manufacturing and PCBA Services business segments. These revenues account for approximately 56% (2018: 45%) 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

	2019 \$'000	2018 \$'000	Change %
First Half			
Revenue	15,510	20,557	(24.6)
Profit after tax	1,817	3,379	(46.2)
Second Half			
Revenue	18,088	15,163	19.3
Profit after tax	2,829	1,484	90.6

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 2019 \$'000	Financial year 30 June 2018 \$'000
Ordinary - paid	3,592	5,303
Ordinary - proposed	-	-
Preference	-	-
Total	<u>3,592</u>	<u>5,303</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	70	Founder and substantial shareholder	Chief Executive Officer	Nil
Mr Alvin Lim Tai Meng	43	Son of Mr Lim Eng Hong	Chief Operating Officer	Nil

BY ORDER OF THE BOARD
Lim Eng Hong
Chief Executive Officer
28 August 2019