

**AVI-TECH ELECTRONICS LIMITED**  
**Co. Reg. No. 198105976H**

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2011

**PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

1(a) 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 2011

S\$'000	4th Quarter Ended		Change %	Group Financial Year Ended		Change %
	30-Jun-11	30-Jun-10		30-Jun-11	30-Jun-10	
Revenue	8,441	8,558	(1.4)	33,933	29,621	14.6
Cost of sales	(6,403)	(6,368)	0.5	(24,465)	(20,973)	16.6
<b>Gross profit</b>	<u>2,038</u>	<u>2,190</u>	(6.9)	<u>9,468</u>	<u>8,648</u>	9.5
Other operating income	240	184	30.4	1,041	1,361	(23.5)
Distribution costs	(49)	(26)	88.5	(176)	(117)	50.4
Administrative expenses	(3,060)	(1,116)	174.2	(8,248)	(5,039)	63.7
Finance costs	(58)	(20)	190.0	(110)	(108)	1.9
<b>(Loss) / Profit before income tax</b>	<u>(889)</u>	<u>1,212</u>	(173.3)	<u>1,975</u>	<u>4,745</u>	(58.4)
Income tax expense	(317)	(210)	51.0	(916)	(787)	16.4
<b>(Loss) / Profit for the year</b>	<u>(1,206)</u>	<u>1,002</u>	(220.4)	<u>1,059</u>	<u>3,958</u>	(73.2)
<b>Other comprehensive income for the period/year:-</b>						
Foreign currency translation difference for foreign operations	<u>26</u>	<u>3</u>	766.7	<u>(14)</u>	<u>-29</u>	N.M.
Other comprehensive income for the period, net of tax	<u>26</u>	<u>3</u>	766.7	<u>(14)</u>	<u>-29</u>	N.M.
<b>Total comprehensive income for the period/year attributable to shareholders</b>	<u>(1,180)</u>	<u>1,005</u>	(217.4)	<u>1,045</u>	<u>3,929</u>	(73.4)
<b>(Loss)/ profit for the period/year is arrived at:-</b>						
Depreciation of property, plant and equipment	(425)	(322)	32.0	-1,720	-1,303	32.0
Foreign currency exchange adjustment gain/(loss)	(105)	(370)	N.M.	-480	-539	N.M.
Interest income	123	88	39.8	507	604	(16.1)
Rental income	88	83	6.0	351	283	24.0

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 2011

<b>ASSETS</b>	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-11</b>	<b>30-Jun-10</b>	<b>30-Jun-11</b>	<b>30-Jun-10</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>				
Cash and bank balances	7,349	4,668	6,751	4,509
Fixed and call deposits	30,173	36,675	30,173	36,675
Trade receivables	7,010	8,504	6,351	8,484
Other receivables and prepaid expenses	539	305	806	313
Inventories	5,846	2,637	3,894	2,611
Derivative financial instruments	850	-	850	-
Held-to-maturity investments	4,031	5,109	4,031	5,109
Held-for-trading investments	-	500	-	500
<b>Total current assets</b>	<b>55,798</b>	<b>58,398</b>	<b>52,856</b>	<b>58,201</b>
<b>Non-current assets</b>				
Subsidiaries	-	-	2,346	969
Goodwill	886	-	-	-
Other intangible assets	2,527	-	-	-
Held-to-maturity investments	3,634	4,062	3,634	4,062
Property, plant and equipment	15,524	15,530	15,154	15,122
<b>Total non-current assets</b>	<b>22,571</b>	<b>19,592</b>	<b>21,134</b>	<b>20,153</b>
<b>Total assets</b>	<b>78,369</b>	<b>77,990</b>	<b>73,990</b>	<b>78,354</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loan	7,963	612	4,250	612
Trade payables	3,292	3,642	2,457	3,734
Other payables	2,291	1,767	1,867	1,735
Current portion of finance leases	57	9	57	9
Income tax payable	791	762	791	746
<b>Total current liabilities</b>	<b>14,394</b>	<b>6,792</b>	<b>9,422</b>	<b>6,836</b>
<b>Non-current liabilities</b>				
Bank loan	-	4,638	-	4,638
Other payables	1,114	-	-	-
Finance leases	147	33	147	33
Deferred tax liabilities	992	857	992	857
<b>Total non-current liabilities</b>	<b>2,253</b>	<b>5,528</b>	<b>1,139</b>	<b>5,528</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(795)	(618)	(795)	(618)
Reserves	30,423	34,556	32,492	34,876
	61,360	65,670	63,429	65,990
Non-controlling interest	362	-	-	-
<b>Total equity</b>	<b>61,722</b>	<b>65,670</b>	<b>63,429</b>	<b>65,990</b>
<b>Total liabilities and equity</b>	<b>78,369</b>	<b>77,990</b>	<b>73,990</b>	<b>78,354</b>

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

Amount repayable in one year or less, or on demand

30 June 2011		30 June 2010	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
8,020	-	621	-

Amount repayable after one year

30 June 2011		30 June 2010	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
147	-	4,671	-

**Details of any collateral**

The building and leasehold improvements with carrying amount of \$11,436,000 (30 June 2010: \$11,679,000) are mortgaged as security for a bank loan and credit facilities.

Certain plant and equipments with carrying amount of \$279,000 (30 June 2010: \$33,000) are secured by the lessors' titles to the leased assets.

1(c) **A statement of cash flow 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 2011

	The Group			
	4th Quarter Ended		Financial Year Ended	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
(Loss)/ profit before income tax	(889)	1,212	1,975	4,745
Adjustments for:				
Depreciation expense	425	322	1,720	1,303
Allowance /(reversal) for provision for obsolesces inventories	167	-	167	(5)
Allowance for doubtful debts, net	7	7	10	3
Amortisation of patents / trademarks	215	-	215	-
Gain on disposal on held-for-trading investments	-	-	-	(122)
Fair value gain on derivative financial instruments	(850)	-	(850)	-
Gain on disposal of property, plant and equipment	-	-	(114)	-
Amortisation on club membership	-	15	-	59
Interest expense	58	20	110	108
Interest income	(123)	(88)	(507)	(604)
<b>Operating cash flows before movements in working capital</b>	<u>(990)</u>	<u>1,488</u>	<u>2,726</u>	<u>5,487</u>
Trade receivables	569	(1,300)	1,484	(2,033)
Other receivables and prepaid expenses	452	105	(234)	350
Inventories	(3)	299	(3,376)	(51)
Trade payables	183	1,189	(350)	1,996
Other payables	866	241	1,638	(422)
<b>Cash generated from operations</b>	<u>1,077</u>	<u>2,022</u>	<u>1,888</u>	<u>5,327</u>
Income tax paid	(148)	(249)	(752)	(1,449)
Interest paid	(58)	(20)	(110)	(108)
Interest received	123	88	507	604
<b>Net cash generated from operating activities</b>	<u>994</u>	<u>1,841</u>	<u>1,533</u>	<u>4,374</u>
<b>Investing activities</b>				
Additions to property, plant and equipment	(184)	(953)	(1,767)	(2,298)
Proceeds from sale of held-for-trading investments	500	-	500	372
Acquisition of businesses and assets, net cash acquired	(635)	-	(3,266)	-
Proceeds from maturity of held-to-maturity investments	1,020	-	5,072	-
Purchase of held-to-maturity investments	-	(9,171)	(3,566)	(9,171)
Proceeds from disposal of property, plant and equipment	-	-	120	-
<b>Net cash generated from/(used in) investing activities</b>	<u>701</u>	<u>(10,124)</u>	<u>(2,907)</u>	<u>(11,097)</u>
<b>Financing activities</b>				
Dividends paid	-	-	(5,178)	(2,589)
Treasury shares buyback	(177)	-	(177)	-
Repayment of finance leases	(14)	(12)	(51)	(51)
Proceeds from loans and borrowings	3,713	-	3,926	-
Repayment of bank loan	(250)	(250)	(1,000)	(767)
<b>Net cash used in financing activities</b>	<u>3,272</u>	<u>(262)</u>	<u>(2,480)</u>	<u>(3,407)</u>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	37	3	33	(7)
Net increase/(decrease) in cash and cash equivalents	5,004	(8,542)	(3,821)	(10,137)
Cash and cash equivalents at beginning of financial period/year	32,518	49,885	41,343	51,480
<b>Cash and cash equivalents at end of financial period/year (NOTE A)</b>	<u>37,522</u>	<u>41,343</u>	<u>37,522</u>	<u>41,343</u>

**NOTE A**

Cash and cash equivalents consists of:

	The Group		The Group	
	4th Quarter Ended		Financial Year Ended	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	7,349	4,668	7,349	4,668
Fixed and call deposits	30,173	36,675	30,173	36,675
	<u>37,522</u>	<u>41,343</u>	<u>37,522</u>	<u>41,343</u>

**1(d)(i) A statement for 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 2011

GROUP	Attributable to owners of the company						Non-controlling interest <sup>(1)</sup>	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserve \$'000			
<b>Balance at 1 July 2010</b>	31,732	(618)	77	34,479	34,556	-	65,670	
Total comprehensive income for the period	-	-	39	1,135	1,174	-	1,174	
<b>Balance at 30 September 2010 (*)</b>	31,732	(618)	116	35,614	35,730	-	66,844	
Dividends paid	-	-	-	(4,315)	(4,315)	-	(4,315)	
Total comprehensive income for the period	-	-	(14)	1,090	1,076	-	1,076	
<b>Balance at 31 December 2010(*)</b>	31,732	(618)	102	32,389	32,491	-	63,605	
Dividends paid	-	-	-	(863)	(863)	-	(863)	
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	135	135	
Total comprehensive income for the period	-	-	(65)	40	(25)	-	(25)	
<b>Balance at 31 March 2011 (*)</b>	31,732	(618)	37	31,566	31,603	135	62,852	
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	227	227	
Share buyback held back in treasury	-	(177)	-	-	-	-	(177)	
Total comprehensive income for the period	-	-	26	(1,206)	(1,180)	-	(1,180)	
<b>Balance at 30 June 2011 (*)</b>	31,732	(795)	63	30,360	30,423	362	61,722	
<b>Balance at 1 July 2009</b>	31,732	(618)	106	33,110	33,216	-	64,330	
Total comprehensive income for the period	-	-	(24)	938	914	-	914	
<b>Balance at 30 September 2009 (*)</b>	31,732	(618)	82	34,048	34,130	-	65,244	
Dividends paid	-	-	-	(1,726)	(1,726)	-	(1,726)	
Total comprehensive income for the period	-	-	(32)	1,007	975	-	975	
<b>Balance at 31 December 2009 (*)</b>	31,732	(618)	50	33,329	33,379	-	64,493	
Dividends paid	-	-	-	(863)	(863)	-	(863)	
Total comprehensive income for the period	-	-	24	1,011	1,035	-	1,035	
<b>Balance at 31 March 2010 (*)</b>	31,732	(618)	74	33,477	33,551	-	64,665	
Total comprehensive income for the period	-	-	3	1,002	1,005	-	1,005	
<b>Balance at 30 June 2010</b>	31,732	(618)	77	34,479	34,556	-	65,670	

(\*) Unaudited

<sup>(1)</sup> Representing share option reserve of a subsidiary

**STATEMENTS OF CHANGES IN EQUITY**  
**For the fourth quarter and full year ended 30 June 2011**

<b>COMPANY</b>	<b>Share Capital \$'000</b>	<b>Treasury Shares \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total Reserves \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2010</b>	31,732	(618)	34,876	34,876	65,990
Total comprehensive income for the period	-	-	1,175	1,175	1,175
<b>Balance at 30 September 2010 (*)</b>	31,732	(618)	36,051	36,051	67,165
Total comprehensive income for the period	-	-	1,143	1,143	1,143
Dividends paid	-	-	(4,315)	(4,315)	(4,315)
<b>Balance at 31 December 2010 (*)</b>	31,732	(618)	32,879	32,879	63,993
Total comprehensive income for the period	-	-	871	871	871
Dividends paid	-	-	(863)	(863)	(863)
<b>Balance at 31 March 2011 (*)</b>	31,732	(618)	32,887	32,887	64,001
Share buyback held back in treasury	-	(177)	-	-	(177)
Total comprehensive loss for the period (Note A)	-	-	(395)	(395)	(395)
<b>Balance at 30 June 2011</b>	<u>31,732</u>	<u>(795)</u>	<u>32,492</u>	<u>32,492</u>	<u>63,429</u>
<b>Balance at 1 July 2009</b>	31,732	(618)	36,031	36,031	67,145
Total comprehensive income for the period	-	-	1,067	1,067	1,067
<b>Balance at 30 September 2009 (*)</b>	31,732	(618)	37,098	37,098	68,212
Total comprehensive income for the period	-	-	1,075	1,075	1,075
Dividends paid	-	-	(1,726)	(1,726)	(1,726)
<b>Balance at 31 December 2009 (*)</b>	31,732	(618)	36,447	36,447	67,561
Total comprehensive income for the period	-	-	1,138	1,138	1,138
Dividends paid	-	-	(863)	(863)	(863)
<b>Balance at 31 March 2010 (*)</b>	31,732	(618)	36,722	36,722	67,836
Total comprehensive income for the period	-	-	(1,846)	(1,846)	(1,846)
<b>Balance at 30 June 2010</b>	<u>31,732</u>	<u>(618)</u>	<u>34,876</u>	<u>34,876</u>	<u>65,990</u>

Note A: The comprehensive loss for the period is due to the provision on impairment loss of \$735,228 on the Company's investments in a subsidiary, Avi-Tech (Suzhou) Co., Ltd. This impairment loss was reversed out at Group level.

- 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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's Share Capital during the year ended 30 June 2011.

As at 30 June 2011, there was no outstanding share option/warrant/convertible security of the Company (30 June 2010: Nil).

As at 30 June 2011, the total number of issued shares excluding treasury shares was 344,240,096 (30 June 2010: 345,220,096).

<b>Treasury Shares</b>	<b>Number of shares ('000)</b>	<b>\$'000</b>
Balance as at 30 June 2011	6,160	795

Pursuant to the share buyback mandate approved by shareholders on 29 October 2008 and renewed at every subsequent annual general meeting, the Company purchased a total of 6,160,000 shares through on-market purchases transacted on the Singapore Exchange Securities Trading Limited. The total amount paid for the purchases was \$795,000 which has been deducted from shareholders' equity. The repurchased shares are held as treasury shares.

As at 30 June 2011, there was no sale, transfer, disposal, cancellation and/or use of treasury shares.

- 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 our 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 have been applied as in the company's most recently audited annual financial statements.**

The Group has adopted the new and revised Financial Reporting Standards (FRS) for the accounting period beginning 1 July 2010. The adoption of these new and revised FRS does not result in changes to the Group's accounting policies and has no material effect on the reported financial results of the Company and the Group.

The following are the new and revised FRS that are relevant to the Group:

- (a) FRS 103 Business Combinations; and
- (b) FRS 27 Consolidated and Separate 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 shares of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Group	Period/Year ended 30 June 2011			
	4Q 2011	4Q 2010	FY 2011	FY 2010
<b>Earnings per ordinary shares (cents)</b>				
Basic	(0.35)	0.29	0.31	1.15
Diluted	(0.35)	0.29	0.31	1.15

7. Net asset value 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) immediate preceding financial year.

	GROUP		COMPANY	
	FY 2011	FY 2010	FY2011	FY2010
Net assets value per ordinary share (cents):	17.93	19.02	18.43	19.12
Number of ordinary shares at year end	344,240,096	345,220,096	344,240,096	345,220,096

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

8. Review of Group Performance for the Fourth Quarter ended 30 June 2011 ("4Q 2011") vs. Fourth Quarter ended 30 June 2010 ("4Q 2010") and the full year ended 30 June 2011 vs. full year ended 30 June 2010.

#### Revenue

##### FY 2011 Vs FY 2010

For the financial year ended 30 June 2011 (FY 2011), the Group reported an increase in revenue of \$4.3 million (14.6%) from \$29.6 million to \$33.9 million as compared to the financial year ended 30 June 2010 (FY 2010).

The increase in revenue is primarily due to the Group's newly acquired Imaging Equipment and Energy Efficient Products business segment which contributed to revenue of \$2.7 million during the year.

The Burn-in Services business segment also reported an increase in revenue of \$2.5 million (22%), from \$11.3 million to \$13.8 million. The increase is primarily due to the continuous recovery in the global demand for semiconductor chips, leading to an increase in demand for the Burn-in Services. The increase in demand for the high powered burn-in services also contributed to the increase in sales.

The Engineering Services business segment reported an increase in revenue of \$0.7 million (12%) from \$5.7 million to \$6.4 million. The increase is primarily due to pick up in capital expenditure by one of the Company's major customers in view of the recovery in the semiconductor industry.

Revenue from the Burn-in Boards and Board Manufacturing business segment reported a decline in revenue of \$1.6 million (13%), from \$12.6 million to \$11 million. This is primarily due to a decrease in orders from the U.S. customers which was attributed to the appreciation of the Singapore dollar against the U.S. dollar, hence lowering the price competitiveness of the business segment.

#### 4Q 2011 Vs 4Q 2010

For the three months ended 30 June 2011 (4Q 2011), the Group reported a decrease in revenue of \$0.2 million (1.4%), from \$8.6 million to \$8.4 million. The Burn-in Boards and Board Manufacturing business segments reported decline in revenue of \$2.6 million. The decrease in revenue was partially offset by revenue from the newly acquired Imaging Equipment and Energy Efficient Products business segment which contributed to revenue of \$1.7 million. Also, the Engineering Services and Burn-in Services business segment reported improved revenue of \$0.5 million and \$0.2 million respectively.

#### **Gross profit**

##### FY 2011 Vs FY 2010

The Group reported an increase in gross profit of \$0.9 million (9.5%) from \$8.6 million in FY 2010 to \$9.5 million in FY 2011. Gross profit margin decreased from 29.2% to 27.9%. The decrease is primarily due to the low gross profit margin contributed by the Engineering Services business segment in one of its major contracts. In addition, the decline in sales recorded by the Burn-in Boards and Board Manufacturing business segment further led to a lower gross profit margin.

##### 4Q 2011 Vs 4Q 2010

The Group reported a decline in gross profit of \$0.2 million (6.9%) from \$2.2 million in 4Q 2010 to \$2 million in 4Q 2011. Gross profit margin dropped from 25.6% to 24.1%. The decrease is primarily due to the poor profit margin by the Engineering Services business segment on one of its major contracts.

#### **Other operating income**

##### FY 2011 Vs FY 2010

The Group reported a decrease in other operating income of \$0.2 million (15.1%) from \$1.4 million in FY 2010 to \$1.2 million in FY 2011. The decrease is primarily due to a one time sale of scrap materials and receipts from the Singapore Government's 'Jobs Credit Scheme'. The Jobs Credit Scheme ceased on 30 June 2010. The decrease is partially offset by the gain from the trade-in of a vehicle.

#### **Administrative expenses**

##### FY 2011 Vs FY 2010

The Group reported an increase in administrative expenses of \$3.3 million (65.9%), from \$5 million in FY 2010 to \$8.3 million in FY 2011. The increase is primarily due to initial set-up costs and operating costs for the newly incorporated subsidiaries and acquired businesses. In addition, there was an increase in professional and consultancy fees relating to due diligence and legal works performed on the business acquisitions.

#### **Profit for the period**

##### FY 2011 Vs FY 2010

The Group reported a decline in profit of \$2.9 million (73.2%) from profit of \$4 million reported in FY 2010 to \$1.1 million in FY 2011. The decrease is primarily due to lower revenue contribution from the Burn-in Boards and Board Manufacturing and Engineering Services business segments. In addition, the high operating costs of the Group's newly acquired Imaging Equipment and Energy Efficient Products business segment also contributed to the decline in profit.

The decrease is partially offset by the stronger revenue reported by the Burn-in Services business segment, primarily due to the improved profit margin from its high powered burn-in services.

## **Statement of Financial Position**

**Cash and cash equivalents** decreased by \$3.8 million to \$37.5 million. Included in cash and cash equivalents were time deposits and fixed deposits in various financial institutions. The decrease in cash and cash equivalent is primarily due to the acquisition of new businesses, payment of dividends, payment for inventories and new equipment for the Burn-in Services business segment.

**Trade receivables** decreased by \$1.5 million from \$8.5 million as at 30 June 2010 to \$7 million as at 30 June 2011. The decrease is primarily due to clearing of overdue payments by a few major customers which were outstanding as at 30 June 2010. In addition, the decrease in revenue in the quarter ended 30 June 2011 also contributed to the decline in trade receivables.

**Inventories** increased by \$3.2 million, primarily due to the acquisition of the new businesses and higher level of stock holdings as a result of an increase in business activities in the Engineering Services business segment.

**Held-to-maturity investments (current and non-current)** decreased by \$1.5 million. The decrease is primarily due to the maturity of bonds.

**Goodwill and other intangible assets** increased by \$3.4 million, primarily due to the acquisition of the business of Santa Barbara Instrument Group ("SBIG") and the allocation of goodwill/patents/trademarks from the acquisition.

**Trade payables** decreased by \$0.4 million, primarily due to the timing of payments made to trade suppliers. This is in line with the decrease in cash and cash equivalents.

**Other payables (current and non-current)** increased by \$1.6 million to \$3.4 million. The increase is primarily due to the amount payable in tranches and contingent consideration to SBIG's shareholders as part of the purchase price of the business of SBIG and general increase in non-trade payables with the acquisition of the new businesses.

**Bank loan (current and non-current)** increased by \$2.7 million to \$8 million. The increase is primarily due to a bank loan taken by one of the U.S. subsidiaries for the acquisition of the business of SBIG. The increase is partially offset by the repayments of the property loan.

**Capital and reserves** decreased by \$3.9 million to \$61.7 million mainly due to payment of dividends for the financial year ended 30 June 2010 which amounted to \$4.3 million and interim dividend payment of \$863,000 for the half year ended 31 December 2010. The decrease is partially offset by the profit of \$1.1 million for the financial year.

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

Not applicable

**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.**

We expect the performance of the Imaging Equipment and Energy Efficient Products business segment to remain weak, as new products are being developed, and in the near future continue to have a negative impact on our performance.

Our business environment continues to be challenging especially with the strengthening of the Singapore dollar against the U.S. dollar and increase in raw material prices and energy prices.

Despite the current global economic slowdown, inflation and uncertainty, the Group has consistently reported a healthy balance sheet and strong cash position.

We remain cautiously optimistic of our long term growth prospect and we will continue to look forward to progress and work hard to build value for all our shareholders.

## 11. Dividend

### (a) Current financial year reported on

Any dividend declared for the current financial period reported on?

Dividend declared and paid

<b>Period</b>	<b>31 December 2010</b>
<b>Name of Dividend</b>	Interim
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	0.25 cent per ordinary share
<b>Tax Rate</b>	One tier tax exempt

Dividend proposed

<b>Period</b>	<b>30 June 2011</b>
<b>Name of Dividend</b>	Final
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	0.25 cent per ordinary share
<b>Tax Rate</b>	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?

Yes

<b>Period</b>	<b>31 December 2009</b>	<b>30 June 2010</b>	<b>30 June 2010</b>
<b>Name of Dividend</b>	Interim	Final	Special
<b>Dividend Type</b>	Cash	Cash	Cash
<b>Dividend Rate</b>	0.25 cent per ordinary share	0.25 cent per ordinary share	1.00 cent per ordinary share
<b>Tax Rate</b>	One tier tax exempt	One tier tax exempt	One tier tax exempt

### (c) Date 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, are payable on 24 November 2011.

### (d) Books closure date

Notice is hereby given that the Transfer books and the Register of Members will be closed on 10 November 2011 for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5:00 p.m. on 9 November 2011 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 9 November 2011 will be entitled to the proposed dividends.

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

Not applicable.

**PART II - Additional information required for full year announcement**

**13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently unaudited 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 2011

	Burn-in Services \$'000	Burn-in Boards and Board Manufacturing \$'000	Engineering Services \$'000	Imaging Equipment and Energy Efficient Products \$'000	Eliminations	Total \$'000
<b>Business segments</b>						
<b>Revenue</b>						
External revenue	13,799	11,017	6,436	2,681	-	33,933
Inter-segment revenue	-	-	-	11	(11)	-
	<u>13,799</u>	<u>11,017</u>	<u>6,436</u>	<u>2,692</u>	<u>(11)</u>	<u>33,933</u>
<b>Segment results</b>	5,382	(106)	(1,162)	(2,222)		1,892
Interest expense						(110)
Interest income						507
Rental income						351
Unallocated income						114
Unallocated expenses						(779)
Profit before income tax						<u>1,975</u>
Income tax expense						(916)
<b>Profit for the year</b>						<u><u>1,059</u></u>
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	12,057	6,409	7,559	6,557		32,582
Unallocated corporate assets						<u>45,787</u>
Total assets						<u><u>78,369</u></u>
<b>Liabilities</b>						
Segment liabilities	992	972	1,736	6,100		9,800
Unallocated corporate liabilities						<u>6,847</u>
Total liabilities						<u><u>16,647</u></u>
<b>Other Information</b>						
Capital expenditure	1,151	249	216	151		1,767
<b>Depreciation</b>						
Allocated	1,223	223	250	24		1,720

Year ended 30 June 2010

Business segments	Burn-in Boards and Board			Total \$'000
	Burn-in Services \$'000	Manufacturing \$'000	Engineering Services \$'000	
<b>Revenue</b>				
External revenue	11,341	12,600	5,680	29,621
Inter-segment revenue	-	-	-	-
	<u>11,341</u>	<u>12,600</u>	<u>5,680</u>	<u>29,621</u>
<b>Segment results</b>	3,973	590	(280)	4,283
Interest expense				(108)
Interest income				604
Rental income				283
Unallocated expenses				(317)
Profit before income tax				<u>4,745</u>
Income tax expense				(787)
<b>Profit for the year</b>				<u><u>3,958</u></u>
<b>Consolidated Balance Sheet</b>				
<b>Assets</b>				
Segment assets	18,787	5,775	2,052	26,614
Unallocated corporate assets				51,376
Total assets				<u>77,990</u>
<b>Liabilities</b>				
Segment liabilities	2,055	2,449	817	5,321
Unallocated corporate liabilities				6,999
Total liabilities				<u>12,320</u>
<b>Other Information</b>				
Capital expenditure	2,259	27	12	2,298
<b>Depreciation</b>				
Allocated	899	186	218	1,303
Unallocated non-cash expenses other than depreciation				(65)

## Geographical Segments

	Revenue		Carry amount of non-current assets	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore	19,928	17,077	18,790	19,189
USA	8,938	7,472	3,542	-
Malaysia	2,891	2,642	-	-
Others	1,083	1,414	-	-
Philippines	185	453	-	-
Taiwan	276	332	-	-
China	632	231	239	403
	<u>33,933</u>	<u>29,621</u>	<u>22,571</u>	<u>19,592</u>

Included in revenues of \$33,933,000 (FY 2010: \$29,621,000) are revenues of approximately \$12,909,000 (FY 2010: \$10,749,000) which arose from sales to the Group's largest customer.

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

See item 8 above.

**15. A breakdown of sales**

	2011 \$'000	2010 \$'000	Change %
Revenue reported for the first half year	16,876	13,636	23.8
Profit for the year reported for first half year	2,225	1,945	14.4
Revenue reported for the second half year	17,057	15,985	6.7
(Loss) /profit for the year reported for second half year	(1,166)	2,013	N.M.

N.M.: not meaningful

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

	Financial year 30 June 2011 \$'000	Financial year 30 June 2010 \$'000
Ordinary - paid	863	5,178
Ordinary - proposed	861	-
Total	<u>1,724</u>	<u>5,178</u>

**BY ORDER OF THE BOARD**

**Lim Eng Hong**  
Chief Executive Officer  
23 August 2011