

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2014

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 2014

	4th Quarter Ended		Change %	Group Financial Year Ended		Change %
	30-Jun-14 \$'000 Unaudited	30-Jun-13 \$'000 Unaudited		30-Jun-14 \$'000 Unaudited	30-Jun-13 \$'000 Unaudited	
Continuing operations						
Revenue	5,847	6,725	(13.1)	22,995	23,551	(2.4)
Cost of sales	(5,187)	(4,362)	18.9	(19,672)	(20,312)	(3.2)
Gross profit	<u>660</u>	<u>2,363</u>	(72.1)	<u>3,323</u>	<u>3,239</u>	2.6
Other operating income	182	259	(29.7)	1,081	970	11.4
Distribution costs	(16)	(21)	(23.8)	(74)	(73)	1.4
Administrative expenses	(1,087)	(798)	36.2	(4,714)	(4,272)	10.3
Finance costs	(8)	(10)	(20.0)	(37)	(46)	(19.6)
(Loss)/Profit before income tax	<u>(269)</u>	<u>1,793</u>	(115.0)	<u>(421)</u>	<u>(182)</u>	131.3
Income tax (expenses)/benefit	(3)	849	n.m.	(118)	891	n.m.
(Loss)/Profit for the year from continuing operations	<u>(272)</u>	<u>2,642</u>	(110.3)	<u>(539)</u>	<u>709</u>	(176.0)
Discontinued operations						
Loss for the year from discontinued operations	<u>(6,810)</u>	<u>(778)</u>	n.m.	<u>(9,393)</u>	<u>(4,493)</u>	109.1
(Loss)/Profit for the year	<u><u>(7,082)</u></u>	<u><u>1,864</u></u>	n.m.	<u><u>(9,932)</u></u>	<u><u>(3,784)</u></u>	162.5
Other comprehensive income/(loss) for the period/year:						
Foreign currency translation differences for foreign operations	<u>113</u>	<u>(265)</u>	n.m.	<u>150</u>	<u>(36)</u>	n.m.
Other comprehensive income/(loss) for the periods, net of tax	<u>113</u>	<u>(265)</u>	n.m.	<u>150</u>	<u>(36)</u>	n.m.
Total comprehensive (loss)/profit for the period/year, attributable to owners of the Company	<u><u>(6,969)</u></u>	<u><u>1,599</u></u>	n.m.	<u><u>(9,782)</u></u>	<u><u>(3,820)</u></u>	156.1
(Loss)/Profit for the period/year is arrived at:-						
Depreciation of property, plant and equipment	(397)	(430)	(7.7)	(1,649)	(1,657)	(0.5)
Amortisation of other intangible assets	(93)	(104)	(10.6)	(394)	(411)	(4.1)
Foreign currency exchange adjustment (loss)/gain	(234)	431	n.m.	(443)	228	n.m.
Interest expenses	(27)	(41)	(34.1)	(137)	(211)	(35.1)
Interest income	50	71	(29.6)	267	359	(25.6)
Rental income	187	178	5.1	741	536	38.2

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 2014

	Group		Company	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	\$'000	\$'000	\$'000	\$'000
ASSETS	Unaudited	Audited	Unaudited	Audited
Current assets				
Cash and bank balances	4,730	4,736	4,652	4,246
Fixed and call deposits	19,400	17,000	19,400	17,000
Trade receivables	3,518	8,122	3,522	6,422
Other receivables and prepaid expenses	237	535	235	388
Inventories	3,048	5,429	3,049	3,798
Held-to-maturity financial investments	2,022	3,612	2,022	3,612
	<u>32,955</u>	<u>39,434</u>	<u>32,880</u>	<u>35,466</u>
Assets classified as held for sale and/or for distribution	1,227	-	-	-
Total current assets	<u>34,182</u>	<u>39,434</u>	<u>32,880</u>	<u>35,466</u>
Non-current assets				
Property, plant and equipment	12,511	13,956	12,501	13,748
Goodwill	-	691	-	-
Other intangible assets	-	1,846	-	-
Held-to-maturity financial investments	-	2,058	-	2,058
Total non-current assets	<u>12,511</u>	<u>18,551</u>	<u>12,501</u>	<u>15,806</u>
Total assets	<u>46,693</u>	<u>57,985</u>	<u>45,381</u>	<u>51,272</u>
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	612	2,832	612	2,832
Trade payables	2,189	3,702	2,236	3,181
Other payables	1,718	2,702	1,703	1,694
Finance leases	48	50	48	50
	<u>4,567</u>	<u>9,286</u>	<u>4,599</u>	<u>7,757</u>
Liabilities directly associated with assets classified as held for sale and/or for distribution	1,652	-	-	-
Total current liabilities	<u>6,219</u>	<u>9,286</u>	<u>4,599</u>	<u>7,757</u>
Non-current liabilities				
Bank loans	1,608	-	1,608	-
Finance leases	2	47	2	47
Total non-current liabilities	<u>1,610</u>	<u>47</u>	<u>1,610</u>	<u>47</u>
Total liabilities	<u>7,829</u>	<u>9,333</u>	<u>6,209</u>	<u>7,804</u>
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(933)	(933)	(933)	(933)
Reserves	<u>7,735</u>	<u>17,517</u>	<u>8,373</u>	<u>12,669</u>
Equity attributable to owners of the Company	38,534	48,316	39,172	43,468
Non-controlling interests	330	336	-	-
Total equity	<u>38,864</u>	<u>48,652</u>	<u>39,172</u>	<u>43,468</u>
Total liabilities and total equity	<u>46,693</u>	<u>57,985</u>	<u>45,381</u>	<u>51,272</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 2014 (*)		30 June 2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
660	-	2,882	-

Amount repayable after one year

30 June 2014 (*)		30 June 2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,610	-	47	-

(*) Unaudited

Details of any collateral

The building and leasehold improvements with a carrying amount of \$10,700,000 (30 June 2013: \$10,950,000) are mortgaged as security for a bank loan and credit facilities.

Certain plant and equipment with a carrying amount of \$72,000 (30 June 2013: \$139,000) 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 2014

	Group			
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	4th Quarter Ended		Full Year Ended	
	\$'000	\$'000	\$'000	\$'000
Operating activities				
(Loss)/Profit before income tax				
Continuing operations	(269)	1,793	(421)	(182)
Discontinued operations	(6,810)	(778)	(9,392)	(4,491)
Adjustments for:				
Depreciation of property, plant and equipment	397	430	1,649	1,657
Impairment of goodwill	686	-	686	-
Impairment of other intangible assets	1,439	-	1,439	-
Impairment of plant and equipment	170	-	170	-
Allowance for doubtful debts	352	-	352	-
Allowance for inventories obsolescence	2,760	-	2,760	34
Gain on disposal of property, plant and equipment	6	(16)	10	(26)
Share-based payment expenses	-	6	-	18
Amortisation of other intangible assets	93	104	394	411
Interest expenses	27	41	137	211
Interest income	(50)	(71)	(267)	(359)
Operating cash flows before movements in working capital	(1,199)	1,509	(2,483)	(2,727)
Trade receivables	16	(991)	3,731	(1,904)
Other receivables and prepayments	71	27	147	(7)
Inventories	551	(696)	(632)	(1,622)
Trade payables	218	(2,033)	(780)	395
Other payables	921	(120)	(65)	(934)
Cash from/(used in) operations	578	(2,304)	(82)	(6,799)
Income tax (paid)/refund	(14)	(3)	(85)	16
Interest paid	(27)	(41)	(137)	(211)
Interest received	50	71	267	359
Net cash from/(used in) operating activities	587	(2,277)	(37)	(6,635)
Investing activities				
Additions to property, plant and equipment	(39)	(53)	(399)	(399)
Proceeds from maturity of held-to-maturity investments	18	24	3,648	1,055
Proceeds on disposal of property, plant and equipment	-	16	-	45
Withdrawal from fixed deposits	16,400	14,000	-	12,000
Net cash from investing activities	16,379	13,987	3,249	12,701
Financing activities				
Treasury shares buy back	-	-	-	(130)
Repayment of finance lease obligations	(10)	(13)	(46)	(51)
Repayment of bank loan	(153)	(1,871)	(612)	(5,690)
Net cash used in financing activities	(163)	(1,884)	(658)	(5,871)
Net effect of exchange rate changes in consolidating subsidiaries	89	(185)	158	(51)
Net increase in cash and cash equivalents	16,892	9,641	2,712	144
Cash and cash equivalents at beginning of financial period/year	4,556	9,095	18,736	18,592
Cash and cash equivalents at end of financial period/year (NOTE A)	21,448	18,736	21,448	18,736

NOTE A

Cash and cash equivalents consists of:

	Group			
	4th Quarter Ended		Financial Year Ended	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	5,048	4,736	5,048	4,736
Fixed and call deposits	16,400	14,000	16,400	14,000
	21,448	18,736	21,448	18,736

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.

STATEMENTS OF CHANGES IN EQUITY

For the fourth quarter and full year ended 30 June 2014

GROUP	<----- Attributable to owners of the Company ----->						Non-controlling interest ⁽¹⁾ \$'000	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 2013	31,732	(933)	(34)	17	17,534	17,517	336	48,652
Total comprehensive income for the period	-	-	70	-	(951)	(881)	-	(881)
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(6)	(6)
Balance at 30 September 2013 (*)	31,732	(933)	36	17	16,583	16,636	330	47,765
Total comprehensive income for the period	-	-	(66)	-	(1,072)	(1,138)	-	(1,138)
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	5	5
Balance at 31 December 2013 (*)	31,732	(933)	(30)	17	15,511	15,498	335	46,632
Total comprehensive income for the period	-	-	33	-	(826)	(793)	-	(793)
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2014 (*)	31,732	(933)	3	17	14,685	14,705	334	45,838
Total comprehensive income for the period	-	-	113	-	(7,083)	(6,970)	-	(6,970)
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(4)	(4)
Balance at 30 June 2014 (*)	31,732	(933)	116	17	7,602	7,735	330	38,864
Balance at 1 July 2012	31,732	(803)	2	-	21,318	21,320	339	52,588
Total comprehensive income for the period	-	-	168	-	(2,056)	(1,888)	-	(1,888)
Recognition of share-based payment	-	-	-	2	-	2	-	2
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(15)	(15)
Share buyback held back in treasury	-	(130)	-	-	-	-	-	(130)
Balance at 30 September 2012 (*)	31,732	(933)	170	2	19,262	19,434	324	50,557
Total comprehensive income for the period	-	-	171	-	(2,138)	(1,967)	-	(1,967)
Recognition of share-based payment	-	-	-	5	-	5	-	5
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	1	1
Balance at 31 December 2012 (*)	31,732	(933)	341	7	17,124	17,472	325	48,596
Total comprehensive income for the period	-	-	(110)	-	(1,454)	(1,564)	-	(1,564)
Recognition of share-based payment	-	-	-	4	-	4	-	4
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	4	4
Balance at 31 March 2013 (*)	31,732	(933)	231	11	15,670	15,912	329	47,040
Total comprehensive income for the period	-	-	(265)	-	1,864	1,599	-	1,599
Recognition of share-based payment	-	-	-	6	-	6	-	6
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	7	7
Balance at 30 June 2013 (*)	31,732	(933)	(34)	17	17,534	17,517	336	48,652

(*) Unaudited

⁽¹⁾ Representing share option reserve of a subsidiary

STATEMENTS OF CHANGES IN EQUITY
For the fourth quarter and full year ended 30 June 2014

COMPANY	Share capital	Treasury shares	Share option reserves	Retained earnings	Total reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	31,732	(933)	17	12,652	12,669	43,468
Total comprehensive income for the period	-	-	-	447	447	447
Balance at 30 September 2013 (*)	31,732	(933)	17	13,099	13,116	43,915
Total comprehensive income for the period	-	-	-	128	128	128
Balance at 31 December 2013 (*)	31,732	(933)	17	13,227	13,244	44,043
Total comprehensive income for the period	-	-	-	253	253	253
Balance at 31 March 2014 (*)	31,732	(933)	17	13,480	13,497	44,296
Total comprehensive income for the period	-	-	-	(5,124)	(5,124)	(5,124)
Balance at 30 June 2014 (*)	31,732	(933)	17	8,356	8,373	39,172
Balance at 1 July 2012	31,732	(803)	-	25,898	25,898	56,827
Share buyback held back in treasury	-	(130)	-	-	-	(130)
Recognition of share-based payment	-	-	2	-	2	2
Total comprehensive income for the period	-	-	-	(569)	(569)	(569)
Balance at 30 September 2012 (*)	31,732	(933)	2	25,329	25,331	56,130
Recognition of share-based payment	-	-	5	-	5	5
Total comprehensive income for the period	-	-	-	282	282	282
Balance at 31 December 2012 (*)	31,732	(933)	7	25,611	25,618	56,417
Recognition of share-based payment	-	-	5	-	5	5
Total comprehensive income for the period	-	-	-	(338)	(338)	(338)
Balance at 31 March 2013 (*)	31,732	(933)	12	25,273	25,285	56,084
Recognition of share-based payment	-	-	5	-	5	5
Total comprehensive income for the period	-	-	-	(12,621)	(12,621)	(12,621)
Balance at 30 June 2013 (*)	31,732	(933)	17	12,652	12,669	43,468

(*) 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.

Since the end of the previous period reported on (i.e. 31 March 2014), there was no change in the Company's share capital during the three months ended 30 June 2014.

As at 30 June 2014, there was no outstanding share option/warrant/convertible security of the Company, save for the aggregate of 670,000 unissued shares comprised in options granted on 3 July 2012 and 16 November 2012 pursuant to the Avi-Tech Employee Share Option Scheme (30 June 2013: 940,000). These options were granted with an exercise price set at a discount to the then market price and therefore may only be exercisable after the second anniversary from the date of the grant.

	As at 30 June 2014	As at 30 June 2013
Number of shares that may be issued on conversion of all the outstanding convertibles	NIL	NIL
Treasury Shares	7,978,000	7,978,000
Total number of issued shares excluding treasury shares	342,422,096	342,422,096

Pursuant to the share buyback mandate originally approved by the shareholders on 29 October 2008 and renewed subsequently, the Company purchased a total of 7,978,000 shares through on-market purchases transacted on the Singapore Exchange Securities Trading Limited. The total amount paid for the purchases was approximately \$933,000 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 2014	342,422,096
Balance as at 30 June 2013	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 at 30 June 2014, there were no sales, transfers, disposals, cancellations 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 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.

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 2014			
Earnings per ordinary shares (cents) ("EPS")	4Q 2014	4Q 2013	FY 2014	FY 2013
For Continuing and discontinued operations				
Basic	(2.07)	0.54	(2.90)	(1.10)
Diluted	(2.06)	0.54	(2.89)	(1.10)
For Continuing operations				
Basic	(0.08)	0.77	(0.16)	0.21
Diluted	(0.08)	0.77	(0.16)	0.21
Weighted average number of ordinary shares in issue for basic EPS	342,422,096	342,711,429	342,422,096	342,711,429
Weighted average number of ordinary shares in issue for diluted EPS	343,092,096	343,628,929	343,092,096	343,628,929

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-2014	30-Jun-2013	30-Jun-2014	30-Jun-2013
Net assets value per ordinary share (cents):	11.35	14.21	11.44	12.69
Number of ordinary shares at period/year end	342,422,096	342,422,096	342,422,096	342,422,096

As of the balance sheet date, the number 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 2014 ("4Q 2014") vs. Fourth Quarter ended 30 June 2013 ("4Q 2013") and full year ended 30 June 2014 ("FY 2014") vs. full year ended 30 June 2013 ("FY 2013").**

STATEMENT OF COMPREHENSIVE INCOME

Revenue from continuing operations

FY 2014 vs. FY 2013 / 4Q 2014 vs. 4Q 2013

For FY 2014, the Group reported a decrease in revenue of \$0.6 million or 2.4% from \$23.6 million to \$23.0 million as compared to the financial ended 30 June 2013 (FY 2013).

For 4Q 2014, the Group reported a decrease in revenue of \$0.9 million or 13.1% from \$6.7 million in 4Q 2013 to \$5.8 million in 4Q 2014.

The decrease in revenue was primarily due to the decline in sales contributed by Engineering Services business segment. The decrease was partially offset by the growth in sales contributed by the Burn-in Boards and Board Manufacturing business segment.

Gross profit from continuing operations

FY 2014 vs. FY 2013

The Group reported a gross profit of \$3.3 million for FY 2014, an increase of \$0.1 million or 2.6% as compared to \$3.2 million for FY 2013. Gross profit margin over that period had also increased from 13.8% in FY 2013 to 14.5% in FY 2014.

The increase in gross profit was primarily due to the higher sales and improved gross profit margin reported by the Burn-in Boards and Board Manufacturing business segment, in addition to ongoing cost control measures and improvements in productivity across all business segments.

4Q 2014 vs 4Q 2013

The Group reported a gross profit of \$0.6 million for 4Q 2014, a decrease of \$1.8 million or 72.1% as compared to \$2.4 million for 4Q 2013. Gross profit margin over that period had also decreased from 35.1% in 4Q 2013 to 11.3% in 4Q 2014.

The sharp decrease in gross profit was primarily due to the lower sales and gross loss reported by the Engineering Services business segment. Besides, an allowance for inventories amounting to \$0.5 million was provided in 4Q 2014 which had attributed to the decrease in gross profit margin. The decrease in gross profit margin was partially offset by the increased sales and much higher gross profit margin contributed by Burn-in Boards and Board Manufacturing business segment.

Loss for the period

FY 2014 vs. FY 2013 / 4Q 2014 vs. 4Q 2013

The Group reported a loss of \$9.9 million for FY 2014, a significant increase in losses of \$6.1 million or 162.5% when compared to the loss of \$3.8 million for FY 2013.

The Group reported a loss of \$7.1 million for 4Q 2014, a significant increase in losses of \$9.0 million or 480.0% when compared to the profit of \$1.9 million for 4Q 2013.

The sharp losses for the two comparative periods were primarily due to the losses reported by discontinued operations of the two US subsidiaries, Imaging Equipment and Energy Efficient Products and Engineering Services business segments. The management has decided to restructure and discontinue these business segments as of financial year ended 30 June 2014.

STATEMENT OF FINANCIAL POSITION

Total Group assets decreased by \$11.3 million or 19.5% from \$58.0 million as at 30 June 2013 to \$46.7 million as at 30 June 2014. The decrease was primarily made of reductions in held-to-maturity financial investments of \$3.6 million due to maturity of the investments, trade receivables of \$4.6 million, inventories of \$2.4 million, property, plant and equipment as well as intangible assets of \$1.4 million and \$2.5 million respectively. The decrease was partially offset by the increases in fixed and call deposits and assets held for sale and/or for distribution amounting to \$2.4 million and \$1.2 million respectively.

Total Group liabilities decreased by \$1.5 million or 16.1% from \$9.3 million as at 30 June 2013 to \$7.8 million as at 30 June 2014. The decrease was primarily due to repayments of trade and other payables as well as bank loans of \$2.5 million and \$0.6 million respectively. The decrease was partially offset by the increase in liabilities associated with assets classified as held for sale and/or for distribution of \$1.6 million.

The Group had a positive working capital of \$28.0 million as at 30 June 2014 as compared with \$30.1 million as at 30 June 2013.

STATEMENT OF CASH FLOW

The Group used net cash in operating activities of \$0.04 million for the financial year ended 30 June 2014. This was primarily due to cash generated from the settlement of trade receivables which were partially offset by losses incurred during the period, cash used for purchases of inventories as well as the settlement of trade and other payables.

Net cash generated from investing activities was \$3.2 million, which was mainly due to the withdrawals from fixed deposits placed with financial institutions with over three month tenures upon maturity. Net cash used in financing activities was \$0.6 million, primarily due to repayment of bank loans.

There was a net increase in cash and cash equivalents of \$2.7 million to the financial year ended 30 June 2014.

The Group closed the period with cash of \$21.4 million and with bank borrowings of \$2.2 million.

DISCONTINUED OPERATIONS

On 30 June 2014, the management decided to restructure the operations of two subsidiaries in the United States. The assets and liabilities attributable to the operations, which are expected to be sold or distributed to the owners within twelve months, have been classified as a disposal group held for sale and/or distribution and are presented separately in the statement of financial position. The operations are included in the group's segment reporting purposes.

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

	Financial Year Ended	
	2014	2013
	\$'000	\$'000
	Unaudited	Unaudited
Revenue	7,895	8,313
Total expenses	<u>(17,287)</u>	<u>(12,804)</u>
Loss before income tax	(9,392)	(4,491)
Income tax expenses	<u>(1)</u>	<u>(2)</u>
Loss for the year	<u><u>(9,393)</u></u>	<u><u>(4,493)</u></u>

During the current financial year, Imaging Equipment and Energy Efficient Products business segment used \$3,865,000 of the group's net operating cash flows.

ASSETS CLASSIFIED AS HELD FOR SALE AND/OR FOR DISTRIBUTION

The major classes of assets and liabilities comprising the disposal group are as follow:

	2014 \$'000 Unaudited
Cash and bank balances	318
Trade receivables	521
Other receivables and prepaid expenses	117
Inventories	253
Property, plant and equipment	18
Total assets	<u>1,227</u>
Trade payables	(733)
Other payables	(919)
Total liabilities	<u>(1,652)</u>
Net liabilities of disposal group	<u><u>(425)</u></u>

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 2014. The Group's results for the fourth quarter ended 30 June 2014 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 2014. Management has also decided to restructure the operations of two subsidiaries in the United States. For further details, please refer to paragraph 8 on "Discontinued Operations" and "Assets Classified as Held for Sale and/or for Distribution".

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 sustained a loss of \$9.9 million in FY 2014 due mainly to the continued losses reported by the two US subsidiaries in Imaging Equipment and Energy Efficient Product's business segment. The Group has taken steps to evaluate its business activities and have started the process to discontinue operations of the two US subsidiaries during the fourth quarter ended 30 June 2014. Through this restructuring, the main contributors to the Group's losses in the past years will be eliminated.

The Burn-in Boards and Board Manufacturing business segment had registered a double digit growth in the year and the sale trend for this business segment remains positive; it continues to be the main contributor to the result of the Group for FY 2014. The Group also remains hopeful of the improving performance of Burn-in Services and Engineering Services business segments and is constantly offering value-added services to existing customers as well as seeking to expand customer base while improving processes to control cost at the same time.

The Group remains committed to its operational excellence in a challenging business environment while at the same time, actively seeking new areas of opportunity and evaluating all options such as mergers and acquisitions, or any structure or business which will benefit the shareholders.

11. Dividends

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

No.

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

No.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Books Closure Date.

Not applicable.

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

No dividend has been declared or recommended for the current financial period reported on.

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 2014, 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 2014 (S\$ million)	Balance as at 30 June 2014 (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.

PART II - Additional information required for full year announcement

15. **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 2014

	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	4,591	11,071	7,333	-	-	22,995
Inter-segment revenue		3,099	394	-	(3,493)	-
	<u>4,591</u>	<u>14,170</u>	<u>7,727</u>	<u>-</u>	<u>(3,493)</u>	<u>22,995</u>
Segment results	(841)	2,074	(2,180)	-	-	(947)
Interest expense						(37)
Interest income						267
Rental income						742
Unallocated income						47
Unallocated expenses						(493)
Loss before income tax						<u>(421)</u>
Income tax expense						(118)
Loss for the year (continuing operations)						<u><u>(539)</u></u>
<u>Discontinued operations</u>						
Revenue						
External revenue				7,895		7,895
						<u>7,895</u>
Segment results				(9,291)		(9,291)
Interest expense						<u>(100)</u>
Loss before income tax						<u>(9,392)</u>
Income tax expense						(1)
Loss for the year (discontinued operations)						<u><u>(9,393)</u></u>
Consolidated Balance Sheet						
Assets						
Segment assets	3,400	9,960	5,722	1,227		20,309
Unallocated corporate assets						26,384
Total assets						<u>46,693</u>
Liabilities						
Segment liabilities	584	1,710	983	1,652		4,929
Unallocated corporate liabilities						2,900
Total liabilities						<u>7,829</u>
Other Information						
Capital expenditure	4	204	1	190		399
Depreciation						
Allocated	290	849	488	22		1,649
Amortisation of intangible assets						
Allocated	-	-	-	394		394

Year ended 30 June 2013

	Burn-in Services	Burn-in Boards and Board Manufacturing	Engineering Services	Imaging Equipment and Energy Efficient Products	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000		\$'000
Business segments						
Continuing operations						
Revenue						
External revenue	5,056	9,587	8,908	-	-	23,551
Inter-segment revenue	-	227	1,573		(1,800)	-
	5,056	9,814	10,481	-	(1,800)	23,551
Segment results	(1,178)	1,502	(1,360)			(1,036)
Interest expense						(46)
Interest income						359
Rental income						536
Unallocated income						24
Unallocated expenses						(19)
Loss before income tax						(182)
Income tax benefit						891
Profit for the year (continuing operations)						709
Discontinued operations						
Revenue						
External revenue				8,313	-	8,313
Inter-segment revenue				9	(9)	-
				8,322	(9)	8,313
Segment results				(4,326)	-	(4,326)
Interest expense						(165)
Loss before income tax						(4,491)
Income tax benefit						(2)
Loss for the year (discontinued operations)						(4,493)
Consolidated Balance Sheet						
Assets						
Segment assets	8,186	8,103	7,850	6,615		30,754
Unallocated corporate assets						27,231
Total assets						57,985
Liabilities						
Segment liabilities	854	1,905	1,617	1,619		5,995
Unallocated corporate liabilities						3,338
Total liabilities						9,333
Other Information						
Capital expenditure	45	90	101	163		399
Depreciation						
Allocated	1,068	275	178	136		1,657
Amortisation of intangible assets						
Allocated	-	-	-	411		411

Geographical Segments

	Revenue		Carrying amount of non-current assets	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<u>Continuing operations</u>				
Singapore	12,421	13,868	12,511	15,806
USA	5,377	2,504	27,451	2,745
Malaysia	2,797	2,718	-	-
Others	2,400	4,461	-	-
<u>Discontinued operations</u>				
USA	7,895	8,313	-	-
	<u>30,890</u>	<u>31,864</u>	<u>39,962</u>	<u>18,551</u>

Included in revenues of \$30,890,000 (FY 2013: \$31,864,000) are revenues of approximately \$4,713,000 (FY 2013: \$6,441,000) which arose from sales to the Group's largest customer.

16. 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.

17. A breakdown of sales

	2014 \$'000	2013 \$'000	Change %
First Half			
Revenue	15,611	14,321	9.0
Loss after tax before deducting non controlling interest	(2,023)	(4,194)	(51.8)
Second Half			
Revenue	15,279	17,543	(12.9)
(Loss)/Profit after tax before deducting non controlling interest	(7,909)	410	n.m.

n.m. : Not meaningful

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

Not applicable.

19. 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	65	Founder and substantial shareholder	Chief Executive Officer	Nil
Mr Alvin Lim Tai Meng	38	Son of Mr Lim Eng Hong	Vice President of Global Operations	Nil

BY ORDER OF THE BOARD
Lim Eng Hong
Chief Executive Officer
26th August 2014