

**AVI-TECH ELECTRONICS LIMITED**

(Company Registration No. 198105976H)

**Full Year Financial Statements and Dividend Announcement for the Year Ended 30 June 2017****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.

	4th Quarter Ended		Change %	Group Financial Year Ended		Change %
	2017	2016		2017	2016	
	\$'000	\$'000		\$'000	\$'000	
	Unaudited	Unaudited		Unaudited	Unaudited	
<b>Continuing operations</b>						
Revenue	12,003	9,289	29.2	39,982	33,940	17.8
Cost of sales	(8,712)	(6,538)	33.3	(28,180)	(22,983)	22.6
<b>Gross profit</b>	<u>3,291</u>	<u>2,751</u>	19.6	<u>11,802</u>	<u>10,957</u>	7.7
Other operating income	245	347	(29.4)	1,256	1,589	(21.0)
Distribution costs	(14)	(20)	(30.0)	(70)	(69)	1.4
Administrative expenses	(1,299)	(1,137)	14.2	(4,996)	(4,827)	3.5
Net foreign exchange (loss)/gains	(102)	(33)	n.m.	45	232	(80.6)
Finance costs	(3)	(5)	(40.0)	(16)	(28)	(42.9)
Profit before income tax	<u>2,118</u>	<u>1,903</u>	11.3	<u>8,021</u>	<u>7,854</u>	2.1
Income tax benefit/(expenses)	104	(531)	n.m.	(990)	(1,476)	(32.9)
Profit for the year from continuing operations	<u>2,222</u>	<u>1,372</u>	62.0	<u>7,031</u>	<u>6,378</u>	10.2
<b>Discontinued operations</b>						
Loss for the year from discontinued operations	-	-	n.m.	-	(153)	n.m.
<b>Profit for the year, attributable to owners of the Company</b>	<u>2,222</u>	<u>1,372</u>	62.0	<u>7,031</u>	<u>6,225</u>	13.0
<b>Other comprehensive income for the year:</b>						
<i>Item that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	<u>(8)</u>	<u>(1)</u>	n.m.	<u>6</u>	<u>165</u>	(96.4)
Other comprehensive income for the year, net of tax	<u>(8)</u>	<u>(1)</u>	n.m.	<u>6</u>	<u>165</u>	(96.4)
<b>Total comprehensive income for the year, attributable to owners of the Company</b>	<u>2,214</u>	<u>1,371</u>	61.5	<u>7,037</u>	<u>6,390</u>	10.1
<b>Profit for the year is arrived at:-</b>						
Depreciation of property, plant and equipment	(271)	(245)	10.6	(1,102)	(1,025)	7.5
Interest expenses	(3)	(5)	(40.0)	(16)	(28)	(42.9)
Interest income	93	110	(15.5)	462	392	17.9
Rental income	77	188	(59.0)	419	752	(44.3)
Loss on disposal of a subsidiary	-	-	n.m.	-	(161)	n.m.
Gain on disposal of property, plant and equipment	-	6	n.m.	112	8	n.m.

n.m. : not meaningful

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2017

<b>ASSETS</b>	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-17</b>	<b>30-Jun-16</b>	<b>30-Jun-17</b>	<b>30-Jun-16</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Current assets</b>				
Cash and bank balances	4,725	3,758	4,486	3,679
Fixed and call deposits	18,784	20,769	18,784	20,769
Trade receivables	8,916	7,212	8,885	7,212
Other receivables and prepayments	340	428	339	427
Inventories	3,876	3,074	3,876	3,074
Held-to-maturity financial investments	251	1,763	251	1,763
<b>Total current assets</b>	<b>36,892</b>	<b>37,004</b>	<b>36,621</b>	<b>36,924</b>
<b>Non-current assets</b>				
Property, plant and equipment	13,475	12,701	13,475	12,701
Fixed and call deposits	6,000	3,000	6,000	3,000
Held-to-maturity financial investments	2,036	-	2,036	-
<b>Total non-current assets</b>	<b>21,511</b>	<b>15,701</b>	<b>21,511</b>	<b>15,701</b>
<b>Total assets</b>	<b>58,403</b>	<b>52,705</b>	<b>58,132</b>	<b>52,625</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loan	384	612	384	612
Trade payables	4,911	2,586	5,086	2,870
Other payables	2,318	2,354	2,308	2,339
Finance lease	54	19	54	19
Income tax payable	624	490	624	490
<b>Total current liabilities</b>	<b>8,291</b>	<b>6,061</b>	<b>8,456</b>	<b>6,330</b>
<b>Non-current liabilities</b>				
Bank loan	-	384	-	384
Finance lease	111	19	111	19
Deferred tax liabilities	1,069	926	1,069	926
<b>Total non-current liabilities</b>	<b>1,180</b>	<b>1,329</b>	<b>1,180</b>	<b>1,329</b>
<b>Total liabilities</b>	<b>9,471</b>	<b>7,390</b>	<b>9,636</b>	<b>7,659</b>
<b>Capital and reserves</b>				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(983)	(983)	(983)	(983)
Reserves	18,183	14,566	17,747	14,217
<b>Total equity</b>	<b>48,932</b>	<b>45,315</b>	<b>48,496</b>	<b>44,966</b>
<b>Total liabilities and total equity</b>	<b>58,403</b>	<b>52,705</b>	<b>58,132</b>	<b>52,625</b>

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

<b>30 June 2017 (*)</b>		<b>30 June 2016</b>	
<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>
438	-	631	-

**Amount repayable after one year**

<b>30 June 2017 (*)</b>		<b>30 June 2016</b>	
<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>
111	-	403	-

(\*) Unaudited

**Details of any collateral**

The building and leasehold improvements with a carrying amount of \$10,309,000 (30 June 2016: \$10,561,000) are mortgaged as security for a bank loan and credit facilities.

Certain plant and equipment with a carrying amount of \$370,000 (30 June 2016: \$86,000) 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 2017

	30-Jun-17 4th Quarter Ended \$'000	30-Jun-16 \$'000	30-Jun-17 Financial Year Ended \$'000	30-Jun-16 Financial Year Ended \$'000
<b>Operating activities</b>				
Profit/(Loss) before income tax				
Continuing operations	2,118	1,903	8,021	7,854
Discontinued operations	-	-	-	(153)
<b>Adjustments for:</b>				
Loss on disposal of subsidiary	-	-	-	161
Depreciation of property, plant and equipment	271	245	1,102	1,025
Gain on disposal of property, plant and equipment	-	(6)	(112)	(8)
Interest expenses	3	5	16	28
Interest income	(93)	(110)	(462)	(392)
Operating cash flows before movements in working capital	<u>2,299</u>	<u>2,037</u>	<u>8,565</u>	<u>8,515</u>
Trade receivables	(183)	(739)	(1,704)	(1,026)
Other receivables and prepayments	8	(25)	88	316
Inventories	491	921	(802)	458
Trade payables	(173)	23	2,325	(435)
Other payables	548	449	(36)	(29)
Cash generated from operations	<u>2,990</u>	<u>2,666</u>	<u>8,436</u>	<u>7,799</u>
Income tax paid	(86)	(4)	(713)	(211)
Interest paid	(3)	(5)	(16)	(28)
Interest received	93	110	462	392
Net cash generated from operating activities	<u>2,994</u>	<u>2,767</u>	<u>8,169</u>	<u>7,952</u>
<b>Investing activities</b>				
Additions to property, plant and equipment	(558)	(748)	(1,701)	(1,020)
Proceeds from maturity of held-to-maturity investments	2,268	-	2,268	-
Proceeds from disposal of property, plant and equipment	-	21	112	21
Purchase of held-to-maturity investment	(745)	(515)	(2,792)	(1,763)
(Placements)/Withdrawal of fixed deposits	(3,264)	1,744	(956)	(5,624)
Net cash (used in)/from investing activities	<u>(2,299)</u>	<u>502</u>	<u>(3,069)</u>	<u>(8,386)</u>
<b>Financing activities</b>				
Dividends paid	(1,710)	(1,372)	(3,420)	(4,800)
Exercise of share option	-	-	-	35
Purchase of treasury shares	-	(118)	-	(118)
Finance lease obligations	-	57	-	57
Repayment of finance lease obligations	(13)	(4)	(48)	(26)
Repayment of bank loan	(153)	(153)	(612)	(612)
Net cash used in financing activities	<u>(1,876)</u>	<u>(1,590)</u>	<u>(4,080)</u>	<u>(5,464)</u>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<u>(8)</u>	<u>(65)</u>	<u>6</u>	<u>(35)</u>
Net (decrease)/increase in cash and cash equivalents	(1,189)	1,614	1,026	(5,933)
Cash and cash equivalents at beginning of financial period/year	8,698	4,869	6,483	12,416
<b>Cash and cash equivalents at end of financial period/year (NOTE A)</b>	<u>7,509</u>	<u>6,483</u>	<u>7,509</u>	<u>6,483</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	4,725	3,758	4,725	3,758
Fixed and call deposits	2,784	2,725	2,784	2,725
	<u>7,509</u>	<u>6,483</u>	<u>7,509</u>	<u>6,483</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 2017

GROUP	Attributable to owners of the Company						Total \$'000
	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total reserves \$'000	
<b>Balance at 1 July 2016</b>	31,732	(983)	14	2	14,550	14,566	45,315
Total comprehensive income for the period	-	-	-	-	1,469	1,469	1,469
<b>Balance at 30 September 2016 (*)</b>	31,732	(983)	14	2	16,019	16,035	46,784
Total comprehensive income for the period	-	-	23	-	1,786	1,809	1,809
Dividends	-	-	-	-	(1,710)	(1,710)	(1,710)
<b>Balance at 31 December 2016 (*)</b>	31,732	(983)	37	2	16,095	16,134	46,883
Total comprehensive income for the period	-	-	(9)	-	1,554	1,545	1,545
Dividends	-	-	-	-	(1,710)	(1,710)	(1,710)
<b>Balance at 31 March 2017 (*)</b>	31,732	(983)	28	2	15,939	15,969	46,718
Total comprehensive income for the period	-	-	(8)	-	2,222	2,214	2,214
<b>Balance at 30 June 2017 (*)</b>	31,732	(983)	20	2	18,161	18,183	48,932
<b>Balance at 1 July 2015</b>	31,732	(933)	(151)	17	13,125	12,991	43,790
Total comprehensive income for the period	-	-	169	-	1,768	1,937	1,937
<b>Balance at 30 September 2015 (*)</b>	31,732	(933)	18	17	14,893	14,928	45,727
Total comprehensive income for the period	-	-	7	-	1,679	1,686	1,686
Dividends	-	-	-	-	(3,424)	(3,424)	(3,424)
<b>Balance at 31 December 2015 (*)</b>	31,732	(933)	25	17	13,148	13,190	43,989
Total comprehensive income for the period	-	-	(10)	-	1,406	1,396	1,396
Reissue of treasury shares	-	68	-	-	-	-	68
Exercise of share option	-	-	-	(15)	-	(15)	(15)
Dividends	-	-	-	-	(1,376)	(1,376)	(1,376)
<b>Balance at 31 March 2016 (*)</b>	31,732	(865)	15	2	13,178	13,195	44,062
Total comprehensive income for the period	-	-	(1)	-	1,372	1,371	1,371
Repurchase of shares	-	(118)	-	-	-	-	(118)
<b>Balance at 30 June 2016 (*)</b>	31,732	(983)	14	2	14,550	14,566	45,315

(\*) Unaudited

**STATEMENTS OF CHANGES IN EQUITY**  
**For the fourth quarter and full year ended 30 June 2017**

<b>COMPANY</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share option reserves</b>	<b>Retained earnings</b>	<b>Total reserves</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2016</b>	31,732	(983)	2	14,215	14,217	44,966
Total comprehensive income for the period	-	-	-	1,454	1,454	1,454
<b>Balance at 30 September 2016 (*)</b>	31,732	(983)	2	15,669	15,671	46,420
Total comprehensive income for the period	-	-	-	1,786	1,786	1,786
Dividends	-	-	-	(1,710)	(1,710)	(1,710)
<b>Balance at 31 December 2016 (*)</b>	31,732	(983)	2	15,745	15,747	46,496
Total comprehensive income for the period	-	-	-	1,528	1,528	1,528
Dividends	-	-	-	(1,710)	(1,710)	(1,710)
<b>Balance at 31 March 2017 (*)</b>	31,732	(983)	2	15,563	15,565	46,314
Total comprehensive income for the period	-	-	-	2,182	2,182	2,182
<b>Balance at 30 June 2017 (*)</b>	31,732	(983)	2	17,745	17,747	48,496
<b>Balance at 1 July 2015</b>	31,732	(933)	17	12,649	12,666	43,465
Total comprehensive income for the period	-	-	-	1,900	1,900	1,900
<b>Balance at 30 September 2015 (*)</b>	31,732	(933)	17	14,549	14,566	45,365
Total comprehensive income for the period	-	-	-	1,700	1,700	1,700
Dividends	-	-	-	(3,424)	(3,424)	(3,424)
<b>Balance at 31 December 2015 (*)</b>	31,732	(933)	17	12,825	12,842	43,641
Total comprehensive income for the period	-	-	-	1,405	1,405	1,405
Reissue of treasury shares	-	68	-	-	-	68
Exercise of share option	-	-	(15)	-	(15)	(15)
Dividends	-	-	-	(1,376)	(1,376)	(1,376)
<b>Balance at 31 March 2016 (*)</b>	31,732	(865)	2	12,854	12,856	43,723
Total comprehensive income for the period	-	-	-	1,361	1,361	1,361
Repurchase of shares	-	(118)	-	-	-	(118)
<b>Balance at 30 June 2016 (*)</b>	31,732	(983)	2	14,215	14,217	44,966

(\*) 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 2017), there was no change in the Company's share capital during the three months ended 30 June 2017.

As at 30 June 2017, there are 45,000 unissued shares comprised in options granted on 16 November 2012 pursuant to the Avi-Tech Employee Share Option Scheme ("**ESOS**"). These options were granted with an exercise price set at a discount to the then market price and are exercisable after the second anniversary from the date of the grant. The ESOS, of which the duration is ten (10) years, has recently expired on 5 July 2017. No further options were granted thereafter and the subsisting unexercised options granted will continue to be valid and exercisable as per the terms of the ESOS, and will expire upon the tenth anniversary from the date of offer.

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

	<b>As at 30 June 2017</b>	<b>As at 30 June 2016</b>
<b>Number of shares that may be issued on conversion of all the outstanding convertibles</b>	45,000	45,000
<b>Treasury Shares</b>	4,199,000	4,199,000
<b>Total number of issued shares excluding treasury shares</b>	171,001,041	171,001,041

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 4,199,000 shares through on-market purchases transacted on the SGX-ST. The total amount paid for these purchases was approximately \$983,000 which has been deducted from shareholders' equity. All the repurchased shares are held as treasury shares.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

<b>Total number of issued shares excluding treasury shares</b>	<b>Number of shares</b>
Balance as at 30 June 2017	171,001,041
Balance as at 30 June 2016	171,001,041

**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 2017, 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.**

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 July 2016, which may result in more extensive disclosures in the financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

See item 4 above.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Group	Period/Year ended 30 June			
	4Q 2017	4Q 2016	FY 2017	FY 2016
<b>Earnings per ordinary share (cents) ("EPS")</b>				
<b>For continuing and discontinued operations</b>				
Basic	1.30	0.80	4.11	3.63
Diluted	1.30	0.80	4.11	3.63
<b>For continuing operations</b>				
Basic	1.30	0.80	4.11	3.72
Diluted	1.30	0.80	4.11	3.72
Weighted average number of ordinary shares in issue for basic EPS	171,001,041	171,167,708	171,001,041	171,272,708
Weighted average number of ordinary shares in issue for diluted EPS	171,046,041	171,212,708	171,046,041	171,462,708



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-2017	30-Jun-2016	30-Jun-2017	30-Jun-2016
Net assets value per ordinary share (cents):	28.62	26.50	28.36	26.30
Number of ordinary shares at period/year end	171,001,041	171,001,041	171,001,041	171,001,041

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 2017 (“4Q 2017”) vs. Fourth Quarter ended 30 June 2016 (“4Q 2016”) and Full Year ended 30 June 2017 (“FY 2017”) vs. Full Year ended 30 June 2016 (“FY 2016”).**

### **STATEMENT OF COMPREHENSIVE INCOME**

#### **Revenue from continuing operations**

##### FY 2017 vs. FY 2016

In FY 2017, the Group reported revenue of \$40.0 million, an increase of \$6.1 million or 17.8% as compared to FY 2016 of \$33.9 million. The revenue was mainly contributed by the Burn-In Board Manufacturing and PCBA Services business segments, which registered higher revenue of \$19.7 million in FY 2017 as compared to \$13.7 million in FY 2016. The Burn-In Services and the Engineering Services business segments continues to register consistent revenue of \$9.1 million and \$11.2 million respectively in FY 2017, as compared to the revenue of \$9.0 million and \$11.3 million respectively in FY 2016.

##### 4Q 2017 vs. 4Q 2016

In 4Q 2017, the Group reported revenue of \$12.0 million, an increase of \$2.7 million or 29.2% as compared to 4Q 2016 of \$9.3 million. The revenue was mainly contributed by the Burn-In Board Manufacturing and PCBA Services business segments, which registered higher revenue of \$6.2 million in 4Q 2017 as compared to \$4.3 million in 4Q 2016. The Burn-In Services and the Engineering Services business segments also registered higher revenue of \$2.5 million and \$3.3 million respectively in 4Q 2017, as compared to the revenue of \$2.3 million and \$2.7 million respectively in 4Q 2016.

#### **Gross profit from continuing operations**

##### FY 2017 vs. FY 2016 / 4Q 2017 vs. 4Q 2016

The Group reported a gross profit of \$11.8 million for FY 2017, an increase of \$0.8 million or 7.7% as compared to \$11.0 million for FY 2016.

The Group reported a gross profit of \$3.3 million for 4Q 2017, an increase of \$0.5 million or 19.6% as compared to \$2.8 million for 4Q 2016.

The increase in gross profit for the two comparative periods were primarily due to the higher revenue reported by the Group across all business segments.

## **Profit for the period**

### FY 2017 vs. FY 2016/4Q 2017 vs. 4Q 2016

The Group reported a growth in profit to \$7.0 million for FY 2017 as compared to \$6.2 million for FY 2016 aided with a profit of \$2.2 million for 4Q 2017 as compared to \$1.4 million for 4Q 2016.

The increase in profit for the comparative periods was mainly attributed to the higher revenue achieved by Burn-In Board Manufacturing and PCBA Services business segments while with steady revenue contributed by Burn-In Services and the Engineering Services business segments. The improved performance was also enhanced by the successful planning and on-going cost control measures.

## **STATEMENT OF FINANCIAL POSITION**

Total Group's assets increased by \$5.7 million or 10.8% from \$52.7 million as at 30 June 2016 to \$58.4 million as at 30 June 2017. The increase was primarily due to the increase in cash and bank balances of \$1.0 million, fixed and call deposits of \$1.0 million, trade and other receivables of \$1.6 million, inventories of \$0.8 million, held-to-maturity financial investments of \$0.5 million as well as plant and equipment of \$0.8 million.

Total Group's liabilities increased by \$2.1 million or 28.2% from \$7.4 million as at 30 June 2016 to \$9.5 million as at 30 June 2017. The increase was primarily due to the increase in trade and other payables of \$2.3 million, finance lease of \$0.1 million, income tax payables of \$0.1 million as well as deferred tax liabilities of \$0.2 million. The overall increase was offset by the repayment of bank loan of \$0.6 million.

The Group had a positive working capital of \$28.6 million as at 30 June 2017 as compared with \$30.9 million as at 30 June 2016.

## **STATEMENT OF CASH FLOW**

The Group generated net cash from operating activities of \$8.2 million for FY 2017. This was primarily due to the profit generated as compared to the prior year.

Net cash used in investing activities was \$3.1 million, which was mainly due to the purchase of held-to-maturity investments of S\$2.8 million, additions to property, plant and equipment of \$1.7 million and the placement of fixed deposits placed with financial institutions with over three month tenures upon maturity of \$1.0 million. It was partly offset by the proceeds from maturity of held-to maturity investments as well as proceeds from disposal of property, plant and equipment of \$2.3 mil and \$0.1 million respectively. Net cash used in financing activities was \$4.0 million, primarily due to dividend payout and repayment of bank loans of \$3.4 million and \$0.6 million respectively.

There was an increase in cash and cash equivalents of \$1.0 million for FY 2017.

The Group closed the period with cash of \$7.5 million and with bank borrowings of \$0.4 million.

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

The Company did not make any forecasts and prospect statements in respect of the Group's results for the period ended 31 March 2017. The Group's results for the fourth quarter ended 30 June 2017 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 2017.

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 remains positive 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 accretive acquisition and viable opportunities to grow its business, including mergers and acquisitions, and projects to enhance shareholder value.

11. **Dividends**

**(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 2016</b>
<b>Name of Dividend</b>	Interim
<b>Dividend Type</b>	Cash
<b>Dividend Rate</b>	1.0 cents per ordinary share
<b>Tax Rate</b>	One tier tax exempt

Dividend proposed

<b>Period</b>	<b>30 June 2017</b>	<b>30 June 2017</b>
<b>Name of Dividend</b>	Final	Special
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Rate</b>	1.0 cents per ordinary share	0.8 cents per ordinary share
<b>Tax Rate</b>	One tier tax exempt	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?**

<b>Period</b>	<b>31 December 2015</b>	<b>30 June 2016</b>
<b>Name of Dividend</b>	Interim	Final
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Rate</b>	0.8 cents per ordinary share	1.0 cent per ordinary share
<b>Tax Rate</b>	One tier tax exempt	One tier tax exempt

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

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 2017.

**(e) Books Closure Date.**

Final dividend

Notice is hereby given that the Transfer books and the Register of Members will be closed on 16 November 2017 for the preparation of the final dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5:00 p.m. on 15 November 2017 will be registered to determine shareholders' entitlement to the one-tier tax exempt final dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 15 November 2017 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 16 November 2017 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 15 November 2017 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 15 November 2017 will be entitled to the special dividend.

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

Not applicable.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not sought a general mandate from shareholders for IPTs.

14. **Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.**

The Group raised approximately \$29.0 million from its IPO on 25 July 2007. As at 30 June 2017, 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:

	<b>Use of IPO proceeds as at 30 June 2017 (\$ million)</b>	<b>Balance as at 30 June 2017 (\$ million)</b>
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
<b>Total</b>	<b>21.5</b>	<b>5.2</b>

The IPO proceeds used for working capital purposes have been applied to the following uses:

- Purchase of plant and equipment;
- Purchase and replenishment of inventories;
- Payments to suppliers and service providers;
- Loan repayments; and
- Payments for other day to day operations.

Management has confirmed that the above use of proceeds was in line with the Company’s planned utilisation of funds.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

**16. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Revenues by major business segments and by geographical areas (identified by location of customers) were:

Year ended 30 June 2017

	Burn-in Services	Manufacturing and PCBA Services <sup>(*)</sup>	Engineering	Eliminations	Total
	\$'000	\$'000	\$'000		\$'000
<b>Business segments</b>					
<b><u>Continuing operations</u></b>					
<b>Revenue</b>					
External revenue	9,070	19,715	11,197	-	<b>39,982</b>
Inter-segment revenue	-	1,120	-	(1,120)	-
	<u>9,070</u>	<u>20,835</u>	<u>11,197</u>	<u>(1,120)</u>	<u><b>39,982</b></u>
<b>Segment results</b>	3,472	3,141	757	-	<b>7,370</b>
Interest expense					(16)
Interest income					462
Rental income					419
Unallocated income					390
Unallocated expenses					(604)
Profit before income tax					<u>8,021</u>
Income tax expense					(990)
<b>Profit for the year (continuing operations)</b>					<u><u><b>7,031</b></u></u>
<b>Consolidated Balance Sheet</b>					
<b>Assets</b>					
Segment assets	5,959	12,952	7,356		<b>26,267</b>
Unallocated corporate assets					<u>32,136</u>
Total assets					<u><b>58,403</b></u>
<b>Liabilities</b>					
Segment liabilities	1,640	3,565	2,024		<b>7,229</b>
Unallocated corporate liabilities					<u>2,242</u>
Total liabilities					<u><b>9,471</b></u>
<b>Other Information</b>					
Additions to non-current assets	1,327	414	135		<b>1,876</b>
<b>Depreciation</b>					
Allocated	250	543	309		<b>1,102</b>

<sup>(\*)</sup> Burn-in Boards and Board Manufacturing has been renamed to Manufacturing and PCBA Services.

Year ended 30 June 2016

	Burn-in Services	Manufacturing and PCBA Services <sup>(*)</sup>	Engineering	Imaging Equipment and Energy Efficient Products	Eliminations	Total
Business segments	\$'000	\$'000	\$'000	\$'000		\$'000
<b>Continuing operations</b>						
<b>Revenue</b>						
External revenue	8,965	13,704	11,271	-	-	33,940
Inter-segment revenue	-	822	-	-	(822)	-
	<u>8,965</u>	<u>14,526</u>	<u>11,271</u>	<u>-</u>	<u>(822)</u>	<u>33,940</u>
<b>Segment results</b>	3,494	2,248	1,004	-	-	6,746
Interest expense						(28)
Interest income						392
Rental income						752
Unallocated income						581
Unallocated expenses						(589)
Profit before income tax						<u>7,854</u>
Income tax expense						(1,476)
<b>Profit for the year (continuing operations)</b>						<u><u>6,378</u></u>
<b>Discontinued operations</b>						
<b>Revenue</b>						
External revenue						-
						<u>-</u>
<b>Segment results</b>				(153)		(153)
Loss before income tax						<u>(153)</u>
Income tax expense						-
<b>Loss for the year (discontinued operations)</b>						<u><u>(153)</u></u>
<b>Consolidated Balance Sheet</b>						
<b>Assets</b>						
Segment assets	6,072	9,281	7,634	-		22,987
Unallocated corporate assets						29,718
Total assets						<u>52,705</u>
<b>Liabilities</b>						
Segment liabilities	1,305	1,995	1,640	-		4,940
Unallocated corporate liabilities						2,450
Total liabilities						<u>7,390</u>
<b>Other Information</b>						
Additions to non-current assets	222	719	136	-		1,077
<b>Depreciation</b>						
Allocated	271	414	340	-		1,025

(\*) Burn-in Boards and Board Manufacturing has been renamed to Manufacturing and PCBA Services.

## Geographical Segments

### Geographical Segments

	Revenue		Carrying amount of non-current assets	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Continuing operations</b>				
Singapore	22,118	18,272	13,475	12,701
USA	7,165	7,312	-	-
Malaysia	4,410	4,656	-	-
Others	6,289	3,700	-	-
	<u>39,982</u>	<u>33,940</u>	<u>13,475</u>	<u>12,701</u>

Included in revenues of \$39,982,000 (FY 2016: \$33,940,000) are revenues of \$10,420,000 (FY 2016: \$7,189,000) arising from sales to a major customer and \$5,462,000 (FY 2016: \$3,943,000) arising from sales to another major customer from the Burn-in Services and Burn-In Board Manufacturing and PCBA Services business segments, and revenues of \$8,788,000 (FY 2016: \$7,027,000) arising from sales to a major customer from the Engineering Services business segment. The revenues accounts for approximately 62% (FY 2016: 54%) 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**

	2017 \$'000	2016 \$'000	Change %
<b>First Half</b>			
Revenue	17,198	15,852	8.5
Profit after tax before deducting non controlling interest	3,255	3,447	(5.6)
<b>Second Half</b>			
Revenue	22,784	18,088	26.0
Profit after tax before deducting non controlling interest	3,776	2,778	35.9

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

	Financial year 30 June 2017 \$'000	Financial year 30 June 2016 \$'000
Ordinary - paid	3,420	4,800
Ordinary - proposed	-	-
Preference	-	-
Total	<u>3,420</u>	<u>4,800</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	68	Founder and substantial shareholder	Chief Executive Officer	Nil
Mr Alvin Lim Tai Meng	41	Son of Mr Lim Eng Hong	Chief Operating Officer	Nil

**BY ORDER OF THE BOARD**

**Lim Eng Hong**  
**Chief Executive Officer**  
**16 August 2017**