

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

Full Year Financial Statements and Dividend Announcement for the Year Ended 30 June 2018

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 2018

	4th Quarter Ended		Change %	Group Financial Year Ended		Change %
	2018 \$'000 Unaudited	2017 \$'000 Audited		2018 \$'000 Unaudited	2017 \$'000 Audited	
Revenue	7,460	12,003	(37.8)	35,720	39,982	(10.7)
Cost of sales	(5,647)	(8,712)	(35.2)	(25,771)	(28,180)	(8.5)
Gross profit	<u>1,813</u>	<u>3,291</u>	(44.9)	<u>9,949</u>	<u>11,802</u>	(15.7)
Other operating income	217	245	(11.4)	887	1,256	(29.4)
Distribution costs	(15)	(14)	7.1	(67)	(70)	(4.3)
Administrative expenses	(1,252)	(1,299)	(3.6)	(5,012)	(4,996)	0.3
Net foreign exchange gains/(loss)	317	(102)	n.m.	(54)	45	n.m.
Finance costs	(1)	(3)	(66.7)	(7)	(16)	(56.3)
Profit before income tax	<u>1,079</u>	<u>2,118</u>	(49.1)	<u>5,696</u>	<u>8,021</u>	(29.0)
Income tax (expenses)/benefit	(237)	104	n.m.	(833)	(990)	(15.9)
Profit for the year	<u><u>842</u></u>	<u><u>2,222</u></u>	(62.1)	<u><u>4,863</u></u>	<u><u>7,031</u></u>	(30.8)
Other comprehensive income/(loss) for the year:						
<i>Item that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	<u>20</u>	<u>(8)</u>	n.m.	<u>(4)</u>	<u>6</u>	n.m.
Other comprehensive income/(loss) for the period, net of tax	<u>20</u>	<u>(8)</u>	n.m.	<u>(4)</u>	<u>6</u>	n.m.
Total comprehensive income for the year	<u><u>862</u></u>	<u><u>2,214</u></u>	(61.1)	<u><u>4,859</u></u>	<u><u>7,037</u></u>	(31.0)
Profit for the year is arrived at:-						
Depreciation of property, plant and equipment	(313)	(271)	15.5	(1,210)	(1,102)	9.8
Interest expenses	(1)	(3)	(66.7)	(7)	(16)	(56.3)
Interest income	115	93	23.7	454	462	(1.7)
Rental income	77	77	-	307	419	(26.7)
Allowance for inventories obsolescence	(291)	-	n.m.	(387)	-	n.m.
Gain on disposal of property, plant and equipm	-	-	n.m.	-	112	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 2018

	Group		Company	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
ASSETS	\$'000	\$'000	\$'000	\$'000
	Unaudited	Audited	Unaudited	Audited
Current assets				
Cash and bank balances	5,176	4,725	4,721	4,486
Fixed and call deposits	26,000	18,784	26,000	18,784
Trade receivables	4,976	8,916	4,976	8,885
Other receivables and prepayments	351	340	350	339
Inventories	3,392	3,876	3,392	3,876
Held-to-maturity financial assets	1,501	251	1,501	251
Total current assets	41,396	36,892	40,940	36,621
Non-current assets				
Fixed and call deposits	-	6,000	-	6,000
Held-to-maturity financial assets	513	2,036	513	2,036
Property, plant and equipment	12,661	13,475	12,661	13,475
Total non-current assets	13,174	21,511	13,174	21,511
Total assets	54,570	58,403	54,114	58,132
LIABILITIES AND EQUITY				
Current liabilities				
Bank loan	-	384	-	384
Trade payables	1,905	4,911	1,950	5,086
Other payables	2,054	2,318	2,053	2,308
Finance leases	35	54	35	54
Income tax payable	1,076	624	1,076	624
Total current liabilities	5,070	8,291	5,114	8,456
Non-current liabilities				
Finance leases	76	111	76	111
Deferred tax liabilities	928	1,069	928	1,069
Total non-current liabilities	1,004	1,180	1,004	1,180
Total liabilities	6,074	9,471	6,118	9,636
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(973)	(983)	(973)	(983)
Reserves	17,737	18,183	17,237	17,747
Total equity	48,496	48,932	47,996	48,496
Total liabilities and total equity	54,570	58,403	54,114	58,132

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

30 June 2018 (*)		30 June 2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
35	-	438	-

Amount repayable after one year

30 June 2018 (*)		30 June 2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
76	-	111	-

(*) Unaudited

Details of any collateral

The building and leasehold improvements with a carrying amount of \$10,119,000 (30 June 2017: \$10,309,000) are mortgaged as security for a bank loan and credit facilities.

Certain plant and equipment with a carrying amount of \$229,000 (30 June 2017: \$370,000) 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 2018

	30-Jun-18 4th Quarter Ended \$'000	30-Jun-17 \$'000	30-Jun-18 Financial Year Ended \$'000	30-Jun-17 Financial Year Ended \$'000
Operating activities				
Profit before income tax	1,079	2,118	5,696	8,021
Adjustments for:				
Depreciation of property, plant and equipment	313	271	1,210	1,102
Gain on disposal of property, plant and equipment	-	-	-	(112)
Allowance for inventories obsolescence	291	-	387	-
Interest expenses	1	3	7	16
Interest income	(115)	(93)	(454)	(462)
Operating cash flows before movements in working capital	<u>1,569</u>	<u>2,299</u>	<u>6,846</u>	<u>8,565</u>
Trade receivables	(127)	(183)	3,940	(1,704)
Other receivables and prepayments	35	8	(11)	88
Inventories	21	491	97	(802)
Trade payables	245	(173)	(3,006)	2,325
Other payables	482	548	(264)	(36)
Cash generated from operations	<u>2,225</u>	<u>2,990</u>	<u>7,602</u>	<u>8,436</u>
Income tax paid	(3)	(86)	(522)	(713)
Interest paid	(1)	(3)	(7)	(16)
Interest received	115	93	454	462
Net cash generated operating activities	<u>2,336</u>	<u>2,994</u>	<u>7,527</u>	<u>8,169</u>
Investing activities				
Additions to property, plant and equipment	(57)	(558)	(396)	(1,701)
Proceeds from maturity of held-to-maturity financial assets	-	2,268	273	2,268
Proceeds from disposal of property, plant and equipment	-	-	-	112
Purchase of held-to-maturity financial assets	-	(745)	-	(2,792)
(Placement of)/Withdrawals from fixed deposits	(3,005)	(3,264)	2,000	(956)
Net cash (used in)/from investing activities	<u>(3,062)</u>	<u>(2,299)</u>	<u>1,877</u>	<u>(3,069)</u>
Financing activities				
Dividend paid	(2,224)	(1,710)	(5,303)	(3,420)
Exercise of share option	-	-	5	-
Repayment of finance lease obligations	(13)	(13)	(54)	(48)
Repayment of bank loan	-	(153)	(384)	(612)
Net cash used in financing activities	<u>(2,237)</u>	<u>(1,876)</u>	<u>(5,736)</u>	<u>(4,080)</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>25</u>	<u>(8)</u>	<u>(1)</u>	<u>6</u>
Net (decrease)/increase in cash and cash equivalents	(2,938)	(1,189)	3,667	1,026
Cash and cash equivalents at beginning of financial period	14,114	8,698	7,509	6,483
Cash and cash equivalents at end of financial period (NOTE A)	<u>11,176</u>	<u>7,509</u>	<u>11,176</u>	<u>7,509</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	5,176	4,725	5,176	4,725
Fixed and call deposits	6,000	2,784	6,000	2,784
	<u>11,176</u>	<u>7,509</u>	<u>11,176</u>	<u>7,509</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 2018

GROUP	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2017	31,732	(983)	20	2	18,161	18,183	48,932
Total comprehensive income for the period	-	-	(9)	-	1,713	1,704	1,704
Balance at 30 September 2017 (*)	31,732	(983)	11	2	19,874	19,887	50,636
Total comprehensive income for the period	-	-	(6)	-	1,666	1,660	1,660
Dividends	-	-	-	-	(3,079)	(3,079)	(3,079)
Reissue of treasury shares	-	10	-	-	-	-	10
Exercise of share option	-	-	-	(2)	-	(2)	(2)
Balance at 31 December 2017 (*)	31,732	(973)	5	-	18,461	18,466	49,225
Total comprehensive income for the period	-	-	(9)	-	642	633	633
Dividends	-	-	-	-	(2,224)	(2,224)	(2,224)
Balance at 31 March 2018 (*)	31,732	(973)	(4)	-	16,879	16,875	47,634
Total comprehensive income for the period	-	-	20	-	842	862	862
Balance at 30 June 2018 (*)	31,732	(973)	16	-	17,721	17,737	48,496
Balance at 1 July 2016	31,732	(983)	14	2	14,550	14,566	45,315
Total comprehensive income for the period	-	-	-	-	1,469	1,469	1,469
Balance at 30 September 2016 (*)	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)
Balance at 31 December 2016 (*)	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)
Balance at 31 March 2017 (*)	31,732	(983)	28	2	15,939	15,969	46,718
Total comprehensive income for the period	-	-	(8)	-	2,222	2,214	2,214
Balance at 30 June 2017	31,732	(983)	20	2	18,161	18,183	48,932

(*) Unaudited

STATEMENTS OF CHANGES IN EQUITY
For the fourth quarter and full year ended 30 June 2018

COMPANY	Share capital	Treasury shares	Share option reserves	Retained earnings	Total reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017	31,732	(983)	2	17,745	17,747	48,496
Total comprehensive income for the period	-	-	-	1,676	1,676	1,676
Balance at 30 September 2017 (*)	31,732	(983)	2	19,421	19,423	50,172
Total comprehensive income for the period	-	-	-	1,660	1,660	1,660
Dividends	-	-	-	(3,079)	(3,079)	(3,079)
Reissue of treasury shares	-	10	-	-	-	10
Exercise of share option	-	-	(2)	-	(2)	(2)
Balance at 31 December 2017 (*)	31,732	(973)	-	18,002	18,002	48,761
Total comprehensive income for the period	-	-	-	640	640	640
Dividends	-	-	-	(2,224)	(2,224)	(2,224)
Balance at 31 March 2018 (*)	31,732	(973)	-	16,418	16,418	47,177
Total comprehensive income for the period	-	-	-	819	819	819
Balance at 30 June 2018 (*)	31,732	(973)	-	17,237	17,237	47,996
Balance at 1 July 2016	31,732	(983)	2	14,215	14,217	44,966
Total comprehensive income for the period	-	-	-	1,454	1,454	1,454
Balance at 30 September 2016 (*)	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)
Balance at 31 December 2016 (*)	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)
Balance at 31 March 2017 (*)	31,732	(983)	2	15,563	15,565	46,314
Total comprehensive income for the period	-	-	-	2,182	2,182	2,182
Balance at 30 June 2017	31,732	(983)	2	17,745	17,747	48,496

(*) 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 2018), there was no change in the Company's share capital during the three months ended 30 June 2018.

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

	As at 30 June 2018	As at 30 June 2017
Number of shares that may be issued on conversion of all the outstanding convertibles	-	45,000
Treasury Shares	4,154,000	4,199,000
Total number of issued shares excluding treasury shares	171,046,041	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 4,154,000 shares through on-market purchases transacted on the SGX-ST. The total amount paid for these purchases was approximately \$973,000 which has been deducted from shareholders' equity. All the repurchased shares are held as treasury shares.

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

Total number of issued shares excluding treasury shares	Number of shares
Balance as at 30 June 2018	171,046,041
Balance as at 30 June 2017	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 2018, 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 2017, 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 2018	4Q 2017	FY 2018	FY 2017
Earnings per ordinary share (cents) ("EPS")				
Basic	0.49	1.30	2.84	4.11
Diluted	0.49	1.30	2.84	4.11
Weighted average number of ordinary shares in issue for basic EPS	171,046,041	171,001,041	171,031,041	171,001,041
Weighted average number of ordinary shares in issue for diluted EPS	171,046,041	171,046,041	171,046,041	171,046,041

7. **Net asset value (for the Company and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	30-Jun-2018	30-Jun-2017	30-Jun-2018	30-Jun-2017
Net assets value per ordinary share (cents):	28.35	28.62	28.06	28.36
Number of ordinary shares at period/year end	171,046,041	171,001,041	171,046,041	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 2018 (“4Q 2018”) vs. Fourth Quarter ended 30 June 2017 (“4Q 2017”) and Full Year ended 30 June 2018 (“FY 2018”) vs. Full Year ended 30 June 2017 (“FY 2017”).**

STATEMENT OF COMPREHENSIVE INCOME

Revenue

FY 2018 vs. FY 2017

In FY 2018, the Group reported revenue of \$35.7 million, a decrease of \$4.3 million or 10.7% as compared to FY 2017 of \$40.0 million. Burn-In Services business segment registered higher revenue of \$10.1 million in FY 2018, as compared to the revenue of \$9.1 million in FY 2017. Manufacturing and PCBA Services business segment continues to contribute steadily to the Group’s revenue, totalling \$19.0 million in FY 2018 as compared to \$19.7 million in FY 2017.

The Engineering Services business segment registered lower revenue of \$6.6 million in FY 2018 as compared to the revenue of \$11.2 million in FY 2017.

4Q 2018 vs. 4Q 2017

In 4Q 2018, the Group reported revenue of \$7.5 million, a decrease of \$4.5 million or 37.8% as compared to 4Q 2017 of \$12.0 million. The revenue was mainly contributed by the Manufacturing and PCBA Services business segments, which registered a lower revenue of \$3.3 million in 4Q 2018 as compared to \$6.2 million in 4Q 2017. The Burn-In Services continued to register a consistent revenue of \$2.5 million in 4Q 2018, as with \$2.5 million in 4Q 2017.

The Engineering Services business segment registered lower revenue of \$1.7 million in 4Q 2018 as compared to the revenue of \$3.3 million in 4Q 2017.

Gross profit

FY 2018 vs. FY 2017 / 4Q 2018 vs. 4Q 2017

The Group reported a gross profit of \$9.9 million for FY 2018, a decrease of \$1.9 million or 15.7% as compared to \$11.8 million for FY 2017.

The Group reported a gross profit of \$1.8 million for 4Q 2018, a decrease of \$1.5 million or 44.9% as compared to \$3.3 million for 4Q 2017.

The decrease in gross profit for the two comparative periods was primarily attributed to the decrease in revenue reported by the Engineering Services business segment. The Manufacturing and PCBA Services business segment also registered a lower gross profit margin due to the allowance for inventories obsolescence.

Profit for the period

FY 2018 vs. FY 2017/4Q 2018 vs. 4Q 2017

The Group reported a profit of \$4.9 million for FY 2018 as compared to \$7.0 million for FY 2017 with a profit of \$0.8 million for 4Q 2018 as compared to \$2.2 million for 4Q 2017.

The decrease in profit for the comparative periods was mainly attributed to the loss registered by the Engineering Services business segment and reduced profit of the Manufacturing and PCBA Services business segment. Nonetheless, the Burn-In Services business segment registered higher revenue and profit for this segment had increased.

STATEMENT OF FINANCIAL POSITION

Total Group's assets decreased by \$3.8 million or 6.6% from \$58.4 million as at 30 June 2017 to \$54.6 million as at 30 June 2018. The decrease was primarily due to the decrease in trade and other receivables of \$3.9 million, inventories of \$0.5 million, held-to-maturity financial investments of \$0.3 million as well as plant and equipment of \$0.8 million. The overall decrease was offset by the increase in cash and bank balances of \$0.5 million as well as fixed and call deposits of \$1.2 million.

Total Group's liabilities decreased by \$3.4 million or 35.9% from \$9.5 million as at 30 June 2017 to \$6.1 million as at 30 June 2018. The decrease was primarily due to the decrease in trade and other payables of \$3.3 million, the repayment of bank loans and finance leases of \$0.4 million as well as the deferred tax liabilities of \$0.2 million. The overall decrease was offset by the increase in income tax payables of \$0.5 million.

The Group had a positive working capital of \$36.3 million as at 30 June 2018 as compared with \$28.6 million as at 30 June 2017.

STATEMENT OF CASH FLOW

The Group generated net cash from operating activities of \$7.5 million for FY 2018. This was primarily due to the profit generated for the year.

Net cash generated from investing activities was \$1.9 million, which was mainly due to the withdrawals from fixed deposits placed with financial institutions with over three-month tenures. Net cash used in financing activities was \$5.7 million, which was primarily due to dividend paid and repayment of bank loans of \$5.3 million and \$0.4 million respectively.

There was an increase in cash and cash equivalents of \$3.7 million for FY 2018.

The Group closed the financial year 2018 with cash and cash equivalent of \$11.2 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 2018. The Group's results for the fourth quarter ended 30 June 2018 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 2018.

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, exploring new opportunities for growth, including mergers and acquisitions, to aid the business and 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

Period	31 December 2017
Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1.3 cents per ordinary share
Tax Rate	One tier tax exempt

Dividend proposed

Period	30 June 2018	30 June 2018
Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Rate	1.0 cent per ordinary share	0.3 cents per ordinary share
Tax Rate	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?

Period	31 December 2016	30 June 2017	30 June 2017
Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	1.0 cent per ordinary share	1.0 cent per ordinary share	0.8 cent per ordinary share
Tax Rate	One tier tax exempt	One tier tax exempt	One tier tax exempt

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

See item 11(a) above.

(d) The date the dividend is payable.

Final and Special dividend

The proposed one-tier tax exempt final and special dividend, which shall be subject to shareholders' approval at the forthcoming annual general meeting of the Company, are payable on 29 November 2018.

(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 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 2018, 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 2018 (S\$ million)	Balance as at 30 June 2018 (S\$ million)
Expansion of our customer base and widen our portfolio of services	6.0	0.0
Potential mergers and acquisitions	2.8	5.2
Expansion of our overseas operations	3.0	0.0
Working capital	9.7	0.0
Total	21.5	5.2

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

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

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

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

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

PART II - Additional information required for full year announcement

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

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

Year ended 30 June 2018

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

Year ended 30 June 2017

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

Geographical Segments

Geographical Segments

	Revenue		Carrying amount of non-current assets	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Continuing operations				
Singapore	16,962	22,118	12,661	13,475
USA	7,073	7,165	-	-
Malaysia	5,310	4,410	-	-
Others	6,375	6,289	-	-
	<u>35,720</u>	<u>39,982</u>	<u>12,661</u>	<u>13,475</u>

Included in revenues of \$35,720,000 (FY 2017: \$39,982,000) are revenues of \$12,258,000 (FY 2017: \$10,420,000) and \$3,860,000 (FY 2017: \$5,462,000) arising from sales to two major customers of the Burn-in Services and Manufacturing and PCBA Services business segments. In 2017, included in revenues of \$39,982,000 is revenues of \$8,788,000 arising from sales to a major customer the Engineering Services business segment. These revenues account for approximately 45% (FY 2017: 62%) 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

	2018 \$'000	2017 \$'000	Change %
First Half			
Revenue	20,557	17,198	19.5
Profit after tax	3,379	3,255	3.8
Second Half			
Revenue	15,163	22,784	(33.4)
Profit after tax	1,484	3,776	(60.7)

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 2018 \$'000	Financial year 30 June 2017 \$'000
Ordinary - paid	5,303	3,420
Ordinary - proposed	-	-
Preference	-	-
Total	<u>5,303</u>	<u>3,420</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	69	Founder and substantial shareholder	Chief Executive Officer	Nil
Mr Alvin Lim Tai Meng	42	Son of Mr Lim Eng Hong	Chief Operating Officer	Nil

BY ORDER OF THE BOARD
Lim Eng Hong
Chief Executive Officer
28 August 2018