

AVI-TECH HOLDINGS LIMITED

(Company Registration No. 202002889W)

Unaudited Financial Statements for the First Half Year ended 31 December 2025

PART I – 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.

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the first half year ended 31 December 2025

	N3	Group		\$'000	%		
		1st Half Year Ended					
		31-Dec-25 \$'000 Unaudited	31-Dec-24 \$'000 Unaudited				
Revenue		8,726	8,997	(271)	(3.0)		
Cost of sales		(7,980)	(7,583)	(397)	5.2		
Gross profit		<u>746</u>	<u>1,414</u>	(668)	(47.2)		
Other operating income		731	945	(214)	(22.6)		
Distribution costs		(43)	(45)	2	(4.4)		
Administrative expenses		(2,438)	(2,264)	(174)	7.7		
Net foreign exchange gain/(loss)		66	(57)	123	n.m.		
Finance costs		(6)	(8)	2	(25.0)		
Loss before income tax	N4	<u>(944)</u>	<u>(15)</u>	(929)	n.m.		
Income tax expense	N5	(46)	(216)	170	(78.7)		
Loss for the period		<u>(990)</u>	<u>(231)</u>	(759)	n.m.		
Other comprehensive income:							
Exchange differences arising on translation of foreign operation		<u>4</u>	<u>-</u>	4	n.m.		
Total comprehensive loss for the period		<u><u>(986)</u></u>	<u><u>(231)</u></u>	(755)	n.m.		

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.

Condensed interim statements of financial position
As at 31 December 2025

ASSETS	Group		Company	
	31-Dec-25	30-Jun-25	31-Dec-25	30-Jun-25
	\$'000 Unaudited	\$'000 Audited	\$'000 Unaudited	\$'000 Audited
Current assets				
Cash and bank balances	4,666	4,031	382	340
Fixed deposits	32,840	33,420	12,900	13,510
Trade receivables	N6 3,903	5,700	-	-
Other receivables and prepayments	727	695	137	109
Inventories	N7 2,671	2,847	-	-
Other financial assets at amortised cost	-	500	-	-
Total current assets	<u>44,807</u>	<u>47,193</u>	<u>13,419</u>	<u>13,959</u>
Non-current assets				
Subsidiaries	-	-	51,464	51,464
Property, plant and equipment	N8 10,051	10,479	-	-
Right-of-use asset	183	306	-	-
Other receivables and prepayments	11	-	-	-
Total non-current assets	<u>10,245</u>	<u>10,785</u>	<u>51,464</u>	<u>51,464</u>
Total assets	<u>55,052</u>	<u>57,978</u>	<u>64,883</u>	<u>65,423</u>
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	2,250	3,213	-	92
Other payables	1,313	1,531	1,949	1,890
Lease liabilities	N9 242	330	-	-
Income tax payable	275	406	25	48
Total current liabilities	<u>4,080</u>	<u>5,480</u>	<u>1,974</u>	<u>2,030</u>
Non-current liabilities				
Other payables	51	96	-	-
Lease liabilities	N9 106	174	-	-
Deferred tax liabilities	1,334	1,333	17	16
Total non-current liabilities	<u>1,491</u>	<u>1,603</u>	<u>17</u>	<u>16</u>
Total liabilities	<u>5,571</u>	<u>7,083</u>	<u>1,991</u>	<u>2,046</u>
Capital and reserves				
Share capital	30,759	30,759	30,759	30,759
Reserves	18,722	20,136	32,133	32,618
Total equity	<u>49,481</u>	<u>50,895</u>	<u>62,892</u>	<u>63,377</u>
Total liabilities and total equity	<u>55,052</u>	<u>57,978</u>	<u>64,883</u>	<u>65,423</u>

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

See paragraph N9 of the "Notes to the condensed interim consolidated financial statements" below.

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.

Condensed interim consolidated statement of cash flows
For the first half year ended 31 December 2025

	31-Dec-25 1st Half Year Ended \$'000	31-Dec-24 1st Half Year Ended \$'000
Operating activities		
Loss before income tax	(944)	(15)
Adjustments for:		
Depreciation of property, plant and equipment	516	529
Depreciation of right-of-use asset	133	129
Loss on disposal of property, plant and equipment	-	2
Allowance for inventories obsolescence	79	122
Interest expenses	6	8
Interest income	(325)	(591)
Operating cash flows before movements in working capital	<u>(535)</u>	<u>184</u>
Trade receivables	1,797	(349)
Other receivables and prepayments	(40)	7
Inventories	97	(217)
Trade payables	(963)	1,832
Other payables	(263)	(299)
Cash generated from operations	<u>93</u>	<u>1,158</u>
Income tax paid	(176)	(216)
Interest paid	(6)	(8)
Interest received	322	591
Net cash from operating activities	<u>233</u>	<u>1,525</u>
Investing activities		
Additions to property, plant and equipment	(88)	(79)
Proceeds from maturity of financial assets at amortised cost	500	-
Withdrawals from/(Placement of) fixed deposits	2,080	(500)
Net cash from/(used in) investing activities	<u>2,492</u>	<u>(579)</u>
Financing activities		
Dividends paid	(428)	(1,283)
Repayment of lease liabilities	(166)	(159)
Net cash used in financing activities	<u>(594)</u>	<u>(1,442)</u>
Net increase/(decrease) in cash and cash equivalents	2,131	(496)
Cash and cash equivalents at beginning of financial period	8,281	8,048
Effects of exchange rate changes on the balance of cash held in foreign currencies	4	-
Cash and cash equivalents at end of financial period (NOTE A)	<u>10,416</u>	<u>7,552</u>

NOTE A

	The Group	
	1st Half Year Ended	
	31-Dec-25 \$'000	31-Dec-24 \$'000
Cash and cash equivalents consists of:		
Cash and bank balances	4,666	3,952
Fixed deposits	<u>5,750</u>	<u>3,600</u>
	<u>10,416</u>	<u>7,552</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.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the first half year ended 31 December 2025

GROUP	Share capital \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2025	30,759	(9)	20,145	20,136	50,895
Total comprehensive loss for the period					
Loss for the year	-	-	(990)	(990)	(990)
Other comprehensive income	-	4	-	4	4
Total	-	4	(990)	(986)	(986)
Dividends	-	-	(428)	(428)	(428)
Balance at 31 December 2025 (*)	30,759	(5)	18,727	18,722	49,481
Balance at 1 July 2024	30,759	(3)	20,765	20,762	51,521
Total comprehensive loss for the period	-	-	(231)	(231)	(231)
Dividends	-	-	(1,283)	(1,283)	(1,283)
Balance at 31 December 2024 (*)	30,759	(3)	19,251	19,248	50,007

(*) Unaudited

COMPANY	Share capital \$'000	Capital reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2025	30,759	20,705	11,913	32,618	63,377
Total comprehensive loss for the period					
Dividends	-	-	(57)	(57)	(57)
			(428)	(428)	(428)
Balance at 31 December 2025 (*)	30,759	20,705	11,428	32,133	62,892
Balance at 1 July 2024	30,759	20,705	13,118	33,823	64,582
Total comprehensive loss for the period					
Dividends	-	-	(13)	(13)	(13)
			(1,283)	(1,283)	(1,283)
Balance at 31 December 2024 (*)	30,759	20,705	11,822	32,527	63,286

(*) Unaudited

Notes to the condensed interim consolidated financial statements

N1. Corporate Information

The Company (Registration No. 202002889W) is incorporated in Singapore with its principal place of business and registered office at 19A Serangoon North Avenue 5, Singapore 554859. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the first half-year ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries consist of the provision of burn-in and related services, design and manufacture of burn-in boards and boards related products, engineering services and equipment distribution, and trading of imaging equipment and energy-efficient products and provision of business support activities.

N2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

N2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

N2.2. Use of judgements and estimates

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2025.

No critical judgement was made in the process of applying the Group’s accounting policies that would have a significant effect on the amounts recognised in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 6 - Calculation of loss allowance for trade receivables
- Note 7 - Allowance for inventories
- Note 8 - Impairment of property, plant and equipment

N3. Segment and revenue information

In the first half of FY2025, the Company was primarily engaged in three main operating divisions namely, Burn-In and related services (“**Burn-in Services**”), Burn-In boards and boards-related products (“**Manufacturing and PCBA Services**”), and engineering services and equipment distribution (“**Engineering**”).

In the second half of FY2025, the Burn-in Services and Engineering divisions were consolidated into a single division, namely “**Engineering Services**”, to enhance manpower utilisation and improve operational efficiency. The consolidation does not affect the scope of services previously provided by the two divisions. As a result of the consolidation of divisions, information reported to the chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating divisions, is also based on a single combined Engineering Services division. The operating divisions are reported in a manner consistent with the change in internal reporting provided to the chief operating decision-maker.

In line with the change in structure of segment reporting of the Group as set out above, segment revenues and results for the first half year ended 31 December 2024 have been restated to conform to the current half-year's presentation.

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

N3.1. Reportable segments

For the first half year ended 31 December 2025

Business segments	Manufacturing and PCBA Services \$'000	Engineering Services \$'000	Eliminations \$'000	Total \$'000
Revenue				
External revenue	6,089	2,637	-	8,726
Inter-segment revenue	353	-	(353)	-
	<u>6,442</u>	<u>2,637</u>	<u>(353)</u>	<u>8,726</u>
Segment results				
Interest expense				(6)
Interest income				325
Rental income				331
Unallocated income				71
Unallocated expenses				<u>(35)</u>
Loss before income tax				<u>(944)</u>
Income tax expense				<u>(46)</u>
Loss for the period				<u>(990)</u>
Other Information				
Additions to non-current assets	58	30		88
Depreciation				
Allocated	453	196		649

For the first half year ended 31 December 2024

Business segments	Manufacturing and PCBA Services \$'000	Engineering Services \$'000 (Restated)	Eliminations \$'000	Total \$'000
Revenue				
External revenue	5,813	3,184	-	8,997
Inter-segment revenue	270	-	(270)	-
	6,083	3,184	(270)	8,997
Segment results	(109)	(708)	-	(817)
Interest expense				(8)
Interest income				591
Rental income				292
Unallocated income				9
Unallocated expenses				(82)
Loss before income tax				(15)
Income tax expense				(216)
Loss for the period	(231)			
Other Information				
Additions to non-current assets	61	18		79
Depreciation				
Allocated	425	233		658

Consolidated Statement of Financial Position

As at 31 December 2025

Business segments	Manufacturing and PCBA Services \$'000	Engineering Services \$'000	Eliminations \$'000	Total \$'000
Assets				
Segment assets	11,522	5,286	-	16,808
Unallocated corporate assets				38,244
Total assets				55,052
Liabilities				
Segment liabilities	2,780	1,182	-	3,962
Unallocated corporate liabilities				1,609
Total liabilities				5,571

As at 30 June 2025

Business segments	Manufacturing and PCBA Services \$'000	Engineering Services \$'000	Eliminations \$'000	Total \$'000
Assets				
Segment assets	12,263	7,069	-	19,332
Unallocated corporate assets				38,646
Total assets				<u>57,978</u>
Liabilities				
Segment liabilities	3,455	1,889	-	5,344
Unallocated corporate liabilities				1,739
Total liabilities				<u>7,083</u>

Geographical Segments

	Revenue		Carrying amount of non-current assets	
	1st Half Year Ended		31-Dec-25 \$'000	30-Jun-25 \$'000
	2026 \$'000	2025 \$'000		
	Unaudited	Unaudited	Unaudited	Unaudited
Singapore	954	1,467	10,221	10,785
USA	3,748	3,699	-	-
China	1,580	1,654	24	-
Philippines	961	1,043	-	-
Malaysia	958	791	-	-
Others	525	343	-	-
	<u>8,726</u>	<u>8,997</u>	<u>10,245</u>	<u>10,785</u>

Information about major customers

For the first half-year ended 31 December 2025 (“1H 2026”) vs. first half-year ended 31 December 2024 (“1H 2025”)

In 1H 2026, included in revenue of \$8,726,000 are revenue of \$3,726,000 arising from sales to three major customers from the Manufacturing and PCBA Services business segment, revenue of \$961,000 arising from sales to a major customer from the Engineering Services business segment. These revenues account for approximately 54% of the Group’s revenue.

In 1H 2025, included in revenue of \$8,997,000 are revenue of \$2,802,000 arising from sales to two major customers from the Manufacturing and PCBA Services business segment, and revenue of \$1,121,000 arising from sales to a major customer from the Engineering Services business segment. These revenues account for approximately 44% of the Group’s revenue.

N4. Loss before income tax

Loss before income tax has been arrived at after (charging) crediting:

	1st Half Year Ended		Change	
	2026 \$'000	2025 \$'000	\$'000	%
	Unaudited	Unaudited		
Loss for the period is arrived at:-				
Depreciation of property, plant and equipment	(516)	(529)	13	(2.5)
Depreciation of right-of-use asset	(133)	(129)	(4)	3.1
Interest expenses	(6)	(8)	2	(25.0)
Interest income	325	591	(266)	(45.0)
Rental income	331	292	39	13.4
Allowance for inventories obsolescence	(79)	(122)	43	(35.2)

N4.1. Related party transactions

There are no material related party transactions.

N5. Income tax expense

The Group calculates the income tax expense for the financial period using the tax rate that would apply to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	1st Half Year Ended		Change	
	2026 \$'000	2025 \$'000	\$'000	%
	Unaudited	Unaudited		
Income tax:				
- Current	6	146	(140)	(95.9)
- Underprovision in respect of prior years	40	70	(30)	(42.9)
	<u>46</u>	<u>216</u>	<u>(170)</u>	<u>(78.7)</u>

N6. Calculation of loss allowance for trade receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, where appropriate.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Group has observed payments from customers continue to be forthcoming and therefore, the Group expects the probability of default to remain low.

The carrying amount of trade receivables of the Group at the end of the reporting period was \$3,903,000 (2025: \$5,700,000).

N7. Allowance for inventories

The Group reviews the carrying value of its inventories so that they are stated at the lower of cost and net realisable value. In assessing net realisable value, management identifies inventories where there has been a significant decline in price or cost, aged inventory items and inventory items that may not be realised as a result of certain events, and estimates the recoverable amount of such inventory based on values at which such inventory items are expected to be realised at the end of the reporting period. Management also reviews the possible future use of the aged inventory items as well as the demand for ongoing production and the ability to sell the products at prices above costs, taking into consideration the general economic conditions and market demand.

The carrying amount of inventories of the Group at the end of the reporting period was \$2,671,000 (2025: \$2,847,000), net of allowance amounted to \$685,000 (2025: \$606,000). The cost of inventories recognised as an expense including allowance made for obsolescence of inventories was \$79,000 (2025: \$2,000).

N8. Impairment of property, plant and equipment

The Group assesses at the end of each reporting period whether property, plant and equipment have any indication of impairment. If there are indicators of impairment, the recoverable amount of property, plant and equipment will be determined based on the higher of value in use calculations or the fair value less costs of disposal.

A considerable amount of judgement is required in determining the recoverable amount of the property, plant and equipment, which includes, among other factors, the recent transaction prices for similar assets, the condition, utility, age, wear and tear and/or obsolescence of the property, plant and equipment.

The carrying amount of property, plant and equipment of the Group at the end of the reporting period was \$10,051,000 (2025: \$10,479,000).

N9. Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

31 December 2025 (*)		30 June 2025	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
242	-	330	-

Amount repayable after one year

31 December 2025 (*)		30 June 2025	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
106	-	174	-

(*) Unaudited

Details of any collateral

Certain plant and equipment with a carrying amount of \$262,000 (2025: \$306,000) are secured by the lessors' titles to the leased assets.

N10. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 December 2025 and 30 June 2025:

	Group		Company	
	31-Dec-25	30-Jun-25	31-Dec-25	30-Jun-25
	\$'000	\$'000	\$'000	\$'000
	Unaudited	Audited	Unaudited	Audited
Financial assets				
Financial assets at amortised cost	41,993	44,243	13,413	13,944
Financial liabilities				
Financial liabilities at amortised cost	2,769	3,742	1,924	1,982

1(d)(ii) Details of any changes in the company's share capital arising from the rights issue, bonus issue, subdivision, consolidation, share buy-backs, the exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for the acquisition or 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.

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

	As at 31 December 2025	As at 31 December 2025
Number of shares that may be issued on conversion of all the outstanding convertibles	-	-
Treasury Shares	-	-
Total number of issued shares excluding treasury shares	171,046,041	171,046,041
Percentage of aggregate number of treasury shares and subsidiary holdings* held against the total number of issued shares excluding 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 31 December 2025	171,046,041
Balance as at 30 June 2025	171,046,041

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 31 December 2025, 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 modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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.

See paragraph N2 of the "Notes to the condensed interim consolidated 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: (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustment made to the earnings).

Group	1 st Half-year ended 31 December	
Earnings per ordinary shares (cents) ("EPS")	FY2026	FY2025
Basic	(0.58)	(0.14)
Diluted	(0.58)	(0.14)
Weighted average number of ordinary shares in issue for basic EPS	171,046,041	171,046,041
Weighted average number of ordinary shares in issue for diluted EPS	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	
	31-Dec-2025	30-Jun-2025	31-Dec-2025	30-Jun-2025
Net asset value per ordinary share (cents)	28.93	29.76	36.77	37.05
Number of ordinary shares at period/year end	171,046,041	171,046,041	171,046,041	171,046,041

8. Review of Group Performance for the First Half ended 31 December 2025 ("1H 2026") vs. First Half ended 31 December 2024 ("1H 2025").

Statement of Profit or Loss and Other Comprehensive Income

Revenue

1H 2026 vs. 1H 2025

In 1H 2026, the Group reported revenue of \$8.7 million, a decrease of \$0.3 million or 3.0% as compared to 1H 2025 of \$9.0 million. The Manufacturing and PCBA Services business segment, which remained as the largest contributor to the Group's revenue, registered revenue of \$6.1 million in 1H 2026 as compared to revenue of \$5.8 million in 1H 2025. The Engineering Services business segment registered revenue of \$2.6 million in 1H 2026, as compared to revenue of \$3.2 million in 1H 2025.

Gross profit

1H 2026 vs. 1H 2025

The Group reported a gross profit of \$0.7 million in 1H 2026, a decrease of \$0.7 million or 47.2% as compared to \$1.4 million in 1H 2025.

The Group reported a decline in gross profit, mainly due to a decrease in sales in the Engineering Services business segment.

Loss for the period

1H 2026 vs. 1H 2025

The Group reported a loss of \$1.0 million in 1H 2026 as compared to loss of \$0.2 million in 1H 2025.

The increase in loss was aligned with the decrease in gross profit.

Statements of Financial Position

The Group's total assets decreased by \$2.9 million or 5.0% from \$58.0 million as at 30 June 2025 to \$55.1 million as at 31 December 2025. The decrease was primarily due to the decrease in fixed deposits of \$0.6 million, in trade and other receivables of \$1.8 million, in inventories of \$0.2 million, in other financial assets at amortised cost of \$0.5 million as well as in property, plant and equipment of \$0.4 million. The overall decrease was partly offset by the increase in cash and bank balances of \$0.6 million.

The Group's total liabilities decreased by \$1.5 million or 21.3% from \$7.1 million as at 30 June 2025 to \$5.6 million as at 31 December 2025. The decrease was primarily due to the decrease in trade and other payables of \$1.2 million, in repayment of lease liabilities of \$0.2 million as well as in income tax payables of \$0.1 million.

The Group had a positive working capital of \$40.7 million as at 31 December 2025 as compared to \$41.7 million as at 30 June 2025.

Statement of Cash Flows

The Group generated net cash from operating activities of \$0.2 million for the six (6) months ended 31 December 2025.

Net cash from investing activities was \$2.5 million, which was mainly attributed to the withdrawals of fixed deposits placed with financial institutions over three (3)-month tenures. Net cash used in financing activities was \$0.6 million, which was primarily due to the dividend paid.

There was an increase in cash and cash equivalents of \$2.1 million for 1H 2026.

The Group closed the period with cash and cash equivalents of \$10.4 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 or prospect statements in respect of the Group's results for the period ended 31 December 2025. The Group's results for the first half-year ended 31 December 2025 were generally in line with the commentary under item 10 of the Group's previous results announcement in respect of the period ended 30 June 2025.

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 continues to operate in a challenging industry environment characterised by subdued demand, heightened competition and ongoing macroeconomic and geopolitical uncertainties, which are expected to persist over the coming months. In response, the Group remains focused on prudent financial management, disciplined cost controls and maintaining operational stability, while managing its resources conservatively.

While the Group will continue to prioritise efficiency improvements and cost optimisation, the Group will continue in evaluating strategic initiatives, including opportunities for growth and diversification. In this regard, the Group has previously announced a proposed strategic transaction on 15 December 2025, which remains subject to various conditions and approvals, and there is no assurance that it will be completed or have a material impact. The Group will adopt a measured and cautious approach to navigate the operating environment and support long-term sustainability.

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) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Following a comprehensive review of the Group's performance, and considering the prevailing business conditions, the Board has decided, as a matter of prudence, not to recommend an interim dividend for 1H2026, in order to ensure that resources are conserved for the Group's working capital requirements and ongoing operations.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), 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 31 December 2025, 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 Avi-Tech Electronics Limited's prospectus dated 11 July 2007) from the IPO were used for the following purposes:

	Use of IPO proceeds as at 31 December 2025 (S\$ million)	Balance as at 31 December 2025 (S\$ million)
Expansion of our customer base and widen our portfolio of services	6.0	0.0
Potential mergers and acquisitions	3.3	4.7
Expansion of our overseas operations	3.0	0.0
Working capital	9.7	0.0
Total	22.0	4.7

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 Group's planned utilization of funds.

15. **Negative Confirmation pursuant to Rule 705(5) of the Listing Manual.**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company for the first half-year ended 31 December 2025 to be false or misleading in any material aspect.

16. **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.

Lim Eng Hong
Chief Executive Officer and Chairman

Giang Sovann
Lead Independent Director

BY ORDER OF THE BOARD
Lim Eng Hong
Chief Executive Officer and Chairman
12 February 2026