

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

With effect from 3 September 2014, the Company has been placed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Watch-List, pursuant to Rule 1311 of the SGX-ST Mainboard Listing Rules.

In accordance with Rule 1313(2), the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the “Group”).

1. Update on Financial Position and Outlook

The Group registered a 5.8% growth in revenue to \$6.1 million for the third quarter ended 31 March 2015 (“3Q 2015”), compared to \$5.7 million in the previous corresponding period (“3Q 2014”). The revenue was mainly contributed by the Burn-in Boards and Board Manufacturing business segment, which registered a revenue of \$2.8 million in 3Q 2015, remaining stable and unchanged as compared to 3Q 2014. The Burn-in Services business segment reported higher revenue from \$1.1 million in 3Q 2014 to \$1.8 million in 3Q 2015. The increase is partially offset by the decrease in sales contributed by the Engineering Services business segment from \$1.8 million in 3Q 2014 to \$1.5 million in 3Q 2015. Overall, while the Burn-in Boards and Board Manufacturing business segment continues to drive revenue while at the same time, there is also strong indication of steady growth in the Burn-in Services business segment and stable contribution by the Engineering Services business segment.

The Group recorded a net profit attributable to shareholders of \$1.9 million in 3Q 2015, compared to a net loss attributable to shareholders of \$0.8 million in 3Q 2014. This favourable position for 3Q 2015 was primarily attributable to the improvements registered by the Burn-in Boards and Board Manufacturing business segment, the Burn-in Services business segment and the gains from the disposal of impaired assets of the discontinued operations in the US. This is in addition to favourable exchange rates that also contributed to the reduction of administrative cost.

For 3Q 2015, the Group reported net cash and cash equivalents of \$11.0 million, as compared to \$4.6 million in 3Q 2014. The increase in cash and cash equivalents was mainly due to the proceeds from maturity of held-to-maturity investments and disposal of impaired assets of the discontinued operations, which was partially offset by the higher trade and other receivables.

2. Material Development and Future Direction

The Group continues to report favourable results registered at a profit of \$1.9 million for 3Q 2015, which was attributed to the better performance reported by the Burn-in Boards and Board Manufacturing business segment as well as steady growth in the Burn-in Services business segment. This is in addition to the gains from the discontinued operations of the two US subsidiaries, which will taper off in the coming months.

The Group remains optimistic of the continuing improved performance for all the business segments, especially with the indication of higher demand for the Burn-in Services business segment, which may further contribute to revenue growth.

The Group will also continue to practise prudent cost management while at the same time, proactively seek for new areas of partnership and opportunities to grow its businesses, such as mergers and acquisitions, or any structure or business which will benefit the shareholders.

The Company will endeavour to meet the requirements of Rule 1314 of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Lim Eng Hong
Chief Executive Officer
Director

12 May 2015