

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

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

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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 13.0% growth in revenue to \$9.3 million for the fourth quarter ended 30 June 2016 ("**4Q 2016**"), as compared to \$8.2 million in the previous corresponding period ("**4Q 2015**"). The Burn-In Boards and Board Manufacturing business segment, which registered higher revenue of \$4.2 million in 4Q 2016 as compared to \$3.3 million in 4Q 2015, was the biggest contributor to the 4Q 2016 revenue. The Burn-In Services and the Engineering Services business segments registered substantially consistent revenue of \$2.3 million and \$2.7 million respectively in 4Q 2016 as compared to revenue of \$2.2 million and \$2.7 million reported in 4Q 2015.

The Group recorded a net profit attributable to shareholders of \$1.4 million in 4Q 2016, as compared to \$0.3 million in 4Q 2015. The increase in profit for the comparative periods was attributable to the profit generated from continuing operations, which reported higher revenue and improved gross profit margins across the business segments.

For 4Q 2016, the Group reported net cash and cash equivalents of \$6.5 million, as compared to \$12.4 million in 4Q 2015. The decrease in cash and cash equivalents was mainly due to the purchase of held-to-maturity investments, fixed deposits placed with financial institutions with over three month tenures upon maturity, dividend payout as well as repayment of bank loan.

As at 30 June 2016, the Group reported a positive working capital position of \$30.9 million, as compared to \$32.3 million as at 30 June 2015. The Group maintains a healthy cash flow to meet its obligations and remains hopeful of continued positive performance based on the performance shown by all the business segments.

## **2. Material Development and Future Direction**

The Group had reported eight consecutive quarters of profit with total operating profit before tax of more than \$10 million. Subject to finalisation of the audited financial statements for FY 2016 and the Group meeting the relevant requirements under the Listing Manual, the Company intends to submit an application for its removal from the Watch-List.

The Group remains committed to strengthen its core competencies, practise prudent financial management and enhance productivity to drive sustainable performance and growth. The Group remains optimistic of continued positive performance and will also continue seek viable opportunities to grow its business and enhance shareholder returns.

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 August 2016**