

AVI-TECH ELECTRONICS LIMITED(Company Registration No. 198105976H)**Unaudited Third Quarter and 9 Months Financial Statements for The Period Ended March 31, 2009****PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS**

1(a) An income statement for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED PROFIT AND LOSS STATEMENT

for the third quarter and nine months ended March 31, 2009

S\$'000	Group					
	2009 3Q	2008 3Q	Change %	2009 9M	2008 9M	Change %
Revenue	5,373	17,455	(69.2)	24,759	61,072	(59.5)
Cost of sales	(4,072)	(12,216)	(66.7)	(16,398)	(42,580)	(61.5)
Gross profit	<u>1,301</u>	<u>5,239</u>	(75.2)	<u>8,361</u>	<u>18,492</u>	(54.8)
Other operating income	210	228	(7.9)	661	775	(14.7)
Distribution costs	(22)	(33)	(33.3)	(76)	(124)	(38.7)
Administrative expenses	(784)	(2,038)	(61.5)	(3,473)	(6,077)	(42.9)
Finance costs	(51)	(67)	(23.9)	(159)	(210)	(24.3)
Profit before income tax	<u>654</u>	<u>3,329</u>	(80.4)	<u>5,314</u>	<u>12,856</u>	(58.7)
Income tax expense	(96)	(697)	(86.2)	(1,011)	(2,553)	(60.4)
Profit for the period	<u><u>558</u></u>	<u><u>2,632</u></u>	(78.8)	<u><u>4,303</u></u>	<u><u>10,303</u></u>	(58.2)

Profit for the period is arrived at after:-

Depreciation of property, plant and equipment	(356)	(584)	(39.0)	(1,154)	(1,689)	(31.7)
Foreign currency exchange adjustment gain/(loss)	379	(290)	(230.7)	665	(921)	(172.2)
Interest income	188	184	2.2	470	571	(17.7)
Rental income	67	68	(1.5)	202	202	-

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

BALANCE SHEETS
as at March 31, 2009

	Group		Company	
	31.3.2009	30.06.2008	31.3.2009	30.06.2008
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and bank balances	3,290	2,243	3,045	2,160
Fixed and call deposits	48,800	48,246	48,800	48,246
Trade receivables	5,024	10,883	4,974	10,865
Other receivables and prepaid expenses	94	374	62	338
Inventories	2,510	2,510	2,510	2,510
Held for trading investments	659	800	659	800
Total current assets	<u>60,377</u>	<u>65,056</u>	<u>60,050</u>	<u>64,919</u>
Non-current assets				
Subsidiary	-	-	3,488	2,917
Club membership	73	118	73	118
Property, plant and equipment	14,930	15,890	14,308	15,299
Total non-current assets	<u>15,003</u>	<u>16,008</u>	<u>17,869</u>	<u>18,334</u>
Total assets	<u><u>75,380</u></u>	<u><u>81,064</u></u>	<u><u>77,919</u></u>	<u><u>83,253</u></u>
LIABILITIES AND EQUITY				
Current liabilities				
Bank loan	612	612	612	612
Trade payables	917	2,509	917	2,509
Other payables	2,256	4,943	2,210	4,768
Current portion of finance leases	56	56	56	56
Income tax payable	1,612	2,836	1,612	2,836
Total current liabilities	<u>5,453</u>	<u>10,956</u>	<u>5,407</u>	<u>10,781</u>
Non-current liabilities				
Bank loan	5,558	6,017	5,558	6,017
Finance leases	48	97	48	97
Deferred tax liabilities	1,078	1,078	1,078	1,078
Total non-current liabilities	<u>6,684</u>	<u>7,192</u>	<u>6,684</u>	<u>7,192</u>
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Reserves	32,086	31,184	34,671	33,548
Treasury shares	(575)	-	(575)	-
	<u>63,243</u>	<u>62,916</u>	<u>65,828</u>	<u>65,280</u>
Total liabilities and equity	<u><u>75,380</u></u>	<u><u>81,064</u></u>	<u><u>77,919</u></u>	<u><u>83,253</u></u>

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

Amount repayable in one year or less, or on demand

March 31, 2009*		June 30, 2008	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
668	-	668	

Amount repayable after one year

March 31, 2009*		June 30, 2008	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
5,606	-	6,114	-

* Unaudited

Details of any collateral

The building and leasehold improvements with carrying amount of \$11,920,000 (June 30, 2008: \$12,110,000) is mortgaged and pledged as security for loans, and credit facilities.

Certain plant and equipment with carrying amount of \$133,000 (June 30 2008: \$193,000) are secured by the lessors' titles to the leased assets.

- 1(c) A cash flow statement for the Group together with a comparative statement for the corresponding period of the immediately

**CONSOLIDATED CASH FLOW STATEMENT
for the third quarter and nine months ended March 31, 2009**

	01.01.09 to 31.03.09 3Q 2009 \$'000	01.01.08 to 31.03.08 3Q 2008 \$'000	01.07.08 to 31.03.09 9M \$'000	01.07.07 to 31.03.08 9M \$'000
Operating activities				
Profit before income tax	654	3,329	5,314	12,856
Adjustments for:				
Depreciation of property, plant and equipment	356	584	1,154	1,689
Loss arising from revaluation of held for trading investments	141	-	141	-
Impairment loss on club membership	15	16	45	44
Interest expense	51	67	159	210
Interest income received	(188)	(184)	(470)	(571)
Operating cash flows before movements in working capital	<u>1,029</u>	<u>3,812</u>	<u>6,343</u>	<u>14,228</u>
Trade receivables	2,880	8,791	5,859	(412)
Other receivables and prepaid expenses	(15)	43	280	679
Inventories	215	1,122	-	(146)
Trade payables	(1,329)	(3,227)	(1,592)	(2,644)
Other payables	(932)	(218)	(2,686)	(409)
Cash (used in) generated from operations	<u>1,848</u>	<u>10,323</u>	<u>8,204</u>	<u>11,296</u>
Income tax paid	(819)	(1,150)	(2,235)	(3,094)
Interest paid	(51)	(67)	(159)	(210)
Interest income received	188	184	470	571
Net cash generated from (used in) operating activities	<u>1,166</u>	<u>9,290</u>	<u>6,280</u>	<u>8,563</u>
Investing activities				
Additions to plant and equipment	(19)	(277)	(195)	(1,368)
Net cash used in investing activities	<u>(19)</u>	<u>(277)</u>	<u>(195)</u>	<u>(1,368)</u>
Financing activities				
Proceeds from issue of shares	-	-	-	26,792
Purchase of Treasury shares	(266)	-	(575)	-
Dividend paid	(1,731)	-	(3,483)	(3,504)
Repayment of finance leases	(21)	(14)	(49)	(42)
Repayment of bank loan	(153)	(153)	(459)	(459)
(Increase)/decrease in fixed deposits pledged as security to bank	-	-	-	858
Net cash from (used in) financing activities	<u>(2,171)</u>	<u>(167)</u>	<u>(4,566)</u>	<u>23,645</u>
Effect of exchange rate changes in consolidating subsidiary	29	(44)	82	(16)
Net increase in cash and cash equivalents	(995)	8,802	1,601	30,824
Cash and cash equivalents at beginning of financial period	53,085	37,280	50,489	15,258
Cash and cash equivalents at end of financial period (NOTE A)	<u>52,090</u>	<u>46,082</u>	<u>52,090</u>	<u>46,082</u>

Notes to the consolidated cash flow statement

NOTE A

Cash and cash equivalents consists of:	3Q 2009 \$'000	3Q 2008 \$'000	9M 2009 \$'000	9M 2008 \$'000
Cash and bank balances	3,290	1,429	3,290	1,429
Fixed and call deposits	48,800	45,138	48,800	45,138
	<u>52,090</u>	<u>46,567</u>	<u>52,090</u>	<u>46,567</u>
Less: Pledged deposits	-	(485)	-	(485)
	<u>52,090</u>	<u>46,082</u>	<u>52,090</u>	<u>46,082</u>

1(d)(i) A statement for 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.

GROUP	Share capital \$'000	Treasury Shares \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at July 1, 2008	31,732	-	13	31,171	31,184	62,916
Currency translation differences	-	-	61	-	61	61
Profit for the period	-	-	-	1,880	1,880	1,880
Total recognised for the period	-	-	61	1,880	1,941	1,941
Balance at September 30, 2008 (*)	31,732	-	74	33,051	33,125	64,857
Currency translation differences	-	-	(8)	-	(8)	(8)
Profit for the period	-	-	-	1,865	1,865	1,865
Total recognised for the period	-	-	(8)	1,865	1,857	1,857
Dividend paid	-	-	-	(1,752)	(1,752)	(1,752)
Purchase of treasury shares	-	(309)	-	-	-	(309)
Balance at December 31, 2008 (*)	31,732	(309)	66	33,164	33,230	64,653
Currency translation differences	-	-	29	-	29	29
Profit for the period	-	-	-	558	558	558
Total recognised for the period	-	-	29	558	587	587
Dividend paid	-	-	-	(1,731)	(1,731)	(1,731)
Purchase of treasury shares	-	(266)	-	-	-	(266)
Balance at March 31, 2009 (*)	31,732	(575)	95	31,991	32,086	63,243
Balance at July 1, 2007	4,940	-	10	26,284	26,294	31,234
Currency translation differences	-	-	10	-	10	10
Profit for the period	-	-	-	3,953	3,953	3,953
Total recognised for the period	-	-	10	3,953	3,963	3,963
Issue of shares	26,792	-	-	-	-	26,792
Balance at September 30, 2007 (*)	31,732	-	20	30,237	30,257	61,989
Currency translation differences	-	-	18	-	18	18
Profit for the period	-	-	-	3,718	3,718	3,718
Total recognised for the period	-	-	18	3,718	3,736	3,736
Dividend paid	-	-	-	(3,504)	(3,504)	(3,504)
Balance at December 31, 2007 (*)	31,732	-	38	30,451	30,489	62,221
Currency translation differences	-	-	(44)	-	(44)	(44)
Profit for the period	-	-	-	2,632	2,632	2,632
Total recognised for the period	-	-	(44)	2,632	2,588	2,588
Dividend paid	-	-	-	-	-	-
Balance at March 31, 2008 (*)	31,732	-	(6)	33,083	33,077	64,809

STATEMENTS OF CHANGES IN EQUITY
for the third quarter and nine months ended March 31, 2009

COMPANY	Share capital \$'000	Treasury Shares \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at July 1, 2008	31,732	-	33,548	33,548	65,280
Profit for the period	-	-	2,010	2,010	2,010
Balance at September 30, 2008 (*)	31,732	-	35,558	35,558	67,290
Profit for the period	-	-	1,890	1,890	1,890
Dividend paid	-	-	(1,752)	(1,752)	(1,752)
Treasury shares	-	(309)	-	-	(309)
Balance at December 31, 2008 (*)	31,732	(309)	35,696	35,696	67,119
Profit for the period	-	-	706	706	706
Dividend paid	-	-	(1,731)	(1,731)	(1,731)
Treasury shares	-	(266)	-	-	(266)
Balance at March 31, 2009 (*)	31,732	(575)	34,671	34,671	65,828
Balance at July 1, 2007	4,940	-	26,577	26,577	31,517
Issue of shares	26,792	-	-	-	26,792
Profit for the period	-	-	4,021	4,021	4,021
Balance at September 30, 2007 (*)	31,732	-	30,598	30,598	62,330
Profit for the period	-	-	5,236	5,236	5,236
Dividend paid	-	-	(3,504)	(3,504)	(3,504)
Balance at December 31, 2007 (*)	31,732	-	32,330	32,330	64,062
Profit for the period	-	-	2,717	2,717	2,717
Dividend paid	-	-	-	-	-
Balance at March 31, 2008 (*)	31,732	-	35,047	35,047	66,779

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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 did not allot nor issue any shares, nor grant any share options under the Avi-Tech Employee's Share Option Scheme.

As at March 31, 2009, there were no outstanding share options/warrants/convertible securities (June 30, 2008: Nil).

In 3Q 09, the Company purchased 2,450,000 of its ordinary shares from the open market for S\$265,363 and held such shares as treasury shares..

As at March 31, 2009, the total number of issued shares (exclude treasury shares) was 345,700,096 (June 30, 2008: 350,400,096) and the total number of treasury shares held was 4,700,000 (June 30, 2008: Nil).

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 our 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 have been applied as in the company's most recently audited annual financial statements.**

These financial statements have been prepared based on the same accounting policies and methods of computation consistent with those adopted in the recently audited annual financial statements for the financial year ended June 30, 2008.

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.**

None.

6. **Earnings per ordinary shares of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year.**

Period ended March 31, 2009

Group	3Q 2009	3Q 2008	9M 2009	9M 2008
Earnings per ordinary shares (cents)				
Basic	0.16	0.75	1.23	2.94
Diluted	0.16	0.75	1.23	2.94
Weighted average number of ordinary shares in issue for basic EPS	346,333,429	350,400,096	348,736,763	350,400,096
Weighted average number of ordinary shares in issue for diluted EPS	346,333,429	350,400,096	348,736,763	350,400,096

7. **Net asset value per ordinary share based on the issued share capital of the issuer at the end of:**

- (a) current financial period reported on; and
(b) immediate preceding financial year.

	GROUP		COMPANY	
	31.03.2009	30.06.2008	31.03.2009	30.06.2008
Net assets value per ordinary share (cents):	18.29	17.96	19.04	18.63
Number of ordinary shares at period/year end	345,700,096	350,400,096	345,700,096	350,400,096

As of balance sheet date, the number of ordinary shares of the Group and Company used for the above calculation had been adjusted to exclude the number of treasury shares.

8. **Review of Group Performance for the Third Quarter ended March 31, 2009 ("3Q 2009") vs. Third Quarter ended March 31, 2008 ("3Q 2008") and Nine months ended March 31, 2009 ("9M 2009") vs. Nine months ended March 31, 2008 ("9M 2008")**

Revenue

The Group's revenue decreased substantially by S\$12.1 million from S\$17.5 million in 3Q 2008 to S\$5.4 million in 3Q 2009, a decrease of 69.2% as compared to 3Q 2008. The Group's 9M 2009 revenue decreased by \$36.3 million or 59.5% from \$61.1 million to \$24.8 million. This was due to the difficult business environment caused by the global economic turmoil, which resulted in our customers slowing down their business activities. This in turn caused demand for our businesses to be substantially reduced.

Gross profit

The Group's gross profit declined by \$3.9 million or 75.2% from \$5.2 million in 3Q 2008 to \$1.3 million in 3Q 2009 because of lower revenue. The gross margin reduced from 30.0% in 3Q 2008 to 24.2% in 3Q 2009 due to lower utilization of production facilities.

Gross profit declined by S\$10.1 million or 54.8% in 9M 2009 from S\$18.5 million in 9M 2008 to S\$8.4 million in 9M 2009. However, the gross margin improved from 30.3% in 9M 2008 to 33.8% in 9M 2009 due to changes in the products and services mix between our Engineering Services and our Burn-In Board Manufacturing and Boards Related Products business segments.

Administrative expenses

The decrease in administrative expenses by \$1.2 million or 61.5% from \$2.0 million in 3Q 2008 to \$0.8 million in 3Q 2009 was due mainly to foreign currency exchange adjustment gain of \$0.4 million as compared to a loss \$0.3 million, lesser depreciation expenses charged and implementation of shorter workweek, cost reduction and control.

Correspondingly administrative expenses reduced by \$2.6 million or 42.9% from \$6.1 million in 9M 2008 to \$3.5 million in 9M 2009 due mainly to foreign currency exchange adjustment gain of \$0.7 million as compared to a loss \$0.9 million and reduction of depreciation expense charge of \$0.5 million.

Profit for the period

The Group's net profit declined by \$2.1 million or 78.8% from \$2.6 million in 3Q 2008 to \$0.5 million in 3Q 2009 mainly due to lower revenue. As a result of overall decrease in revenue, the Group's net profit declined by \$6.0 million or 58.2% from \$10.3 million in 9M 2008 to \$4.3 million in 9M 2009.

Group Balance Sheet and Cash Flow Statement – explanation of significant variances

Trade receivables as at March 31, 2009 decreased by \$5.9 million to \$5.0 million, in line with lower revenue and better debt collection system in place.

Trade payables as at March 31, 2009 decreased by \$1.6 million to \$0.9 million, due to lower revenue and taking advantage of suppliers' cash rebate incentive for early settlement.

Other payables as at March 31, 2009 reduced by \$2.7 million to \$2.2 million, mainly due to payment of FY 2008 staff variable bonus S\$1.0 million and profit sharing scheme \$0.9 million.

Cash and cash equivalents decrease by \$1.0 million from \$53.1 million in 2Q 2009 to \$52.1 million in 3Q 2009. This decrease was mainly due to net cash generated from operating activities of \$1.2 million and offset by an interim dividend payment for FY 2009 of \$1.7 million in March 2009 and treasury share buy back of \$0.3 million.

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

Not applicable.

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.

Current recessionary economic climate has eroded consumer and business confidence, and our major customers business activities have slowed down significantly. We are expecting downward pressure on our revenue and such difficult economic climate will continue to pose a challenging operating environment for our Group. Our Burn-In and Related Services and Engineering Services and Board Manufacturing Related Products have and will continue to feel the impact of this current global slow down into the near future.

We are continuing to reduce our overall costs to stay competitive and be in a strong position to weather the current downturn. Our focus and business strategies remain clear and we will continue to work closely with our customers to meet their quality and service expectation.

With our healthy balance sheet, very low gearing and strong cash flow position, we remain alert to new growth

opportunities and will explore and seize relevant business opportunities as and when they arise. We will continue to pursue more turnkey based engineering and system integration projects in various markets.

11. DIVIDEND

(a) Current financial year reported on

Any dividend declared for the current financial period reported on.

None for 3Q 2009

(b) Corresponding Period of the Immediately Preceding Financial Year.

None for 3Q 2008

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

Lim Eng Hong
Chief Executive Officer
12 May 2009

Negative assurance confirmation on interim financial results under Rule 705 (4) of the SGX-ST

The Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention, which may render the financial results for the Third Quarter and 9 Months to be false or misleading in any material aspect.

On behalf of the Board of Directors of Avi-Tech Electronics Limited

Lim Eng Hong
Chief Executive Officer

Wilfred Teo Chu Khiong
Chief Financial Officer

Westcomb Capital Pte Ltd sponsored the initial public offering of the Company.