

**AVI-TECH ELECTRONICS LIMITED**

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Website: <http://www.avi-tech.com.sg>**FOR IMMEDIATE RELEASE****Avi-Tech Results Announcement for 4Q09 and FY09**

- Posts revenue of \$31.3 million and net profit of \$5.4 million for FY09
- Gross margins and PBT margins improved to 33.5% and 21% respectively in FY09
- Maintained strong cash balance of \$51.5 million
- Proposed final dividend payout of 0.5 cent per share for FY09

**SINGAPORE – Tuesday, 25 August 2009** – Mainboard-listed Avi-Tech Electronics Limited ('Avi-Tech'), one of the region's leading 'one-stop' total Burn-In solutions providers to the semiconductor industry, today announced its unaudited financial results for the fourth quarter ("4Q09") and full-year ("FY09") ended 30 June 2009.

**Group Financial Snapshot**

In S\$'M	4Q09	4Q08	+/- %	FY09	FY08	+/- %
Revenue	6.6	13.2	-50.1	31.3	74.3	-57.8
Gross Profit ("GP")	2.2	3.4	-36.3	10.5	21.9	-51.9
Gross margins	32.7%	25.6%	7.1 ppt	33.5%	29.4%	4.1 ppt
Profit before tax ("PBT")	1.3	2.1	-38.9	6.6	14.9	-55.9
Earnings per share (diluted) based on weighted average number of ordinary shares (in cents)	0.32	0.45	-	1.56	3.45	-
Cash balances	51.5	50.0	-	51.5	50.0	-
				As at	As at	
Total equity for the Group				30.6.09	30.06.08	
Net asset value per share (in cents)				64.5	62.9	
				18.67	17.96	

**Results summary**

- The Group revenue declined to S\$31.3 million in FY09 compared to S\$74.3 million in FY08. The Group's 4Q09 revenue decreased to S\$6.6 million compared to S\$13.2 million in 4Q08. The decline in the Group's performance was due to a slow down in our customers' business activities amidst the global economic downturn which resulted in the reduction in customers' demand for our products and services.
- The lower revenue resulted in lower gross profit of S\$10.5 million in FY09 from S\$21.9 million in FY08. Gross margins, however, improved to 33.5% from 29.5%. For 4Q09, gross profit declined to S\$2.2 million from S\$3.4 million in 4Q08. Gross profit margin, however, increased to 32.7% from 25.6%. The improvements in gross margins are due to changes in the products and services mix between the Engineering Services and Burn-In Board Manufacturing and Boards Related Products business segments.

- Net profit for FY09 was S\$5.4 million compared to S\$11.9 million in FY08. For 4Q09, net profit declined to S\$1.1 million from S\$1.6 million in 4Q08.
- Administrative expenses decreased from S\$7.6 million in FY 2008 to S\$4.7 million in FY 2009 due mainly to overall lower business activities, foreign exchange adjustment gain, lesser depreciation expenses charged and implementation of a shorter work week, cost control and reduction.
- Trade receivables decreased to S\$6.5 million in 4Q09 from S\$10.9 million in 4Q08 due to tighter credit control. Trade payables also declined to S\$1.6 million in 4Q09 from S\$2.5 million in 4Q08 due to lower revenue and taking advantage of suppliers' cash rebate incentive for earlier settlement.
- The Group maintained a strong cash position of S\$51.1 million in 4Q09, a S\$1.0 million increase from S\$50.0 million in 4Q08. This is due to net cash generated from operating activities of S\$5.9 million which was offset by dividend payment of S\$3.5 million, treasury share buyback of S\$0.6 million and loans repayment of S\$0.7 million.
- The Group proposes to pay a final dividend payout of 0.5 cent per share for FY09. The proposed final dividend will be subject to approval at the Group's forthcoming Annual General Meeting.

Mr EH Lim, CEO of Avi-Tech Electronics Ltd, said, "FY09 has been a very challenging year. The semiconductor industry in which we operate in was one of the hardest hit as a result of the global financial crisis. Our customers' business activities have slowed down significantly which in turn impacted our performance. Against the backdrop of a difficult business climate, Avi-Tech continues to remain profitable. Our focus on prudent cost management and rationalisation of our service mix between the various business segments, have also helped to improve our margins."

#### **Global General Business Commentary**

The recessionary economic climate has eroded consumer and business confidence. While there are faint signs of improvement, global recovery is expected to be subdued and the Group expects continued pressure on its revenue and its various business segments' performance to continue to be impacted in the short-run.

Going forward, Avi-Tech will continue to focus on cost containment measures while carefully maintaining its capacity to balance the demands of its customers and to stay competitive. The Group will work closely with its customers to meet their quality and service expectations and to add value to their businesses. Additionally, the Group's strategies in growing its Engineering Services for the medical and life sciences industries as well as strengthening and broadening its service offerings and increasing market penetration into new regions, have begun to take-off. In FY09, the Group fulfilled its first orders for medical and life sciences equipment. The Group has established a wholly-owned subsidiary in the United States to more aggressively pursue business opportunities. The Group's efforts have shown initial results with an increased number of orders for Burn-In boards in the United States.

Mr Lim added, "This year marks the 25th anniversary of our operations and we attribute our staying

power to the ability of our people to remain competitive and resilient and to seize and explore new growth opportunities. Having laid a solid foundation for the growth of our lines of business, coupled with our focus on costs containment and maintaining a strong financial position, we are confident that Avi-Tech will ride out the current economic downturn and emerge stronger once the economy turns the corner.”

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*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

**About Avi-Tech Electronics Limited (Co. Reg. No. 198105976)**

Incorporated in Singapore in 1981, Avi-Tech Electronics is one of the region's leading 'one-stop' total Burn-In solutions providers to the semi-conductor industry. We offer a comprehensive suite of products and services for the semiconductor industry.

For more information, please visit <http://www.avi-tech.com.sg>

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