

AVI-TECH ELECTRONICS LIMITED
(Incorporated in Singapore)
(CRN. 198105976H)

PROFIT GUIDANCE

In anticipation of the announcement of the unaudited results for the first quarter FY 2012 (“**1Q 2012**”), the Board of Directors of Avi-Tech Electronics Limited (the “**Company**”) deems it appropriate to issue a profit guidance announcement in respect of the financial results of the Company and its subsidiaries (the “**Group**”).

The Board has on 23 August 2011 in its fourth quarter and full year FY 2011 announcement and also in the Company’s Annual Report for FY 2011, highlighted that the Imaging Equipment and Energy Efficient Products business segment has reported negative performance.

In line with the Board’s expectation, the affected business segment continues to report negative performance and remain weak in 1Q 2012, thus affecting the Group’s overall performance. The strengthening of the Singapore dollar against the U.S. dollar and increase in raw materials and energy prices has also continued to further dampen the Group’s overall performance.

In view of the above factors, the Board expects the Group’s overall performance for 1Q 2012 to be negative. The Board further expects the performance of the Imaging Equipment and Energy Efficient Products business segment to remain weak throughout FY 2012 due to new products being developed and research and development being undertaken. Operating expenses are also expected to remain high to support such developments. The performance of this division in the near future is expected to have a negative impact on our Group’s overall results.

Further details of the Group’s financial performance will be disclosed when the Company finalizes and announces its unaudited financial results for 1Q 2012 before 15 November 2011.

By order of the Board

Lim Eng Hong
Chief Executive Officer
31 October 2011