

AVI-TECH ELECTRONICS LIMITED**(Company Registration No. 198105976H)****Unaudited Third Quarter And 9 Months Financial Statements For The Period Ended 31 March 2014****PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the third quarter and nine months ended 31 March 2014

	Group					
	3Q 2014 \$'000 Unaudited	3Q 2013 \$'000 Unaudited	Change %	9M 2014 \$'000 Unaudited	9M 2013 \$'000 Unaudited	Change %
Revenue	7,622	8,004	(4.8)	23,233	22,325	4.1
Cost of sales	(6,018)	(7,184)	(16.2)	(18,386)	(20,257)	(9.2)
Gross profit	<u>1,604</u>	<u>820</u>	95.6	<u>4,847</u>	<u>2,068</u>	134.4
Other operating income	289	301	(4.0)	972	836	16.3
Distribution costs	(44)	(53)	(17.0)	(154)	(174)	(11.5)
Administrative expenses	(2,544)	(2,496)	1.9	(8,288)	(8,248)	0.5
Finance costs	(31)	(24)	29.2	(110)	(170)	(35.3)
Loss before income tax	<u>(726)</u>	<u>(1,452)</u>	(50.0)	<u>(2,733)</u>	<u>(5,688)</u>	(52.0)
Income tax (expenses)/benefit	(100)	(2)	n.m.	(116)	40	n.m.
Loss for the period, attributable to owners of the Company	<u><u>(826)</u></u>	<u><u>(1,454)</u></u>	(43.2)	<u><u>(2,849)</u></u>	<u><u>(5,648)</u></u>	(49.6)
Other comprehensive income/(loss) for the period:						
Foreign currency translation differences for foreign operations	<u>33</u>	<u>(110)</u>	n.m.	<u>37</u>	<u>230</u>	(83.9)
Other comprehensive income/(loss) for the periods, net of tax	<u>33</u>	<u>(110)</u>	n.m.	<u>37</u>	<u>230</u>	(83.9)
Total comprehensive loss for the period, attributable to owners of the Company	<u><u>(793)</u></u>	<u><u>(1,564)</u></u>	(49.3)	<u><u>(2,812)</u></u>	<u><u>(5,418)</u></u>	(48.1)
Loss for the period is arrived at:-						
Depreciation of property, plant and equipment	(414)	(399)	3.8	(1,252)	(1,227)	2.0
Amortisation of other intangible assets	(93)	(102)	(8.8)	(301)	(307)	(2.0)
Foreign currency exchange adjustment (loss)/gain	(8)	205	(103.9)	(209)	(203)	3.0
Interest expenses	(31)	(24)	29.2	(110)	(170)	(35.3)
Interest income	52	78	(33.3)	217	288	(24.7)
Rental income	187	180	3.9	554	358	54.7

n.m. : not meaningful

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Group		Company	
	31-Mar-14	30-Jun-13	31-Mar-14	30-Jun-13
<u>ASSETS</u>	\$'000	\$'000	\$'000	\$'000
	Unaudited	Audited	Unaudited	Audited
Current assets				
Cash and bank balances	4,556	4,736	3,956	4,246
Fixed and call deposits	19,400	17,000	19,400	17,000
Trade receivables	4,408	8,122	5,761	6,422
Other receivables and prepaid expenses	425	535	273	388
Inventories	6,612	5,429	3,845	3,798
Held-to-maturity financial investments	-	3,612	-	3,612
Total current assets	<u>35,401</u>	<u>39,434</u>	<u>33,235</u>	<u>35,466</u>
Non-current assets				
Subsidiaries	-	-	2,003	-
Property, plant and equipment	13,030	13,956	12,856	13,748
Goodwill	687	691	-	-
Other intangible assets	1,533	1,846	-	-
Held-to-maturity financial investments	2,040	2,058	2,040	2,058
Total non-current assets	<u>17,290</u>	<u>18,551</u>	<u>16,899</u>	<u>15,806</u>
Total assets	<u><u>52,691</u></u>	<u><u>57,985</u></u>	<u><u>50,134</u></u>	<u><u>51,272</u></u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank loans	459	2,832	459	2,832
Trade payables	2,703	3,702	1,992	3,181
Other payables	1,716	2,702	1,412	1,694
Finance leases	41	50	41	50
Total current liabilities	<u>4,919</u>	<u>9,286</u>	<u>3,904</u>	<u>7,757</u>
Non-current liabilities				
Bank loans	1,914	-	1,914	-
Finance leases	20	47	20	47
Total non-current liabilities	<u>1,934</u>	<u>47</u>	<u>1,934</u>	<u>47</u>
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(933)	(933)	(933)	(933)
Reserves	14,705	17,517	13,497	12,669
Equity attributable to owners of the Company	45,504	48,316	44,296	43,468
Non-controlling interests	334	336	-	-
Total equity	<u>45,838</u>	<u>48,652</u>	<u>44,296</u>	<u>43,468</u>
Total liabilities and equity	<u><u>52,691</u></u>	<u><u>57,985</u></u>	<u><u>50,134</u></u>	<u><u>51,272</u></u>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

31 March 2014 (*)		30 June 2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
500	-	2,882	-

Amount repayable after one year

31 March 2014 (*)		30 June 2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,934	-	47	-

(*) Unaudited

Details of any collateral

The building and leasehold improvements with a carrying amount of \$10,770,000 (30 June 2013: \$10,950,000) are mortgaged as security for a bank loan and credit facilities.

Certain plant and equipment with a carrying amount of \$89,000 (30 June 2013: \$139,000) are secured by the lessors' titles to the leased assets.

1(c) A statement of cash flows for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOW

For the third quarter and nine months ended 31 March 2014

	31-Mar-14 3Q 2014 \$'000	31-Mar-13 3Q 2013 \$'000	31-Mar-14 9M 2014 \$'000	31-Mar-13 9M 2013 \$'000
Operating activities				
Loss before income tax	(726)	(1,452)	(2,733)	(5,688)
Adjustments for:				
Depreciation of property, plant and equipment	414	399	1,252	1,227
Allowance for inventories obsolescence	-	(1)	-	34
(Gain)/loss on disposal of property, plant and equipment	-	15	(12)	(10)
Share-based payment expenses	-	5	-	12
Amortisation of other intangible assets	93	102	301	307
Interest expenses	31	24	110	170
Interest income	(52)	(78)	(217)	(288)
Operating cash flows before movements in working capital	<u>(240)</u>	<u>(986)</u>	<u>(1,299)</u>	<u>(4,236)</u>
Trade receivables	(606)	(242)	3,715	(913)
Other receivables and prepayments	(67)	(15)	76	(34)
Inventories	14	(410)	(1,183)	(926)
Trade payables	397	337	(999)	2,428
Other payables	(549)	(148)	(987)	(814)
Cash used in operations	<u>(1,051)</u>	<u>(1,464)</u>	<u>(677)</u>	<u>(4,495)</u>
Income tax (paid)/refund	(96)	-	(71)	19
Interest paid	(31)	(24)	(110)	(170)
Interest received	52	78	217	288
Net cash used in operating activities	<u>(1,126)</u>	<u>(1,410)</u>	<u>(641)</u>	<u>(4,358)</u>
Investing activities				
Additions to property, plant and equipment	(46)	(188)	(360)	(346)
Proceeds from maturity of held-to-maturity investments	-	1,005	3,630	1,031
Proceeds on disposal of property, plant and equipment	6	-	16	29
Placement in fixed deposits	-	-	(19,400)	(25,000)
Withdrawal from fixed deposits	-	8,000	-	23,000
Net cash (used in)/from investing activities	<u>(40)</u>	<u>8,817</u>	<u>(16,114)</u>	<u>(1,286)</u>
Financing activities				
Treasury shares buy back	-	-	-	(130)
Repayment of finance lease obligations	(11)	(12)	(36)	(38)
Repayment of bank loan	(153)	(3,513)	(459)	(3,819)
Net cash used in financing activities	<u>(164)</u>	<u>(3,525)</u>	<u>(495)</u>	<u>(3,987)</u>
Net effect of exchange rate changes in consolidating subsidiaries	32	(106)	70	134
Net (decrease)/increase in cash and cash equivalents	(1,298)	3,776	(17,180)	(9,497)
Cash and cash equivalents at beginning of financial period	5,854	5,319	21,736	18,592
Cash and cash equivalents at end of financial period (NOTE A)	<u>4,556</u>	<u>9,095</u>	<u>4,556</u>	<u>9,095</u>

NOTE A

Cash and cash equivalents consists of:	3Q 2014 \$'000	3Q 2013 \$'000	9M2014 \$'000	9M2013 \$'000
Cash and bank balances	4,556	3,095	4,556	3,095
Fixed and call deposits	-	6,000	-	6,000
	<u>4,556</u>	<u>9,095</u>	<u>4,556</u>	<u>9,095</u>

1(d)(i) A statement for the Group and Company 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.

STATEMENTS OF CHANGES IN EQUITY

For the third quarter and nine months ended 31 March 2014

GROUP	----- Attributable to owners of the Company -----							Total \$'000
	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Non- controlling interest ⁽¹⁾ \$'000	
Balance at 1 July 2013	31,732	(933)	(34)	17	17,534	17,517	336	48,652
Total comprehensive income for the period	-	-	70	-	(951)	(881)	-	(881)
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(6)	(6)
Balance at 30 September 2013 (*)	31,732	(933)	36	17	16,583	16,636	330	47,765
Total comprehensive income for the period	-	-	(66)	-	(1,072)	(1,138)	-	(1,138)
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	5	5
Balance at 31 December 2013 (*)	31,732	(933)	(30)	17	15,511	15,498	335	46,632
Total comprehensive income for the period	-	-	33	-	(826)	(793)	-	(793)
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2014 (*)	31,732	(933)	3	17	14,685	14,705	334	45,838
Balance at 1 July 2012	31,732	(803)	2	-	21,318	21,320	339	52,588
Total comprehensive income for the period	-	-	168	-	(2,056)	(1,888)	-	(1,888)
Recognition of share-based payment	-	-	-	2	-	2	-	2
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	(15)	(15)
Share buyback held back in treasury	-	(130)	-	-	-	-	-	(130)
Balance at 30 September 2012 (*)	31,732	(933)	170	2	19,262	19,434	324	50,557
Total comprehensive income for the period	-	-	171	-	(2,138)	(1,967)	-	(1,967)
Recognition of share-based payment	-	-	-	5	-	5	-	5
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	1	1
Balance at 31 December 2012 (*)	31,732	(933)	341	7	17,124	17,472	325	48,596
Total comprehensive income for the period	-	-	(110)	-	(1,454)	(1,564)	-	(1,564)
Recognition of share-based payment	-	-	-	4	-	4	-	4
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	4	4
Balance at 31 March 2013 (*)	31,732	(933)	231	11	15,670	15,912	329	47,040

(*) Unaudited

⁽¹⁾ Representing share option reserve of a subsidiary

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
For the third quarter and nine months ended 31 March 2014

COMPANY	Share capital \$'000	Treasury shares \$'000	Share option reserves \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2013	31,732	(933)	17	12,652	12,669	43,468
Total comprehensive income for the period	-	-	-	447	447	447
Balance at 30 September 2013 (*)	31,732	(933)	17	13,099	13,116	43,915
Total comprehensive income for the period	-	-	-	128	128	128
Balance at 31 December 2013 (*)	31,732	(933)	17	13,227	13,244	44,043
Total comprehensive income for the period	-	-	-	253	253	253
Balance at 31 March 2014 (*)	31,732	(933)	17	13,480	13,497	44,296
Balance at 1 July 2012	31,732	(803)	-	25,898	25,898	56,827
Share buyback held back in treasury	-	(130)	-	-	-	(130)
Recognition of share-based payment	-	-	2	-	2	2
Total comprehensive income for the period	-	-	-	(569)	(569)	(569)
Balance at 30 September 2012 (*)	31,732	(933)	2	25,329	25,331	56,130
Recognition of share-based payment	-	-	5	-	5	5
Total comprehensive income for the period	-	-	-	282	282	282
Balance at 31 December 2012 (*)	31,732	(933)	7	25,611	25,618	56,417
Recognition of share-based payment	-	-	5	-	5	5
Total comprehensive income for the period	-	-	-	(338)	(338)	(338)
Balance at 31 March 2013 (*)	31,732	(933)	12	25,273	25,285	56,084

(*) Unaudited

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

Since the end of the previous period reported on (i.e. 31 December 2013), there was no change in the Company's share capital during the three months ended 31 March 2014.

As at 31 March 2014, there was no outstanding share option/warrant/convertible security of the Company, save for the aggregate of 670,000 unissued shares comprised in options granted on 3 July 2012 and 16 November 2012 pursuant to the Avi-Tech Employee Share Option Scheme (30 June 2013: 940,000). These options were granted with an exercise price set at a discount to the then market price and therefore may only be exercisable after the second anniversary from the date of the grant.

	As at 31 March 2014	As at 31 March 2013
Number of shares that may be issued on conversion of all the outstanding convertibles	NIL	NIL
Treasury Shares	7,978,000	7,978,000
Total number of issued shares excluding treasury shares	342,422,096	342,422,096

Pursuant to the share buyback mandate originally approved by the shareholders on 29 October 2008 and renewed subsequently, the Company purchased a total of 7,978,000 shares through on-market purchases transacted on the Singapore Exchange Securities Trading Limited. The total amount paid for the purchases was approximately \$933,000 which has been deducted from shareholders' equity. All the repurchased shares are held as treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

Total number of issued shares excluding treasury shares	Number of shares
Balance as at 31 March 2014	342,422,096
Balance as at 30 June 2013	342,422,096

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

As at 31 March 2014, there were no sales, transfers, disposals, cancellations and/or use of treasury shares.

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 the 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 as in the Company's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 July 2013, which may result in more extensive disclosures in the financial statements.

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.

See item 4 above.

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.

Group	Period ended 31 March			
	3Q 2014	3Q 2013	9M 2014	9M 2013
Earnings per ordinary shares (cents) ("EPS")				
Basic	(0.24)	(0.42)	(0.83)	(1.65)
Diluted	(0.24)	(0.42)	(0.83)	(1.64)
Weighted average number of ordinary shares in issue for basic EPS	342,422,096	342,807,874	342,422,096	342,807,874
Weighted average number of ordinary shares in issue for diluted EPS	343,092,096	343,717,874	343,092,096	343,717,874

7. **Net asset value (for the Company and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of: (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	31.03.2014	30.06.2013	31.03.2014	30.06.2013
Net assets value per ordinary share (cents):	13.39	14.21	12.94	12.69
Number of ordinary shares at period/year end	342,422,096	342,422,096	342,422,096	342,422,096

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

8. **Review of Group Performance for the Third Quarter ended 31 March 2014 (“3Q 2014”) vs. Third Quarter ended 31 March 2013 (“3Q 2013”) and Nine months ended 31 March 2014 (“9M 2014”) vs. Nine months ended 31 March 2013 (“9M 2013”).**

STATEMENT OF COMPREHENSIVE INCOME

Revenue

9M 2014 vs. 9M 2013

In the nine months ended 31 March 2014 (9M 2014), the Group reported an increase in revenue of \$0.9 million or 4.1% from \$22.3 million to \$23.3 million as compared to the nine months ended 31 March 2013 (9M 2013). The increase in revenue was primarily due to the increase in sales contributed by the Burn-in Boards and Board Manufacturing business segment, which saw an increase in sales to key customers. The revenue contributed by this business segment led to an increase in the Group’s revenue for 9M 2014 despite lower revenue from other business segments.

3Q 2014 vs. 3Q 2013

In the three months ended 31 March 2014 (3Q 2014), the Group reported a decrease in revenue of \$0.4 million or 4.8% from \$8.0 million in 3Q 2013 to \$7.6 million in 3Q 2014. The decrease in revenue was primarily due to the decline in sales contributed by the Imaging Equipment and Energy Efficient Products and Engineering Services business segments. The decrease is partially offset by the growth in sales contributed by the Burn-in Boards and Board Manufacturing business segment.

Gross profit

9M 2014 vs. 9M 2013 / 3Q 2014 vs 3Q 2013

The Group reported a gross profit of \$4.8 million for 9M 2014, an increase of \$2.8 million or 134.4% as compared to \$2.0 million of 9M 2013. Gross profit margin over that period had also increased from 9.3% in 9M 2013 to 20.9% in 9M 2014.

The Group reported a gross profit of \$1.6 million for 3Q 2014, an increase of \$0.8 million or 95.6% as compared to \$0.8 million of 3Q 2013. Gross profit margin over that period had also increased from 10.2% in 3Q 2013 to 21.0% in 3Q 2014.

The sharp increase in gross profit for the two comparative periods were due to the higher sales and improved gross profit margins reported by the Burn-in Boards and Board Manufacturing business segment, in addition to ongoing cost control measures and improvements in productivity across all business segments.

Loss for the period

9M 2014 vs. 9M 2013 / 3Q 2014 vs. 3Q 2013

The Group reported a loss of \$2.8 million for 9M 2014, a reduction in losses of \$2.8 million or 49.6% when compared to the loss of \$5.6 million of 9M 2013.

The Group reported a loss of \$0.8 million for 3Q 2014, a reduction in losses of \$0.7 million or 43.2% when compared to the loss of \$1.5 million of 3Q 2013.

The losses for the two comparative periods were primarily due to the losses reported by the Imaging Equipment and Energy Efficient Products and Engineering Services business segments. Nevertheless, these losses had been reduced with an overall increase in gross profit margin due to improved cost containment exercises.

STATEMENT OF FINANCIAL POSITION

Total Group assets decreased by \$5.3 million or 9.1% from \$58.0 million as at 30 June 2013 to \$52.7 million as at 31 March 2014. The decrease was primarily made up of reductions in held-to maturity financial investments of \$3.6 million due to maturity of the investments and trade receivables as well as property, plant and equipment of \$3.7 million and \$0.9 million respectively. The decrease was partially offset by the increase in fixed and call deposits and inventories amounting to \$2.4 million and \$1.2 million respectively.

As at 31 March 2014, the Group had cash and cash equivalents of \$24.0 million as compared to \$21.7 million as at 30 June 2013. The increase was primarily due to fixed deposits placed upon maturity of the held-to-maturity financial assets. The decrease in property, plant and equipment was primarily due to depreciation charges of \$1.3 million and was partially offset by additions of property, plant and equipment of \$0.4 million.

Total Group liabilities decreased by \$2.4 million or 26.6% from \$9.3 million as at 30 June 2013 to \$6.9 million as at 31 March 2014. The decrease is primarily due to repayments of trade and other payables.

The Group has a positive working capital of \$30.5 million as at 31 March 2014 as compared with \$30.1 million as at 30 June 2013.

STATEMENT OF CASH FLOW

The Group used net cash in operating activities of \$0.6 million for the nine months ended 31 March 2014. This was primarily due to cash generated from the settlement of trade receivables which was partially offset by losses incurred during the period, cash used for purchases of inventories as well as the settlement of trade payables and other payables.

Net cash used in investing activities was \$16.1 million, which was mainly due to the fixed deposits placed with financial institutions with over three month tenors upon maturity. Net cash used in financing activities was \$0.5 million, primarily due to repayment of bank loans.

The Group closed the period with cash of \$24.0 million and with bank borrowings of \$2.4 million.

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

The Company did not make any forecasts and prospect statements in respect of the Group's results for the period ended 31 December 2013. The Group's results for the third quarter ended 31 March 2014 were in line with the commentary under paragraph 10 of the Group's previous results announcement in respect of the period ended 31 December 2013.

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.

The Group sustained a loss of \$2.8 million for 9M 2014 due to the continued losses reported by the Imaging Equipment and Energy Efficient Product's business segment. The sales result and profit margin of this business segment from the two U.S. subsidiaries had been performing below expectations. The Group will continue to evaluate and take appropriate actions for restructuring and plan for the long term growth of the Group.

The Burn-in Board and Board Manufacturing business segment has been the main contributor to the profitability of the Group and the sales trend for this business segment remains positive. While the Burn-in Services business segment had been lagging in profitability, the Group is optimistic for better performance in the coming months.

The Group continues to operate in a competitive environment with price pressure from our customers and the increasing pressure of rising costs too, due to the tighter labour market. Nevertheless, the Group continues to be committed in its productivity drive and improve operational efficiencies to contain costs and improve profitability. In addition, the Group will actively seek new areas of growth and will evaluate all options whether through mergers and acquisitions, or any structure or business which will benefit the shareholders.

11. Dividends

(a) Any dividend declared for the current financial period reported on.

No.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) State the tax rate and the country where the dividend is derived.

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Books Closure Date.

Not applicable.

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

No dividend has been declared or recommended for the current financial period reported on. The Group has not sought a general mandate from shareholders for IPTs.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not sought a general mandate from shareholders for IPTs.

14. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

The Group raised approximately \$29.0 million from its IPO on 25 July 2007. As at 31 March 2014, the total net proceeds of approximately \$26.7 million (after deducting the IPO expenses of approximately \$2.3 million, as disclosed on page 33 of the Company's prospectus dated 11 July 2007) from the IPO were used for the following purposes:

	Use of IPO proceeds as at 31 March 2014 (S\$ million)	Balance as at 31 March 2014 (S\$ million)
Expansion of our customer base and widen our portfolio of services	6.0	0.0
Potential mergers and acquisitions	2.8	5.2
Expansion of our overseas operations	3.0	0.0
Working capital	9.7	0.0
Total	21.5	5.2

The IPO proceeds used for working capital purposes have been applied to the following uses:

- Purchase of plant and equipment;
- Purchase and replenishment of inventories;
- Payments to suppliers and service providers;
- Loan repayments; and
- Payments for other day to day operations.

Management has confirmed that the above use of proceeds was in line with the Company's planned utilisation of funds.

15. Negative Confirmation pursuant to Rule 705 (5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company for the third quarter ended 31 March 2014 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 and Director

Khor Thiam Beng
Chairman and Independent Director

BY ORDER OF THE BOARD
Lim Eng Hong
Chief Executive Officer
14th May 2014