

**AVI-TECH ELECTRONICS LIMITED**

19A Serangoon North Avenue 5 Singapore 554859

Tel: (65) 6482 6168 Fax: (65) 6482 6123

Website: <http://www.avi-tech.com.sg>

Avi-Tech Reports 2014 Full-Year Results

- To discontinue operations of loss-making Imaging Equipment and Energy Efficient Product's business segments

Singapore, 26 August 2014 – Avi-Tech Electronics Limited, a total solutions provider for Burn-In, engineering and manufacturing services for the semiconductor, electronics and life sciences industries, announced its full-year results ended 30 June 2014 ("FY14").

Results Summary

The Group sustained a loss of S\$9.9 million due mainly to the continued losses incurred by its two US subsidiaries in Imaging Equipment and Energy Efficient Product's business segments. The Group which constantly reviews the operations of its business units has started the process to discontinue the operations of these two US subsidiaries. While the performance of these US subsidiaries has been below expectations, Burn-in Boards and Board Manufacturing business segments registered double-digit growth and remained the main contributors to the Group's revenue.

The Group continue to maintain a healthy balance sheet and cash position. As at 30 June 2014, the Group's cash and short-term deposits was S\$24.1 million and its gearing ratio was 0.2 times.

CEO's Commentary

Lim Eng Hong, CEO of Avi-Tech Electronics Ltd said, "Our two US subsidiaries in the Imaging Equipment and Energy Efficient Product's business segments which we started in 2011 with the aim to diversify and substantiate long term growth for the Group, have been the main contributors of our past year's losses, including FY14. As highlighted in our previous results announcements, we track their developments closely and evaluate their progress based on set milestones and will implement restructuring in alignment with the Group's long term growth path. After considerable deliberation, we took the decision to start the process to discontinue their operations in 4Q14 which would help to stem the Group's losses going forward.

"Notwithstanding a challenging year in FY14, the Group, as a whole, remains positive on its core businesses with its strategies in actively managing costs while at the same time, seeking new customers and building on the Group's experiences and knowledge to extend our range of services to generate more revenue.

"In addition, the Group will continue with its plans to seek new areas of growth whether through mergers and acquisitions, or any structured transaction or business, which will add value to shareholders.

"The Board and Management have remained cautious on expenditures and we continue to maintain a healthy cash reserve and strong balance sheet to support our growth road map and in charting Avi-Tech's next chapter when the opportunity arises."

>ends

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 are based on current view of management on future events.

For more information on Avi-Tech Electronics Limited, please visit <http://www.avi-tech.com.sg>

Media & IR Contact:

Lim Siew Yin/ Angelina Pereira

29 Communications LLP for Avi-Tech Electronics Limited

Mobile: (65) 9858 4673/ (65) 9191 4756

Email: siewyin@29communications.com.sg/ angiep@29communications.com.sg