



AVI-TECH ELECTRONICS LIMITED

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Strong finish: Avi-Tech bounces back with net profit of S\$6.6 million in FY15 from loss-making position in FY14

- **Sustained four consecutive quarters of profitability on the back of improved performance across all three core businesses in Burn-in Services, Board Manufacturing & Engineering Services**
- **Proposed final dividend of 0.3 cents per share and special dividend of 0.7 cents per share**

Singapore, 26 August 2015 – Avi-Tech Electronics Limited (“Avi-Tech” or “the Group”), a total solutions provider for Burn-In, engineering and manufacturing services for the semiconductor, electronics and life sciences industries, closed its fourth quarter (“4Q15”) and financial year (“FY15”) ended 30 June 2015 on a positive note.

Results Summary: Achieving a Sustainable Recovery in FY15

- **Revenue and Profit Improvements Across all Three Core Business Segments**

The Group’s 4Q15 revenue increased by 40.6% to S\$8.2 million compared to the same period last year. This was mainly contributed by the Burn-In Boards and Board Manufacturing business segment which registered stable revenue of S\$3.3 million (S\$3.1 million in 4Q14). Likewise, the Burn-in Services and the Engineering Services business segments turned in higher revenues of S\$2.2 million (S\$1.3 million in 4Q14) and S\$2.7 million (S\$1.4 million in 4Q14) respectively. Over the full-year period of FY15, revenue improved by 23.5% or S\$5.4 million as compared to the corresponding period of FY14. Revenue from the Burn-In Boards and Board Manufacturing business segment was higher at S\$13.8 million (S\$13.4 million in FY14). The Burn-In Services and the Engineering Services business segments’ revenues were also higher at S\$6.7 million and S\$7.9 million respectively (S\$4.6 million and S\$5.0 million respectively in FY14).

In terms of profitability, the Group reported net profit attributable to shareholders of S\$0.3 million and S\$6.6 million respectively in 4Q15 and FY15 as compared to the S\$7.1 million and S\$9.9 million losses suffered in the respective corresponding periods last year. The transition to profitability from a loss-making position was attributable to the profit improvements in the Group’s continued operations where all three business segments recorded revenue increases and higher gross profit margins. Aside from this, there were also gains registered in the discontinued operations of the US subsidiaries as well as favourable foreign exchange gain which reduced the Group’s administrative expenses and contributed to its improved profitability.

- **Robust Profit Margins Underpinned by Continued Commitment to Prudent Financial Management and Productivity Measures**

In 4Q15, the Group achieved higher gross profit of S\$2.2 million, a 227.1% increase over 4Q14 and improved gross profit margin of 26.3% from 11.3% in 4Q14. Over the full-year period of FY15, gross

profit achieved was S\$6.9 million, a 107.1% improvement over FY14's gross profit of S\$3.3 million, and gross profit margin rose to 24.2% from 14.5% in FY14. The Group's improved performance was attributed to higher revenue, as well as ongoing cost control measures and productivity enhancements across all three business segments.

- **Maintaining Strong Cash Position**

The Group's positive performance was reflected in its balance sheet with a working capital of S\$32.3 million as at 30 June 2015 (30 June 2014: S\$28.0 million) with net cash and cash equivalents of S\$12.4 million. Net asset value per share was 12.79 cents as at 30 June 2015, compared to 11.25 cents as at 30 June 2014.

- **“Dividend Bonanza”: Rewarding Shareholders with a Final Dividend and a Special Dividend**

Due to its improved financial position, the Group is proposing a final dividend of 0.3 cents per share and a special dividend of 0.7 cents per share subject to shareholders' approval at the upcoming Annual General Meeting (“AGM”). The proposed final dividend will be paid in November 2015 shortly after the AGM while the special dividend will be paid at the end of February 2016.

The proposed final dividend and special dividend is on top of the interim dividend of 0.3 cent per share paid out in May this year.

CEO Commentary: Looking Ahead

Mr Lim Eng Hong, CEO of Avi-Tech Electronics Limited said, “Our results indicate that we are on the firm road to recovery, having now turned in four successive quarters of profits.

“The Burn-in Services business segment has benefited from an increase in demand for burn-in services in the automotive industry. The Burn-In Boards and Board Manufacturing business segment has driven the performance of the Group with relatively stable revenues. The Engineering Services business segment has benefited from the knowledge and competencies gained from our foray into the Imaging Equipment and Energy Efficient Product business segment, as we are currently manufacturing equipment for customers previously obtained from the Imaging Equipment and Energy Efficient Product business segment.

“We remain optimistic of the continued improved performance of all our business segments, with a focus on building and optimising our core strengths. There may be potential upside for burn-in services in the automotive industry if the use of electronic components in automobiles continues to increase, as well as opportunities in the info-communications technology space with the proliferation of networks and data centres. We will continue to provide added value to our customers in Burn-in Boards and Board Manufacturing in terms of design and customisation. Barring any unforeseen circumstances, with our capabilities in manufacturing medical imaging equipment and energy efficient products, we believe that we may be able to further grow our Engineering Services business segment.

“Going forward, Avi-Tech will continue to focus on our core businesses, keeping a tight rein on costs and implementing productivity measures across our organisation, and to work towards providing returns to our shareholders while balancing against the Group's growth strategies as we explore new business opportunities.”

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This press release is to be read in conjunction with Avi-Tech's announcement posted on the SGXNET on 26 August 2015.

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

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 as they are based on the current views of management on future events.

Issued by 29 Communications LLP on behalf of Avi-Tech Electronics Limited

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