

Unaudited Financial Statements for the Third Quarter and 9 Months ended 31 March 2016

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 ended 31 March 2016

	Group			Group		
	3Q	3Q	Change	9M	9M	Change
	2016	2015		2016	2015	
	\$'000	\$'000	%	\$'000	\$'000	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Continuing operations						
Revenue	8,799	6,063	45.1	24,651	20,169	22.2
Cost of sales	(5,978)	(4,183)	42.9	(16,445)	(15,447)	6.5
Gross profit	2,821	1,880	50.1	8,206	4,722	73.8
Other operating income	354	396	(10.6)	1,242	955	30.1
Distribution costs	(11)	(10)	10.0	(49)	(51)	(3.9)
Administrative expenses	(1,537)	(962)	59.8	(3,425)	(2,436)	40.6
Finance costs	(8)	(7)	14.3	(23)	(22)	4.5
Profit before income tax	1,619	1,297	24.8	5,951	3,168	87.8
Income tax (expenses)/credit	(213)	13	n.m.	(945)	8	n.m.
Profit for the period from continuing operations	1,406	1,310	7.3	5,006	3,176	57.6
Discontinued operations						
Profit/(Loss) for the period from discontinued operations	-	637	n.m.	(153)	3,115	n.m.
Profit for the period, attributable to owners of the Company	1,406	1,947	(27.8)	4,853	6,291	(1.4)
Other comprehensive (loss)/income for the period:						
<i>Item that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	(10)	(441)	n.m.	166	(1,104)	n.m.
Other comprehensive (loss)/income for the periods, net of tax	(10)	(441)	n.m.	166	(1,104)	n.m.
Total comprehensive income for the periods, attributable to owners of the Company	1,396	1,506	(7.3)	5,019	5,187	(3.2)
Profit for the period is arrived at:-						
Depreciation of property, plant and equipment	(233)	(349)	(33.2)	(780)	(1,112)	(29.9)
Reversal of allowance for doubtful debts	-	15	n.m.	-	270	n.m.
Reversal of allowance for inventories obsolescence	-	47	n.m.	-	2,151	n.m.
Foreign currency exchange adjustment (loss)/gain	(265)	849	n.m.	265	2,060	(87.1)
Interest expenses	(8)	(8)	-	(23)	(31)	(25.8)
Interest income	111	66	68.2	282	159	77.4
Rental income	188	188	-	564	563	0.2

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 2016

	Group		Company	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>	Unaudited	Audited	Unaudited	Audited
Current assets				
Cash and bank balances	4,869	12,382	4,789	12,071
Fixed and call deposits	22,786	15,420	22,786	15,420
Trade receivables	6,473	6,177	6,473	6,202
Other receivables and prepayments	399	741	399	971
Inventories	3,995	3,532	3,995	3,532
	<u>38,522</u>	<u>38,252</u>	<u>38,442</u>	<u>38,196</u>
Assets classified as held for sale and/or for distribution	-	46	-	-
Total current assets	<u>38,522</u>	<u>38,298</u>	<u>38,442</u>	<u>38,196</u>
Non-current assets				
Property, plant and equipment	12,211	12,662	12,211	12,662
Held-to-maturity financial assets	1,248	-	1,248	-
Total non-current assets	<u>13,459</u>	<u>12,662</u>	<u>13,459</u>	<u>12,662</u>
Total assets	<u>51,981</u>	<u>50,960</u>	<u>51,901</u>	<u>50,858</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Bank loan	612	612	612	612
Trade payables	2,565	3,021	2,839	3,281
Other payables	3,275	2,381	3,260	2,346
Finance lease	20	7	20	7
Income tax payable	737	-	737	-
	<u>7,209</u>	<u>6,021</u>	<u>7,468</u>	<u>6,246</u>
Liabilities directly associated with assets classified as held for sale and/or for distribution	-	2	-	-
Total current liabilities	<u>7,209</u>	<u>6,023</u>	<u>7,468</u>	<u>6,246</u>
Non-current liabilities				
Bank loan	537	996	537	996
Finance lease	22	-	22	-
Deferred tax liabilities	151	151	151	151
Total non-current liabilities	<u>710</u>	<u>1,147</u>	<u>710</u>	<u>1,147</u>
Total liabilities	<u>7,919</u>	<u>7,170</u>	<u>8,178</u>	<u>7,393</u>
Capital and reserves				
Share capital	31,732	31,732	31,732	31,732
Treasury shares	(865)	(933)	(865)	(933)
Reserves	13,195	12,991	12,856	12,666
Total equity	<u>44,062</u>	<u>43,790</u>	<u>43,723</u>	<u>43,465</u>
Total liabilities and total equity	<u>51,981</u>	<u>50,960</u>	<u>51,901</u>	<u>50,858</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 2016 (*)		30 June 2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
632	-	619	-

Amount repayable after one year

31 March 2016 (*)		30 June 2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
559	-	996	-

(*) Unaudited

Details of any collateral

The building and leasehold improvements with a carrying amount of \$10,623,000 (30 June 2015: \$10,680,000) are mortgaged as security for a bank loan and credit facilities.

Certain plant and equipment with a carrying amount of \$92,000 (30 June 2015: \$6,000) 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 2016

	31-Mar-16 3Q 2016 \$'000	31-Mar-15 3Q 2015 \$'000	31-Mar-16 9M 2016 \$'000	31-Mar-15 9M 2015 \$'000
Operating activities				
Profit/(Loss) before income tax				
Continuing operations	1,619	1,297	5,951	3,168
Discontinued operations	-	637	(153)	3,116
Adjustments for:				
Loss on disposal of subsidiary	-	-	161	-
Depreciation of property, plant and equipment	233	349	780	1,112
Reversal of allowance for doubtful debts	-	(15)	-	(270)
Reversal of allowance for inventories obsolescence	-	(47)	-	(2,151)
Gain on disposal of property, plant and equipment	-	(1)	(2)	(2)
Interest expenses	8	8	23	31
Interest income	(111)	(66)	(282)	(159)
Operating cash flows before movements in working capital	1,749	2,162	6,478	4,845
Trade receivables	(908)	959	(287)	(977)
Other receivables and prepayments	(153)	36	341	(852)
Inventories	(454)	(568)	(463)	2,095
Trade payables	(203)	(323)	(458)	(601)
Other payables	93	(51)	(478)	(861)
Cash generated from operations	124	2,215	5,133	3,649
Income tax paid	(103)	13	(207)	8
Interest paid	(8)	(8)	(23)	(31)
Interest received	111	66	282	159
Net cash generated from operating activities	124	2,286	5,185	3,785
Investing activities				
Additions to property, plant and equipment	(252)	(128)	(272)	(745)
Proceeds from maturity of held-to-maturity investments	-	-	-	2,022
Proceeds from disposal of property, plant and equipment	-	-	-	20
Purchase of held-to-maturity investment	(238)	-	(1,248)	-
(Placements of)/Withdrawals from fixed deposits	(1,079)	2,400	(7,528)	(14,020)
Net cash (used in)/from investing activities	(1,569)	2,272	(9,048)	(12,723)
Financing activities				
Dividends paid	(2,401)	-	(3,428)	-
Reissue of treasury shares	35	-	35	-
Repayment of finance lease obligations	(4)	(11)	(22)	(32)
Repayment of bank loan	(153)	(153)	(459)	(459)
Net cash used in financing activities	(2,523)	(164)	(3,874)	(491)
Net effect of exchange rate changes in consolidating subsidiaries	174	(428)	190	(1,065)
Net (decrease)/increase in cash and cash equivalents	(3,794)	3,966	(7,547)	(10,494)
Cash and cash equivalents at beginning of financial period	8,663	6,988	12,416	21,448
Cash and cash equivalents at end of financial period (NOTE A)	4,869	10,954	4,869	10,954

NOTE A

	3Q 2016 \$'000	The Group 3Q 2015 \$'000	9M2016 \$'000	9M2015 \$'000
Cash and cash equivalents consists of:				
Cash and bank balances	4,869	8,553	4,869	8,553
Fixed and call deposits	-	2,401	-	2,401
	<u>4,869</u>	<u>10,954</u>	<u>4,869</u>	<u>10,954</u>

Cash and cash equivalents comprise cash on hand, cash at bank and demand deposits (maturity within 3 months) that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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 2016

GROUP	Attributable to owners of the Company						Non-controlling interest ⁽¹⁾	Total
	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total reserves \$'000		
Balance at 1 July 2015	31,732	(933)	(151)	17	13,125	12,991	-	43,790
Total comprehensive income for the period	-	-	169	-	1,768	1,937	-	1,937
Balance at 30 September 2015 (*)	31,732	(933)	18	17	14,893	14,928	-	45,727
Total comprehensive income for the period	-	-	7	-	1,679	1,686	-	1,686
Dividends	-	-	-	-	(3,424)	(3,424)	-	(3,424)
Balance at 31 December 2015 (*)	31,732	(933)	25	17	13,148	13,190	-	43,989
Total comprehensive income for the period	-	-	(10)	-	1,406	1,396	-	1,396
Reissue of treasury shares	-	68	-	-	-	-	-	68
Exercise of share option	-	-	-	(15)	-	(15)	-	(15)
Dividends	-	-	-	-	(1,376)	(1,376)	-	(1,376)
Balance at 31 March 2016 (*)	31,732	(865)	15	2	13,178	13,195	-	44,062
Balance at 1 July 2014	31,732	(933)	116	17	7,602	7,735	330	38,864
Total comprehensive income for the period	-	-	(262)	-	1,710	1,448	-	1,448
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	6	6
Balance at 30 September 2014 (*)	31,732	(933)	(146)	17	9,312	9,183	336	40,318
Total comprehensive income for the period	-	-	(401)	-	2,634	2,233	-	2,233
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	14	14
Balance at 31 December 2014 (*)	31,732	(933)	(547)	17	11,946	11,416	350	42,565
Total comprehensive income for the period	-	-	(441)	-	1,947	1,506	-	1,506
Non-controlling interests relating to outstanding share-based payment transactions of a subsidiary	-	-	-	-	-	-	12	12
Dividends	-	-	-	-	(1,027)	(1,027)	-	(1,027)
Balance at 31 March 2015 (*)	31,732	(933)	(988)	17	12,866	11,895	362	43,056

(*) Unaudited

(1) Representing share option reserve of a subsidiary

COMPANY	Share capital \$'000	Treasury shares \$'000	Share option reserves \$'000	Retained earnings \$'000	Total reserves \$'000	Total \$'000
Balance at 1 July 2015	31,732	(933)	17	12,649	12,666	43,465
Total comprehensive income for the period	-	-	-	1,900	1,900	1,900
Balance at 30 September 2015 (*)	31,732	(933)	17	14,549	14,566	45,365
Total comprehensive income for the period	-	-	-	1,700	1,700	1,700
Dividends	-	-	-	(3,424)	(3,424)	(3,424)
Balance at 31 December 2015 (*)	31,732	(933)	17	12,825	12,842	43,641
Total comprehensive income for the period	-	-	-	1,405	1,405	1,405
Reissue of treasury shares	-	68	-	-	-	68
Exercise of share option	-	-	(15)	-	(15)	(15)
Dividends	-	-	-	(1,376)	(1,376)	(1,376)
Balance at 31 March 2016 (*)	31,732	(865)	2	12,854	12,856	43,723
Balance at 1 July 2014	31,732	(933)	17	8,356	8,373	39,172
Total comprehensive income for the period	-	-	-	825	825	825
Balance at 30 September 2014 (*)	31,732	(933)	17	9,181	9,198	39,997
Total comprehensive income for the period	-	-	-	2,004	2,004	2,004
Balance at 31 December 2014 (*)	31,732	(933)	17	11,185	11,202	42,001
Total comprehensive income for the period	-	-	-	1,702	1,702	1,702
Dividends	-	-	-	(1,027)	(1,027)	(1,027)
Balance at 31 March 2015 (*)	31,732	(933)	17	11,860	11,877	42,676

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.

As announced on 23 November 2015, following the completion of share consolidation, the issued share capital of the Company comprises 171,211,041 Shares (excluding 3,989,000 treasury shares on a post-consolidation basis).

On 26 January 2016, as 290,000 treasury shares (on a post-consolidated basis) were transferred in fulfillment of the exercise of employee share options under the Avi-Tech Employee Share Option Scheme ("ESOS"), no new shares were issued pursuant to the said exercise.

Save for the foregoing, there was no change in the Company's share capital during the three months ended 31 March 2016.

As at 31 March 2016, there are 3,699,000 treasury shares (on a post-consolidated basis) after the transfer described above in fulfillment of the Company's ESOS.

As at 31 March 2016, there are 45,000 unissued shares (on a post-consolidated basis) comprised in options granted on 3 July 2012 and 16 November 2012 pursuant to the Avi-Tech Employee Share Option Scheme (30 June 2015: 670,000 on a pre-consolidated basis). These options were granted with an exercise price set at a discount to the then market price and are exercisable after the second anniversary from the date of the grant.

	As at 31 March 2016	As at 31 March 2015
Number of shares that may be issued on conversion of all the outstanding convertibles	45,000	670,000
Treasury Shares	3,699,000	7,978,000
Total number of issued shares excluding treasury shares	171,501,041	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 (on a pre-consolidated basis) 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 2016	171,501,041
Balance as at 30 June 2015	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 announced on 26 January 2016, 290,000 treasury shares were transferred in fulfillment of the exercise of employee share options under the Avi-Tech ESOS. As at 31 March 2016, there are 3,699,000 treasury shares after such transfer.

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 2015, 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 share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Group	Period ended 31 December			
Earnings per ordinary share (cents) ("EPS")	3Q 2016	3Q 2015 *	9M 2016	9M 2015 *
For continuing and discontinued operations				
Basic	0.82	1.14	2.83	3.67
Diluted	0.82	1.13	2.83	3.67
For continuing operations				
Basic	0.82	0.77	2.92	1.86
Diluted	0.82	0.76	2.92	1.85
Weighted average number of ordinary shares in issue for basic EPS	171,501,041	171,211,041	171,501,041	171,211,041
Weighted average number of ordinary shares in issue for diluted EPS	171,546,041	171,546,041	171,546,041	171,546,041

* Adjusted to reflect the share consolidation of every two existing ordinary shares into one ordinary share effected on 23 November 2015.

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-Mar-2016	30-Jun-2015 *	31-Mar-2016	30-Jun-2015 *
Net assets value per ordinary share (cents):	25.69	25.58	25.49	25.39
Number of ordinary shares at period/year end	171,501,041	171,211,041	171,501,041	171,211,041

* Adjusted to reflect the share consolidation of every two existing ordinary shares into one ordinary share effected on 23 November 2015.

As of the balance sheet date, the numbers 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 2016 ("3Q 2016") vs. Third Quarter ended 31 March 2015 ("3Q 2015") and Nine Months ended 31 March 2016 ("9M 2016") vs. Nine Months ended 31 March 2015 ("9M 2015").**

STATEMENT OF COMPREHENSIVE INCOME

Revenue from continuing operations

9M 2016 vs. 9M 2015

In 9M 2016, the Group reported a revenue of \$24.7 million, an increase of \$4.5 million or 22.2% as compared to 9M 2015 of \$20.2 million. The Burn-In Services and the Engineering Services business segments reported higher revenue of \$6.7 million and \$8.5 million respectively in 9M 2016, as compared to \$4.5 million and \$5.2 million respectively in 9M 2015. The Burn-In Boards and Board Manufacturing business segment continues to contribute steadily to the Group's revenue, with a slight decrease in revenue from \$10.5 million in 9M 2015 to \$9.5 million in 9M 2016. Overall, the Group registered improved performance in terms of revenue for 9M 2016 when compared with 9M 2015.

3Q 2016 vs. 3Q 2015

In 3Q 2016, the Group reported a revenue of \$8.8 million, an increase of \$2.7 million or 45.1% as compared to 3Q 2015 of \$6.1 million. The revenue was mainly contributed by the Burn-In Boards and Board Manufacturing business segment, which registered higher revenue of \$4.0 million in 3Q 2016 as compared to \$2.8 million in 3Q 2015. The Burn-In Services and the Engineering Services business segments also reported higher revenue of \$2.0 million and \$2.8 million respectively in 3Q 2016, as compared to \$1.8 million and \$1.5 million respectively in 3Q 2015.

Gross profit from continuing operations

9M 2016 vs. 9M 2015/3Q 2016 vs. 3Q 2015

The Group reported a gross profit of \$8.2 million for 9M 2016, an increase of \$3.5 million or 73.8% as compared to \$4.7 million for 9M 2015. Gross profit margin over that period had also increased from 23.4% in 9M 2015 to 33.3% in 9M 2016.

The Group reported a gross profit of \$2.8 million for 3Q 2016, an increase of \$0.9 million or 50.1% as compared to \$1.9 million for 3Q 2015. Gross profit margin over that period had also increased from 31.0% in 3Q 2015 to 32.1% in 3Q 2016.

The increase in the gross profit margin for the two comparative periods was primarily due to the higher revenue reported by the Group in addition to the ongoing cost control measures and the enhancement in productivity across all business segments.

Profit for the period

9M 2016 vs. 9M 2015/3Q 2016 vs. 3Q 2015

The Group reported a profit of \$4.9 million for 9M 2016 as compared to \$6.3 million for 9M 2015 aided with a profit of \$1.4 million for 3Q 2016 as compared to \$1.9 million for 3Q 2015.

The decrease in profit for the comparative periods was a result of no further gains being registered in the discontinued operations of the US subsidiaries, and foreign exchange rates contributing to higher administration expenses. Nonetheless, the profit from continuing operations had increased in the comparative periods due to the higher revenue and improved gross profit margins across the business segments. Overall, the Group registered a positive profit for the comparative periods.

DISCONTINUED OPERATIONS

The voluntary liquidation of the two subsidiaries, Aplegen, Inc. and Verde Designs, Inc., in United States of America had been completed in 4Q2015 and 2Q2016 respectively. The impact of liquidation of the subsidiaries is recorded under discontinued operations in the statement of comprehensive income.

The results of the discontinued operations in the Imaging Equipment and Energy Efficient Products business segment are as follows:

	9M 2016 \$'000 Unaudited	9M 2015 \$'000 Unaudited
Revenue	-	1,365
Total income	8	1,751
Loss on disposal	* (161)	-
(Loss)/Profit before income tax	(153)	3,116
Income tax expense	-	(1)
(Loss)/Profit for the period	(153)	3,115

* The impact of liquidation of the subsidiaries is as follows:

	\$'000 Unaudited
Loss on disposal:	
Consideration receivable	38
Net assets derecognised	(36)
Cumulative exchange differences in respect of net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(163)
Loss on disposal	(161)

STATEMENT OF FINANCIAL POSITION

Total Group's assets increased by \$1.0 million or 2.0% from \$51.0 million as at 30 June 2015 to \$52.0 million as at 31 March 2016. The increase was primarily due to the increase in held-to-maturity financial assets of \$1.2 million.

Total Group's liabilities increased by \$0.7 million or 10.4% from \$7.2 million as at 30 June 2015 to \$7.9 million as at 31 March 2016. The increase was primarily due to the increase in income tax payables of \$0.7 million and the dividend payable of \$1.4 million. The overall increase was offset by the decrease in trade payables as well as repayment of bank loan.

The Group had a positive working capital of \$31.3 million as at 31 March 2016 as compared with \$32.3 million as at 30 June 2015.

STATEMENT OF CASH FLOW

The Group generated net cash from operating activities of \$5.2 million for the nine months ended 31 March 2016. This was primarily due to the higher profit generated from the continuing operations, as compared to the prior period.

Net cash used in investing activities was \$9.0 million, which was mainly due to the purchase of held-to-maturity investments and fixed deposits placed with financial institutions with over three month tenures upon maturity. Net cash used in financing activities was \$3.9 million, primarily due to dividend payout and repayment of bank loan.

There was a decrease in cash and cash equivalents of \$7.5 million for the nine months ended 31 March 2016.

The Group closed the period with cash of \$4.9 million and with bank borrowings of \$1.1 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 2015. The Group's results for the third quarter ended 31 March 2016 were generally in line with the commentary set out in paragraph 10 of the Group's previous results announcement in respect of the period ended 31 December 2015.

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 registered a profit of \$4.9 million for the nine months ended 31 March 2016. This seventh consecutive positive quarterly performance was driven by the continuing operations which generated higher revenue and gross profit margin.

The Group remains committed to optimizing its core competencies, enhancing productivity and exercising financial prudence across all the business segments. The Group will also continue to pursue its strategy of seeking new areas of growth to enhance shareholder returns.

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/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the current financial period reported on.

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 2016, 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 2016 (S\$ million)	Balance as at 31 March 2016 (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 2016 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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
12 May 2016