

**AVI-TECH ELECTRONICS LIMITED**  
Company Registration No. 198105976H  
(the "**Company**")

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**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL**

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With effect from 3 September 2014, the Company has been placed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Watch-List, pursuant to Rule 1311 of the SGX-ST Mainboard Listing Rules.

In accordance with Rule 1313(2), the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the "**Group**").

**1. Update on Financial Position and Outlook**

The Group registered a 45.1% growth in revenue to \$8.8 million for the third quarter ended 31 March 2016 ("**3Q 2016**"), as compared to \$6.1 million in the previous corresponding period ("**3Q 2015**"). 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.

The Group recorded a net profit attributable to shareholders of \$1.4 million in 3Q 2016, as compared to \$1.9 million in 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.

For 3Q 2016, the Group reported net cash and cash equivalents of \$4.9 million, as compared to \$11.0 million in 3Q 2015. The decrease in cash and cash equivalents was mainly due to the purchase of held-to-maturity investments, fixed deposits placed with financial institutions with over three month tenures upon maturity as well as dividend payout.

As at 31 March 2016, the Group reported a positive working capital position of \$31.3 million, as compared to \$32.3 million as at 30 June 2015. The Group maintains a healthy cash flow to meet its obligations and remains hopeful of continued positive performance based on the performance shown by all the business segments.

## **2. Material Development and Future Direction**

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.

The Company will endeavour to meet the requirements of Rule 1314 of the SGX-ST Listing Manual.

**BY ORDER OF THE BOARD**

**Lim Eng Hong**  
**Chief Executive Officer**  
**Director**

**12 May 2016**