

**AVI-TECH ELECTRONICS LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration No. 198105976H  
(the "**Company**")

---

**APPLICATION FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS UNDER RULE 1314 OF THE LISTING MANUAL (THE "LISTING MANUAL") OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") FOR REMOVAL FROM THE SGX-ST WATCH-LIST (THE "WATCH-LIST")**

---

The Board of Directors refer to the Company's announcement dated 2 September 2014 informing that the Company would be placed on the Watch-List with effect from 3 September 2014 and that the Company would have to fulfill the requirements under the applicable rules of the Listing Manual for its removal from the Watch-List within 24 months from 3 September 2014 (the "**Cure Period**").

One of the criteria supporting an application for removal from the Watch-List requires the Company to, *inter alia*, satisfy certain conditions in its most recently completed financial year. However, the Company's most recently completed financial year ended on 30 June 2016 ("**FY2016**") and although the Company is currently working expeditiously with its auditors to prepare the full year consolidated audited accounts for FY2016, it is anticipated that this may not be finalised before expiry of the Cure Period.

The Board therefore wishes to update shareholders that the Company has on 15 July 2016 submitted an application to the SGX-ST for an extension of a further 12 months to the Cure Period to apply for its removal from the Watch-List.

The Board also wishes to update shareholders of the Company that based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2015 (the "**FY2015 Results**") and the unaudited consolidated financial statements for the third quarter and nine months ended 31 March 2016 (the "**3Q2016 Results**") as announced in the Company's announcements dated 12 October 2015 and 12 May 2016 respectively:

- (i) the Company had reported seven consecutive quarters of net profits with profit before income tax totalling to S\$9.81 million (S\$3.86 million for the financial year ended 30 June 2015 ("**FY2015**") and S\$5.95 million for the nine months ended 31 March 2016);
- (ii) the Company had cash and fixed deposits of S\$27.65 million and bank borrowings of S\$1.14 million as reported in the 3Q2016 Results; and
- (iii) since the second quarter of FY2015, the Company had paid S\$4.45 million in dividends in FY2015 and declared an interim dividend of S\$1.37 million in the second quarter of FY2016.

Barring any unforeseen circumstances, subject to finalisation of the full year audited consolidated accounts for FY2016 and meeting the relevant requirements as specified in the Listing Manual, the Company intends to apply for removal from the Watch-List as soon as practicable.

The Company will update shareholders on the outcome of the application in due course.

**The Company would like to remind all shareholders that there is no assurance that the SGX-ST will grant the abovementioned extension. As such, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.**

**BY ORDER OF THE BOARD**

**Lim Eng Hong**

**Chief Executive Officer**

**Director**

**15 July 2016**