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## **Avi-Tech ends FY2017 with a robust fourth quarter performance underpinned by sustained growth in automotive semiconductor and cloud networking**

- **4Q2017 net profit increased by 62.0% to S\$2.2 million and 4Q2017 revenue increased by 29.2% to S\$12.0 million; FY2017 net profit and revenue came in at S\$7.0 million and S\$40.0 million respectively**
- **Generated strong positive cash flow with solid cash position of S\$31.8 million\***
- **Proposed final dividend of 1.0 cent per share and a special dividend of 0.8 cent per share as reward to shareholders**

**SINGAPORE, 16 AUGUST 2017** – Avi-Tech Electronics Limited (“Avi-Tech” or “the Group”), a total solutions provider for burn-in services, burn-in board manufacturing and PCBA services, and engineering services for the semiconductor, electronics and life sciences industries, registered a strong revenue and profit growth for the fourth quarter (“4Q2017”) and financial year (“FY2017”) ended 30 June 2017, as compared to the same period last year.

<b>S\$ Million</b>	<b>4Q2017</b>	<b>4Q2016</b>	<b>Change (%)</b>	<b>FY2017</b>	<b>FY2016</b>	<b>Change (%)</b>
<b>Revenue</b>	12.0	9.3	29.2	40.0	33.9	17.8
<b>Gross Profit</b>	3.3	2.8	19.6	11.8	11.0	7.7
<b>GP Margin (%)</b>	27.4	29.6		29.5	32.3	
<b>PBT</b>	2.1	1.9	11.3	8.0	7.9	2.1
<b>Net Profit</b>	2.2	1.4	62.0	7.0	6.2	13.0
<b>Diluted EPS (cents)</b>	1.30	0.80		4.11	3.63	

\* Include cash and bank balances, fixed and call deposits and held-to-maturity financial investments

## **Profitability Driven by Revenue Growth and Sound Financial Measures; Maintained Strong Cash Position and Balance Sheet**

Avi-Tech posted a solid 29.2% increase in 4Q2017 revenue of S\$12.0 million from S\$9.3 million in 4Q2016. Over the full year period, Group revenue strengthened by 17.8% to S\$40.0 million from S\$33.9 million with higher contribution from the Burn-In Board Manufacturing and PCBA Services business segment and consistent revenue contribution from Burn-In Services and Engineering Services.

Profitability wise, 4Q2017 net profit increased by 62.0% to S\$2.2 million, an increase from S\$1.4 million registered for the same period last year. This aided the 13.0% increase in full-year net profit to S\$7.0 million as compared to S\$6.2 million for FY2016, on the back of higher revenues, and the improved performance was also enhanced by the successful planning and on-going cost control measures. Full year gross profit margin remained fairly constant at around 30%.

The Group generated positive cash flow performance in every quarter and completed the year with a strong cash position. The Group's strong performance was similarly reflected in its balance sheet. The Group closed the period with a cash position of S\$31.8 million\*, and the Group's net asset value per share was 28.62 cents as at 30 June 2017. The Group's working capital stands at S\$28.6 million as at 30 June 2017.

## **Board Proposes Final Dividend and Special Dividend**

Due to the Group's profitability and sound financial position, the Board is proposing a final dividend of 1.0 cents per share and a special dividend of 0.8 cents per share for FY2017, subject to shareholders' approval at the upcoming annual general meeting. The proposed final dividend and special dividend will be paid on 29 November 2017. The proposed final dividend and special dividend is on top of the interim dividend of 1.0 cent per share paid out in May this year.

## **CEO Commentary**

**Mr Lim Eng Hong, CEO of Avi-Tech Electronics Limited said, "We have delivered yet another strong quarter, bringing FY2017 to a successful close. Our share price has risen by more than 100% from the previous year, which is a confirmation of our profitability and a reflection of confidence by the shareholders and the investment community."**

**"Despite the overall weak economy, the semiconductor sector has experienced a resurgence, driven by the strong demand in the automotive, cloud networking, data storage and healthcare applications. As an established burn-in solutions provider for fail-safe semiconductor devices, Avi-Tech has benefited, and will continue to leverage on this uptrend for growth."**

**"We are grateful to our shareholders for their continued support. Avi-Tech remains committed to enhancing shareholder value. We will continue to stay focused on our core competencies and deepen our capabilities. At the same time, we will explore profitable businesses which present a synergistic fit with our current service offerings, as well as any projects or accretive merger and acquisition opportunities."**

>ends

*This press release is to be read in conjunction with Avi-Tech's results announcement posted on the SGXNET on 16 August 2017.*

## **About Avi-Tech Electronics Limited (Co. Reg. No. 198105976H)**

Incorporated in Singapore in 1981 and listed on the Main Board of the Singapore Exchange Securities Trading Limited in 2007, Avi-Tech Electronics Limited is a total solutions provider for burn-in and engineering services for the semiconductor, electronics and life sciences industries.

Our core business segments include Burn-in Services, Burn-in Board Manufacturing and PCBA Services, and Engineering Services. Our clientele are global leaders in semiconductor automotive, networking, and industrial products.

Headquartered in Singapore, Avi-Tech's production facility is equipped with advanced burn-in systems, many of which are designed and fabricated in-house. Our market presence has expanded beyond Singapore to Malaysia, Thailand, the Philippines, Taiwan, China, Japan, the United States and Europe.

Business excellence and quality assurance are of utmost importance in our business. We are proud to be one of only a few local SMEs to be conferred the prestigious Singapore Quality Award by the SQA Governing Council in 2008. We also garnered the Singapore Quality Class award by SPRING Singapore in 1998 (with award renewals in 2001, 2003 and 2005) and won the Enterprise 50 award (Ranking: 1st) by the Singapore Economic Development Board in 1999. In addition, we have achieved ISO 9001, ISO 14001 and ISO 13485 and EICC certifications. For more information, please visit our website [www.avi-tech.com.sg](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 current view of management on future events.

### **Issued for and on behalf of Avi-Tech Electronics Limited**

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