



AVI-TECH HOLDINGS LIMITED

19A Serangoon North Avenue 5 Singapore 554859

Tel: (65) 6482 6168 Fax: (65) 6482 6123

Website: www.avi-tech.com.sg

Avi-Tech Records 70.8% Profit Improvement for Half Year 2022

- *Revenue increased by 22.6% due to better performance from Manufacturing and Printed Circuit Board Assembly and Engineering Services business segments*
- *Declared interim dividend of 0.75 cents per share, representing 65% of payout*
- *Successful completion of corporate restructuring to ring-fence assets and strengthen capital structure efficiencies for future growth and expansion*

SINGAPORE, 10 February 2022 – SGX Mainboard-listed Avi-Tech Holdings Limited (SGX stock code: 1R6), today announced its financial results for the half-year (“1H2022”) ended 31 December 2021.

Following the successful completion of its corporate restructuring exercise in December 2021, Avi-Tech Holdings Limited (“Avi-Tech” or the “Group”) has replaced its wholly owned subsidiary, Avi-Tech Electronics Limited (which has been renamed as Avi-Tech Electronics Pte. Ltd.), a total solutions provider for semiconductor burn-in, manufacturing and printed circuit board assembly (“PCBA”) and engineering services as the listed entity. The corporate restructuring is a risk management exercise which gives the Group more options with respect to corporate structure as the Group seeks opportunities to grow and enhance shareholders value.

Mr Lim Eng Hong, Chief Executive Officer of Avi-Tech stated: “We would like to thank our shareholders for their support on our corporate restructuring exercise. Results wise, we recorded a significant improvement in 1H2022 with a 22.6% increase in revenue and a 70.8% growth in net profit, with higher contributions from our Manufacturing and PCBA Services business segment, as well as our Engineering Services business segment. Stringent cost management, enhanced productivity and improved operational systems also contributed to our encouraging performance. In keeping with our focus on delivering shareholders returns, we are pleased to declare an interim dividend of 0.75 cents per share.”

RESULTS HIGHLIGHTS

S\$ Million	1H2022	1H2021	Change (%)
Revenue	15.5	12.6	+22.6
Gross Profit	4.3	3.2	+34.5
GP Margin (%)	27.8	25.3	+2.5ppt
PBT	2.4	1.4	+69.4
Net Profit	2.0	1.2	+70.8
Basic & Diluted EPS (cents)	1.15	0.68	
Net assets value per ordinary share (cents)	30.14	29.99	

Group revenue improved by 22.6% to S\$15.5 million from S\$12.6 million in 1H2021. In line with the higher revenue and a reduction in unit cost of production from effective cost controls and improved productivity, gross profit increased by 34.5% to S\$4.3 million from S\$3.2 million in 1H2021. Gross profit margin, likewise, improved by 2.5 percentage points to 27.8% from 25.3%. The Group consequently recorded a substantial net profit increase of 70.8% to S\$2.0 million from S\$1.2 million in 1H2021.

In terms of the performance of each business segment, the Manufacturing and PCBA Services business segment remained the largest contributor to the Group's revenue, registering an increased revenue of S\$8.7 million compared to S\$7.8 million in 1H2021. The revenue from the Engineering Services business segment increased by more than twofold to S\$3.5 million from S\$1.4 million in 1H2021. The Burn-In Services business segment recorded a slightly lower revenue of S\$3.3 million compared to S\$3.4 million in 1H2021.

The Group's balance sheet remained healthy with total assets of S\$58.6 million against total liabilities of S\$7.1 million as at 31 December 2021. The Group had positive working capital of S\$41.3 million as at 31 December 2021 compared to S\$40.7 million as at 30 June 2021. The Group generated positive operating cashflow, closing the financial period under review with a cash and fixed deposits balance of S\$35.3 million.

DECLARED INTERIM DIVIDEND OF 0.75 CENTS PER SHARE

In view of the Group's positive performance, strong balance sheet and net cash position, the Board has declared an interim dividend of 0.75 cents per ordinary share representing 65% of payout, which will be paid on 17 May 2022.

FY2022 OUTLOOK

The Group maintains a positive but cautious outlook. Although the global economy has rebounded, recovery remains precarious given the ongoing uncertainty resulting from the COVID-19 pandemic with the emergence of more contagious variants of the COVID-19 virus, accelerating inflationary risks on the

back of strong demand coupled with supply bottlenecks, volatile commodity prices and waning government fiscal supports.¹

Mr Lim stated: "The worst of the economic downturn brought about by the COVID-19 pandemic appears to be over. In Singapore, GDP is estimated to grow by 7%², with non-oil domestic exports up by 18.4% in December in 2021³. Having said that, we are mindful of the prevailing risk factors, not least among them being the uncertainty of sustained global economic recovery given the unpredictable trajectory of the pandemic, geo-political threats and climate-change induced natural disasters, all of which could lead to a derailment of recovery. In spite of these risks, there is room for optimism given the aggressive vaccine roll-out globally, easing of border restrictions resulting in improving supply chain disruption conditions and stronger business and consumer spending.

For the semiconductor industry specifically, the supply-demand imbalance is gradually coming to an equilibrium⁴. The outlook for the industry remains bright with digitalisation, IoT, vehicle electrification and autonomous driving being key drivers of semiconductor demand. Infineon, one of the leading players in automotive semiconductors, has guided continued performance improvement for its 2022 outlook⁵.

Avi-Tech will continue to expand our capabilities to take advantage of these trends while improving our cost structure, productivity and competitiveness and seeking new opportunities through M&As, collaborations and partnerships, with a view to increasing our revenue stream and contributing towards a sustained and long-term growth path."

>ends

With effect from 7 February 2020, the SGX RegCo has amended the Listing Rules to adopt a risk-based approach to quarterly reporting. Avi-Tech is not subject to the quarterly reporting requirement and will be required to report financial results for the first-half and full year.

This press release is to be read in conjunction with Avi-Tech's results announcement posted on the SGXNET on 10 February 2022.

ABOUT AVI-TECH HOLDINGS LIMITED (CO. REG. NO. 202002889W)

Listed on the Mainboard of the Singapore Exchange, Avi-Tech's business includes burn-in¹, manufacturing and PCBA and engineering services for the semiconductor, electronics, life sciences industries and other emerging industries. It also provides robotics solutions with intelligent navigation and fleet management software for use in a wide range of applications including manufacturing, logistics, healthcare, hospitality and other industries.

¹ The World Bank Global Economic Prospects, "After rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate markedly to 4.1 percent in 2022".

² Ministry of Trade and Industry, "Singapore's GDP Grew by 5.9 Per Cent in the Fourth Quarter of 2021 and by 7.2 Per Cent in 2021."

³ The Business Times, "Singapore's non-oil domestic exports up 18.4% in December, easing from November"

⁴ CNBC, "The global chip shortage will drag into 2022 – but there are two bright spots, JP Morgan says."

⁵ Infineon Technologies Q1 FY2022 Quarterly Update, "Successful start into 2022 fiscal year: revenue and operating result develop positively; outlook for full fiscal year raised."

Headquartered in Singapore with its own production facility, Avi-Tech's market presence spans Malaysia, Thailand, Vietnam, the Philippines, Taiwan, China, Japan, Europe and the United States, servicing global clients in semiconductor automotive, networking equipment, IoT and industrial products.

For more information, please visit our website 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 which are based on the current views of management on future events.

**ISSUED BY 29 COMMUNICATIONS LLP
FOR AND ON BEHALF OF AVI-TECH HOLDINGS LIMITED**

Media & Investor Relations Contact:

Lim Siew Yin, Mobile: +65 9858 4673, Email: siewyin@29communications.com.sg

Angelina Pereira, Mobile: +65 9191 4756, Email: angiep@29communications.com.sg

ⁱ Burn-In is a reliability testing process during which semiconductor components are stress-tested by subjecting them to voltages in a burn-in oven to detect failures and weed out defective components. Semiconductor components used in fail-safe products such as automotive, networking, aviation and other critical industrial applications, must undergo burn-in tests. A burn-In board is a printed circuit board which consists of sockets. The semiconductor components are loaded unto the sockets of the burn-in boards which are then inserted into the burn-in ovens for the burn-in stress test. Avi-Tech's business covers the full-range of burn-in services including the design and manufacture of burn-in boards and the various burn-in tests such as Static, Dynamic, Test During Burn-In and High-Power Burn-In.