



AVI-TECH HOLDINGS LIMITED

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Avi-Tech Reports Half-Year 2025 Results

- *Revenue declined to \$9.0 million amid significant market challenges*
- *Generated \$1.5 million in operating cash; maintained a strong \$37.0 million cash position and robust balance sheet*
- *Group to focus on overcoming challenges, optimising efficiency and exploring new growth opportunities*

SINGAPORE, 12 February 2025 – Avi-Tech Holdings Limited and its subsidiaries (“Avi-Tech” or “the Group”), which operate the core businesses of providing burn-in services, manufacturing and printed circuit board assembly (“PCBA”) services and engineering services for the semiconductor, electronics and life sciences industries, announced its financial results for the first half ended 31 December 2024 (“1H2025”).

Mr Lim Eng Hong, CEO and Executive Chairman of Avi-Tech stated: “The first half ended 31 December 2024 highlighted the deeply challenging market conditions that Avi-Tech faces. Chipmakers in the automotive sector are being severely impacted by an inventory glut, and there is sharply reduced demand, both of which have compounded pressures on the industry. Given our heavy reliance on this market segment, our performance has been significantly affected.

“All our business segments experienced headwinds. The Burn-In Services and PCBA business segments, closely linked to the automotive semiconductor market, were particularly affected. The Engineering business segment also experienced a greater decline driven by reduced and delayed customer orders. However, our China market, supported by our Suzhou office, maintains a relatively steady performance.”

RESULTS HIGHLIGHTS

\$ Million	1H2025	1H2024	Change (%)
Revenue	9.0	16.6	-45.9
Gross Profit	1.4	5.5	-74.4
GP Margin (%)	15.7	33.2	-17.5ppt
(Loss)/Profit before income tax	(0.015)	3.4	-100.4
Net (Loss)/Profit	(0.2)	2.9	-108.1
Basic & Diluted EPS (cents)	(0.14)	1.67	
	As at 31 Dec 2024	As at 30 Jun 2024	
Net asset value per ordinary share (cents)	29.2	30.1	-3.0

For 1H2025, the Group generated revenue of S\$9.0 million, representing a 45.9% decrease compared to 1H2024, attributable to weaker market conditions impacting all three business segments. As a result of the decline in revenue, the Group reported a decrease in gross profit to \$1.4 million. Despite cost management efforts, the Group incurred a net loss of \$0.2 million, underscoring the extremely challenging market conditions.

The Group's balance sheet remains robust, with total assets of \$57.5 million, total liabilities of \$7.5 million, and positive working capital of \$40.4 million. Net cash generated from operations totalled \$1.5 million, with a cash balance of \$37.1 million as at 31 December 2024, ensuring the Group's ability to weather ongoing challenges.

DIVIDEND

Following a comprehensive review of the Group's performance and business operations and considering the challenging business outlook, the Board has, out of prudence, decided not to recommend an interim dividend for 1H2025 to ensure that resources are conserved for the Group's working capital needs.

OUTLOOK

The Group continues to face macroeconomic challenges, including global trade uncertainties, inflationary pressures, and weakness in the automotive sector. While the near-term business environment remains muted, the Group is focusing on operational efficiency, resource optimization, and identifying opportunities to drive recovery and growth.

Mr Lim added:

“The semiconductor industry is inherently cyclical, with the current downturn in automotive and industrial semiconductors further intensified by subdued demand and inventory build-ups. While

demand for chips driving artificial intelligence remains robust, other sectors face significant challenges¹. In the automotive sector, for instance, the increased chip content in electric and autonomous vehicles has been overshadowed by weaker car sales, offsetting potential gains.”

“With the broader industry sentiment cautious² and demand visibility limited, we are focusing on strengthening our operations. Our strategy focuses on process optimization, technology investments, and exploring growth opportunities in sectors like advanced testing, renewable energy, IoT, and medical device testing to drive long-term diversification and sustainability.

“With \$37 million in cash and minimal borrowings, Avi-Tech remains financially sound and well-positioned to navigate the cyclical challenges, just as we have successfully done over the past 40 years.”

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This press release is to be read in conjunction with Avi-Tech’s results announcement posted on the SGXNET on 12 February 2025.

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

Avi-Tech Electronics Limited (which has been renamed as Avi-Tech Electronics Pte. Ltd.) was incorporated in Singapore in 1981 and listed on the Main Board of the Singapore Exchange Securities Trading Limited in 2007. The Group’s corporate history therefore spans more than 40 years. Following the successful completion of its corporate restructuring exercise in December 2021, Avi-Tech Holdings Limited has replaced its wholly-owned subsidiary, Avi-Tech Electronics Pte. Ltd. as the listed entity.

Starting as a provider of Burn-In solutions, we have since expanded our capabilities to include manufacturing and PCBA services and Engineering services. Today, we are one of the leading total solutions providers for burn-inⁱ, manufacturing and PCBA and engineering services for the semiconductor, electronics, life sciences industries and other emerging industries.

Headquartered in Singapore, our 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, Vietnam, the Philippines, Taiwan, China, Japan, Europe and the United States.

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

¹ Electric vehicle sales have stumbled. What went wrong?, *The Business Times*, 19 January 2025
<https://www.businesstimes.com.sg/international/global/electric-vehicle-sales-have-stumbled-what-went-wrong>

Why Global Chip Demand is Slumping Amid Inventory Excess, *Technology Magazine*, 2 October 2024 <https://technologymagazine.com/articles/why-global-chip-demand-is-slumping-amid-inventory-excess>

² ON Semiconductor Q3: Remain Soft in Automotive and Industrial, *Seeking Alpha*, 2 December 2024
<https://technologymagazine.com/articles/why-global-chip-demand-is-slumping-amid-inventory-excess>

Infineon sees 'subdued' 2025 due to weak demand, *Reuters*, 12 November 2024
<https://www.reuters.com/technology/infineon-sees-subdued-2025-after-q4-revenue-line-with-expectations-2024-11-12/>

Governing Council in 2008. We also received 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 and ISO 14001.

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 view of management on future events.

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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 onto 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.