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FOR IMMEDIATE RELEASE

Avi-Tech Registers 30% increase in 4Q10 revenue of \$8.6 million

- FY10 revenue of \$29.6 million and net profit of \$4.0 million
- Strong cash balance of \$41.3 million
- 24% and 107% improvement in revenue from Burn-In Services and Burn-In Boards and Board Manufacturing business segments respectively
- Healthy 4Q order book for engineering and repair services
- Proposed final dividend of 0.25 cent per share and special dividend of 1.0 cent per share for FY10

SINGAPORE – Thursday, 26 August 2010 – Mainboard-listed Avi-Tech Electronics Limited ('Avi-Tech'), one of the region's leading "one-stop" total Burn-In solutions providers to the semiconductor industry, today announced its unaudited financial results for the fourth quarter ("4Q10") and full-year ("FY10") ended 30 June 2010.

Group Financial Snapshot

In S\$'M	4Q10	4Q09	+/- %	FY10	FY09	+/- %
Revenue	8.6	6.6	30.0	29.6	31.3	-5.5
Gross profit ("GP")	2.19	2.15	1.9	8.6	10.5	-17.7
Gross profit margins*	25.6%	32.7%	-7.1ppt	29.2%	33.5%	-4.3ppt
Profit before tax ("PBT")	1.2	1.3	-3.3	4.7	6.6	-27.7
PBT margins*	14.2%	17.0%	-2.8ppt	16.0%	21.0%	-5ppt
Net profit	1.0	1.1	-10.5	4.0	5.4	-27
Earnings per share (diluted) based on weighted average number of ordinary shares (in cents)	0.29	0.32	-	1.15	1.56	-
Cash balances	41.3	51.5	-	41.3	51.5	-
				As at	As at	
Total equity for the Group			-	30.6.10	30.06.09	
Net asset value per share (in cents)				65.7	64.3	-
				19.02	18.67	

Note:- "ppt" refers to Percentage Points

Results summary

- 4Q10 Group revenue grew by 30% (S\$2M) to S\$8.6M from S\$6.6M with increased revenue from Burn-In Services and Burn-In Boards and Board Manufacturing business segments. This was offset by a revenue decrease from Engineering Services which continued to face weak demand. The Group's FY10 revenue decreased by a marginal 5.5% (S\$1.7M) to S\$29.6M compared to S\$31.3M the previous year. The slow pick-up in capital expenditure by the Group's major

customers for engineering services partly offset the Group's successful penetration into the U.S. board manufacturing market.

- Higher 4Q10 revenue led to an increase in gross profit by 1.9% (S\$0.04M) to S\$2.19M from S\$2.15M in 4Q09. Gross profit margin, however, decreased from 32.7% to 25.6%. For FY10, gross profit declined 17.7% (S\$1.9M) to S\$8.6M from S\$10.5M with gross profit margin decreasing to 29.2% from 33.5% due to a change in product and services mix.
- Net profit for 4Q10 was S\$1.0M compared to S\$1.1M in 4Q09, a 10.5% (S\$0.1M) decrease. For FY10, net profit declined to S\$4.0M or 27% (S\$1.4M) from S\$5.4M in FY09 with the decrease in revenue contribution from Engineering Services.
- Administrative expenses increased by 6.5% (S\$0.3M) from S\$4.7M in FY09 to S\$5.0M in FY10 mainly due to foreign exchange losses on account of the weakening of the U.S. dollar vis-à-vis the Singapore dollar.
- On the company's balance sheet, trade receivables increased by S\$2M to S\$8.5M in FY10 in line with revenue increase from Burn-In Services and Burn-In Boards and Board Manufacturing business segments during the last quarter of FY10. Trade payables also increased by S\$2M to S\$3.6M primarily due to an increase in sales orders which necessitated increased purchases in the last quarter of FY10.
- The Group's cash position remained at a healthy S\$41.3M as at 30 June 2010, a S\$10.1M decrease from S\$51.5M as at 30 June 2009, due to net cash generated from operating activities of S\$4.4M, offset by investment in new equipment and purchase of held-to-maturity investments of S\$11.1M and dividend payment of S\$2.6M.
- The Group proposes to pay a final dividend of 0.25 cent per share and a special dividend of 1.0 cent per share for FY10, subject to approval at the Group's forthcoming Annual General Meeting.

Mr EH Lim, CEO of Avi-Tech Electronics Ltd, said, "FY10 has seen a recovery in the global semiconductor industry and demand for semiconductor chips. As a result, our Burn-In Services and Burn-In Boards and Board Manufacturing business segments turned in very respectable increases in revenue of 24% and 107% respectively. We are particularly encouraged by our successful penetration into the U.S. Board manufacturing market and our introduction of a wider range of electronic board products which led to a positive impact on revenue. Engineering Services, unfortunately, continued to be impacted by the low levels of investment into research and development and capital expenditure from our major customers. Towards the end of the year, however, we began receiving more orders and enquiries for our engineering and repair services which are likely to yield positive results in the coming months."

Global General Business Commentary

The Group is cautiously optimistic that demand for semiconductor chips will continue its recovery due to the increased demand for wireless and consumer electronics, automotive and industrial products. Capital expenditure and research and development spending will also likely improve. This is likely to benefit the Group's various business segments. The Group will continue to evaluate the business opportunities available from both existing and new customers, especially those from the chip

manufacturers. The Group expects its business environment to continue to be challenging especially in terms of volatility in foreign exchange rates and raw material prices, increase in energy prices and competition.

Going forward, the Group will continue to increase its spending on equipment and development and capital expenditure on energy efficient and renewable technology thus allowing it to benefit from the potential business opportunity arising from the growing demands for these products. The Group will also continue to maintain a cautious stance and stringently evaluate feasible investment proposals in exploring new business opportunities that are able to enhance its long-term shareholder value.

Mr Lim added, “We have chartered a clear growth path for Avi-Tech in expanding our existing range of products and services and our market reach across all our business segments. We are currently investing in new products such as renewable technology, which is a growth industry as environmental sustainability assumes greater global significance. At the same time, we are seeing the fruits of having laid the groundwork in the medical and life sciences industry which, with the improved economic outlook, is likely to pick-up as orders for new equipment and new life science technology drive demand.”

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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 current view of management on future events.

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

Incorporated in Singapore in 1981 and listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) in 2007, Avi-Tech Electronics Limited (“Avi-Tech”) is one of the region’s leading one-stop total Burn-In solutions providers to the semiconductor industry.

Burn-in and related services

- Static Burn-In, Dynamic Burn-In and Test During Burn-In (“TDBI”) for semiconductor manufacturers
- Tape and reel service for customers who need their finished products to be delivered in a reel form

Burn-in boards and boards-related products

- Design, manufacture and assembly of Burn-In Boards for different types of Burn-In Systems

Engineering services and equipment distribution

- Full turnkey system integration services (built to design) and equipment manufacturing (design and build) services including parts procurement and fabrication, assembly and verification for various industries including life sciences
- Technical services such as field service and application support for all third party equipment distributed
- Equipment distribution including equipment and related products used in the semiconductor industry, in particular, third party Burn-In and test equipment

Headquartered in Singapore, we have production facilities in Singapore and overseas. Our Singapore production facilities support the Burn-In of different semiconductor device types ranging from microprocessors, memories, micro-controllers, automotive control circuits and custom-made chips to the latest pin grid array and ball grid array.

We have established market presence in Singapore, Malaysia, Thailand, the Philippines, Taiwan, People’s Republic of China (“PRC”), Japan, United States of America (“USA”) and Europe.

In consonance with our commitment towards business excellence and Quality Assurance, we garnered the Singapore Quality Class award by SPRING Singapore in 1998, with renewals for this award in 2001, 2003 and 2005. We were also awarded the Enterprise 50 award by the Singapore Economic Development Board in 1999 (Ranking: 1st) and were conferred the prestigious

Singapore Quality Award by the SQA Governing Council supported by SPRING Singapore in 2008. In addition, we have achieved ISO 9001, ISO 14001 and ISO 13485 certifications.

For more information, please visit <http://www.avi-tech.com.sg>

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