

**AVI-TECH ELECTRONICS LIMITED**

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Avi-Tech turns in strong performance with 92% revenue increase to \$70.4 million and net profit growth of 75% to \$15.5 million

SINGAPORE – THURSDAY, 6 SEPTEMBER 2007 – 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 year ended 30 June 2007.

Financial snapshot of Group's performance

In \$'000	FY07	FY06	+/- %
Revenue	70,364	36,566	+92.4
Profit before tax (PBT)	18,759	11,105	+68.9
Profit for the year	15,471	8,833	+75.2
Earnings per share (diluted) based on weighted average number of ordinary shares on issue (\$)	4.19	2.39	-
Cash and cash equivalents	15,258	8,722	-
			-
Total equity for the Group	31,234	23,122	-
Net asset value per ordinary share (\$)	8.45	6.26	-

Results analysis

Avi-Tech achieved revenue growth of 92.4%, to \$70.4M for FY07 from \$36.6M in FY06, driven largely by the Group's Engineering Services and Equipment Distribution segment which achieved higher volume of sales to the USA. Avi-Tech's PBT increased 68.9% from \$11.1M in FY06 to \$18.8M in FY07. The strong revenue showing translated into a 75.2% increase in profit for the year from S\$8.8M in FY06 to \$15.5M in FY07. The Group's gross margin, while at a healthy 35.1%, decreased from 42.5% in FY06 due to increases in cost of materials as a result of the higher proportion of revenue contribution from the Engineering Services and Equipment Distribution segment.

The Group's cash position grew by \$6.6M, from \$8.7M in FY06 to \$15.3M in FY07 due to increase in cash generated from operations. Trade receivables increased by \$3.1M from \$11.8M to \$14.9M, in line with higher Group's revenue. Trade payables likewise increased by \$3.3M to \$6.9M due to higher cost of purchases made by the Engineering Services and Equipment Distribution segment.

Revenue contribution by business segments

In \$'000	FY07	FY06	+/- %
Business Segments			
Burn-In and Related Services	22,892	22,283	+2.7
Design and Manufacture of Burn-In Boards	6,670	5,992	+11.3
Engineering and Equipment Distribution	40,802	8,291	+392.1

Performance by business segments

Avi-Tech's Burn-In and Related Services segment posted revenue of \$22.9M, a marginal increase over its FY06 revenue of \$22.3M. Its Manufacturing segment, which carries out design and manufacture of Burn-In Boards and Boards Related products registered \$6.7M in revenue, compared with \$6M in the previous financial year. In contrast, revenue from Engineering Services and Equipment Distribution segment increased by almost 400% to \$40.8M in FY07 from \$8.3M in FY06 on the back of strong sales to the USA.

Prospects and Growth Strategies - Well-positioned to benefit from the growth prospects of the semiconductor industry

Mr E.H. Lim, Chief Executive Officer of Avi-Tech, said, "Our inaugural financial results as a listed company are encouraging. We are well-positioned to continue to benefit from an increasing demand for semiconductor devices, especially in the automotive and microprocessor sectors, and continued outsourcing trend of Burn-In services by semiconductor manufacturers. Furthermore, in the face of more complex semiconductor devices, there will be a higher demand for High Power Burn-in systems for the Burn-In and test of such complex semiconductor devices, for which we currently occupy a niche position as a service provider of such High Power Burn-In systems. We strive and aim to strengthen our market position, expand our customer base and widen our operational and technical capabilities. We have a strong order book going forward. Our recent successful initial public offer was a recognition of our investment merits, which our strong FY07 results have reinforced."

Avi-Tech was listed on the SGX Mainboard on 25 July 2007. The initial public offering of Avi-Tech was sponsored by Westcomb Capital Pte Ltd.

- The End -

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

Incorporated in Singapore in 1981, Avi-Tech Electronics Limited is one of the region's leading 'one-stop' total Burn-In solutions providers to the semi-conductor industry. Our principal business activities involve the provision of Burn-In and Related Services, Design and Manufacture of Burn-In Boards and Boards Related Products and Engineering Services and Equipment Distribution.

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

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