

**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 30 JUNE 2019**
**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) **An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group					
	3 months ended			6 months ended		
	30-Jun-19	30-Jun-18	%	30-Jun-19	30-Jun-18	%
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Continuing Operations</b>						
<b>Revenue</b>	17,956	14,142	27.0	35,321	28,206	25.2
Cost of sales	(14,423)	(11,444)	26.0	(27,685)	(21,559)	28.4
<b>Gross profit</b>	<b>3,533</b>	<b>2,698</b>	<b>30.9</b>	<b>7,636</b>	<b>6,647</b>	<b>14.9</b>
<b>Other income</b>	<b>11,653</b>	<b>946</b>	<b>NM</b>	<b>11,825</b>	<b>1,086</b>	<b>988.9</b>
<b>Other expense</b>						
Marketing and distribution	(454)	(402)	12.9	(931)	(885)	5.2
Research and development	(737)	(1,040)	(29.1)	(1,586)	(2,183)	(27.3)
Administrative expenses	2,127	(3,943)	NM	(2,418)	(7,939)	(69.5)
Foreign exchange (loss)/gain	(259)	1,293	NM	(696)	822	NM
Finance costs, net	(126)	(111)	13.5	(249)	(219)	13.7
	551	(4,203)	NM	(5,880)	(10,404)	(43.5)
Share of results of associates, net of tax	(516)	(336)	53.6	(657)	(688)	(4.5)
<b>Profit/(loss) before tax from continuing operations</b>	<b>15,221</b>	<b>(895)</b>	<b>NM</b>	<b>12,924</b>	<b>(3,359)</b>	<b>NM</b>
Income tax expense	(538)	(241)	123.2	(823)	(660)	24.7
<b>Profit/(loss) after tax from continuing operations</b>	<b>14,683</b>	<b>(1,136)</b>	<b>NM</b>	<b>12,101</b>	<b>(4,019)</b>	<b>NM</b>
<b>Discontinued Operations</b>						
Profit from discontinued operations, net of tax	-	3,922	NM	-	7,239	NM
<b>Profit for the period</b>	<b>14,683</b>	<b>2,786</b>	<b>427.0</b>	<b>12,101</b>	<b>3,220</b>	<b>275.8</b>
<b>Attributable to :</b>						
Owners of the Company						
- Continuing operations	8,989	(285)	NM	7,113	(2,285)	(411.3)
- Discontinued operations	-	3,922	NM	-	7,239	NM
	8,989	3,637	147.2	7,113	4,954	43.6
Non-controlling interests						
- Continuing operations	5,694	(851)	NM	4,988	(1,734)	NM
<b>Total</b>	<b>14,683</b>	<b>2,786</b>	<b>427.0</b>	<b>12,101</b>	<b>3,220</b>	<b>275.8</b>

NM – Not meaningful


**ASTI HOLDINGS LIMITED**

 Results for the Second Quarter and First Half Financial Period Ended 30 June 2019  
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**Statement of Comprehensive Income for the Group for the Second Quarter and First Half Year Ended 30 June 2019**

	Group			
	3 months ended		6 months ended	
	30-Jun-19 S\$'000	30-Jun-18 S\$'000	30-Jun-19 S\$'000	30-Jun-18 S\$'000
<b>Profit for the period</b>	14,683	2,786	12,101	3,220
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	(303)	(365)	(75)	(268)
Fair value changes on available-for-sale assets	-	-	-	(1)
Other comprehensive income for the period, net of tax of nil	(303)	(365)	(75)	(269)
<b>Total comprehensive income for the period</b>	<b>14,380</b>	<b>2,421</b>	<b>12,026</b>	<b>2,951</b>
<b>Attributable to :</b>				
Owners of the Company				
- Continuing operations	8,499	(640)	6,904	(2,426)
- Discontinued operations	-	3,922	-	7,239
	8,499	3,282	6,904	4,813
Non-controlling interests				
- Continuing operations	5,881	(861)	5,122	(1,862)
<b>Total comprehensive income for the period</b>	<b>14,380</b>	<b>2,421</b>	<b>12,026</b>	<b>2,951</b>

**Additional Information**
**Profit from operation is determined after (charging)/crediting:**

	Group					
	3 months ended			6 months ended		
	30-Jun-19 S\$'000	30-Jun-18 S\$'000	%	30-Jun-19 S\$'000	30-Jun-18 S\$'000	%
<b>Continued Operations</b>						
Interest income	70	65	8	139	124	12
Interest expense	(168)	(134)	25	(336)	(261)	29
Depreciation of property, plant and equipment	(1,745)	(1,475)	18	(3,858)	(2,769)	39
Depreciation of investment properties	-	(5)	NM	(13)	(9)	44
Property, plant and equipment written off	-	(4)	NM	-	(4)	NM
Gain of deemed disposal of subsidiaries	11,498	-	NM	11,498	-	NM
(Loss)/gain on disposal of property, plant and equipment	(896)	167	NM	22	167	(87)
Allowance for trade receivables	(1)	(6)	(83)	-	(3)	NM
Allowance for stock obsolescence, net	(9)	181	(105)	(9)	(75)	(88)
Impairment loss on investment securities	-	-	NM	-	(24)	NM
<b>Discontinued Operations</b>						
Interest income	-	-	NM	-	1	NM
Interest expense	-	(214)	NM	-	(386)	NM
Depreciation of property, plant and equipment	-	(83)	NM	-	(186)	NM

NM – Not meaningful


**ASTI HOLDINGS LIMITED**

 Results for the Second Quarter and First Half Financial Period Ended 30 June 2019  
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**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30-Jun-19 S\$'000	31-Dec-18 S\$'000 <sup>(1)</sup>	30-Jun-19 S\$'000	31-Dec-18 S\$'000
<b>Non-Current Assets</b>				
Intangible assets	64	6,410	-	-
Property, plant and equipment	26,428	27,312	284	244
Investment properties	290	303	-	-
Right-of-use assets	4,598	-	-	-
Subsidiaries	-	-	7,910	7,910
Associates	13,864	4,357	5,801	5,801
Other receivables	4,503	4,505	4,500	4,500
	<b>49,747</b>	<b>42,887</b>	<b>18,495</b>	<b>18,455</b>
<b>Current Assets</b>				
Inventories	3,943	3,064	-	-
Prepayment and advances	684	781	22	26
Due from subsidiaries	-	-	10,817	9,940
Due from associates	2,655	2,417	2,550	2,389
Trade receivables	13,554	13,804	-	-
Other receivables	9,933	14,720	4,585	13,587
Cash and cash equivalents	24,496	23,261	13,928	10,595
	<b>55,265</b>	<b>58,047</b>	<b>31,902</b>	<b>36,537</b>
<b>Current Liabilities</b>				
Trade payables and accruals	17,727	25,305	3,476	10,433
Other payables	6,290	10,130	351	234
Due to subsidiaries	-	-	7,083	7,146
Provisions	-	86	-	-
Lease creditors	5,452	656	-	-
Interest-bearing loans and borrowings	1,585	2,804	-	-
Tax payable	747	831	170	170
	<b>31,801</b>	<b>39,812</b>	<b>11,080</b>	<b>17,983</b>
<b>Net Current Assets</b>	<b>23,464</b>	<b>18,235</b>	<b>20,822</b>	<b>18,554</b>
<b>Non-Current Liabilities</b>				
Long term payables	2,219	2,161	-	-
Lease creditors	1,457	1,846	-	-
Deferred tax liabilities	147	108	-	-
	<b>3,823</b>	<b>4,115</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>69,388</b>	<b>57,007</b>	<b>39,317</b>	<b>37,009</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	132,617	132,617	132,617	132,617
Treasury shares	(4,772)	(4,772)	(4,772)	(4,772)
Foreign currency translation reserve	(304)	(95)	-	-
Capital reserves	(8,194)	(8,345)	(2,960)	(2,960)
Accumulated losses	(43,145)	(50,242)	(85,568)	(87,876)
	<b>76,202</b>	<b>69,163</b>	<b>39,317</b>	<b>37,009</b>
Non-controlling interests	(6,814)	(12,156)	-	-
<b>Total Equity</b>	<b>69,388</b>	<b>57,007</b>	<b>39,317</b>	<b>37,009</b>

**Notes:**
<sup>(1)</sup> Balance sheet has been restated to effect the adoption of SFRS(I) 16 *Leases*. Refer to note 4 and 5.



**1(b)(ii) Aggregate amount of Group's borrowings and debts securities.**

**Amount repayable in one year or less, or on demand**

(S\$'000)

As at 30 Jun 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
854	1,585	656	2,804

**Amount repayable after one year**

(S\$'000)

As at 30 Jun 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
1,457	-	1,846	-

**Details of any collateral**

On 30 June 2019, finance leases with an aggregate amount of \$2,311,000 (31 December 2017: \$2,502,000) are secured on certain plant and machinery of the subsidiaries.

**ASTI HOLDINGS LIMITED**Results for the Second Quarter and First Half Financial Period Ended 30 June 2019  
Unaudited Financial Statements**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	30-Jun-19	30-Jun-18
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation from Continuing Operations	12,924	(3,359)
Profit before taxation from Discontinued Operations	-	7,908
Adjustments for:		
Non cash items	(7,020)	3,212
<b>Operating cash flows before changes in working capital</b>	<b>5,904</b>	<b>7,761</b>
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Inventories	(932)	(2,720)
Receivables	11,885	(11,488)
Due from associates	(238)	(332)
Increase/(decrease) in :		
Provision	-	(78)
Payables	(8,634)	(1,081)
	<b>7,985</b>	<b>(7,938)</b>
Income tax paid	(835)	(1,131)
Interest received	139	125
Interest paid	(336)	(606)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>6,953</b>	<b>(9,550)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,909)	(1,232)
Proceeds from disposal of property, plant and equipment	22	167
Loan to associates	-	(500)
Expenditure on research and development project	(612)	(1,256)
<b>Net cash flows used in investing activities</b>	<b>(3,499)</b>	<b>(2,821)</b>
<b>Cash flow from financing activities</b>		
Repayment of lease obligations	(1,040)	(299)
Repayment of bank borrowings	(1,256)	(899)
Proceeds from loans and borrowings	-	5,593
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(2,296)</b>	<b>4,395</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,158</b>	<b>(7,976)</b>
Effect of exchange rate changes on cash and cash equivalents	77	235
<b>Cash and cash equivalents at beginning of period</b>	<b>23,261</b>	<b>29,616</b>
<b>Cash and cash equivalents at end of period</b>	<b>24,496</b>	<b>21,875</b>


**ASTI HOLDINGS LIMITED**

 Results for the Second Quarter and First Half Financial Period Ended 30 June 2019  
 Unaudited Financial Statements

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Changes in Equity**

<b>Group</b> (All figures in S\$'000)	Attributable to equity holders of the Company						<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>	
	<b>Share capital</b>	<b>Treasury shares</b>	<b>Accumulated losses</b> (Distributable)	<b>Capital reserve</b>	<b>Fair value reserve</b>	<b>Foreign currency reserve</b>				<b>Total reserves</b>
				------(Non-distributable)-----						
Balance at 1 January 2019, as previously reported	132,617	(4,772)	(50,242)	(8,345)	-	(95)	(8,440)	69,163	(12,156)	57,007
Effect of adopting SFRS(I) 16 Leases	-	-	(16)	-	-	-	-	(16)	-	(16)
Balance at 1 January 2019, as restated	132,617	(4,772)	(50,258)	(8,345)	-	(95)	(8,440)	69,147	(12,156)	56,991
Profit for the period	-	-	7,113	-	-	-	-	7,113	4,988	12,101
Foreign currency translation	-	-	-	-	-	(209)	(209)	(209)	134	(75)
Other comprehensive income net of tax of nil	-	-	-	-	-	(209)	(209)	(209)	134	(75)
<b>Total comprehensive income for the period</b>	-	-	7,113	-	-	(209)	(209)	6,904	5,122	12,026
<u>Contributions by and distributions to owners</u>										
Dilution of interests in subsidiary without change in control	-	-	-	151	-	-	151	151	220	371
<b>Total contributions by and distributions to owners</b>	-	-	-	151	-	-	151	151	220	371
<b>At 30 June 2019</b>	132,617	(4,772)	(43,145)	(8,194)	-	(304)	(8,498)	76,202	(6,814)	69,388
Balance at 1 January 2018, as previously reported	132,617	(4,772)	(59,589)	(8,091)	2	(1,598)	(9,687)	58,569	(7,953)	50,616
Effect of transition to SFRS(I)	-	-	(1,894)	-	-	1,894	1,894	-	-	-
Balance at 1 January 2018, as restated	132,617	(4,772)	(61,483)	(8,091)	2	296	(7,793)	58,569	(7,953)	50,616
Profit/(loss) for the period	-	-	4,954	-	-	-	-	4,954	(1,734)	3,220
Foreign currency translation	-	-	-	-	-	(140)	(140)	(140)	(128)	(268)
Fair value changes on available-for-sale assets	-	-	-	-	(1)	-	(1)	(1)	-	(1)
Other comprehensive income net of tax of nil	-	-	-	-	(1)	(140)	(141)	(141)	(128)	(269)
<b>Total comprehensive income for the period</b>	-	-	4,954	-	(1)	(140)	(141)	4,813	(1,862)	2,951
<b>At 30 June 2018</b>	132,617	(4,772)	(56,529)	(8,091)	1	156	(7,934)	63,382	(9,815)	53,567



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

**Consolidated Statement of Changes in Equity**

<b><u>Company</u></b> (All figures in S\$'000)	<b>Share capital</b>	<b>Treasury shares</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
At 1 January 2019	132,617	(4,772)	(2,960)	(87,876)	37,009
Profit for the period	-	-	-	2,308	2,308
<b>Total comprehensive income for the period</b>	-	-	-	2,308	2,308
<b>At 30 June 2019</b>	<b>132,617</b>	<b>(4,772)</b>	<b>(2,960)</b>	<b>(85,568)</b>	<b>39,317</b>
At 1 January 2018	132,617	(4,772)	(2,960)	(143,914)	(19,029)
Loss for the period	-	-	-	(4,684)	(4,684)
<b>Total comprehensive income for the period</b>	-	-	-	(4,684)	(4,684)
<b>At 30 June 2018</b>	<b>132,617</b>	<b>(4,772)</b>	<b>(2,960)</b>	<b>(148,598)</b>	<b>(23,713)</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Ordinary Shares (excluding Treasury Shares)**

	<u>Number of Ordinary Shares</u>	
	30-Jun-19	30-Jun-18
Balance as at 1 April and 30 June	<u>654,731,486</u>	<u>654,731,486</u>
Balance as at 1 January and 30 June	<u>654,731,486</u>	<u>654,731,486</u>

**Treasury Shares**

	<u>Number of Treasury Shares</u>	
	30-Jun-19	30-Jun-18
Balance as at 1 April and 30 June	<u>27,234,855</u>	<u>27,234,855</u>
Balance as at 1 January and 30 June	<u>27,234,855</u>	<u>27,234,855</u>

During the period ended 30 June 2019, there was no change to the issued share capital of the Company.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The number of issued shares as at 30 June 2019 is 654,731,486 (31 December 2018: 654,731,486).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed by the Company's auditors.



**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those for the financial year ended 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2019, the Group adopted SFRS(I) 16 *Leases*, a new accounting standard that became effective for annual periods beginning on or after 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets (where relevant) and interest expense on lease liabilities.

As a lessee, the Group has adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance as at 1 January 2019, with no restatement of comparative information.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	3 months ended		6 months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
<b><u>Continuing Operations</u></b>				
Earning per share (cents)				
Basic	1.37	(0.04)	1.09	(0.35)
Diluted	1.37	(0.04)	1.09	(0.35)
<b><u>Discontinued Operations</u></b>				
Earning per share (cents)				
Basic	-	0.60	-	1.11
Diluted	-	0.60	-	1.11
Weighted average number of shares				
Basic	654,731,486	654,731,486	654,731,486	654,731,486
Diluted	654,731,486	654,731,486	654,731,486	654,731,486

Earnings per share are calculated based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Net assets value per share (cents)	11.64	10.56	6.01	5.65
Based on number of shares	654,731,486	654,731,486	654,731,486	654,731,486

Net assets value per share is calculated based on the equity attributable to the equity holders of the parent excluding the non-controlling interests divided by the number of shares excluding treasury shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Consolidated Income Statement – second quarter ended 30 June 2019 (“2Q2019”) performance**

**Revenue**

	3 months ended 30-Jun-19		3 months ended 30-Jun-18		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies (“BEST”)	17,146	95.5	13,537	95.7	26.7
Distribution & Services	810	4.5	605	4.3	33.9
	<u>17,956</u>	<u>100</u>	<u>14,142</u>	<u>100</u>	<u>27.0</u>

The Group recorded revenue of \$18.0 million in the 3 months ended 30 June 2019 (“2Q2019”); an increase of \$3.8 million from \$14.1 million recorded in the previous corresponding period ended 30 June 2018 (“2Q2018”).

**Profit before tax**

The Group registered a profit before tax from continuing operation of \$15.2 million compared to a loss before tax from continuing operation of \$0.9 million.

Research and development expense has dropped by 29.1% or \$0.3 million compared to 2Q2018 due to the deconsolidation of subsidiaries during the quarter.

Depreciation expense increased by \$0.3 million in 2Q2019 compared to 2Q2018 mainly due to additional depreciation expense from newly acquired plant and machinery in the Group.

Administrative expense has dropped \$6.1 million in 2Q2019 when compared to \$3.9 million in 2Q2018. Included in 2Q2019 is a director's bonus written back.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

### Net Profit

The Group registered a net profit after tax of \$14.7 million and \$2.8 million in 2Q2019 and 2Q2018 respectively.

### Consolidated Income Statement – first half ended 30 June 2019 (“1H2019”) performance

#### Revenue

	6 months ended 30-Jun-19		6 months ended 30-Jun-18		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies (“BEST”)	33,530	94.9	27,320	96.9	22.7
Distribution & Services	1,791	5.1	886	3.1	102.1
	<u>35,321</u>	100	<u>28,206</u>	100	25.2

The Group recorded revenue of \$35.3 million for the first half ended 30 June 2019 (“1H2019”), an increase of \$7.1 million from \$28.2 million recorded in the previous corresponding period ended 30 June 2018 (“1H2018”).

#### Profit before tax

The Group registered a profit before tax from continuing operation of \$12.9 million compared to a loss before tax from continuing operation of \$3.4 million.

Other income increased by \$10.7 million in 1H2019 compared to 1H2018, mainly due to one-off gain arising from the deemed disposal of subsidiaries by the DGI Group.

Research and development expense recorded 27.3% lower compared to 1H2018. This is mainly due to the implementation of cost cutting measures and gain arising from the deemed disposal of subsidiaries by the DGI Group during the period.

Depreciation expense increased by \$1.1 million in 1H2019 compared to 1H2018 due to additional depreciation expense from newly acquired plant and machinery in the Group and depreciation expense relating to right-of-use assets.

Administrative expense decreased by \$5.5 million or 69.5% from \$7.9 million in 1H2018 to \$2.4 million in 1H2019. This was mainly due to a director's bonus written back.

Finance cost increased by about \$30,000 or 13.7% due to higher interest rates compared to 1H2018. Included in 1H2019 is also the interest expense on lease liabilities.

#### Net Profit

The Group registered a higher net profit after tax of \$12.1 million in 1H2019 as compared to net profit after tax of \$3.2 million in 1H2018. Included in 1H2018 was a profit derived from disposed discontinued operations of \$7.2 million.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

#### **Consolidation Statement of Financial Position as at 30 June 2019**

##### Non-current assets

Non-current assets comprised the increase in (i) investment in associates; (ii) additional property, plant and equipment purchased by the Group; and (iii) right-of-use assets in relation to the adoption of new accounting standard from 1 January 2019. This increase was net off against the depreciation of PPE and investment properties, translation changes for non-current assets and the development expenditure arising from deemed disposal of the EoCell Group.

This resulted in an overall increase of \$6.8 million from \$42.9 million in 31 December 2018 to \$49.7 million in 30 June 2019.

##### Current assets

Compared to 30 June 2019, current assets were lower by \$2.7 million or 4.8% decreasing from \$58.0 million (31 December 2018) to \$55.3 million (30 June 2019). This was mainly due to the utilisation of cash and cash equivalents for operational working capital.

##### Current liabilities

Current liabilities decreased by \$8.0 million or 20.1% from \$39.8 million at 31 December 2018 to \$31.8 million at 30 June 2019. Included in this period are the repayment of loans and borrowings and payables.

##### Non-current liabilities

The decrease in non-current liabilities from \$4.1 million at 31 December 2018 to \$3.8 million at 30 June 2019 was mainly due to the lease liabilities movement during the period.

#### **Consolidated Statement of Cash Flows Position as at 30 June 2019**

The Group recorded net cash generated from operating activities of \$7.0 million for its operational working capital. An amount of \$1.2 million was used for the net payments of interests and taxes.

Net cash used in investing activities amounted to \$3.5 million was mainly due to the purchase of property, plant and equipment.

The Group repaid \$1.3 million and \$1.0 million to financial institutions and lease obligations during the period.

**9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The semiconductor industry remains weak and generally the market performance is poor. The Group's profitability for this quarter is mainly due to 2 one-time events.

Our business is prone to economic uncertainties and the cyclical nature of the semiconductor industry and consumer business. Other unforeseeable factors including but not limited to foreign exchange fluctuations, intellectual property litigations, product and technology obsolescence, and inventory adjustments may also pose challenges to our business.

The China and US trade tensions continue to dampen global business sentiments. This has affected customers' demands in certain segments of the Group's business. However, we have seen some opportunities in the China and US trade tensions and the Group is taking active steps to capitalize on them.

In view of the above, we expect that our performance in the next quarter will remain challenging. Nonetheless, our management is looking for opportunities that can help us reduce the impact of the current business situation.

ASTI continues to work on the DGI exit proposal and we will keep our shareholders updated at the appropriate time.

On 20 May 2019, the proposed subscription in Eocell Limited was completed and as a result, DGI owns 40% of EoCell's Enlarged Share Capital. Following the completion, EoCell Limited has ceased to be a subsidiary of DGI.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

None

**(b) Corresponding Period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.



**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No general mandate for IPTs has been obtained from shareholders.

**14. Negative confirmation by the Board pursuant to Rule 705(5).**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of ASTI Holdings Limited which may render the unaudited financial results for the financial period ended 30 June 2019 to be false or misleading in any material aspect.

**15. Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual.**

The Company hereby confirms that it has procured undertaking from all directors and executive officers under Rule 720(1).

**By Order of the Board**

Dato' Michael Loh Soon Gnee  
Executive Chairman / Chief Executive Officer  
14 August 2019