ASTI Holdings Limited

Results For The Financial Period Ended 31 March 2014
Unaudited Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the financial period ended 31 March 2014

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

	Group		
	First Quarter Ended		
	S$'000		%
	31/3/14	31/3/13	Change
Continuing operations			
Revenue	26,791	23,942	12%
Cost of sales	(18,267)	(16,024)	14%
Gross profit	8,524	7,918	8%
Other income	223	97	130%
Marketing and distribution	(2,504)	(2,610)	(4%)
Research and development	(2,383)	(2,337)	2%
Administrative expenses	(5,955)	(5,914)	1%
Other net operating (loss)/gain	(189)	240	NM
Operating expenses	(11,031)	(10,621)	4%
Operating loss	(2,284)	(2,606)	(12%)
Finance costs, net	(196)	(194)	1%
Share of results of associates, net of tax	-	45	NM
Loss before tax from continuing operations	(2,480)	(2,755)	(10%)
Income tax expense	(385)	(300)	28%
Loss from continuing operations, net of tax	(2,865)	(3,055)	(6%)
Discontinued operations			
Loss from discontinued operations, net of tax	-	(292)	NM
Loss for the period	**(2,865)**	**(3,347)**	
Attributable to :			
Owners of the Company			
Loss from continuing operations, net of tax	(1,949)	(1,889)	3%
Loss from discontinued operations, net of tax	-	(187)	NM
Loss for the period attributable to owners of the Company	**(1,949)**	**(2,076)**	
Non-controlling interests			
Loss from continuing operations, net of tax	(916)	(1,166)	(21%)
Loss from discontinued operations, net of tax	-	(105)	NM
Loss for the period attributable to non-controlling interests	**(916)**	**(1,271)**	
	(2,865)	**(3,347)**	

NM : Not meaningful

The comparative figures for the financial period ended 31 March 2013 relating to the Disposal Group (as defined herein) have been presented as discontinued operations (See paragraphs 8).

The results for discontinued operations for the periods ended 31 March are as follows:

	Group		
	First Quarter Ended		
	S$'000		%
	31/3/14	31/3/13	Change
Revenue	-	67,014	NM
Cost of sales	-	(61,791)	NM
Gross profit	-	5,223	NM
Other income	-	77	NM
Marketing and distribution	-	(3,197)	NM
Administrative expenses	-	(1,679)	NM
Other net operating costs	-	(115)	NM
Operating expenses	-	(4,991)	NM
Operating profit	-	309	NM
Finance costs, net	-	(477)	NM
Loss before tax	-	(168)	NM
Income tax expense	-	(124)	NM
Net loss for the period	-	(292)	NM
Attributable to :			
Owners of the Company	-	(187)	NM
Non-controlling interests	-	(105)	NM
	-	(292)	NM

NM : Not meaningful

* The disposal deal of the discontinued operations was completed on 3 May 2013.

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year

	Group		
	First Quarter Ended		
	S$'000		%
	31/3/14	31/3/13	Change
Loss from continuing operations is stated after crediting/(charging):			
Interest income	32	45	(29%)
Interest on borrowings	(191)	(197)	(3%)
Depreciation of property, plant and equipment	(1,632)	(1,423)	15%
Amortisation of intangible assets	(22)	(22)	0%
Gain on disposal of property, plant and equipment	5	-	NM
Net provision for doubtful debts	-	(6)	NM
Net provision for stock obsolescence	(102)	(367)	(72%)
Impairment loss on investment securities	-	(14)	NM
Write back of impairment loss on intangible asset	-	38	NM
Foreign currency exchange (loss)/gain	(194)	247	NM

	Group		
	First Quarter Ended		
	S$'000		%
	31/3/14	31/3/13	Change
Loss from discontinued operations is stated after crediting/(charging):			
Interest income	-	9	NM
Interest on borrowings	-	(359)	NM
Depreciation of property, plant and equipment	-	(76)	NM
Net provision for doubtful debts	-	(446)	NM
Net write back for stocks obsolescence	-	351	NM
Foreign currency exchange loss	-	(115)	

1(a)(iii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	First Quarter Ended		
	S$'000		%
	31/3/14	31/3/13	Change
Loss for the period	(2,865)	(3,347)	(14%)
Other comprehensive income:-			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustment	(633)	1,609	NM
Fair value changes on available-for-sale assets	(7)	28	NM
Other comprehensive income, net of tax	(640)	1,637	NM
Total comprehensive income for the period	(3,505)	(1,710)	105%
Total comprehensive income attributable to :-			
Owners of the Company	(2,242)	(785)	186%
Non-controlling interests	(1,263)	(925)	37%
	(3,505)	(1,710)	105%
Attributable to: -			
Owners of the Company			
Total comprehensive income from continuing operations, net of tax	(2,242)	(584)	284%
Total comprehensive income from discontinued operations, net of tax	-	(201)	NM
Total comprehensive income for the loss attributable to owners of the Company	(2,242)	(785)	186%

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	S$'000		S$'000	
	31/3/14	31/12/13	31/3/14	31/12/13
Non-current Assets				
Intangible assets	15,484	15,515	-	-
Property, plant and equipment	39,812	39,873	98	112
Investments in subsidiaries	-	-	41,657	41,657
Investment securities	5,399	5,407	5,298	5,298
Deferred tax assets	278	273	-	-
Other receivables	2,325	2,314	-	-
	63,298	63,382	47,053	47,067
Current Assets				
Inventories	22,537	22,404	-	-
Other receivables and prepayments	6,758	7,356	1,943	1,958
Amounts due from subsidiaries	-	-	2,783	1,796
Trade receivables	26,935	25,690	-	-
Cash and cash equivalents	37,866	38,092	1,576	1,332
Restricted cash	-	4	-	-
	94,096	93,546	6,302	5,086
Total Assets	**157,394**	**156,928**	**53,355**	**52,153**
Equity Attributable to Owners of the Company				
Share capital	132,617	132,617	132,617	132,617
Treasury shares	(4,772)	(4,772)	(4,772)	(4,772)
Accumulated losses	(40,557)	(38,608)	(107,930)	(106,562)
Foreign currency translation reserve	(3,240)	(2,951)	-	-
Capital reserve	(7,071)	(6,598)	(2,960)	(2,960)
	76,977	79,688	16,955	18,323
Non-controlling interests	28,013	28,807	-	-
Total Equity	**104,990**	**108,495**	**16,955**	**18,323**
Non-current Liabilities				
Deferred tax liabilities	733	743	-	-
Lease creditors	906	1,083	-	-
Long term payables	969	975	-	-
Amounts due to financial institutions	995	1,015	-	-
	3,603	3,816	-	-
Current Liabilities				
Provision	516	516	-	-
Income tax payable	2,042	1,687	263	203
Amounts due to financial institutions	18,083	15,142	5,000	5,000
Payables and accruals	28,160	27,272	1,774	1,932
Amounts due to subsidiaries	-	-	29,363	26,695
	48,801	44,617	36,400	33,830
Total Liabilities	**52,404**	**48,433**	**36,400**	**33,830**
Total Equity and liabilities	**157,394**	**156,928**	**53,355**	**52,153**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

31/3/14		31/12/13	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
1,671	16,412	1,714	13,428

Amount repayable after one year

31/3/14		31/12/13	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
995	-	1,015	Nil

Details of any collateral

Bank term loans with aggregate amount of $2,666,000 (31/12/13: $2,729,000) of subsidiaries are secured on the land & buildings, and plant and machinery of the subsidiaries.

1(c) A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	31/3/14 S$'000	31/3/13 S$'000
Cashflow from operating activities		
Loss before income tax from continuing operations	(2,480)	(2,755)
Loss before income tax from discontinued operations	-	(168)
Adjustment for:-		
Non-cash items	1,540	3,272
Operating cash flows before reinvestment in working capital	(940)	349
Changes in working capital		
Receivables	(571)	215
Inventories	(152)	2,094
Payables	1,007	4,599
Provisions	-	104
Amounts due from an associate	-	(369)
Cash (used in)/generated from operations	(656)	6,992
Interest paid	(172)	(541)
Interest received	32	54
Income tax paid	(114)	(154)
Income tax refund	74	181
Cash (used in)/generated from operating activities	(836)	6,532
Cashflow from investing activities		
Proceeds from disposals of property, plant and equipment	5	-
Purchase of property, plant and equipment	(1,954)	(776)
Net cash used in investing activities	(1,949)	(776)
Cashflow from financing activities		
Proceeds from share placement by subsidiaries	-	1,890
Shares issuance expenses	-	(10)
Payment of lease creditors	(232)	(272)
Proceeds from bank borrowings	3,080	273
Repayment of bank borrowings	(73)	(14,216)
Decrease/(increase) in restricted cash	4	(2)
Net cash provided by/(used in) financing activities	2,779	(12,337)
Net decrease in cash and cash equivalents	(6)	(6,581)
Cash and cash equivalents at 1 January	37,977	51,562
Effect of exchange rate changes on cash and cash equivalents	(146)	167
Cash and cash equivalents at 31 March	37,825	45,148

Cash and cash equivalent included in the consolidated cash flow statement comprise the following balance sheet amounts:-

	S$'000	S$'000
Cash and bank balances	37,866	45,148
Bank overdraft	(41)	-
	37,825	45,148

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

Group	Attributable to Members of the Company								
	Share Capital	Treasury shares	Capital reserves	Foreign currency translation reserve	Reserve classified as held for sale	Accumulated losses	Equity attributable to owners of Company, Total	Non-controlling Interests	Equity Total
		(Non-distributable)				Distributable			
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
For The First Quarter Ended 31 Mar 2014									
Balance as at 1 Jan'14	132,617	(4,772)	(6,598)	(2,951)	-	(38,608)	**79,688**	28,807	**108,495**
Total comprehensive income for the period	-	-	(4)	(289)	-	(1,949)	**(2,242)**	(1,263)	**(3,505)**
Changes in ownership interests in subsidiaries without a change in control									
Dilution arising from share placement to non-controlling interests	-	-	(469)	-	-	-	**(469)**	469	**-**
Total changes in ownership interests in subsidiaries	-	-	(469)	-	-	-	**(469)**	469	**-**
Balance as at 31 Mar'14	132,617	(4,772)	(7,071)	(3,240)	-	(40,557)	**76,977**	28,013	**104,990**

Group	Attributable to Members of the Company								
	Share Capital	Treasury shares	Capital reserves	Foreign currency translation reserve	Reserve classified as held for sale	Accumulated losses	Equity attributable to owners of Company, Total	Non-controlling Interests	Equity Total
		(Non-distributable)				Distributable			
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
For The First Quarter Ended 31 Mar 2013									
Balance as at 1 Jan'13	132,617	(4,772)	(6,893)	(5,867)	(3,726)	(23,420)	**87,939**	23,969	**111,908**
Total comprehensive income for the period	-	-	15	1,290	(14)	(2,076)	**(785)**	(925)	**(1,710)**
Changes in ownership interests in subsidiaries without a change in									
Dilution arising from share placement to non-controlling interests	-	-	(378)	-	-	-	**(378)**	5,549	**5,171**
Total changes in ownership interests in subsidiaries	-	-	(378)	-	-	-	**(378)**	5,549	**5,171**
							-		
Balance as at 31 Mar'13	132,617	(4,772)	(7,256)	(4,577)	(3,740)	(25,496)	**86,776**	28,593	**115,369**

Company	Share Capital	Treasury shares	Capital reserves	Accumulated losses	Total
		(Non-distributable)		Distributable	
	S$'000	S$'000	S$'000	S$'000	S$'000
For The First Quarter Ended 31 Mar 2014					
Balance as at 1 Jan'14	132,617	(4,772)	(2,960)	(106,562)	18,323
Total comprehensive income for the period	-	-	-	(1,368)	(1,368)
Balance as at 31 Mar'14	132,617	(4,772)	(2,960)	(107,930)	16,955
For The First Quarter Ended 31 Mar 2013					
Balance as at 1 Jan'13	132,617	(4,772)	(2,960)	(64,947)	59,938
Total comprehensive income for the period	-	-	-	(44)	(44)
Balance as at 31 Mar'13	132,617	(4,772)	(2,960)	(64,991)	59,894

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 or cash or as consideration for acquisition or for 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 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.

No ordinary shares were issued during the period.

Convertible securities	Number of ordinary shares under options	
	as at 31/3/14	as at 31/3/13
Employees share options	-	3,249,000

See below for details relating to the number of shares held as treasury shares.

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

	Group & Company	
	31/3/14	31/12/13
Total number of issued shares	681,966,341	681,966,341
Less : Treasury shares	(27,234,855)	(27,234,855)
Total number of issued shares (excluding treasury shares)	654,731,486	654,731,486

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

Please refer to note 1(d)(ii) above.

2. Whether the figures have been audited, or reviewed and in accordance with which (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

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

Other than the adoption of the amended Financial Reporting Standards (FRS) that are effective from the current financial year, the accounting policies and methods of computation applied by the Group in the financial statements for the period ended 31 March 2014, are consistent with those of the audited financial statement as at 31 December 2013.

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

The adoption of the amended FRS is assessed to have no material impact to the financial position or financial performance of the Group.

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

	Group	
	First Quarter Ended	
	31/3/14	31/3/13
Loss per share from continuing operations:-		
a) Based on weighted average number of ordinary shares in issue	(0.30) cents	(0.29) cents
Weighted average number of shares #	654,731,486	654,731,486
b) On a fully diluted basis	(0.30) cents	(0.29) cents
Adjusted weighted average number of shares	654,731,486	654,731,486

	Group	
	First Quarter Ended	
	31/3/14	31/3/13
Loss per share (including discontinued operations):-		
a) Based on weighted average number of ordinary shares in issue	(0.30) cents	(0.32) cents
Weighted average number of shares #	654,731,486	654,731,486
b) On a fully diluted basis	(0.30) cents	(0.32) cents
Adjusted weighted average number of shares	654,731,486	654,731,486

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

	Group		Company	
	31/3/14	31/12/13	31/3/14	31/12/13
Net assets value per ordinary share	11.76 cts	12.17 cts	2.59 cts	2.80 cts
Number of ordinary shares at end of financial	654,731,486	654,731,486	654,731,486	654,731,486

The number of ordinary shares used in the computation of net assets value per share excludes those shares held as 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 reported on

Analysis of Group Performance

INCOME STATEMENT

Business Segment	1Q2014 S$'000	1Q2013 S$'000
Continuing Operations		
Backend Equipment Solutions & Technologies ("BEST")	26,070	23,737
Distribution & Services	721	205
	26,791	23,942
Discontinued Operations	-	67,014

Continuing Operations

Revenue
The continuing operations reported a 11.9% or $2.9 million increase in revenue from $23.9 million (1Q2013) to $26.8 million (1Q2014).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 9.8% or $2.4 million increase in revenue from $23.7 million (1Q2013) to $26.1 million (1Q2014). The increase in revenue was due to higher demand, as well as the contribution of sales by ASA Multiplate (M) Sdn. Bhd. which was acquired in August 2013. The Distribution & Service business posted an increment of $0.5 million from $0.2 million (1Q2013) to $0.7 million (1Q2014) due to increase in demand from customers.

Gross Profit Margin
Gross profit margin (“GPM”) of 1Q2014 was 31.8%, which was 1.3% lower than the 33.1% attained in 1Q2013.

Operating Expenses
Marketing & distribution, research & development and general administrative expenses of $10.8 million incurred in 1Q2014 were comparable to the expenses reported in 1Q2013.

Net Losses
The continuing operations reported an operating loss of $2.3 million and a net loss attributable to shareholders of $1.9 million for 1Q2014, compared to the operating loss of $2.6 million and a net loss of $1.9 million in 1Q2013.

Analysis of Group Performance (Cont'd)

BALANCE SHEET

As at 31 March 2014, total assets stood at $157.4 million comprising $63.3 million from non-current asset and $94.1 million from current assets. Total liabilities stood at $52.4 million comprising current liabilities of $48.8 million and non-current liabilities of $3.6 million. Shareholders' equity including minority interests stood at $105.0 million.

The following are highlights of the Group's balance sheet as at 31 March 2014.

Property, plant and equipment
The increase in property, plant and equipment was offset by the depreciation charges for the period.

Other receivables (non-current)
The amount of $2.3 million related to a portion of the proceeds from the disposal of the discontinued operations to be collected after 12 months from the balance sheet date.

Other receivables and prepayment
Included in the receivables was an amount of $2.3 million for a portion of the proceeds from the disposal of the discontinued operations to be collected within 12 months from the balance sheet date. Other receivables and prepayment decreased in 1Q2014 as there was a down-payment made for purchase of equipment in 4Q2013.

Trade receivables
Trade receivables' balance increased mainly due to the higher sales attained in 1Q2014.

Amounts due to financial institutions
Amounts due to financial institutions increased $2.9 million from $16.2 million (4Q2013) to $19.1 million (1Q2014), due to additional trade financing to fund the increased business activities.

Payables and accruals
Payables and accruals increased $0.9 million from $27.3 million (4Q2013) to $28.2 million (1Q2014), mainly due to the increase in trade payables of the BEST business.

CASHFLOW STATEMENT

The Group utilised $0.7 million for its operations and $0.2 million for the net payments of interest and tax. An amount of $1.9 million was used for the purchase of property, plant and equipment. The Group drew down net borrowings of $2.8 million from financial institutions.

9. Where a forecast, or a 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 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

On 27 March 2014, the Company's subsidiary – Advanced Systems Automation Limited ("ASA") completed its acquisition of the additional 35% equity interest in ASA Multiplate, bringing the Group's equity interest in ASA Multiplate to 90%.

Both Emerald and ASA Multiplate have contributed positively to the ASA Group's revenue in 1Q2014. Barring unforeseen circumstances, we expect that both entities will continue to enhance the ASA Group's core competencies and revenue performance in the next quarter. While ECMS continues to grow, the visibility of the Equipment business remains low.

Dragon Group International Limited ("DGI") will continue to search for investment opportunities in the region that will support its future growth. It will keep its shareholders informed of its progress.

The Group expects its revenue from its BEST business, which includes contribution from ASA Group to improve in the next quarter. Nonetheless, it remains cautious about its performance in 2Q2014.

Our business is prone to economic uncertainties and the cyclical nature of the semiconductor industry. Other unforeseeable factors including but not limited to foreign exchange fluctuations, intellectual property litigations, product and technology obsolescence, and inventory adjustments continue to be challenges that we may encounter. In view of these factors, we will remain prudent and cautious in the management of our business.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No dividend is declared for the current financial quarter reported on.

(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) Books closure date

Not applicable.

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

Please refer to note 11(a).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(Not applicable to quarterly announcement)

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

(Not applicable to quarterly announcement)

15. A breakdown of sales

(Not applicable to quarterly announcement)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

(Not applicable to quarterly announcement)

17. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

(Not applicable to quarterly announcement)

18. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT") as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

There is no general mandate obtained for IPT and there were no IPT for the period ended 31 March 2014.

19. 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 which may render the unaudited interim financial results for the financial period ended 31 March 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dayne Ho Chung Wei
Company Secretary
15 May 2014