

The Directors are pleased to make the following announcement of the unaudited results for the financial year ended 31 December 2016.

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			Group		
	Fourth Quarter Ended			Full Year Ended		
	S\$'000		%	S\$'000		%
	31/12/16	31/12/15	Change	31/12/16	31/12/15	Change
Revenue	30,992	27,432	13%	141,883	116,539	22%
Cost of sales	(20,052)	(19,733)	2%	(96,105)	(78,092)	23%
Gross profit	10,940	7,699	42%	45,778	38,447	19%
Other income	155	127	22%	775	661	17%
Marketing and distribution	(3,220)	(2,788)	15%	(12,356)	(12,014)	3%
Research and development	(2,961)	(3,763)	(21%)	(12,525)	(14,100)	(11%)
Administrative expenses	(5,523)	(6,242)	(12%)	(25,404)	(26,416)	(4%)
Other net operating gain/(loss)	2,819	(1,002)	NM	1,874	1,007	86%
Operating expenses	(8,885)	(13,795)	(36%)	(48,411)	(51,523)	(6%)
Operating profit/(loss)	2,210	(5,969)	NM	(1,858)	(12,415)	(85%)
Finance costs, net	(366)	(205)	79%	(1,309)	(1,058)	24%
Exceptional Items	(4,152)	(36,177)	(89%)	(4,152)	(32,578)	(87%)
Share of results of associates, net of tax	1	-	NM	(7)	(3)	133%
Loss before tax	(2,307)	(42,351)	(95%)	(7,326)	(46,054)	(84%)
Income tax credit/(expense)	1,588	1,538	3%	(37)	(836)	(96%)
Net Loss for the period/year	(719)	(40,813)		(7,363)	(46,890)	
Attributable to :						
Owners of the Company	2,187	(22,636)	NM	1,038	(20,478)	NM
Non-controlling interests	(2,906)	(18,177)	(84%)	(8,401)	(26,412)	(68%)
Net Loss for the period/year	(719)	(40,813)		(7,363)	(46,890)	

NM: Not meaningful

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

Net loss for period/year is derived after crediting/(charging) the following:

	Group			Group		
	Fourth Quarter Ended			Full Year Ended		
	S\$'000		%	S\$'000		%
	31/12/16	31/12/15	Change	31/12/16	31/12/15	Change
Interest income	24	40	(40%)	129	95	36%
Interest on borrowings	(319)	(197)	62%	(1,128)	(928)	22%
Depreciation of property, plant and equipment	(1,378)	(1,850)	(26%)	(5,827)	(7,603)	(23%)
Amortisation of intangible assets	(25)	(76)	(67%)	(113)	(301)	(62%)
Gain on disposal of property, plant and equipment	822	62	NM	1,244	36	NM
Property, plant and equipment written off	76	(57)	NM	(8)	(59)	(86%)
Allowance on trade receivables	(55)	(73)	(25%)	(2,643)	(73)	NM
Write-back of allowance non-trade receivables	384	1	NM	286	-	NM
Allowance for stock obsolescence	(456)	(264)	73%	(784)	(511)	53%
Impairment loss on club membership	(53)	-	NM	(53)	(50)	6%
Foreign currency exchange gain/(loss)	1,973	(1,004)	NM	690	1,081	(36%)
Over/(under) provision of income tax in respect of prior years	1,317	(118)	NM	1,426	(24)	NM

Exceptional items

Impairment loss on property, plant & equipment	(1,509)	(20,311)	(93%)	(1,509)	(20,311)	(93%)
Impairment loss on investment securities	(1,684)	-	NM	(1,684)	-	NM
Impairment loss on intellectual property	(492)	-	NM	(492)	-	NM
Impairment loss on other receivables	(467)	(2,149)	(78%)	(467)	(2,149)	(78%)
Impairment in goodwill of subsidiaries	-	(13,717)	NM	-	(13,717)	NM
Gain on disposal of investment security	-	-	NM	-	3,599	NM
	(4,152)	(36,177)		(4,152)	(32,578)	

	Group			Group		
	Fourth Quarter Ended			Full Year Ended		
	S\$'000		%	S\$'000		%
	31/12/16	31/12/15	Change	31/12/16	31/12/15	Change
Interest income	24	40	(40%)	129	95	36%
Interest on borrowings	(319)	(197)	62%	(1,128)	(928)	22%
Depreciation of property, plant and equipment	(1,378)	(1,850)	(26%)	(5,827)	(7,603)	(23%)
Amortisation of intangible assets	(25)	(76)	(67%)	(113)	(301)	(62%)
Gain on disposal of property, plant and equipment	822	62	NM	1,244	36	NM
Property, plant and equipment written off	76	(57)	NM	(8)	(59)	(86%)
Allowance on trade receivables	(55)	(73)	(25%)	(2,643)	(73)	NM
Write-back of allowance non-trade receivables	384	1	NM	286	-	NM
Allowance for stock obsolescence	(456)	(264)	73%	(784)	(511)	53%
Impairment loss on club membership	(53)	-	NM	(53)	(50)	6%
Foreign currency exchange gain/(loss)	1,973	(1,004)	NM	690	1,081	(36%)
Over/(under) provision of income tax in respect of prior years	1,317	(118)	NM	1,426	(24)	NM

Impairment loss on property, plant & equipment	(1,509)	(20,311)	(93%)	(1,509)	(20,311)	(93%)
Impairment loss on investment securities	(1,684)	-	NM	(1,684)	-	NM
Impairment loss on intellectual property	(492)	-	NM	(492)	-	NM
Impairment loss on other receivables	(467)	(2,149)	(78%)	(467)	(2,149)	(78%)
Impairment in goodwill of subsidiaries	-	(13,717)	NM	-	(13,717)	NM
Gain on disposal of investment security	-	-	NM	-	3,599	NM
	(4,152)	(36,177)		(4,152)	(32,578)	

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

Net Loss for the period/year

Other comprehensive income:-

Items that may be reclassified subsequently to profit or loss:

	Group			Group		
	Fourth Quarter Ended			Full Year Ended		
	S\$'000		%	S\$'000		%
	31/12/16	31/12/15	Change	31/12/16	31/12/15	Change
Foreign currency translation adjustment	223	65	243%	(632)	1,094	NM
Realisation of fair value changes on available-for-sale assets	-	(7)	NM	(30)	-	NM
Fair value changes on available-for-sale financial assets reclassified to profit or loss	-	(3,587)		-	(3,587)	
Fair value changes on available-for-sale assets	59	3,581	(98%)	(14)	(6)	133%

Other comprehensive income, net of tax

Total comprehensive income for the period/year

Total comprehensive income attributable to :-

Owners of the Company	2,077	(24,153)	NM	261	(23,730)	NM
Non-controlling interests	(2,514)	(16,608)	(85%)	(8,300)	(25,659)	(68%)
Total comprehensive income for the period/year	(437)	(40,761)	(99%)	(8,039)	(49,389)	(84%)

	Group			Group		
	Fourth Quarter Ended			Full Year Ended		
	S\$'000		%	S\$'000		%
	31/12/16	31/12/15	Change	31/12/16	31/12/15	Change
Net Loss for the period/year	(719)	(40,813)	(98%)	(7,363)	(46,890)	(84%)
Other comprehensive income, net of tax	282	52	442%	(676)	(2,499)	(73%)
Total comprehensive income for the period/year	(437)	(40,761)	(99%)	(8,039)	(49,389)	(84%)
Total comprehensive income attributable to :-						
Owners of the Company	2,077	(24,153)	NM	261	(23,730)	NM
Non-controlling interests	(2,514)	(16,608)	(85%)	(8,300)	(25,659)	(68%)
Total comprehensive income for the period/year	(437)	(40,761)	(99%)	(8,039)	(49,389)	(84%)

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	
	31/12/16	31/12/15	31/12/16	31/12/15
Non-current Assets				
Intangible assets	2,407	839	-	-
Property, plant and equipment	20,845	20,666	19	34
Investment properties	350	-	-	-
Investments in subsidiaries	-	-	20,433	25,282
Investments in associate	-	11	-	-
Investment securities	22	897	-	-
Deferred tax assets	181	275	-	-
Other receivables and prepayments	1,382	693	-	-
Amounts due from subsidiaries	-	-	2,843	1,350
	25,187	23,381	23,295	26,666
Current Assets				
Inventories	24,974	26,223	-	-
Other receivables and prepayments	5,293	5,694	138	55
Amounts due from subsidiaries	-	-	8,372	8,525
Trade receivables	34,542	26,156	-	-
Cash and cash equivalents	39,174	41,247	1,402	1,671
	103,983	99,320	9,912	10,251
Non-current assets held for sale	-	1,904	-	-
	103,983	101,224	9,912	10,251
Total Assets	129,170	124,605	33,207	36,917
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)
Foreign currency translation reserve	(1,894)	(1,135)	-	-
Capital reserves	(7,936)	(8,038)	(2,960)	(2,960)
Fair value reserve	-	18	-	-
Accumulated losses	(55,192)	(56,230)	(134,911)	(123,623)
	62,823	62,460	(10,026)	1,262
Non-controlling interests	(555)	7,847	-	-
Total Equity	62,268	70,307	(10,026)	1,262
Non-current Liabilities				
Deferred tax liabilities	143	329	-	-
Lease creditors	191	538	-	-
Long term payables	1,112	1,084	-	-
Loans and borrowings	3,426	751	-	-
Amounts due to subsidiaries	-	-	34,901	27,324
	4,872	2,702	34,901	27,324
Current Liabilities				
Provision	526	467	-	-
Income tax payable	1,102	1,919	-	-
Loans and borrowings	23,309	14,743	5,000	5,000
Payables and accruals	37,093	34,467	1,565	1,591
Amounts due to subsidiaries	-	-	1,767	1,740
	62,030	51,596	8,332	8,331
Total Liabilities	66,902	54,298	43,233	35,655
Total Equity and liabilities	129,170	124,605	33,207	36,917

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

Amount repayable in one year or less, or on demand

31/12/16		31/12/15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	23,309	230	14,513

Amount repayable after one year

31/12/16		31/12/15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	3,426	751	-

Details of any collateral

On 31 December 2016, the Group does not have any collateral on its borrowings and debts securities (31 December 2015: \$981,000).

The aggregate amount due to financial institutions of S\$981,000 as at 31 December 2015 was secured on a land and building of a subsidiary of the Group.

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	
	31/12/16 S\$'000	31/12/15 S\$'000
Operating activities		
Loss before income tax	(7,326)	(46,054)
Adjustment for:-		
Non-cash items	12,334	41,662
Operating cash flows before reinvestment in working capital	5,008	(4,392)
Changes in working capital		
Receivables	(12,190)	5,861
Inventories	255	(1,963)
Payables	893	(222)
Provisions	(262)	(258)
Cash flow used in operations	(6,296)	(974)
Interest paid	(1,043)	(843)
Interest received	129	70
Income tax paid	(1,458)	(1,208)
Income tax refund	511	1
Net cash used in operating activities	(8,157)	(2,954)
Investing activities		
Proceeds from disposal of property, plant and equipment	3,842	254
Proceeds from disposal of intangible asset	1	-
Purchase of property, plant and equipment	(9,842)	(8,273)
Purchase of investment security	-	(689)
Partial consideration paid for purchase of investment security	-	(950)
Expenditure on development project	(233)	(676)
Proceeds from disposal of discontinued operations	-	2,537
Proceeds from disposal of investment security	80	8,897
Proceeds from disposal of leasehold land and building	1,934	-
Expenditure on research and development project	(2,115)	-
Acquisition of an associate	-	(18)
Net cash (used in)/generated from investing activities	(6,333)	1,082
Financing activities		
Proceeds from share placement by subsidiaries	-	2,500
Shares issuance expenses	-	(32)
Payment to finance lease creditors	(715)	(875)
Proceeds from bank borrowings	12,251	-
Repayment of bank borrowings	(887)	(13,069)
Advance for capital injection from non-controlling interest	1,629	435
Decrease in restricted cash	-	2
Net cash provided by/(used in) financing activities	12,278	(11,039)
Net decrease in cash and cash equivalents	(2,212)	(12,911)
Cash and cash equivalents at 1 January	41,166	52,580
Effect of exchange rate changes on cash and cash equivalents	220	1,497
Cash and cash equivalents at 31 December	39,174	41,166

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	39,174	41,247
Bank overdraft	-	(81)
	39,174	41,166

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 Owners of the Company								Equity Total
	Share Capital	Treasury shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of Company, Total	Non-controlling Interests	
	(Non-distributable)					Distributable			
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
For The Full Year Ended 31 Dec 2016									
Balance as at 1 Jan'16	132,617	(4,772)	(8,038)	18	(1,135)	(56,230)	62,460	7,847	70,307
Total comprehensive income for the year	-	-	-	(18)	(759)	1,038	261	(8,300)	(8,039)
<u>Changes in ownership interests in subsidiaries without a change in control</u>									
Dilution of interests in a subsidiary without a change in control			102	-			102	(102)	-
Total changes in ownership interests in subsidiaries	-	-	102	-	-	-	102	(102)	-
Balance as at 31 Dec'16	132,617	(4,772)	(7,936)	-	(1,894)	(55,192)	62,823	(555)	62,268

Group	Attributable to Owners of the Company								Equity Total
	Share Capital	Treasury shares	Capital reserves	Fair value reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of Company, Total	Non-controlling Interests	
	(Non-distributable)					Distributable			
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
For The Full Year Ended 31 Dec 2015									
Balance as at 1 Jan'15	132,617	(4,772)	(8,056)	3,608	(1,418)	(35,752)	86,227	31,001	117,228
Total comprehensive income for the year	-	-	-	(3,590)	338	(20,478)	(23,730)	(25,659)	(49,389)
<u>Changes in ownership interests in subsidiaries without a change in control</u>									
Share placement to non-controlling interests, net of share issue expenses	-	-	18		(55)	-	(37)	2,505	2,468
Total changes in ownership interests in subsidiaries	-	-	18	-	(55)	-	(37)	2,505	2,468
							-		
Balance as at 31 Dec'15	132,617	(4,772)	(8,038)	18	(1,135)	(56,230)	62,460	7,847	70,307

Company	Share Capital	Treasury shares	Capital reserve	Fair Value reserve	Accumulated losses	Total
		(Non-distributable)			Distributable	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For The Full Year Ended 31 Dec 2016						
Balance as at 1 Jan'16	132,617	(4,772)	(2,960)	-	(123,623)	1,262
Total comprehensive income for the year	-	-	-	-	(11,288)	(11,288)
Balance as at 31 Dec'16	132,617	(4,772)	(2,960)	-	(134,911)	(10,026)
For The Full Year Ended 31 Dec 2015						
Balance as at 1 Jan'15	132,617	(4,772)	(2,960)	3,587	(116,744)	11,728
Total comprehensive income for the year	-	-	-	(3,587)	(6,879)	(10,466)
Balance as at 31 Dec'15	132,617	(4,772)	(2,960)	-	(123,623)	1,262

- 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.

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	
	31/12/16	31/12/15
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 December 2016, are consistent with those of the audited financial statement as at 31 December 2015.

- 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.

Certain properties of the Group were transferred from property, plant and equipment to investment properties as they were primarily held to earn rental income.

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		Group	
	Fourth Quarter Ended		Full Year Ended	
	31/12/16	31/12/15	31/12/16	31/12/15
Earnings/(loss) per share:-				
a) Based on weighted average number of ordinary	0.33 cents	(3.46) cents	0.16 cents	(3.13) cents
Weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486
b) On a fully diluted basis	0.33 cents	(3.46) cents	0.16 cents	(3.13) cents
Adjusted weighted average number of shares	654,731,486	654,731,486	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	
	31/12/16	31/12/15	31/12/16	31/12/15
Net assets value per ordinary share	9.60 cts	9.54 cts	(1.53) cts	0.19 cts
Number of ordinary shares at end of financial period	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

	Sales			
	4Q2016	4Q2015	FY2016	FY2015
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Business Segment</u>				
Backend Equipment Solutions & Technologies ("BEST")	30,458	27,079	136,938	113,318
Distribution & Services	534	353	4,945	3,221
	<u>30,992</u>	<u>27,432</u>	<u>141,883</u>	<u>116,539</u>

Analysis of Group Performance (Cont'd)

4Q2016

Revenue

The Group reported a 13.0% or \$3.6 million increase in revenue from \$27.4 million (4Q2015) to \$31.0 million (4Q2016).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 12.5% or \$3.4 million increase in revenue from \$27.1 million (4Q2015) to \$30.5 million (4Q2016). The increase in revenue was due to higher demand for the equipment business. The revenue from Distribution & Service business increased \$0.2 million from \$0.3 million (4Q2015) to \$0.5 million (4Q2016).

Gross Profit Margin

Gross profit margin ("GPM") in 4Q2016 was 35.3%. This was 7.2% higher compared to the 28.1% reported in 4Q2015 due to the changes in sales mix.

Operating Expenses

Marketing & distribution, research & development and general administrative expenses of \$11.7 million incurred in 4Q2016 were \$1.1 million lower compared to the expenses reported in 4Q2015. The decrease of \$0.8 million in research & development costs was mainly due to the Group's costs reduction initiatives. In addition, the general administrative expenses were lower with the inclusion of the \$0.8 million gain from the disposal of property, plant and equipment.

Financing costs was \$0.2 million higher in 4Q2016 compared to 4Q2015 due to more bank borrowings during the year.

Appreciation of US dollar against the Singapore dollar in 4Q2016 resulted in a foreign exchange gain of \$2.0 million in 4Q2016, compared to the loss of \$1.0 million in 4Q2015.

Depreciation charges of property, plant and equipment decreased in 4Q2016 when compared to 4Q2015. This was due to the impairment of certain property, plant and equipment of the Group at the end of the financial year 2015.

Exceptional items amounted to \$4.2 million due to impairment losses on property, plant and equipment; investment securities, intangible assets and other receivables. Having reviewed the previously mentioned items, the Group decided to make the necessary impairments.

Net Profit/Loss

The Group reported a net profit attributable to shareholders of \$2.2 million in 4Q2016, compared to the net loss of \$22.6 million in 4Q2015.

FY2016

Revenue

The Group reported a 21.7% or \$25.3 million increase in revenue from \$116.5 million (FY2015) to \$141.8 million (FY2016).

BEST business recorded a 20.8% or \$23.6 million increase in revenue from \$113.3 million (FY2015) to \$136.9 million (FY2016). The increase in revenue was due to higher demand. The revenue from Distribution & Service business increased \$1.7 million from \$3.2 million (FY2015) to \$4.9 million (FY2016) due to increase in sales from the distribution business.

Gross Profit Margin

GPM in FY2016 remained comparable to that of FY2015.

Operating Expenses

Marketing & distribution, research & development ("R&D") and general administrative ("G&A") costs of \$50.3 million incurred in FY2016 were \$2.2 million lower compared to the expenses reported in FY2015. This was mainly due to the decrease in R&D costs and G&A costs from the Group's costs reduction initiatives. In addition, the G&A costs were lower with the inclusion of a \$1.2 million gain from the disposal of property, plant and equipment. The reduction in G&A costs was offset by an allowance on trade receivables of \$2.6 million.

Financing costs was \$0.3 million higher in FY2016 compared to FY2015 due to more bank borrowings during the year.

Foreign exchange gain was \$0.7 million in FY2016, compared to the \$1.1 million gain in FY2015.

Depreciation charges of property, plant and equipment decreased in FY2016 when compared to FY2015. This was due to the impairment of certain property, plant and equipment of the Group at the end of the financial year 2015.

Exceptional items amounted to \$4.2 million due to impairment losses on property, plant and equipment; investment securities, intangible assets and other receivables. Having reviewed the previously mentioned items, the Group decided to make the necessary impairments.

Net Profit/Loss

The Group reported a net profit attributable to shareholders of \$1.0 million in FY2016, compared to the net loss of \$20.5 million in FY2015.

Analysis of Group Performance (Cont'd)

BALANCE SHEET

As at 31 December 2016, total assets stood at \$129.2 million comprising \$25.2 million from non-current assets and \$104.0 million from current assets. Total liabilities stood at \$66.9 million comprising current liabilities of \$62.0 million and non-current liabilities of \$4.9 million. Shareholders' equity including non-controlling interests stood at \$62.3 million.

The following are highlights of the Group's balance sheet as at 31 December 2016.

Intangible assets

The increase in development expenditure relates to the development efforts on battery storage solutions. The increase was offset with the impairment losses on intellectual property and country club memberships after reviews of impairment assessment.

Property, plant and equipment

The impairment losses and depreciation charges during the year resulted in the decrease in property, plant and equipment ("PPE"). The transfer of certain properties of the Group to investment properties also caused the PPE to decrease. However, the overall decline in PPE was offset by the additional purchases in the year.

Investment properties

Certain properties of the Group were transferred from PPE to investment properties as they were primarily held to earn rental income.

Investment securities

The decrease in investment securities was due to impairment losses on certain investment securities after reviews of impairment assessments.

Other receivables and prepayment (non-current)

The increase in other receivables was mainly due to amounts to be received from customers more than 12 months after the balance sheet date while the prepayment was due to additional payments in advance for the development project.

Inventories

The inventories decreased due to higher sales in 4Q2016 which helped to deplete the stock.

Other receivables and prepayments

Other receivables decreased mainly due to an impairment loss on a loan to a third party.

Trade receivables

Trade receivables' balance increased \$8.4 million due to higher sales in FY2016.

Loans and borrowings

Loans and borrowings increased \$11.2 million from \$15.5 million (4Q2015) to \$26.7 million (4Q2016), due to additional drawdowns to fund working capital requirements.

Payables and accruals

Payables and accruals increased \$2.6 million from \$34.5 million (4Q2015) to \$37.1 million (4Q2016) mainly due to higher business activities.

CASHFLOW STATEMENT

The Group utilised \$6.3 million for its operations. An amount of \$1.9 million was used for the payment of interest and tax. A net amount of \$6.0 million was used for the purchase of property, plant and equipment. An amount of \$1.9 million was received from the disposals of leasehold land and building. The Group also utilised \$2.3 million for expenditure on research and development project and the Yangtze River development project. The Group borrowed a net amount of \$10.6 million from financial institutions. An advance of \$1.6 million was received as capital injection from a subsidiary's non-controlling interest.

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

ASTI reported significantly lower losses in FY2016 due to the improved performances of the generic group. This financial year saw higher revenue and better performance at ASA.

The visibility in the semiconductor industry remains low and we expect the first quarter of FY2017 to be slow due to the festive period in Asia.

Following the resources realignment in the past, the ASA Group is now a leaner and more efficient organisation. Coupled with the business pickup in FY2016, it has turned in significantly improved performance as operating losses before exceptional items narrowed from \$8 million to \$3 million.

The market demand is showing signs of growing, and as such, the ASA Group will require more working capital to meet its business needs. It is exploring various options to address its working capital needs.

The ASA Group expects that its performance in the first quarter of FY2017 will reflect the slow market condition in Asia due to the traditional annual festivities.

The ASA Group will continue its efforts to explore new business activities for the purpose of growing the Group's revenue.

EoCell's business under DGI Group is progressing according to plan.

The DGI Group had made impairments on its investment in Heat Tech Japan Co., Ltd and Nanofuel Ltd which were acquired in FY2015.

The Yangtze Riverbank project is progressing according to plan.

The DGI Group continues its search for viable investment projects.

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 period 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).

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

Business segment	Back-end Equipment Solutions and Technologies ("BEST")		Distribution and Services		Adjustments & elimination		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	136,938	113,318	4,945	3,221	-	-	141,883	116,539
Segment results	1,961	(27,234)	(9,324)	(19,656)	-	-	(7,363)	(46,890)
EBITDA [#]	8,758	(17,787)	(9,145)	(19,530)	-	-	(387)	(37,317)
Interest income	40	29	134	112	(45)	(46)	129	95
Interest expense	(1,173)	(974)	-	-	45	46	(1,128)	(928)
Depreciation	(5,584)	(7,365)	(243)	(238)	-	-	(5,827)	(7,603)
Amortisation	(109)	(297)	(4)	(4)	-	-	(113)	(301)
Profit/(Loss) before income tax	1,932	(26,394)	(9,258)	(19,660)	-	-	(7,326)	(46,054)
Income tax	29	(840)	(66)	4	-	-	(37)	(836)
Net profit/(loss) for the year	1,961	(27,234)	(9,324)	(19,656)	-	-	(7,363)	(46,890)

Other segment information:

Share of results of associate, net of tax	-	-	(7)	(3)	-	-	(7)	(3)
Other non-cash expenses	151	(196)	2,745	780	-	-	2,896	584
Exceptional items	(2,000)	(19,524)	(2,152)	(13,054)	-	-	(4,152)	(32,578)

EBITDA: Earnings before interest, tax, depreciation and amortisation.

Other non-cash expenses comprise inventories written off, inventories written down, impairment of trade and non-trade receivables, trade receivables written off and unrealised foreign currency exchange.

The Group has positioned its operations into two strategic business segments comprising of Back-end Equipment Solutions and Technologies ("BEST") and Distribution Services. BEST is mainly engaged in provision of solutions and technologies in the back-end (ie assembly, test and finishing) arena of the semiconductor industry. The Distribution Services engaged mainly in the provision of semiconductor application in consumer electronics, computer peripheral and communication solution.

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

Please refer to note 8.

15. A breakdown of sales

	Group		
	S\$'000		%
	31/12/16	31/12/15	Change
Sales reported for first half year	75,070	61,962	21%
Loss after tax before deducting minority interests reported for first half year	(4,320)	(2,039)	112%
Sales reported for second half year	66,813	54,577	22%
Loss after tax before deducting minority interests reported for second half year	(3,043)	(44,851)	(93%)

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

	31/12/16 S\$'000	31/12/15 S\$'000
Interim Dividend declared and paid	-	-

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

Name	Age	Family relationship with ant director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Loh Choon Piew	56	Nephew of Executive Chairman, Dato' Loh Soon Gnee	<u>Microfits Pte Ltd</u> Vice President, Operations (since Dec 2014) Duties: Oversees the business operations of Equipment Contract Manufacturing Services division of ASA Group	No change
Dato' Loh Choon Khiang	54	Nephew of Executive Chairman, Dato' Loh Soon Gnee	<u>Microfits Pte Ltd</u> Vice President, Business Development (since Dec 2014) Duties: In charge of business development of Equipment Contract Manufacturing Services division of ASA Group	No change

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 year ended 31 December 2016.

19. Negative Confirmation by the Board pursuant to Rule 705(5)

(not applicable to full year announcement)

20. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1)

We hereby confirm that we have procured all the required undertakings from all the Directors and Executive Officers of the Company.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee
Executive Chairman and CEO
28 February 2017