ASTI Holdings Limited

Results For The Financial Period Ended 30 June 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 30 June 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			Group		
	Second Quarter Ended			Half Year Ended		
	S$'000		%	S$'000		%
	30/6/14	30/6/13	Change	30/6/14	30/6/13	Change
Continuing operations						
Revenue	35,726	28,445	26%	62,517	52,387	19%
Cost of sales	(22,557)	(18,504)	22%	(40,824)	(34,528)	18%
Gross profit	13,169	9,941	32%	21,693	17,859	21%
Other income	109	151	(28%)	332	248	34%
Marketing and distribution	(2,898)	(2,475)	17%	(5,402)	(5,085)	6%
Research and development	(2,276)	(2,247)	1%	(4,659)	(4,584)	2%
Administrative expenses	(6,193)	(6,450)	(4%)	(12,148)	(12,364)	(2%)
Other net operating (loss)/gain	(368)	112	NM	(557)	352	NM
Operating expenses	(11,735)	(11,060)	6%	(22,766)	(21,681)	5%
Operating profit/(loss)	1,543	(968)	NM	(741)	(3,574)	(79%)
Finance costs, net	(250)	(230)	9%	(446)	(424)	5%
Exceptional Items	-	(6,198)	NM	-	(6,198)	NM
Share of results of associates, net of tax	-	50	NM	-	95	NM
Profit/(loss) before tax from continuing operations	1,293	(7,346)	NM	(1,187)	(10,101)	(88%)
Income tax expense	(945)	(23)	NM	(1,330)	(323)	312%
Profit/(loss) from continuing operations, net of tax	348	(7,369)	NM	(2,517)	(10,424)	(76%)
Discontinued operations						
Loss from discontinued operations, net of tax	-	(306)	NM	-	(598)	NM
Profit/(loss) for the period	**348**	**(7,675)**		**(2,517)**	**(11,022)**	
Attributable to :						
Owners of the Company						
Profit/(loss) from continuing operations, net of tax	841	(4,762)	NM	(1,108)	(6,651)	(83%)
Loss from discontinued operations, net of tax	-	(167)	NM	-	(354)	NM
Profit/(loss) attributable to owners of the Company	**841**	**(4,929)**		**(1,108)**	**(7,005)**	
Non-controlling interests						
Loss from continuing operations, net of tax	(493)	(2,607)	(81%)	(1,409)	(3,773)	(63%)
Loss from discontinued operations, net of tax	-	(139)	NM	-	(244)	NM
Loss attributable to non-controlling interests	**(493)**	**(2,746)**		**(1,409)**	**(4,017)**	
	348	**(7,675)**		**(2,517)**	**(11,022)**	

NM : Not meaningful

The comparative figures for the financial period ended 30 June 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 30 June are as follows:

	Group			Group		
	Second Quarter Ended			Half Year Ended		
	S$'000		%	S$'000		%
	30/6/14	30/6/13	Change	30/6/14	30/6/13	Change
Revenue	-	23,600	NM	-	90,614	NM
Cost of sales	-	(21,927)	NM	-	(83,718)	NM
Gross profit	-	1,673	NM	-	6,896	NM
Other income	-	12	NM	-	89	NM
Marketing and distribution	-	(910)	NM	-	(4,107)	NM
Administrative expenses	-	(743)	NM	-	(2,422)	NM
Other net operating costs	-	(43)	NM	-	(158)	NM
Operating expenses	-	(1,696)	NM	-	(6,687)	NM
Operating (loss)/profit	-	(11)	NM	-	298	NM
Finance costs, net	-	(280)	NM	-	(757)	NM
Loss before tax	-	(291)	NM	-	(459)	NM
Income tax expense	-	(15)	NM	-	(139)	NM
Net loss for the period	-	(306)	NM	-	(598)	NM
Attributable to :						
Owners of the Company	-	(167)	NM	-	(354)	NM
Non-controlling interests	-	(139)	NM	-	(244)	NM
	-	(306)	NM	-	(598)	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			Group		
	Second Quarter Ended			Half Year Ended		
	S$'000		%	S$'000		%
	30/6/14	30/6/13	Change	30/6/14	30/6/13	Change
Profit/(loss) from continuing operations is stated after crediting/(charging):						
Interest income	23	20	15%	55	65	(15%)
Interest on borrowings	(218)	(196)	11%	(409)	(393)	4%
Depreciation of property, plant and equipment	(1,581)	(1,356)	17%	(3,213)	(2,779)	16%
Amortisation of intangible assets	(23)	(22)	5%	(45)	(44)	2%
Gain on disposal of property, plant and equipment	37	-	NM	42	-	NM
Net (provision)/write back for doubtful debts	(49)	42	NM	(49)	36	NM
Net write back/(provision) for stock obsolescence	627	(605)	NM	525	(972)	NM
Impairment loss on investment securities	-	(5)	NM	-	(19)	NM
Foreign currency exchange (loss)/gain	(320)	155	NM	(514)	402	NM
Exceptional items						
- Loss relating to the disposal of discontinued operations						
- realisation of reserves held for sale on disposal	-	(6,099)	NM	-	(6,099)	NM
- excess of sales consideration over net assets disposed	-	1,251	NM	-	1,251	NM
	-	(4,848)		-	(4,848)	
- Impairment loss on intangible assets	-	(1,350)	NM	-	(1,350)	NM
	-	(6,198)		-	(6,198)	

	Group			Group		
	Second Quarter Ended			Half Year Ended		
	S$'000		%	S$'000		%
	30/6/14	30/6/13	Change	30/6/14	30/6/13	Change
Loss from discontinued operations is stated after crediting/(charging):						
Interest income	-	4	NM	-	13	NM
Interest on borrowings	-	(134)	NM	-	(493)	NM
Depreciation of property, plant and equipment	-	(26)	NM	-	(102)	NM
Net provision for doubtful debts	-	(17)	NM	-	(463)	NM
Net provision for stock obsolescence	-	(686)	NM	-	(335)	NM
Foreign currency exchange loss	-	(43)	NM	-	(158)	

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			Group		
	Second Quarter Ended			Half Year Ended		
	S$'000		%	S$'000		%
	30/6/14	30/6/13	Change	30/6/14	30/6/13	Change
Profit/(loss) for the period	348	(7,675)	NM	(2,517)	(11,022)	(77%)
Other comprehensive income:-						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation adjustment	(375)	666	NM	(1,008)	2,275	NM
Fair value changes on available-for-sale assets	(3)	-	NM	(10)	28	NM
Other comprehensive income, net of tax	(378)	666	NM	(1,018)	2,303	NM
Total comprehensive income for the period	(30)	(7,009)	(100%)	(3,535)	(8,719)	(59%)
Total comprehensive income attributable to :-						
Owners of the Company	700	(4,391)	NM	(1,542)	(5,176)	(70%)
Non-controlling interests	(730)	(2,618)	(72%)	(1,993)	(3,543)	(44%)
	(30)	(7,009)	(100%)	(3,535)	(8,719)	(59%)
Attributable to: -						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	700	(4,210)	NM	(1,542)	(4,794)	(68%)
Total comprehensive income from discontinued operations, net of tax	-	(181)	NM	-	(382)	NM
Total comprehensive income for the period attributable to owners of the Company	700	(4,391)	NM	(1,542)	(5,176)	(70%)

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	
	30/6/14	31/12/13	30/6/14	31/12/13
Non-current Assets				
Intangible assets	15,463	15,515	-	-
Property, plant and equipment	38,706	39,873	92	112
Investments in subsidiaries	-	-	41,657	41,657
Investment securities	5,397	5,407	5,297	5,298
Deferred tax assets	281	273	-	-
Other receivables	2,301	2,314	-	-
	62,148	63,382	47,046	47,067
Current Assets				
Inventories	25,563	22,404	-	-
Other receivables and prepayments	6,815	7,356	1,940	1,958
Amounts due from subsidiaries	-	-	4,520	1,796
Trade receivables	39,456	25,690	-	-
Cash and cash equivalents	34,447	38,092	306	1,332
Restricted cash	-	4	-	-
	106,281	93,546	6,766	5,086
Total Assets	**168,429**	**156,928**	**53,812**	**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	(39,716)	(38,608)	(109,097)	(106,562)
Foreign currency translation reserve	(3,380)	(2,951)	-	-
Capital reserve	(7,072)	(6,598)	(2,960)	(2,960)
	77,677	79,688	15,788	18,323
Non-controlling interests	27,283	28,807	-	-
Total Equity	**104,960**	**108,495**	**15,788**	**18,323**
Non-current Liabilities				
Deferred tax liabilities	737	743	-	-
Lease creditors	750	1,083	-	-
Long term payables	960	975	-	-
Amounts due to financial institutions	989	1,015	-	-
	3,436	3,816	-	-
Current Liabilities				
Provision	660	516	-	-
Income tax payable	2,775	1,687	323	203
Amounts due to financial institutions	22,695	15,142	5,000	5,000
Payables and accruals	33,903	27,272	1,936	1,932
Amounts due to subsidiaries	-	-	30,765	26,695
	60,033	44,617	38,024	33,830
Total Liabilities	**63,469**	**48,433**	**38,024**	**33,830**
Total Equity and liabilities	**168,429**	**156,928**	**53,812**	**52,153**

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

Amount repayable in one year or less, or on demand

30/6/14		31/12/13	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
1,734	20,961	1,714	13,428

Amount repayable after one year

30/6/14		31/12/13	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
989	-	1,015	Nil

Details of any collateral

Bank term loans with aggregate amount of $2,723,000 (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	
	30/6/14 S$'000	30/6/13 S$'000
Cashflow from operating activities		
Loss before income tax from continuing operations	(1,187)	(10,101)
Loss before income tax from discontinued operations	-	(459)
Adjustment for:-		
Non-cash items	3,437	10,698
Operating cash flows before reinvestment in working capital	2,250	138
Changes in working capital		
Receivables	(13,202)	(6,828)
Inventories	(3,263)	2,938
Payables	6,787	7,689
Provisions	144	141
Amounts due from an associate	-	611
Cash (used in)/generated from operations	(7,284)	4,689
Interest paid	(371)	(848)
Interest received	55	78
Income tax paid	(347)	(307)
Income tax refund	75	246
Cash (used in)/generated from operating activities	(7,872)	3,858
Cashflow from investing activities		
Proceeds from disposals of property, plant and equipment	101	-
Purchase of property, plant and equipment	(2,587)	(1,532)
Purchase of club membership	-	(38)
Proceeds from disposal of discontinued operations	-	18,199
Disposal of cash and cash equivalent of discontinued operations	-	(32,480)
Net cash used in investing activities	(2,486)	(15,851)
Cashflow from financing activities		
Proceeds from share placement by subsidiaries	-	1,890
Shares issuance expenses	-	(10)
Payment of lease creditors	(455)	(521)
Proceeds from bank borrowings	7,628	4,141
Repayment of bank borrowings	(91)	(2,177)
Decrease in restricted cash	4	-
Net cash provided by financing activities	7,086	3,323
Net decrease in cash and cash equivalents	(3,272)	(8,670)
Cash and cash equivalents at 1 January	37,977	51,562
Effect of exchange rate changes on cash and cash equivalents	(374)	1,286
Cash and cash equivalents at 30 June	34,331	44,178

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	34,447	44,178
Bank overdraft	(116)	-
	34,331	44,178

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 Half Year Ended 30 Jun 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	-	-	(5)	(429)	-	(1,108)	**(1,542)**	(1,993)	**(3,535)**
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 30 Jun'14	132,617	(4,772)	(7,072)	(3,380)	-	(39,716)	**77,677**	27,283	**104,960**

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 Half Year Ended 30 Jun 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	1,842	(28)	(7,005)	**(5,176)**	(3,543)	**(8,719)**
Changes in ownership interests in subsidiaries without a change in									
Disposal of subsidiaries	-	-	-	-	-	-	**-**	(690)	**(690)**
Realisation of reserves arising from disposal of subsidiaries	-	-	-	-	3,288	-	**3,288**	2,811	**6,099**
Dilution arising from share placement to non-controlling interests	-	-	(378)	243	466	-	**331**	5,549	**5,880**
Total changes in ownership interests in subsidiaries	-	-	(378)	243	3,754	-	**3,619**	7,670	**11,289**
							-		
Balance as at 30 Jun'13	132,617	(4,772)	(7,256)	(3,782)	-	(30,425)	**86,382**	28,096	**114,478**

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 Half Year Ended 30 Jun 2014					
Balance as at 1 Jan'14	132,617	(4,772)	(2,960)	(106,562)	18,323
Total comprehensive income for the period	-	-	-	(2,535)	(2,535)
Balance as at 30 Jun'14	132,617	(4,772)	(2,960)	(109,097)	15,788
For The Half Year Ended 30 Jun 2013					
Balance as at 1 Jan'13	132,617	(4,772)	(2,960)	(64,947)	59,938
Total comprehensive income for the period	-	-	-	(567)	(567)
Balance as at 30 Jun'13	132,617	(4,772)	(2,960)	(65,514)	59,371

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 30/6/14	as at 30/6/13
Employees share options	-	2,949,000

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	
	30/6/14	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 30 June 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			
	Second Quarter Ended		Half Year Ended	
	30/6/14	30/6/13	30/6/14	30/6/13
Earning/(loss) per share from continuing operations:-				
a) Based on weighted average number of ordinary shares in issue	0.13 cents	(0.73) cents	(0.17) cents	(1.02) cents
Weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486
b) On a fully diluted basis	0.13 cents	(0.73) cents	(0.17) cents	(1.02) cents
Adjusted weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486

	Group			
	Second Quarter Ended		Half Year Ended	
	30/6/14	30/6/13	30/6/14	30/6/13
Earning/(loss) per share (including discontinued operations):-				
a) Based on weighted average number of ordinary shares in issue	0.13 cents	(0.75) cents	(0.17) cents	(1.07) cents
Weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486
b) On a fully diluted basis	0.13 cents	(0.75) cents	(0.17) cents	(1.07) 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	
	30/6/14	31/12/13	30/6/14	31/12/13
Net assets value per ordinary share	11.86 cts	12.17 cts	2.41 cts	2.80 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			
	2Q2014	2Q2013	1H2014	1H2013
Business Segment	S$'000	S$'000	S$'000	S$'000
Continuing Operations				
Backend Equipment Solutions & Technologies ("BEST")	35,119	28,202	61,189	51,939
Distribution & Services	607	243	1,328	448
	35,726	28,445	62,517	52,387
Discontinued Operations	-	23,600	-	90,614

Continuing Operations

Revenue
The continuing operations reported a 25.6% or $7.3 million increase in revenue from $28.4 million (2Q2013) to $35.7 million (2Q2014).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 24.5% or $6.9 million increase in revenue from $28.2 million (2Q2013) to $35.1 million (2Q2014). The increase in revenue was due to higher demand from the equipment business and the contribution from ASA Multiplate (M) Sdn. Bhd. which was acquired in August 2013. The Distribution & Service business posted an increment of $0.4 million from $0.2 million (2Q2013) to $0.6 million (2Q2014) due to increase in customer's demand.

Gross Profit Margin
Gross profit margin ("GPM") of 2Q2014 was 36.9%, which was 2.0% higher than the 34.9% attained in 2Q2013.

Operating Expenses
Marketing & distribution, research & development and general administrative expenses of $11.4 million incurred in 2Q2014 were $0.2 million higher compared to the expenses reported in 2Q2013.

Net Profit/Loss
The continuing operations reported an operating profit of $1.5 million and a net profit attributable to shareholders of $0.8 million for 2Q2014, compared to the operating loss of $1.0 million and a net loss of $4.8 million in 2Q2013.

Analysis of Group Performance (Cont'd)

BALANCE SHEET

As at 30 June 2014, total assets stood at $168.4 million comprising $62.1 million from non-current asset and $106.3 million from current assets. Total liabilities stood at $63.5 million comprising current liabilities of $60.0 million and non-current liabilities of $3.4 million. Shareholders' equity including minority interests stood at $105.0 million.

The following are highlights of the Group's balance sheet as at 30 June 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 (30 June 2014).

Other receivables and prepayment
Included in the receivables was an amount of $2.3 million for the other 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 2Q2014 as there was a down-payment made for purchase of equipment in 4Q2013.

Trade receivables
Trade receivables' balance increased $13.8 million mainly due to the higher sales attained in 1H2014.

Amounts due to financial institutions
Amounts due to financial institutions increased $7.5 million from $16.2 million (4Q2013) to $23.7 million (2Q2014), due to additional trade financing to fund the increased business activities.

Payables and accruals
Payables and accruals increased $6.6 million from $27.3 million (4Q2013) to $33.9 million (2Q2014), mainly due to the increase in trade payables of the BEST business.

CASHFLOW STATEMENT

The Group utilised $7.3 million for its operations primarily to fund its working capital due to higher sales. An amount of $0.6 million was used for the payment of interest and tax. Approximately $2.6 million was used for the purchase of property, plant and equipment. The Group drew down net borrowings of $7.1 million from financial institutions to support the increased business activities.

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

The actual results were in line with the prospect statement stated in the previous announcement.

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 continue to contribute positively to the ASA Group's revenue in 1H2014. Going forward, the ASA Group remains committed to look for opportunities to grow its ECMS and Equipment businesses.

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 is optimistic about the prospects of its BEST business, barring unexpected circumstances.

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 30 June 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 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dayne Ho Chung Wei
Company Secretary
14 August 2014