ASTI Holdings Limited

Results For The Financial Period Ended 30 September 2016
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 September 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		
	Third Quarter Ended			Nine Months Ended		
	S$'000		%	S$'000		%
	30/9/16	30/9/15	Change	30/9/16	30/9/15	Change
Revenue	35,821	27,145	32%	110,891	89,107	24%
Cost of sales	(23,523)	(18,928)	24%	(76,053)	(58,359)	30%
Gross profit	12,298	8,217	50%	34,838	30,748	13%
Other income	232	204	14%	620	534	16%
Marketing and distribution	(3,042)	(2,826)	8%	(9,136)	(9,226)	(1%)
Research and development	(2,934)	(3,713)	(21%)	(9,564)	(10,337)	(7%)
Administrative expenses	(8,282)	(6,845)	21%	(19,881)	(20,174)	(1%)
Other net operating gain/(loss)	494	1,628	(70%)	(945)	2,009	NM
Operating expenses	(13,764)	(11,756)	17%	(39,526)	(37,728)	5%
Operating loss	(1,234)	(3,335)	(63%)	(4,068)	(6,446)	(37%)
Finance costs, net	(269)	(255)	5%	(943)	(853)	11%
Exceptional Items	-	-	NM	-	3,599	NM
Share of results of associates, net of tax	-	-	NM	(8)	(3)	167%
Loss before tax	(1,503)	(3,590)	(58%)	(5,019)	(3,703)	36%
Income tax expense	(821)	(448)	83%	(1,625)	(2,374)	(32%)
Net loss for the period	**(2,324)**	**(4,038)**		**(6,644)**	**(6,077)**	
Attributable to :						
Owners of the Company	250	(466)	NM	(1,149)	2,158	NM
Non-controlling interests	(2,574)	(3,572)	(28%)	(5,495)	(8,235)	(33%)
Net loss for the period	**(2,324)**	**(4,038)**		**(6,644)**	**(6,077)**	

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

	Group			Group		
	Third Quarter Ended			Nine Months Ended		
	S$'000		%	S$'000		%
	30/9/16	30/9/15	Change	30/9/16	30/9/15	Change
Loss before tax is stated after crediting/(charging):						
Interest income	59	16	269%	105	55	91%
Interest on borrowings	(248)	(224)	11%	(809)	(731)	11%
Depreciation of property, plant and equipment	(1,578)	(1,808)	(13%)	(4,449)	(5,753)	(23%)
Amortisation of intangible assets	(24)	(75)	(68%)	(88)	(225)	(61%)
Gain/(loss) on disposal of property, plant and equipment	78	(21)	NM	422	(26)	NM
Property, plant and equipment written off	(81)	(2)	NM	(84)	(2)	NM
Allowance on trade receivables	(2,588)	-	NM	(2,588)	-	NM
Allowance on non-trade receivables	(98)	-	NM	(98)	(1)	NM
Write back of allowance/(allowance) for stock obsolescence	74	(373)	NM	(328)	(247)	33%
Impairment loss on club membership	-	-	NM	-	(50)	NM
Foreign currency exchange gain/(loss)	497	1,649	(70%)	(1,283)	2,085	NM
Exceptional items						
Gain on disposal of investment security	-	-	NM	-	3,599	NM
	-	-		-	3,599	

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		
	Third Quarter Ended			Nine Months Ended		
	S$'000		%	S$'000		%
	30/9/16	30/9/15	Change	30/9/16	30/9/15	Change
Net loss for the period	(2,324)	(4,038)	(42%)	(6,644)	(6,077)	9%
Other comprehensive income:-						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation adjustment	(38)	636	NM	(855)	1,029	NM
Realisation of fair value changes on available-for-sale assets	(1)	(1)	0%	(30)	7	NM
Fair value changes on available-for-sale assets	(24)	-	NM	(73)	(3,587)	(98%)
Other comprehensive income, net of tax	(63)	635	NM	(958)	(2,551)	(62%)
Total comprehensive income for the period	(2,387)	(3,403)	(30%)	(7,602)	(8,628)	(12%)
Total comprehensive income attributable to :-						
Owners of the Company	106	1,177	(91%)	(1,816)	423	NM
Non-controlling interests	(2,493)	(4,580)	(46%)	(5,786)	(9,051)	(36%)
Total comprehensive income for the period	(2,387)	(3,403)	(30%)	(7,602)	(8,628)	(12%)

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	
	30/9/16	31/12/15	30/9/16	31/12/15
Non-current Assets				
Intangible assets	2,249	839	-	-
Property, plant and equipment	26,659	20,666	18	34
Investments in subsidiaries	-	-	27,533	25,282
Investments in associate	-	11	-	-
Investment securities	714	897	-	-
Deferred tax assets	270	275	-	-
Prepayments	773	693	-	-
Amounts due from subsidiaries	-	-	2,843	1,350
	30,665	23,381	30,394	26,666
Current Assets				
Inventories	26,259	26,223	-	-
Other receivables and prepayments	6,069	5,694	160	55
Amounts due from subsidiaries	-	-	7,924	8,525
Trade receivables	35,350	26,156	-	-
Cash and cash equivalents	39,136	41,247	419	1,671
	106,814	99,320	8,503	10,251
Non-current assets held for sale	-	1,904	-	-
	106,814	101,224	8,503	10,251
Total Assets	**137,479**	**124,605**	**38,897**	**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	(1,760)	(1,135)	-	-
Capital reserves	(8,038)	(8,038)	(2,960)	(2,960)
Fair value reserve	(24)	18	-	-
Accumulated losses	(57,379)	(56,230)	(125,965)	(123,623)
	60,644	62,460	(1,080)	1,262
Non-controlling interests	2,061	7,847	-	-
Total Equity	**62,705**	**70,307**	**(1,080)**	**1,262**
Non-current Liabilities				
Deferred tax liabilities	80	329	-	-
Lease creditors	280	538	-	-
Long term payables	1,047	1,084	-	-
Loans and borrowings	3,695	751	-	-
Amounts due to subsidiaries	-	-	31,520	27,324
	5,102	2,702	31,520	27,324
Current Liabilities				
Provision	491	467	-	-
Income tax payable	2,595	1,919	90	-
Loans and borrowings	23,380	14,743	5,000	5,000
Payables and accruals	43,206	34,467	1,699	1,591
Amounts due to subsidiaries	-	-	1,668	1,740
	69,672	51,596	8,457	8,331
Total Liabilities	**74,774**	**54,298**	**39,977**	**35,655**
Total Equity and liabilities	**137,479**	**124,605**	**38,897**	**36,917**

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

Amount repayable in one year or less, or on demand

30/9/16		31/12/15	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	23,380	230	14,513

Amount repayable after one year

30/9/16		31/12/15	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	3,695	751	-

Details of any collateral

On 30 September 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	
	30/9/16 S$'000	30/9/15 S$'000
Operating activities		
Loss before income tax	(5,019)	(3,703)
Adjustment for:-		
Non-cash items	8,898	2,395
Operating cash flows before reinvestment in working capital	3,879	(1,308)
Changes in working capital		
Receivables	(12,289)	2,925
Inventories	(1,128)	(1,440)
Payables	7,532	(1,678)
Provisions	(143)	(175)
Cash flow used in operations	(2,149)	(1,676)
Interest paid	(746)	(668)
Interest received	105	55
Income tax paid	(1,177)	(961)
Income tax refund	23	2
Net cash used in operating activities	(3,944)	(3,248)
Investing activities		
Proceeds from disposals of property, plant and equipment	473	102
Proceeds from disposals of intangible asset	3	-
Purchase of property, plant and equipment	(10,483)	(7,995)
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	(1,531)	-
Expenditure on development project	(103)	-
Acquisition of an associate	-	(15)
Net cash (used in)/generated from investing activities	(9,627)	989
Financing activities		
Proceeds from share placement by subsidiaries	-	2,500
Shares placement expenses	-	(32)
Repayment to finance lease creditors	(582)	(651)
Proceeds from bank borrowings	12,755	-
Repayment of bank borrowings	(926)	(7,503)
Advance for capital injection from non-controlling interest	1,173	-
Net cash provided by/(used in) financing activities	12,420	(5,686)
Net decrease in cash and cash equivalents	(1,151)	(7,945)
Cash and cash equivalents at 1 January	41,166	52,580
Effect of exchange rate changes on cash and cash equivalents	(879)	1,856
Cash and cash equivalents at 30 September	39,136	46,491

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	39,136	46,574
Bank overdraft	-	(83)
	39,136	46,491

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								
	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	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 Nine Months Ended 30 Sep 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 period	-	-	-	(42)	(625)	(1,149)	**(1,816)**	(5,786)	**(7,602)**
Balance as at 30 Sep'16	132,617	(4,772)	(8,038)	(24)	(1,760)	(57,379)	**60,644**	2,061	**62,705**

Group	**Attributable to Owners of the Company**								
	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	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 Nine Months Ended 30 Sep 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 period	-	-	-	(3,585)	1,850	2,158	**423**	(9,051)	**(8,628)**
Changes in ownership interests in subsidiaries without a change in control									
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 30 Sep'15	132,617	(4,772)	(8,038)	23	377	(33,594)	**86,613**	24,455	**111,068**

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 Nine Months Ended 30 Sep 2016						
Balance as at 1 Jan'16	132,617	(4,772)	(2,960)	-	(123,623)	1,262
Total comprehensive income for the period	-	-	-	-	(2,342)	(2,342)
Balance as at 30 Sep'16	132,617	(4,772)	(2,960)	-	(125,965)	(1,080)
For The Nine Months Ended 30 Sep 2015						
Balance as at 1 Jan'15	132,617	(4,772)	(2,960)	3,587	(116,744)	11,728
Total comprehensive income for the period	-	-	-	(3,587)	(2,518)	(6,105)
Balance as at 30 Sep'15	132,617	(4,772)	(2,960)	-	(119,262)	5,623

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	
	30/9/16	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 30 September 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.

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	
	Third Quarter Ended		Nine Months Ended	
	30/9/16	30/9/15	30/9/16	30/9/15
Earnings/(loss) per share:-				
a) Based on weighted average number of ordinary	0.04 cents	(0.07) cents	(0.18) cents	0.33 cents
Weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486
b) On a fully diluted basis	0.04 cents	(0.07) cents	(0.18) cents	0.33 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	
	30/9/16	31/12/15	30/9/16	31/12/15
Net assets value per ordinary share	9.26 cts	9.54 cts	(0.16) 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			
	3Q2016 S$'000	3Q2015 S$'000	9M2016 S$'000	9M2015 S$'000
Business Segment				
Backend Equipment Solutions & Technologies ("BEST")	35,041	25,204	106,480	86,239
Distribution & Services	780	1,941	4,411	2,868
	35,821	27,145	110,891	89,107

Analysis of Group Performance (Cont'd)

Revenue
The Group reported a 32.0% or $8.7 million increase in revenue from $27.1 million (3Q2015) to $35.8 million (3Q2016).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 39.0% or $9.8 million increase in revenue from $25.2 million (3Q2015) to $35.0 million (3Q2016). The increase in revenue was due to higher demand for the equipment business. The revenue from Distribution & Service business decreased $1.2 million from $1.9 million (3Q2015) to $0.8 million (3Q2016) due to decline in sales from the distribution business.

Gross Profit Margin
Gross profit margin ("GPM") in 3Q2016 was 34.3%. This was 4.1% higher compared to the 30.3% reported in 3Q2015 due to the changes in sales mix.

Operating Expenses
Marketing & distribution, research & development and general administrative expenses of $14.3 million incurred in 3Q2016 were $0.9 million higher compared to the expenses reported in 3Q2015. The expenditure in 3Q2016 included an allowance on trade receivables of $2.5 million.

Financing costs was $14,000 higher in 3Q2016 compared to 3Q2015 due to more bank borrowings during the period.

Foreign exchange gain was $0.5 million in 3Q2016, compared to the $1.6 million gain in 3Q2015.

Depreciation charges of property, plant and equipment decreased in 3Q2016 when compared to 3Q2015. This was due to the impairment of certain property, plant and equipment of the Group at the end of the financial year 2015.

Net Profit/Loss
The Group reported a net profit attributable to shareholders of $0.3 million in 3Q2016, compared to the net loss of $0.5 million in 3Q2015. The Group reported a net loss attributable to shareholders of $1.1 million for the nine months in 2016.

Analysis of Group Performance (Cont'd)

BALANCE SHEET

As at 30 September 2016, total assets stood at $137.5 million comprising $30.7 million from non-current assets and $106.8 million from current assets. Total liabilities stood at $74.8 million comprising current liabilities of $69.7 million and non-current liabilities of $5.1 million. Shareholders' equity including non-controlling interests stood at $62.7 million.

The following are highlights of the Group's balance sheet as at 30 September 2016.

Intangible assets
The increase in intangible assets was mainly due to the development expenditure incurred in relation to the battery storage solutions.

Prepayment (non-current)
The increase in prepayment was due to additional payment in advance for the development project.

Property, plant and equipment
The increase in property, plant and equipment was mainly due to the additional purchases of machinery to cater for the increased activities during the period. This increase was partially offset by the depreciation charges during the period.

Other receivables and prepayments
Prepayment of expenses increased due to advances to suppliers.

Trade receivables
Trade receivables' balance increased $9.2 million due to higher sales in 3Q2016 compared to 4Q2015.

Loans and borrowings
Loans and borrowings increased $11.6 million from $15.5 million (4Q2015) to $27.1 million (3Q2016), due to additional drawdowns to fund working capital requirements.

Payables and accruals
Payables and accruals increased $8.7 million from $34.5 million (4Q2015) to $43.2 million (3Q2016) mainly due to higher business activities.

CASHFLOW STATEMENT

The Group utilised $2.1 million for its operations. An amount of $1.8 million was used for the payment of interest and tax. A net amount of $10.0 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 $1.6 million for expenditure on research and development projects. The Group borrowed a net amount of $11.2 million from financial institutions. An advance of $1.2 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

The improved financial results in 3Q2016 compared to that of the corresponding quarter last year, underscore the success of the Group's restructuring and cost control efforts.

The business visibility of 4Q2016 is low and we expect business to slow down as the end of the year approaches.

The performance of ASA Group had improved in 9M2016.

Business activities had picked up in the 3Q2016. ASA Group will continue its efforts to mine more business and explore opportunities.

Going forward, ASA Group is cautiously optimistic about its performance in the 4Q2016. Nonetheless ASA Group will continue to exercise caution in its business management.

DGI Group continues its developmental efforts on its battery and storage solutions.

With respect to the acquisition for the 19% interest in Heat Tech Japan Co., Ltd., DGI announced that it had reached a mutual agreement with the Vendor to waive the issue and quotation of the Consideration Shares on 21 October 2016.

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).

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 September 2016.

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 September 2016 to be false or misleading in any material aspect.

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 Chief Executive Officer

15 November 2016