



ASTI Holdings Limited and its Subsidiaries

**Condensed Interim Financial Statements
For the Six Months Ended 30 June 2022**

CONDENSED BALANCE SHEETS

AS AT 30 JUNE 2022

	Note	Group		Company	
		30 Jun 22 S\$'000 (unaudited)	31 Dec 21 S\$'000 (unaudited)	30 Jun 22 S\$'000 (unaudited)	31 Dec 21 S\$'000 (unaudited)
Non-Current Assets					
Intangible assets		18	18	-	-
Property, plant and equipment	3	33,350	21,301	71	100
Right-of-use assets		1,504	1,902	50	70
Subsidiaries	4	-	-	5,162	7,910
Associates	5	6,294	6,880	5,801	5,801
Other receivables		40	43	-	-
Deferred tax assets		36	35	-	-
		<u>41,242</u>	<u>30,179</u>	<u>11,084</u>	<u>13,881</u>
Current Assets					
Inventories		3,478	3,524	-	-
Prepayments and advances		411	863	20	38
Due from subsidiaries		-	-	174	77
Due from associates		9,603	9,513	9,588	9,497
Due from related companies		2,492	2,435	-	-
Trade receivables		12,181	11,027	-	-
Other receivables		723	853	23	10
Cash at bank and on hand		22,791	23,849	2,826	1,390
		<u>51,679</u>	<u>52,064</u>	<u>12,631</u>	<u>11,012</u>
Current Liabilities					
Provisions		5	5	-	-
Loans and borrowings	7	2,460	2,628	-	-
Trade payables and accruals		11,035	12,489	1,919	3,173
Other payables	6	16,103	5,638	520	356
Due to subsidiaries		-	-	10,130	9,700
Lease creditors		981	1,197	40	40
Income tax payable		840	756	-	-
		<u>31,424</u>	<u>22,713</u>	<u>12,609</u>	<u>13,269</u>
Net Current Assets / (Liabilities)		20,255	29,351	22	(2,257)
Non-Current Liabilities					
Lease creditors		1,121	1,251	11	30
Long term payables		2,633	2,530	-	-
Loans and borrowings	7	396	425	-	-
Deferred tax liabilities		184	194	-	-
		<u>4,334</u>	<u>4,400</u>	<u>11</u>	<u>30</u>
Net Assets		57,163	55,130	11,095	11,594
Equity attributable to owners of the Company					
Share capital	13	132,617	132,617	132,617	132,617
Treasury shares	14	(4,772)	(4,772)	(4,772)	(4,772)
Translation reserve		(14)	575	-	-
Capital reserves		(3,746)	(3,746)	(2,960)	(2,960)
Other reserves		(4,448)	(4,448)	-	-
Accumulated losses		(48,003)	(51,165)	(113,790)	(113,291)
		<u>71,634</u>	<u>69,061</u>	<u>11,095</u>	<u>11,594</u>
Non-controlling interests		(14,471)	(13,931)	-	-
Total Equity		57,163	55,130	11,095	11,594

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Note	Group		change %
		6 months ended		
		30 Jun 22 S\$'000	30 Jun 21 S\$'000	
Revenue	8	32,440	26,200	23.8
Cost of sales		<u>(24,309)</u>	<u>(18,870)</u>	28.8
Gross Profit		8,131	7,330	10.9
Other income		266	749	(64.5)
Other expense				
Marketing and distribution		(768)	(848)	(9.4)
Research and development		24	(43)	NM
Administrative expenses		(4,905)	(6,700)	(26.8)
Other expenses		(5)	(46)	(89.1)
Foreign exchange gain		1,230	891	38.0
Finance costs, net		(86)	(85)	1.2
Share of results of associates, net of tax		<u>(611)</u>	<u>(1,293)</u>	(52.7)
Profit/(loss) before tax	9	3,276	(45)	NM
Income tax expense	10	<u>(718)</u>	<u>(534)</u>	34.5
Profit/(loss) for the period		<u>2,558</u>	<u>(579)</u>	NM
Attributable to:				
Owners of the Company		3,162	831	>100.0
Non-controlling interests		<u>(604)</u>	<u>(1,410)</u>	(57.2)
Total		<u>2,558</u>	<u>(579)</u>	NM
Earnings per share (cents per share)				
Basic and diluted	12	0.48	0.13	

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Group		change %
	6 months ended		
	30 Jun 22 S\$'000	30 Jun 21 S\$'000	
Profit/(loss) for the period	2,558	(579)	NM
Other comprehensive income items that may be reclassified subsequently profit or loss			
Foreign currency translation	(519)	97	NM
Other comprehensive income for the period, net of tax of nil	(519)	97	NM
Total comprehensive income for the period	2,039	(482)	NM
Attributable to:			
Owners of the Company	2,579	1,099	>100.0
Non-controlling interests	(540)	(1,581)	(65.8)
Total	2,039	(482)	NM

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Group	Attributable to equity holders of the Company							
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the Company, Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2022	132,617	(4,772)	(8,194)	575	(51,165)	69,061	(13,931)	55,130
Profit/(loss) for the period	-	-	-	-	3,162	3,162	(604)	2,558
Foreign currency translation	-	-	-	(589)	-	(589)	64	(525)
Other comprehensive income net of tax of nil	-	-	-	(589)	-	(589)	64	(525)
Total comprehensive income for the period	-	-	-	(589)	3,162	2,573	(540)	2,033
At 30 June 2022	132,617	(4,772)	(8,194)	(14)	(48,003)	71,634	(14,471)	57,163
At 1 January 2021	132,617	(4,772)	(8,194)	338	(44,218)	75,771	(3,223)	72,548
Profit/(loss) for the period	-	-	-	-	831	831	(1,410)	(579)
Foreign currency translation	-	-	-	268	-	268	(171)	97
Other comprehensive income net of tax of nil	-	-	-	268	-	268	(171)	97
Total comprehensive income for the period	-	-	-	268	831	1,099	(1,581)	(482)
At 30 June 2021	132,617	(4,772)	(8,194)	606	(43,387)	76,870	(4,804)	72,066

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Company	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2022	132,617	(4,772)	(2,960)	(113,291)	11,594
Loss for the period	-	-	-	(499)	(499)
Total comprehensive loss for the period	-	-	-	(499)	(499)
At 30 June 2022	132,617	(4,772)	(2,960)	(113,790)	11,095
At 1 January 2021	132,617	(4,772)	(2,960)	(97,844)	27,041
Loss for the period	-	-	-	(16,948)	(16,948)
Total comprehensive loss for the period	-	-	-	(16,948)	(16,948)
At 30 June 2021	132,617	(4,772)	(2,960)	(114,792)	10,093

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Group	30 Jun 22 S\$'000	30 Jun 21 S\$'000
Cash flows from operating activities		
Profit/(loss) before tax	3,276	(45)
Add/(less) for non cash items:		
Exchange difference	(290)	863
Depreciation of property, plant and equipment	3,463	3,155
Depreciation of right-of-use assets	450	398
Loss/(gain) on disposal of property, plant and equipment	4	(10)
Property, plant and equipment written off	6	1
Allowance on stock obsolescence, net	1	13
Allowance on other receivables	-	10
(Write-back of)/allowance on trade receivables	(5)	45
Interest expenses	200	197
Interest income	(136)	(115)
Share of results of associates	611	1,293
Operating cash flows before changes in working capital	7,580	5,805
<u>Changes in working capital</u>		
(Increase)/decrease in:		
Inventories	(30)	879
Receivables	(1,295)	(1,518)
Amount due from associates	-	(166)
Increase/(decrease) in:		
Payables	(3,072)	(1,694)
	3,183	3,306
Interest paid	(157)	(156)
Interest received	45	21
Income tax paid	(532)	(579)
Net cash generated from operating activities	2,539	2,592

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Group	30 Jun 22 S\$'000	30 Jun 21 S\$'000
Investing activities		
Proceeds from disposal of property, plant and equipment	-	10
Purchase of property, plant and equipment (Note (i))	(3,178)	(3,186)
Prepayment of right-of-use assets	-	14
	(3,178)	(3,162)
Financing activities		
Payment of principal portion of lease liabilities	(383)	(747)
Proceeds from bank borrowings	58	-
Repayments of bank borrowings	(98)	-
	(423)	(747)
Net decrease in cash and cash equivalents	(1,062)	(1,317)
Cash and cash equivalents at beginning of the period	23,849	28,917
Effects of exchange rate changes on cash and cash equivalents	4	(431)
	22,791	27,169
Cash and cash equivalents at end of the period	22,791	27,169

(i) Property, plant and equipment were acquired by means of:

Group	30 Jun 22 S\$'000	30 Jun 21 S\$'000
Cash payment	3,178	3,186
Other payables (Note 6)	11,908	2,097
	15,086	5,283
	15,086	5,283

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. CORPORATION INFORMATION

ASTI Holdings Limited (the “Company”) was incorporated in the Republic of Singapore on 27 March 1999 as a public company limited by shares. The Company is domiciled in the Republic of Singapore and was admitted to the Official List of the Stock Exchange of Singapore Dealing and Automated Quotation System (“SGX-SESDAQ”) on 8 July 1999. Effective 28 April 2005, the listing and quotation of the Company’s shares was transferred to the official list of the SGX Mainboard. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The registered office of the Company is located at 1 Robinson Road, #18-00 AIA Tower, Singapore 048542. The principal place of the Company’s business is located at 33 Ubi Avenue 3, Vertex #08-69 Singapore 408868.

The principal activities of the Company are those of investment holdings and acting as corporate manager and advisor in connection with the administration and organisation of the businesses of its subsidiaries.

The principal activities of the subsidiaries and associates are disclosed in Note 4 and Note 5.

2. BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual unaudited financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or S\$) and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated

2.1 *New and amended standards adopted by the Group*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are mandatorily effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

- Amendments to SFRS(I) 3, SFRS(I) 1-16 and SFRS(I) 1-37
- SFRS(I) 9 *Financial Instruments*

The Group has not early applied new and revised SFRSs that have been issued but are not yet mandatorily effective for the year beginning 1 January 2022.

2.2 *Use of judgement and estimates*

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

3. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2022, the Group acquired assets amounting to S\$15,086,000 (30 June 2021: S\$5,283,000).

4. SUBSIDIARIES

Company	30 Jun 22 S\$'000	31 Dec 21 S\$'000
Quoted shares, at cost	37,914	37,914
Unquoted shares, at cost	22,694	25,442
Less: Dividend income declared from subsidiary's pre-acquisition reserve	(294)	(294)
	60,314	63,062
Impairment loss on quoted shares	(37,914)	(37,914)
Impairment loss on unquoted shares	(17,238)	(17,238)
	5,162	7,910
Allowance for impairment		
At 1 January	55,152	54,166
Current period allowance	-	986
	55,152	55,152

Impairment testing of investment in subsidiaries

In 2021, the Company has performed an impairment assessment on certain subsidiaries which had been dormant or loss-making. Based on the assessment, the management made additional impairment charge of S\$986,000 to write down the investment in a subsidiary to its recoverable amount.

(a) The Group has the following significant investments in subsidiaries:

Name of subsidiaries (Country of incorporation)	Principal activities	Proportion of ownership interest	
		30 Jun 2022	31 Dec 2021
		%	%
Held by the Company			
Telford Industries Pte Ltd (Singapore)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
Telford SVC. Phils., Inc. (Philippines)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
Reel Service Limited (United Kingdom)	Investment holding, manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing	100	100
Reel Service (Philippines), Inc. (Philippines)	Manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing services for surface mount technology components	100	100

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

4. SUBSIDIARIES (CONT'D)

(a) The Group has the following significant investments in subsidiaries (Cont'd):

Name of subsidiaries (Country of incorporation)	Principal activities	Proportion of ownership interest	
		30 Jun 2022	31 Dec 2021
		%	%
Held by the Company			
Telford Technologies (Shanghai) Pte Ltd (People's Republic of China)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
Telford Property Management Inc. (Philippines)	Property investment	100	100
Dragon Group International Limited (Singapore)	Investment holding and acting as corporate manager and advisor to its subsidiaries	41	41
EoPlex Limited (Hong Kong)	Development of advanced chip packaging and related technologies	85	85
Held by Telford Industries Pte Ltd			
Telford Service Sdn. Bhd. (Malaysia)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
Telford Service (Melaka) Sdn. Bhd. (Malaysia)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
Held by Dragon Group International Limited			
Dragon Equipment & Materials Technology Ltd (Hong Kong)	Sale, distribution and acting as commission agent in equipment, materials and electronic components	100	100
DTB Limited (Hong Kong)	Investment holding	100	100
Held by Dragon Equipment & Materials Technology Ltd			
Spire Technologies Pte Ltd (Singapore)	Importing, exporting, retailing and trading in electronic components and test consumables	100	100
Held by Spire Technologies Pte Ltd			
Spire Technologies (Taiwan) Ltd (Taiwan)	Importing, exporting, retailing and trading in electronic components and test consumables	60	60

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

4. SUBSIDIARIES (CONT'D)

(a) The Group has the following significant investments in subsidiaries (Cont'd):

Name of subsidiaries (Country of incorporation)	Principal activities	Proportion of ownership interest	
		30 Jun 2022	31 Dec 2021
		%	%
Held by DTB Limited			
Nanjing DTB Development Co., Ltd (People's Republic of China)	Construction of antique wooden sea boat, communication of culture, exhibition and conference etc.	60	60
Dragon Ventures Limited (Hong Kong)	Investment holding	100	100
Held by Dragon Ventures Limited			
Dragon Tourism Management Company Limited (People's Republic of China)	Develop and manage a mixed-used property	100	100

The above list excludes subsidiaries that are insignificant to the operations of the Group.

5. ASSOCIATES

The Group's material investment in associate is summarised below:

	Group		Company	
	30 Jun 22 S\$'000	31 Dec 21 S\$'000	30 Jun 22 S\$'000	31 Dec 21 S\$'000
Advanced Systems Automation Limited	1,867	1,867	5,801	5,801
EoCell Limited	4,427	5,013	-	-
	6,294	6,880	5,801	5,801
Carrying amount of quoted shares at end of period	1,867	1,867	5,801	5,801
Carrying amount of unquoted shares at end of period	4,427	5,013	-	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

5. ASSOCIATES (CONT'D)

The Group has the following significant investments:

Name of investments (Country of incorporation)	Principal activities	Proportion of ownership interest	
		30 Jun 2022 %	31 Dec 2021 %
Held by the Company			
Advanced Systems Automation Limited (Singapore)	Investment holding	26	26
Held by Advanced Systems Automation Limited			
Emerald Precision Engineering Sdn. Bhd. (Malaysia)	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	100	100
Pioneer Venture Pte Ltd (Singapore)	Contract manufacturing solutions of fabricated metal products	100	100
Yumei Technologies Sdn. Bhd. (Malaysia)	Manufacturing of die-casting products	100	100
Yumei REIT Sdn. Bhd. (Malaysia)	Property owner	100	100
Held by Dragon Group International Limited (a subsidiary of the Company)			
EoCell Limited (Hong Kong)	Development of battery and storage solutions	40	40
Held by EoCell Limited			
EoCell Inc (United States of America)	Development of battery and storage solutions	100	100

The above list excludes associates that are insignificant to the operations of the Group.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

6. OTHER PAYABLES

	Group		Company	
	30 Jun 22 S\$'000	31 Dec 21 S\$'000	30 Jun 22 S\$'000	31 Dec 21 S\$'000
Proposed Directors' fees	350	233	350	233
Proposed Directors' fees of subsidiaries	179	123	-	-
Payable arising from purchase of property, plant and equipment	11,908	1,755	-	-
Advances received from customers (Note (i))	87	68	-	-
Advances for capital injection from non-controlling interest	2,624	2,696	-	-
Sundry creditors	821	611	166	118
Others	134	152	4	5
	16,103	5,638	520	356

(i) The advances received from customers relate to the deposits received for sales orders.

7. LOANS AND BORROWINGS

	Group		Company	
	30 Jun 22 S\$'000	31 Dec 21 S\$'000	30 Jun 22 S\$'000	31 Dec 21 S\$'000
Current liabilities:				
Unsecured loan	2,460	2,628	-	-
Non-current liabilities:				
Unsecured loan	396	425	-	-
	2,856	3,053	-	-

Unsecured loan

- (a) Unsecured floating rate bank borrowings of a subsidiary bear effective interest rates of 4.31% (2021: ranging from 4.31% to 6.25%) per annum. This loan has two portions, \$396,000 (2021: \$425,000) is included in non-current liabilities while the remaining \$79,000 (2021: \$77,000) is under current liabilities which are repayable quarterly, and is denominated in United States dollars.
- (b) Short Term unsecured floating rate bank borrowings of the subsidiaries bear effective interest rates of 5.88% (2021: ranging from 5.88% to 6.00%) per annum. These bank borrowings comprise of S\$2,381,000 (2021: S\$2,551,000) which are repayable within one year and is denominated in Philippines peso.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

8. REVENUE

Disaggregation of revenue

Group	Backend equipment solutions & technologies		Distribution & services		Total revenue	
	30 Jun 22	30 Jun 21	30 Jun 22	30 Jun 21	30 Jun 22	30 Jun 21
6 months ended	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets						
China	4,315	2,863	39	208	4,354	3,071
Singapore	438	495	232	72	670	567
Malaysia	1,713	1,225	118	97	1,831	1,322
Philippines	19,813	17,059	-	-	19,813	17,059
United Kingdom	1,334	1,276	-	-	1,334	1,276
Others	2,599	1,713	1,839	1,192	4,438	2,905
	30,212	24,631	2,228	1,569	32,440	26,200
Timing of transfer of goods or services						
At a point in time	30,212	24,631	2,228	1,569	32,440	26,200

9. PROFIT BEFORE TAX

The following significant items have been included in arriving at profit before tax.

	Group	
	30 Jun 22	30 Jun 21
	S\$'000	S\$'000
Interest income	136	115
Interest expense	(200)	(197)
Depreciation on property, plant and equipment	(3,463)	(3,155)
Depreciation on right-of-use assets	(450)	(398)
Property, plant and equipment written off	(6)	(1)
(Loss)/gain on disposal of property, plant and equipment	(4)	10
Allowance on stock obsolescence, net	(1)	(13)
Write-back of/(allowance on) trade receivables	5	(45)
Allowance on other receivables	-	(10)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

10. INCOME TAX EXPENSE

	Group	
	6 months ended	
	30 Jun 22	30 Jun 21
	S\$'000	S\$'000
Income tax payable in respect of results for the period:		
Current income tax		
(i) Singapore	(7)	(2)
(ii) Others	(709)	(515)
Deferred income tax	-	(3)
	<u>(716)</u>	<u>(520)</u>
Under provision in respect of prior period:		
Current income tax	(2)	(14)
	<u>(2)</u>	<u>(14)</u>
Income tax expense recognised in profit and loss	<u>(718)</u>	<u>(534)</u>

11. NET ASSETS VALUE

	Group		Company	
	30 Jun 22	31 Dec 21	30 Jun 22	31 Dec 21
Net assets value per share (cents)	<u>10.94</u>	10.55	<u>1.69</u>	1.77
Based on number of shares (in '000s)	<u>654,731</u>	654,731	<u>654,731</u>	654,731

Net assets value per share is calculated based on the equity attributable to the owners of the Company divided by the number of issued shares (excluding treasury shares).

12. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The following reflects the income and share data used in the basic and diluted earnings per share computations for the end of the period:

Group	30 Jun 22	30 Jun 21
	S\$'000	S\$'000
Profit for the period attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	<u>3,162</u>	<u>831</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share computation (no. of shares, in '000s)	<u>654,731</u>	<u>654,731</u>

The diluted earnings per share are the same as the basic earnings per share as there were no outstanding convertible securities.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

13. SHARE CAPITAL

Group and Company	30 Jun 22	31 Dec 21	30 Jun 22	31 Dec 21
	Number of shares		S\$'000	S\$'000
Issued and fully paid ordinary shares				
Balance at beginning and at end	<u>681,966,341</u>	<u>681,966,341</u>	<u>132,617</u>	<u>132,617</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

14. TREASURY SHARES

Group and Company	30 Jun 22	31 Dec 21	30 Jun 22	31 Dec 21
	Number of shares		S\$'000	S\$'000
Balance at beginning and at end	<u>(27,234,855)</u>	<u>(27,234,855)</u>	<u>(4,772)</u>	<u>(4,772)</u>

Treasury shares relate to the ordinary shares of the Company that are held by the Company. Losses or gains on disposal or reissue of treasury shares are reflected as equity in the balance sheet.

15. SEGMENT INFORMATION

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

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

15. SEGMENT INFORMATION (CONT'D)

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, current assets, investments and intangible assets.

Group	Backend equipment solutions & technologies		Distribution & services		Adjustments and elimination		Total Consolidation	
	30 Jun 22	30 Jun 21	30 Jun 22	30 Jun 21	30 Jun 22	30 Jun 21	30 Jun 22	30 Jun 21
6 months ended	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segmental Revenue								
- External Revenue	30,212	24,631	2,228	1,569	-	-	32,440	26,200
- Inter-segmental sales	8	-	-	-	(8)	-	-	-
	30,220	24,631	2,228	1,569	(8)	-	32,440	26,200
Operating profit/(loss)	8,303	5,526	(1,054)	(1,868)	-	-	7,249	3,658
Interest income	417	560	-	13	(281)	(458)	136	115
Interest expense	(410)	(477)	(71)	(178)	281	458	(200)	(197)
Depreciation on property, plant and equipment	(3,462)	(3,154)	(1)	(1)	-	-	(3,463)	(3,155)
Depreciation on right-of-use assets	(450)	(398)	-	-	-	-	(450)	(398)
Allowance on stock obsolescence, net	(1)	(13)	-	-	-	-	(1)	(13)
Write-back of/(allowance on) trade receivables	14	-	(9)	(45)	-	-	5	(45)
Allowance on other receivables	-	-	-	(10)	-	-	-	(10)
Profit/(loss) before tax	4,411	2,044	(1,135)	(2,089)	-	-	3,276	(45)
Income tax expense	(673)	(515)	(45)	(19)	-	-	(718)	(534)
Profit/(loss) after tax	3,738	1,529	(1,180)	(2,108)	-	-	2,558	(579)
Other information:								
Share of results of associates, net of tax	82	145	(693)	(1,438)	-	-	(611)	(1,293)
Foreign currency exchange gain/(loss)	1,655	664	(425)	227	-	-	1,230	891

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant transactions are entered with related parties and the effects of these transactions on the basis determined between the parties are reflected in these financial statements.

Group	30 Jun 22 S\$'000	30 Jun 21 S\$'000
Corporate cost recovery	85	100
Interest income	90	94
Rental expenses	-	(74)
Utilities expenses	-	(2)
	<u> </u>	<u> </u>

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	30 Jun 22 S\$'000	31 Dec 21 S\$'000	30 Jun 22 S\$'000	31 Dec 21 S\$'000
Financial assets measured at amortised cost				
Due from subsidiaries	-	-	174	77
Due from associates	9,603	9,513	9,588	9,497
Due from related companies	2,492	2,435	-	-
Trade receivables	12,181	11,027	-	-
Other receivables	693	737	23	10
Cash at bank and on hand	22,791	23,849	2,826	1,390
	<u>47,760</u>	<u>47,561</u>	<u>12,611</u>	<u>10,974</u>
Financial liabilities measured at amortised cost				
Trade payables and accruals	11,035	12,489	1,919	3,173
Other payables	13,392	2,874	520	356
Due to subsidiaries	-	-	10,130	9,700
Lease creditors	2,102	2,448	51	70
Long term payables	2,633	2,530	-	-
Loans and borrowings	2,856	3,053	-	-
	<u>32,018</u>	<u>23,394</u>	<u>12,620</u>	<u>13,299</u>

18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no known subsequent events which have led to adjustments to this set of financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2022

OTHER INFORMATION

1. REVIEW

The condensed consolidated balance sheet of ASTI Holdings Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended and certain explanatory notes have not been audited or reviewed.

2. WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY MODIFICATIONS OR EMPHASIS OF MATTER)

Not applicable.

2A. WHERE THE LATEST FINANCIAL STATEMENTS ARE SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER OR OPINION: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

3. CHANGES IN TREASURY SHARES

Not applicable.

4. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable.

5. REVIEW OF PERFORMANCE OF THE GROUP

Consolidated Income Statement – first half ended 30 June 2022 ("1H2022") performance

Revenue

	6 months ended 30-Jun-22		6 months ended 30-Jun-21		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies	30,212	93.1	24,631	94.0	22.6
Distribution & Services	2,228	6.9	1,569	6.0	42.0
	<u>32,440</u>	100.0	<u>26,200</u>	100.0	23.8

The Group recorded revenue of \$32.4 million in the first half year ended 30 June 2022 ("1H2022"); an increase of \$6.2 million from \$26.2 million recorded in the previous corresponding period ended 30 June 2021 ("1H2021"). This is mainly due to higher revenue from our Tape & Reel packaging services contributed by our Philippines operations.

Gross profit margin of the Group dropped by 3 percentage-points; from 28% in 1H2021 to 25% in 1H2022.

Other income down by \$0.4 million or 65% in 1H2022 compared to 1H2021, mainly due to the absence of government incentives.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2022

5. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Administrative expenses declined by \$1.8 million or 27% from \$6.7 million in 1H2021 to \$4.9 million in 1H2022 due to lower staff-related costs and premises-related costs resulting from cost-cutting measures.

Other expenses comprised: \$6,000 from property, plant and equipment ("PPE") written off; \$4,000 from loss on disposal of PPE; and \$5,000 from write-back on trade receivables.

Foreign exchange gains of \$1.2 million and \$0.9 million was reported in 1H2022 and 1H2021 respectively. This was mainly due to the volatility of the United States dollar and Singapore dollar exchange rates.

Income tax expense increase by 35% or \$0.2 million mainly due to higher profit before tax for the period.

As the result of the above, the Group registered a net profit after tax of \$2.6 million in 1H2022 compared to net loss after tax of \$0.6 million in 1H2021.

Consolidation Statement of Financial Position as at 30 June 2022

Non-current assets

The movements in non-current assets comprised the additional property, plant and equipment ("PPE") purchased by the Group and new hire-purchase lease entered in 1H2022. These were net off against the decrease in investment in associates, the depreciation of PPE and right-of-use assets and currency translation.

The above resulted in an overall positive impact of \$11.0 million compared to \$30.2 million in 31 December 2021 (\$41.2 million in 30 June 2022).

Current assets

Compared to 30 June 2022, current assets dropped by \$0.4 million or 0.7% from \$52.1 million at 31 December 2021 to \$51.7 million at 30 June 2022. These were due to the utilisation of cash on purchase of PPE and lower inventories, net off against the increase of trade receivables which correspond to the higher revenue reported in 1H2022.

Current liabilities

The increase in current liabilities from \$22.7 million at 31 December 2021 to \$31.4 million at 30 June 2022 was mainly due to the increase of payable arising from purchase of PPE of \$10.2 million.

Non-current liabilities

Non-current liabilities decreased by \$66,000 or 2% was mainly due to the repayment of lease liabilities, which was mitigated by the increase in long term payables and new hire-purchase lease taken up during the period.

Consolidated Statement of Cash Flows Position as at 30 June 2022

The Group recorded net cash generated from operating activities of \$2.5 million from its operational working capital. An amount of \$0.7 million was utilised for the payment of interests and taxes.

Net cash used in investing activities amounting to \$3.2 million was for purchase of property, plant and equipment.

The Group recorded net cash used in financing activities of \$0.4 million in 1H2022 due to the repayment of lease obligations and repayment of bank borrowings.

6. WHERE A FORECAST, OR PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.

Not applicable.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2022

7. A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS.

ASTI and DGI are working on exit proposals and will keep the shareholders updated at the appropriate time.

ASA will continue to work towards growing its current business. However, as organic growth can be quite slow and raising further capital from the market for expansion will result in further dilution, ASA continues its search for the acquisition of a new business and will make necessary announcements in compliance with the Catalist Rules as and when there are material developments.

8. DIVIDEND

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the immediately preceding financial year

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

None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

(f) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for 1H2022 as the Group is still has accumulated losses as at 30 June 2022.

9. IF THE GROUP HAS OBTAINED A GENERAL MANDATE FROM SHAREHOLDERS FOR IPTS, THE AGGREGATE VALUE OF SUCH TRANSACTIONS AS REQUIRED UNDER RULE 920(1)(A)(II). IF NO IPT MANDATE HAS BEEN OBTAINED, A STATEMENT TO THAT EFFECT.

No general mandate for IPTs has been obtained from shareholders.

10. CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS PURSUANT TO RULE 720(1) OF THE LISTING MANUAL.

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2022

11. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5).

To the best of our knowledge, nothing has come to the attention of the Board of Directors of ASTI Holdings Limited which may render the unaudited financial results for the financial period ended 30 June 2022 to be false or misleading in any material aspect.

12. DISCLOSURES ON ACQUISITION AND REALISATION OF SHARES PURSUANT TO RULE 706A.

There were no acquisitions or realisations of shares in neither any of the Group's subsidiary associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the 1H2022.

By Order of the Board

Dato' Michael Loh Soon Gnee
Chairman
12 August 2022