

The Directors are pleased to make the following announcement of the unaudited results for the first half financial period ended 30 June 2018.

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		%
	30/6/18	30/6/17	Change	30/6/18	30/6/17	Change
		(restated)*			(restated)*	
Revenue	32,528	33,170	(2%)	69,071	57,569	20%
Cost of sales	(20,939)	(22,120)	(5%)	(43,677)	(38,354)	14%
Gross profit	11,589	11,050	5%	25,394	19,215	32%
Other income	963	259	272%	1,128	680	66%
Marketing and distribution	(2,692)	(2,665)	1%	(5,654)	(5,674)	(0%)
Research and development	(3,070)	(3,048)	1%	(6,069)	(5,902)	3%
Administrative expenses	(5,149)	(6,810)	(24%)	(10,091)	(12,725)	(21%)
Other operating income, net	2,009	2,993	(33%)	1,229	1,345	(9%)
Operating expenses	(8,902)	(9,530)	(7%)	(20,585)	(22,956)	(10%)
Operating profit/(loss)	3,650	1,779	105%	5,937	(3,061)	NM
Finance costs, net	(368)	(379)	(3%)	(700)	(717)	(2%)
Share of results of associates, net of tax	(336)	(1)	NM	(688)	(6)	NM
Profit/(loss) before tax	2,946	1,399	111%	4,549	(3,784)	NM
Income tax expense	(160)	(428)	(63%)	(1,329)	(560)	137%
Net profit/(loss) for the period	2,786	971		3,220	(4,344)	
Attributable to :						
Owners of the Company	3,637	2,984	22%	4,954	(642)	NM
Non-controlling interests	(851)	(2,013)	(58%)	(1,734)	(3,702)	(53%)
Net profit/(loss) for the period	2,786	971		3,220	(4,344)	

NM: Not meaningful

* Following the completion of Advanced Systems Automation (“ASA”) Group’s rights issue on 14 June 2017, ASTI is no longer a controlling shareholder of ASA Group. Henceforth, ASTI Group’s restated financial results in 2Q2017 and 1H2017 takes into account the disposal of ASA Group.

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

Profit/(loss) before tax is stated after crediting/(charging):

	Group			Group		
	Second Quarter Ended			Half Year Ended		
	S\$'000	%		S\$'000	%	
	30/6/18	30/6/17	Change	30/6/18	30/6/17	Change
		(restated)*			(restated)*	
Interest income	65	18	261%	125	34	268%
Interest on borrowings	(348)	(326)	7%	(647)	(600)	8%
Depreciation of property, plant and equipment	(1,558)	(1,413)	10%	(2,955)	(2,710)	9%
Depreciation of investment properties	(5)	(5)	0%	(9)	(9)	0%
(Allowance)/write-back of allowance on trade receivables	(6)	(6)	0%	(3)	14	NM
Allowance on non-trade receivables	(6)	(66)	(91%)	(13)	(72)	(82%)
Net write back/(provision) for stock obsolescence	181	(265)	NM	(75)	(648)	(88%)

Other expenses

	Group			Group		
	Second Quarter Ended			Half Year Ended		
	S\$'000	%		S\$'000	%	
	30/6/18	30/6/17	Change	30/6/18	30/6/17	Change
Impairment loss on investment securities	-	-	NM	(24)	-	NM
Impairment loss on property, plant and equipment	(1)	-	NM	(1)	-	NM
Impairment loss on club membership	-	(8)	NM	-	(8)	NM
Property, plant and equipment written off	(4)	-	NM	(4)	-	NM
Gain on disposal of property, plant and equipment	167	180	(7%)	167	180	(7%)
Gain on disposal of club membership	-	-	NM	-	73	NM
Gain on disposal of subsidiaries	-	2,945	NM	-	2,945	NM
Foreign currency exchange gain/(loss)	1,847	(124)	NM	1,091	(1,845)	NM

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 profit/(loss) for the period

Other comprehensive income:-

Items that may be reclassified subsequently to profit or loss:

	Group			Group		
	Second Quarter Ended			Half Year Ended		
	S\$'000	%		S\$'000	%	
	30/6/18	30/6/17	Change	30/6/18	30/6/17	Change
		(restated)*			(restated)*	
Foreign currency translation adjustment	(365)	50	NM	(266)	59	NM
Fair value changes on available-for-sale assets	-	(2)	NM	(3)	5	NM
Other comprehensive income, net of tax	(365)	48	NM	(269)	64	NM

Total comprehensive income for the period

Total comprehensive income attributable to:-

	Group			Group		
	Second Quarter Ended			Half Year Ended		
	S\$'000	%		S\$'000	%	
	30/6/18	30/6/17	Change	30/6/18	30/6/17	Change
		(restated)*			(restated)*	
Owners of the Company	3,282	3,127	5%	4,813	(470)	NM
Non-controlling interests	(861)	(2,108)	(59%)	(1,862)	(3,810)	(51%)
Total comprehensive income for the period	2,421	1,019	138%	2,951	(4,280)	NM

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	
	30/6/18	31/12/17 (restated) #	30/6/18	31/12/17
Non-current Assets				
Intangible assets	5,555	4,170	-	-
Property, plant and equipment	26,944	20,582	87	79
Investment properties	327	338	-	-
Investments in subsidiaries	-	-	17,192	17,532
Investments in associate	4,118	4,807	5,801	5,801
Investment securities	-	24	-	-
Deferred tax assets	98	103	-	-
	37,042	30,024	23,080	23,412
Current Assets				
Inventories	26,553	24,068	-	-
Other receivables and prepayments	4,418	3,951	271	92
Amounts due from subsidiaries	-	-	11,552	8,184
Amounts due from associates	942	14	870	-
Trade receivables	42,204	31,203	-	-
Cash and cash equivalents	21,875	29,616	391	1,485
	95,992	88,852	13,084	9,761
Total Assets	133,034	118,876	36,164	33,173
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	(1,738)	296	-	-
Capital reserves	(8,091)	(8,091)	(2,960)	(2,960)
Fair value reserve	1	2	-	-
Accumulated losses	(54,635)	(61,483)	(148,598)	(143,914)
	63,382	58,569	(23,713)	(19,029)
Non-controlling interests	(9,815)	(7,953)	-	-
Total Equity	53,567	50,616	(23,713)	(19,029)
Non-current Liabilities				
Deferred tax liabilities	165	165	-	-
Lease creditors	1,440	1,325	-	-
Long term payables	1,051	1,028	-	-
Loans and borrowings	670	2,061	-	-
Amounts due to subsidiaries	-	-	52,233	44,718
	3,326	4,579	52,233	44,718
Current Liabilities				
Provision	530	409	-	-
Income tax payable	1,207	1,020	170	120
Loans and borrowings	31,203	25,161	5,000	5,000
Payables and accruals	42,570	36,556	2,153	2,049
Amounts due to subsidiaries	-	-	321	315
Amounts due to associates	631	535	-	-
	76,141	63,681	7,644	7,484
Total Liabilities	79,467	68,260	59,877	52,202
Total Equity and liabilities	133,034	118,876	36,164	33,173

The balance sheet had been restated to take into account the adoption of SFRS(I). Please refer to note 4 and 5.

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

Amount repayable in one year or less, or on demand

30/6/18		31/12/17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
418	31,203	506	25,161

Amount repayable after one year

30/6/18		31/12/17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,232	670	1,325	2,061

Details of any collateral

On 30 June 2018, finance lease with aggregate amount of \$1,650,000 (31/12/17: \$1,831,000) are secured on certain 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	
	30/6/18 S\$'000	30/6/17 S\$'000
		(restated)*
Operating activities		
Profit/(loss) before income tax	4,549	(3,784)
Adjustment for:-		
Non-cash items	3,212	2,139
Operating cash flows before reinvestment in working capital	7,761	(1,645)
Changes in working capital		
Receivables	(11,488)	(1,035)
Inventories	(2,720)	(5,076)
Payables	(1,081)	5,596
Provisions	(78)	(180)
Amounts due from associates	(332)	-
Cash flow used in operations	(7,938)	(2,340)
Interest paid	(606)	(557)
Interest received	125	34
Income tax paid	(1,140)	(744)
Income tax refund	9	51
Net cash used in operating activities	(9,550)	(3,556)
Investing activities		
Proceeds from disposals of club membership	-	141
Proceeds from disposals of property, plant and equipment	167	256
Purchase of property, plant and equipment	(1,232)	(4,551)
Expenditure on research and development project	(1,256)	(1,027)
Expenditure on development project	-	(195)
Cash and cash equivalents divested on deconsolidation	-	(6,920)
Extension of club membership	-	(19)
Net cash used in investing activities	(2,321)	(12,315)
Financing activities		
Repayment to finance lease creditors	(299)	(275)
Proceeds from bank borrowings	5,593	441
Repayment of bank borrowings	(899)	(5,898)
Advance for capital injection from non-controlling interest	-	407
Proceeds from rights issue exercise of a subsidiary	-	7,517
Loan to associates	(500)	-
Other borrowings, net	-	(559)
Net cash provided by financing activities	3,895	1,633
Net decrease in cash and cash equivalents	(7,976)	(14,238)
Cash and cash equivalents at 1 January	29,616	39,174
Effect of exchange rate changes on cash and cash equivalents	235	(596)
Cash and cash equivalents at 30 June	21,875	24,340

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	
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 2018									
Balance at 1 Jan'18, as previously reported	132,617	(4,772)	(8,091)	2	(1,598)	(59,589)	58,569	(7,953)	50,616
Effect of transition to SFRS(I) 1	-	-	-	-	1,894	(1,894)	-	-	-
Balance at 1 Jan'18, as adjusted under SFRS(I) 1	132,617	(4,772)	(8,091)	2	296	(61,483)	58,569	(7,953)	50,616
Total comprehensive income for the period	-	-	-	(1)	(140)	4,954	4,813	(1,862)	2,951
Balance at 30 Jun'18	132,617	(4,772)	(8,091)	1	(1,738)	(54,635)	63,382	(9,815)	53,567

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	
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 2017									
Balance at 1 Jan'17, as previously reported	132,617	(4,772)	(7,936)	-	(1,894)	(55,192)	62,823	(555)	62,268
Effect of transition to SFRS(I) 1	-	-	-	-	1,894	(1,894)	-	-	-
Balance at 1 Jan'17, as adjusted under SFRS(I) 1	132,617	(4,772)	(7,936)	-	-	(57,086)	62,823	(555)	62,268
Total comprehensive income for the period	-	-	-	2	170	(642)	(470)	(3,810)	(4,280)
<u>Changes in ownership interests in</u> Non-controlling interests' subscription of shares in a subsidiary	-	-	-	-	-	-	-	7,517	7,517
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	7,517	7,517
<u>Changes of ownership interests in subsidiaries with a change in control</u> Disposal of subsidiaries	-	-	-	-	-	-	-	(4,547)	(4,547)
Realisation of reserves arising from disposal of subsidiaries	-	-	(155)	-	(38)	-	(193)	-	(193)
Total changes of ownership interests in subsidiaries with a change in control	-	-	(155)	-	(38)	-	(193)	(4,547)	(4,740)
							-		
Balance at 30 Jun'17 (restated)*#	132,617	(4,772)	(8,091)	2	(1,762)	(55,834)	62,160	(1,395)	60,765

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 Half Year Ended 30 Jun 2018						
Balance at 1 Jan'18,	132,617	(4,772)	(2,960)	-	(143,914)	(19,029)
Total comprehensive income for the period	-	-	-	-	(4,684)	(4,684)
Balance at 30 Jun'18	132,617	(4,772)	(2,960)	-	(148,598)	(23,713)
For The Half Year Ended 30 Jun 2017						
Balance at 1 Jan'17,	132,617	(4,772)	(2,960)	-	(134,911)	(10,026)
Total comprehensive income for the period	-	-	-	-	(2,302)	(2,302)
Balance at 30 Jun'17	132,617	(4,772)	(2,960)	-	(137,213)	(12,328)

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the number of issued shares excluding treasury shares and subsidiary holdings 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.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

There is no subsidiary holdings held against the total number of shares outstanding in a class that is listed.

- 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	
	30/6/18	31/12/17
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.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. 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**

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 December 2017 except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) and new or revised SFRS(I) and INT SFRS(I) that are mandatory for financial years beginning on or after 1 January 2018. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group's consolidated financial statements, except as disclosed in item 5 below.

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 Group has adopted the new SFRS(I) framework in 2018 and concurrently applied the following SFRS(I), INT SFRS(I) and requirements of SFRS(I) which are mandatorily effective on or after 1 January 2018. The application of the new and revised standards and interpretations has no material effect on the financial statements, except as described below:

Application of SFRS(I) 1

The Group's translation reserve which arose from the translation differences for all foreign operations has been transferred to retained earnings upon adoption of SFRS(I) (i.e. 1 January 2017).

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	
	Second Quarter Ended		Half Year Ended	
	30/6/18	30/6/17	30/6/18	30/6/17
Earnings/(loss) per share:-		(restated)*		(restated)*
a) Based on weighted average number of ordinary shares in issue	0.56 cents	0.46 cents	0.76 cents	(0.10) cents
Weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486
b) On a fully diluted basis	0.56 cents	0.46 cents	0.76 cents	(0.10) 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	
	30/6/18	31/12/17	30/6/18	31/12/17
Net assets value per ordinary share	9.68 cts	8.95 cts	(3.62) cts	(2.91) 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

Following the completion of Advanced Systems Automation ("ASA") Group's rights issue on 14 June 2017, ASTI is no longer a controlling shareholder of ASA Group. Henceforth, ASTI Group's restated financial results in 2Q2017 and 1H2017 takes into account the disposal of ASA Group.

Analysis of Group Performance (Cont'd)

INCOME STATEMENT

<u>Business Segment</u>	----- Sales -----		----- Sales -----	
	<u>2Q2018</u>	<u>2Q2017</u>	<u>1H2018</u>	<u>1H2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Backend Equipment Solutions & Technologies ("BEST")	31,923	32,521	68,185	56,523
Distribution & Services	605	649	886	1,046
	32,528	33,170	69,071	57,569

Revenue

The Group reported a 1.9% or \$0.7 million decrease in revenue from \$33.2 million (2Q2017) to \$32.5 million (2Q2018).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 1.8% or \$0.6 million decrease in revenue from \$32.5 million (2Q2017) to \$31.9 million (2Q2018). Having deconsolidated a group of subsidiaries in the second half of last year, the revenue from the continuing operations actually reported an increase of 19.8% or \$5.3 million. The revenue from Distribution & Service business decreased 6.8% or approximately \$44,000 from 2Q2017 to 2Q2018 due to decrease in sales.

Gross Profit Margin

Gross profit margin in 2Q2018 was 35.6%. This was an increase of 2.3% compared to the 33.3% reported in 2Q2017.

Other Income

Other income increased \$0.7 million or 271.8% in 2Q2018 as compared to 2Q2017. The increase was mainly due to fees from a project.

Operating Expenses

Marketing & distribution ("M&D"), research & development ("R&D") and general administrative ("G&A") expenses of \$10.9 million incurred in 2Q2018 were \$1.6 million higher compared to the expenses reported in 2Q2017. M&D costs and R&D costs in 2Q2018 remained comparable to the costs incurred in 2Q2017. G&A costs decreased \$1.7 million in 2Q2018 when compared to 2Q2017. The decrease in G&A costs was mainly due to the deconsolidation of a group of subsidiaries in second half of last year.

Other operating income in 2Q2018 decreased \$1.0 million compared to 2Q2017. Excluding the one-time gain of \$2.9 million from the disposal of subsidiaries in 2Q2017, the other operating income in 2Q2018 in actual fact was higher by \$2.0 million. The higher income was mainly due to the \$1.8 million foreign exchange gain posted in 2Q2018 as compared to the \$0.1 million exchange loss in 2Q2017 due to the fluctuation of the US dollar against the Singapore dollar.

Finance costs in 2Q2018 were comparable to the costs incurred in 2Q2017.

Depreciation charges of property, plant and equipment ("PPE") increased \$0.1 million in 2Q2018 compared to 2Q2017.

Net Profit Attributable to Owners of the Company

The Group reported a net profit to shareholders of \$3.6 million in 2Q2018, a higher profit of \$0.6 million compared to the net profit of \$3.0 million in 2Q2017.

Analysis of Group Performance (Cont'd)

BALANCE SHEET

As at 30 June 2018, total assets stood at \$133.0 million comprising \$37.0 million from non-current assets and \$96.0 million from current assets. Total liabilities stood at \$79.4 million comprising current liabilities of \$76.1 million and non-current liabilities of \$3.3 million. Shareholders' equity including non-controlling interests stood at \$53.6 million.

The following are highlights of the Group's balance sheet as at 30 June 2018.

Intangible assets

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

Property, plant and equipment

The increase in PPE was mainly due to the purchases of machineries, which was partially offset by the depreciation charges during the period.

Inventories

Inventories increased \$2.5 million from \$24.1 million (4Q2017) to \$26.6 million (2Q2018), mainly due to higher inventory purchases.

Other receivables and prepayment

Other receivables increased mainly due to the receivables from a project.

Trade receivables

Trade receivables' balance increased \$11.0 million due to higher sales in first half of the year compared to 4Q2017.

Loans and borrowings

Loans and borrowings increased \$4.7 million from \$27.2 million (4Q2017) to \$31.9 million (2Q2018), due to additional drawdowns to fund working capital requirements during the period.

Payables and accruals

Payables and accruals increased \$6.0 million from \$36.6 million (4Q2017) to \$42.6 million (2Q2018). The increase can be attributable to higher inventory purchases and amounts owing for the purchases of PPE.

CASHFLOW STATEMENT

The Group used \$7.9 million from its operational working capital. An amount of \$1.6 million was used for the net payments of interests and taxes. A net amount of \$1.0 million was used for the purchase of property, plant and equipment. The Group also utilised \$1.3 million on research and development projects. The Group borrowed \$5.6 million but repaid \$1.2 million to financial institutions during the period. A loan of \$0.5 million was provided to an associate.

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

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

On 27 July 2018, our shareholders approved the proposed disposal of STI Group of companies. We are working towards the completion of the deal.

Our operations may be affected by the looming global trade tensions. Operating amid the uncertain environment, we will monitor our business closely and exercise necessary caution.

DGI Group's discussions with Zhuhai Yinlong Energy Co., Ltd and Coeur Gold Armenia Ltd are ongoing. DGI Group will keep its shareholders posted on any developments with respect to the abovementioned.

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 June 2018.

- 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 2018 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
14 August 2018