



ASTI HOLDINGS LIMITED

Company No. 199901514C
(Incorporated in the Republic of Singapore)

Results For The Financial Period Ended 30 June 2008 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 Jun 2008

1(a)(i) An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Second Quarter Ended			Half Year Ended		
	S\$'000		%	S\$'000		%
	30/6/08	30/6/07	Change	30/6/08	30/6/07	Change
Turnover	130,139	148,757	(13%)	257,623	286,602	(10%)
Cost of sales	(111,681)	(126,250)	(12%)	(220,904)	(240,272)	(8%)
Gross profit	18,458	22,507	(18%)	36,719	46,330	(21%)
Selling and marketing costs	(7,386)	(7,734)	(4%)	(15,153)	(15,049)	1%
Research and development costs	(2,145)	(2,985)	(28%)	(4,383)	(5,529)	(21%)
General and administrative costs	(8,465)	(9,113)	(7%)	(18,869)	(18,075)	4%
Foreign exchange (loss)/gain	(378)	552	NM	(279)	329	NM
Share of results of associated companies	(900)	(22)	NM	(1,422)	(28)	NM
Operating (loss)/profit	(816)	3,205	NM	(3,387)	7,978	NM
Other income	202	508	(60%)	498	823	(39%)
Finance costs, net	(1,444)	(1,895)	(24%)	(3,351)	(3,916)	(14%)
(Loss)/profit before income tax	(2,058)	1,818	NM	(6,240)	4,885	NM
Income tax	(644)	(1,183)	(46%)	(1,084)	(2,059)	(47%)
(Loss)/profit for the period	(2,702)	635	NM	(7,324)	2,826	NM
Attributable to :						
Members of the Company	(2,536)	1,060	NM	(6,618)	3,862	NM
Minority interests	(166)	(425)	(61%)	(706)	(1,036)	(32%)
	(2,702)	635	NM	(7,324)	2,826	NM

NM : Not meaningful



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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					
	Second Quarter Ended			Half Year Ended		
	S\$'000		%	S\$'000		%
	30/6/08	30/6/07	Change	30/6/08	30/6/07	Change
Profit before income tax is stated after crediting/(charging):						
Interest income	105	287	(63%)	248	541	(54%)
Interest on borrowings	(1,250)	(1,911)	(35%)	(3,000)	(3,927)	(24%)
Depreciation and amortisation	(3,053)	(3,661)	(17%)	(6,227)	(7,105)	(12%)
Net write back/(provision) for doubtful debts	478	(133)	NM	(136)	1	NM
Net provision for stocks obsolescence	(550)	(753)	(27%)	(1,879)	(1,339)	40%

1(a)(iii) Amount of any adjustment for under or overprovision of tax in respect of prior years.

There is a net under-provision of income tax of \$23,000 (2007: over-provision of \$279,000) in respect of prior years.



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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	
	30/6/08	31/12/07	30/6/08	31/12/07
Non-current Assets				
Intangible assets	11,798	12,215	88	88
Fixed assets	44,287	46,412	91	112
Investments in subsidiary companies	-	-	67,857	67,700
Investment in associated company	260	1,682	5,170	5,170
Other investments	3,699	2,764	1,570	632
Deferred income tax asset	565	569	-	-
	60,609	63,642	74,776	73,702
Current Assets				
Stocks	56,382	69,533	-	-
Other debtors and prepayments	11,118	9,395	693	961
Amounts due from subsidiary companies	-	-	42,507	42,194
Amounts due from associated companies	19,859	18,276	-	-
Trade debtors	104,792	108,497	-	-
Cash and bank balances	53,524	74,757	5,227	16,067
	245,675	280,458	48,427	59,222
Total Assets	306,284	344,100	123,203	132,924
Equity Attributable to Members of the Company				
Share capital	127,359	127,359	127,359	127,359
Treasury shares	(11,256)	(8,412)	(11,256)	(8,412)
Accumulated losses	(15,718)	(9,100)	(32,883)	(32,198)
Foreign currency translation reserve	(6,077)	(3,312)	-	-
Fair value reserve	(2,045)	(1,982)	(2,045)	(1,982)
Share options reserve	2,183	1,890	2,183	1,890
Capital reserves	(786)	(786)	-	-
	93,660	105,657	83,358	86,657
Minority interests	19,161	20,577	-	-
Total Equity	112,821	126,234	83,358	86,657
Non-current Liabilities				
Deferred income tax liabilities	2,009	2,012	76	76
Lease creditors	1,068	720	-	-
Long term payables	556	479	-	-
Amounts due to financial institutions	17,366	20,124	11,250	11,250
	20,999	23,335	11,326	11,326
Current Liabilities				
Provision	709	752	-	-
Provision for income tax	2,938	3,220	46	45
Amounts due to financial institutions	57,564	63,158	23,730	26,001
Bills payable	43,385	43,410	-	-
Creditors and accrual	67,868	83,991	889	1,623
Amounts due to subsidiaries	-	-	3,854	7,272
	172,464	194,531	28,519	34,941
Total Liabilities	193,463	217,866	39,845	46,267
Total Equity and liabilities	306,284	344,100	123,203	132,924



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

Amount repayable in one year or less, or on demand

30/6/08		31/12/07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
860	56,704	185	62,973

Amount repayable after one year

30/6/08		31/12/07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,443	14,923	3,738	16,386

Details of any collateral

Bank term loans with aggregate amount of \$3,303,000 (31/12/07: \$3,923,000) of subsidiary companies are secured on the land and buildings of the subsidiary companies.



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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	
	30/6/08 S\$'000	30/6/07 S\$'000
Cashflow from operating activities		
Cash generated from/(used in) operations	453	(5,867)
Interest paid	(2,912)	(3,809)
Interest received	248	541
Income tax paid	(1,691)	(2,465)
Income tax refund	474	-
Cash used in operating activities	(3,428)	(11,600)
Cashflow from investing activities		
Proceeds on disposals of fixed assets	2,144	1,240
Purchase of fixed assets	(4,894)	(5,660)
Acquisition of other investments	(1,000)	-
Proceeds from disposals of other investments	-	426
Acquisition of additional interest in subsidiary companies	(1,144)	-
Acquisition of subsidiary companies, net of cash and cash equivalent	-	(1,242)
Purchase of club membership	(3)	-
Net cash used in investing activities	(4,897)	(5,236)
Cashflow from financing activities		
Considerations paid for share buy-back	(2,844)	-
Proceeds from sales of treasury shares (net of brokerage fees)	-	17,012
Payment of lease creditors	(620)	(1,787)
Net (repayment of)/proceeds from banks borrowings	(8,249)	1,941
Payment of dividend	-	(3,409)
Payment of dividend to minority shareholders of subsidiary	(31)	-
Net cash (used in)/provided by financing activities	(11,744)	13,757
Net decrease in cash and cash equivalents	(20,069)	(3,079)
Cash and cash equivalents at 1 January	74,702	55,363
Effect of exchange rate changes on cash and cash equivalents	(1,162)	(24)
Cash and cash equivalents at 30 June	53,471	52,260
Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand, current accounts with banks and short term deposits after deducting fixed deposits pledged. Cash and cash equivalent included in the consolidated cash flow statement comprise the following balance sheet amounts:-		
Cash and bank balances	53,524	52,291
Less : Pledged fixed deposits	(53)	(31)
	53,471	52,260



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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	Share Capital	Treasury shares	Share options reserves	Fair value reserves	Capital reserves	Foreign currency translation reserve	Accumulated losses	Minority interests	Total
	(Non-distributable)						Distributable		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan'08	127,359	(8,412)	1,890	(1,982)	(786)	(3,312)	(9,100)	20,577	126,234
Foreign currency translation adjustment	-	-	-	-	-	(2,765)	-	(16)	(2,781)
Grant of share options	-	-	293	-	-	-	-	-	293
Fair value changes on available-for-sale assets	-	-	-	(63)	-	-	-	-	(63)
Net gain and losses recognised directly in equity	-	-	293	(63)	-	(2,765)	-	(16)	(2,551)
Net loss for the period	-	-	-	-	-	-	(6,618)	(706)	(7,324)
Total recognized income and expenses for the period	-	-	293	(63)	-	(2,765)	(6,618)	(722)	(9,875)
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	(31)	(31)
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(663)	(663)
Shares buy-back	-	(2,844)	-	-	-	-	-	-	(2,844)
Balance as at 30 Jun'08	127,359	(11,256)	2,183	(2,045)	(786)	(6,077)	(15,718)	19,161	112,821



Results For The Financial Period Ended 30 June 2008
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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	Share Capital	Treasury shares	Share options reserves	Fair value reserves	Capital reserves	Foreign currency translation reserve	Accumulated losses	Minority interests	Total
	(Non-distributable)						Distributable		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan'07	127,359	(28,366)	1,303	(1,229)	-	(617)	(8,454)	19,301	109,297
Foreign currency translation adjustment	-	-	-	-	-	378	-	(22)	356
Grant of share options	-	-	350	-	-	-	-	-	350
Fair value changes on available-for-sale assets	-	-	-	520	-	-	-	-	520
Fair value changes on treasury shares	-	-	-	(232)	-	-	-	232	-
Net loss on disposal of treasury shares	-	-	-	(684)	(2,746)	-	-	-	(3,430)
Net gain and losses recognised directly in equity	-	-	350	(396)	(2,746)	378	-	210	(2,204)
Net profit for the period	-	-	-	-	-	-	3,862	(1,036)	2,826
Total recognised income and expenses for the period	-	-	350	(396)	(2,746)	378	3,862	(826)	622
Final dividend for FY 2006 paid	-	-	-	-	-	-	(3,409)	-	(3,409)
Interim dividend declared	-	-	-	-	-	-	(2,830)	-	(2,830)
Interim dividend payable to minority shareholders of subsidiary	-	-	-	-	-	-	-	(559)	(559)
Transfer of treasury shares on exercise of employees' share options	-	9	-	-	-	-	-	-	9
Disposal of treasury shares held by subsidiary company	-	26,594	-	-	-	-	-	-	26,594
Balance as at 30 Jun'07	127,359	(1,763)	1,653	(1,625)	(2,746)	(239)	(10,831)	17,916	129,724



Results For The Financial Period Ended 30 June 2008
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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

Company

	Share Capital	Treasury shares	Share options reserves	Fair value reserves	Accumulated losses	Total
	(Non-distributable)				Distributable	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan'08	127,359	(8,412)	1,890	(1,982)	(32,198)	86,657
Grant of share options	-	-	293	-	-	293
Fair value changes on available-for-sale assets	-	-	-	(63)	-	(63)
Net gain and losses recognised directly in equity	-	-	293	(63)	-	230
Net loss for the period	-	-	-	-	(685)	(685)
Total recognised income and expenses for the period	-	-	293	(63)	(685)	(455)
Shares buy-back	-	(2,844)	-	-	-	(2,844)
Balance as at 30 Jun'08	127,359	(11,256)	2,183	(2,045)	(32,883)	83,358



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Unaudited Financial Statements and Dividend Announcement

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

Company	Share Capital	Treasury shares	Share options reserves	Fair value reserves	Accumulated losses	Total
	(Non-distributable)			Distributable		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan'07	127,359	(1,772)	1,303	(2,145)	(32,892)	91,853
Grant of share options	-	-	350	-	-	350
Fair value changes on available-for-sale assets	-	-	-	520	-	520
Net gain and losses recognised directly in equity	-	-	350	520	-	870
Net profit for the period	-	-	-	-	1,474	1,474
Total recognised income and expenses for the period	-	-	350	520	1,474	2,344
Final dividend for FY 2006 paid	-	-	-	-	(3,409)	(3,409)
Interim dividend declared	-	-	-	-	(2,830)	(2,830)
Transfer of treasury shares on exercise of employees' share	-	9	-	-	-	9
Balance as at 30 Jun'07	127,359	(1,763)	1,653	(1,625)	(37,657)	87,967



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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.

Under the ASTI Share Option Scheme (2001), options for 28,014,000 unissued ordinary shares were outstanding as at 30 June 2008 (30 June 2007: 28,425,000 unissued ordinary shares).

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	
	30/6/08	31/12/07
Total number of issued shares	572,844,427	572,844,427
Less : Treasury shares	(57,148,000)	(40,439,000)
Total number of issued shares (excluding treasury shares)	515,696,427	532,405,427

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.

During the current financial quarter, no treasury share was sold, transferred, disposed, cancelled and/or used.

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



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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 same accounting policies and methods of computation are followed in the financial statements as compared with the most recent audited annual financial statements.

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

See paragraph 4 above.

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	
	30/6/08	30/6/07	30/6/08	30/6/07
(Loss)/earning per share after deducting any provision for preference dividends:-				
a) Based on weighted average number of ordinary shares in issue	(0.49) cents	0.19 cents	(1.28) cents	0.73 cents
Weighted average number of shares	515,696,427	565,080,348	517,212,361	528,591,315
b) On a fully diluted basis	(0.49) cents	0.19 cents	(1.28) cents	0.72 cents
Adjusted weighted average number of shares	518,302,824	569,747,223	519,818,758	532,770,325

Diluted loss per share for the current period is the same as basic loss per share because the potential ordinary shares to be converted from the exercise of share options are anti-dilutive as the effect of the share conversion was to decrease the loss per share.

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	
	30/6/08	31/12/07	30/6/08	31/12/07
Net assets value per ordinary share	18.16 cts	19.85 cts	16.16 cts	16.28 cts
Number of ordinary shares at end of financial period	515,696,427	532,405,427	515,696,427	532,405,427

The number of ordinary shares used in the computation of net assets value per share excludes those shares held as treasury shares.



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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 period reported on

(A) Analysis of Group Performance

<u>Business Segment</u>	<u>Sales</u>					
	<u>2Q2008</u> <u>S\$'000</u>	<u>2Q2007</u> <u>S\$'000</u>	<u>1H2008</u> <u>S\$'000</u>	<u>1H2007</u> <u>S\$'000</u>	<u>1Q2008</u> <u>S\$'000</u>	<u>1Q2007</u> <u>S\$'000</u>
Back-end Equipment Solutions & Technologies ("BEST")	25,036	34,894	51,167	68,917	26,131	34,023
Distribution & Services	105,103	113,863	206,456	217,685	101,353	103,822
	<u>130,139</u>	<u>148,757</u>	<u>257,623</u>	<u>286,602</u>	<u>127,484</u>	<u>137,845</u>

2ND QUARTER 2008

INCOME STATEMENT

Revenue

In 2Q2008, the Group reported a 2% increment in revenue, which rose from \$127.5 million (1Q2008) to \$130.1 million (2Q2008). However, revenue decreased by 13% compared to the same quarter in the previous financial year which declined from \$148.8 million (2Q2007) to \$130.1 million (2Q2008). The Group's Distribution Services business which accounted for 80.8% of the total revenue improved from \$101.3 million (1Q2008) to \$105.1 million (2Q2008). However, comparing to the corresponding period, the business declined by \$8.8 million from \$113.9 million (2Q2007) to \$105.1 million (2Q2008). This was mainly due to the revenue decline from the independent trading division and the consumer electronic division from last year. The drop in revenue was however cushioned by the higher revenue contributed from the Dragon Technology business acquired in May 2007. Revenue from the BEST business decline marginally from \$26.1 million (1Q2008) to \$25.0 million (2Q2008) sequentially. However, compared to the corresponding period, the revenue decreased by \$9.9 million from \$34.9 million (2Q2007) to \$25.0 million (2Q2008) due mainly to the deconsolidation of the financial results of Advanced Systems Automation Limited ("ASA") Group and the weaker demand in the semiconductor equipment business.

Gross Profit

Gross profit margin declined from 15.1% (2Q2007) to 14.2% (2Q2008), as a result of the lower sales turnover generated by the BEST business. This in turn resulted in an increase in the fixed overhead per unit of goods produced that ultimately affected its gross profit margin.

Operating Expenses

Selling, marketing and general administrative expenses were lower by \$1.8 million, declining from \$19.8 million (2Q2007) to \$18.0 (2Q2008) million, due to the deconsolidation of Advanced Systems Automation Limited in 2nd half of FY2007.

Financing costs was lower by 24% declining from \$1.9 million (2Q2007) to \$1.4 million (2Q2008). This is mainly due to the deconsolidation of ASA Group in 2nd half of FY2007 and lower interest rate.

Depreciation and amortisation of the Group has decreased from \$3.7 million (2Q2007) to \$3.1 million (2Q2008) due to the deconsolidation of the ASA Group. Net provision for stocks obsolescence has decreased from \$0.8 million (2Q2007) to \$3.7 million (2Q2008). The provisions were determined based on the management's assessment by reference to the age of the inventories. There was a net write back of doubtful debts for 2Q2008 of \$0.5 million mainly due to the recovery of outstanding debts which was previously assessed to be non-collectible.

The Group reported a foreign exchange loss of \$0.4 million in 2Q2008 compared to the gain of \$0.6 million reported in 2Q2007.

Net Loss

The Group reported a net loss of \$2.5 million in 2Q2008, which was lower than the net loss of \$4.1 million incurred in 1Q2008. The net loss attributable for 1H2008 amounted to \$6.6 million, compared to a profit of \$3.9 million in the previous corresponding period.

(A) Analysis of Group Performance (cont'd)

BALANCE SHEET

As at 30 June 2008, total assets stood at \$306.3 million comprising \$60.6 million from non-current asset and \$245.7 million from current assets. Total liabilities stood at \$193.5 million comprising current liabilities of \$172.5 million and non-current liabilities of \$21.0 million. Shareholders' equity including minority interests stood at \$112.8 million.

The following are highlights of the Group's balance sheet as at 30 June 2008:

Intangible assets

Intangible assets decreased by \$0.4 million, declining from \$12.2 million to \$11.8 million. This is mainly due to the amortisation of intangible assets.

Fixed assets

Fixed assets decreased by \$2.1 million from declining from \$46.4 million to \$44.3 million. This is mainly due to the depreciation of fixed assets, offsetted by additional investment in plants and machinery.

Investment in associated companies

Investment in associated company was lower, declining from \$1.7 million to \$0.3 million, mainly due to the inclusion of its share of associate's loss for the period under review.

Other investments

The increase in other investments from \$2.8 million to \$3.7 million is due mainly to an increase in the Company's investments in quoted instruments.

Inventory

Corresponding to the lower sales activities for 1H2008, inventory was lower, decreasing from \$69.5 million to \$56.4 million.

Other debtors & prepayment

The increase was due mainly to advance payments to suppliers.

Trade debtors

Compared to the 4th quarter of FY2007, trade debtors' balance decreased from \$108.5 million to \$104.8 million, mainly due to lower sales reported in the quarter under review.

Creditors and accruals

Creditors and accruals decreased \$16.1 million, declining from \$84.0 million to \$67.9 million. The decline was mainly due to lower stock purchases and continuous efforts to clear existing stocks.

Amounts due to financial institutions (current and non-current)

Total borrowings from financial institutions decreased from \$83.3 million to \$74.9 million, representing a decline of 10% or \$8.4 million. The decline was due to the repayment of bank loans.

Treasury shares

The treasury shares relate to the ordinary shares of ASTI Holdings Limited ("ASTI Shares") held by the Company. In 1Q2008, the Company repurchased 16,709,000 ordinary shares from the market. These are accounted as treasury shares.

CASHFLOW STATEMENT

A total of \$3.4 million was used in operating activities in 1H2008, mainly for funding of working capital. The Group also utilised \$7.0 million for the acquisition of fixed assets and other investments. An additional \$2.8 million was incurred for the share buy-back exercise and \$8.2 million for repayment of bank loans. Cash and cash equivalents amounted to \$53.5 million compared to \$74.7 million reported in 31 December 2007.

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 that may affect the group in the next reporting period and the next 12 months

The outlook for the semiconductor industry continues to be uncertain and mixed. The global credit crunch arising from the US sub-prime crisis, high oil prices, weak US dollar and the risk of US going into a recession continue to dampen demand in the electronics and semiconductor market, posing a challenge for both the business activities of the Distribution Services and BEST divisions.

According to the mid-year edition of the SEMI Capital Equipment Forecast, released on 14 July 2008 by Semiconductor Equipment and Materials International ("SEMI"), the semiconductor equipment market is expected to decline 20% in 2008. On its recent revision of the forecast for worldwide capital equipment spending, Gartner Inc had also predicted a 22% decline in the semiconductor equipment spending for year 2008. Coinciding with the downward economic pressures and the uncertain impact on semiconductor demand, Gartner added that the next six to twelve months will be another period of uncertainty and risks for the semiconductor manufacturing and equipment industries.

The Group expects its semiconductor equipment business for the second half of 2008 to be affected by the weak outlook for the equipment market. This will however be cushioned by the performance of the manufacturing services business which is expected to remain resilient. The Group will also continue to review and rationalize its business to free up resources and focus on the higher-growth business segments for its Distribution Service business.

In addition, both the BEST and Distribution Services businesses will continue their reorganization efforts and implement cost control measures to mitigate rising costs and improve its operation efficiency to enhance its competitiveness.

In view of the above efforts, the Group expects its second half performance to be better than first half of FY2008. However, the Group expects to report a loss for the full financial year 2008.

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/recommendeded, a statement to that effect

No dividend has been declared or recommended for the financial period under review.



Results For The Financial Period Ended 30 June 2008 Unaudited Financial Statements and Dividend Announcement

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

Please refer to note 8.

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. Directors' confirmation

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 2008 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Woo Kwek Kiong
Company Secretary
13 August 2008