



ASTI HOLDINGS LIMITED

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

Results For The Financial Year Ended 31 December 2008 Unaudited Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the financial year ended 31 Dec 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					
	Fourth Quarter Ended			Full Year Ended		
	S\$'000		%	S\$'000		%
	31/12/08	31/12/07	Change	31/12/08	31/12/07	Change
Turnover	119,536	139,949	(15%)	515,810	597,216	(14%)
Cost of sales	(102,772)	(117,474)	(13%)	(442,329)	(499,285)	(11%)
Gross profit	16,764	22,475	(25%)	73,481	97,931	(25%)
Other income	1,372	367	274%	2,052	1,409	46%
Selling and marketing costs	(8,569)	(9,014)	(5%)	(30,870)	(33,583)	(8%)
Research and development costs	(1,591)	(2,031)	(22%)	(8,377)	(10,555)	(21%)
General and administrative costs	(14,152)	(14,110)	0%	(42,307)	(44,926)	(6%)
Other operating (costs)/income	771	(1,732)	NM	684	(1,561)	NM
Finance costs, net	(727)	(2,164)	(66%)	(5,897)	(8,398)	(30%)
Exceptional items	(2,729)	4,877	NM	(2,729)	5,095	NM
Share of results of associated companies, net of tax	12	(1,123)	NM	(1,528)	(1,020)	50%
(Loss)/profit before income tax	(8,849)	(2,455)	260%	(15,491)	4,392	NM
Income tax	385	132	192%	(1,655)	(3,180)	(48%)
Net (loss)/profit for the year	(8,464)	(2,323)	264%	(17,146)	1,212	NM
Attributable to :						
Members of the Company	(6,740)	142	NM	(14,652)	5,422	NM
Minority interests	(1,724)	(2,465)	(30%)	(2,494)	(4,210)	(41%)
	(8,464)	(2,323)	264%	(17,146)	1,212	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					
	Fourth Quarter Ended			Full Year Ended		
	S\$'000		%	S\$'000		%
	31/12/08	31/12/07	Change	31/12/08	31/12/07	Change
Profit before income tax is stated after crediting/(charging):						
Interest income	1,307	282	363%	1,663	1,044	59%
Interest on borrowings	(1,706)	(2,188)	(22%)	(6,287)	(8,226)	(24%)
Depreciation and amortisation	(3,139)	(4,195)	(25%)	(12,544)	(14,918)	(16%)
Net provision for doubtful debts	(4,823)	(1,628)	196%	(5,058)	(1,621)	212%
Net provision for stock obsolescence	(486)	(92)	428%	(2,650)	(1,715)	55%
Foreign currency exchange loss	(182)	(1,720)	(89%)	(139)	(2,279)	(94%)

Exceptional items

- Impairment loss on intangible asset	-	(300)	NM	-	(300)	NM
- Impairment loss on quoted investments	(2,729)	-	NM	(2,729)	-	NM
- Negative goodwill on acquisition of additional interest in a subsidiary	-	-	NM		218	NM
- Gain on divestment in equity interest in a subsidiary	-	5,177	NM		5,177	NM
	(2,729)	4,877		(2,729)	5,095	

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 \$336,000 (2007: under-provision of \$39,000) 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	
	31/12/08	31/12/07	31/12/08	31/12/07
Non-current Assets				
Intangible assets	14,727	12,215	88	88
Fixed assets	40,427	46,412	79	112
Investments in subsidiary companies	-	-	62,351	67,700
Investment in associated companies	158	1,682	5,170	5,170
Other investments	3,700	2,764	899	632
Other assets	2,405	-	-	-
Deferred income tax assets	572	569	-	-
	61,989	63,642	68,587	73,702
Current Assets				
Stocks	53,966	69,533	-	-
Other debtors and prepayments	6,106	9,395	20	961
Amounts due from subsidiary companies	-	-	9,389	24,866
Amounts due from associated companies	25,778	18,276	24,915	17,328
Trade debtors	103,072	108,497	-	-
Cash and bank balances	52,723	74,757	2,634	16,067
	241,645	280,458	36,958	59,222
Total Assets	303,634	344,100	105,545	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	(23,752)	(9,100)	(53,761)	(32,198)
Foreign currency translation reserve	(5,009)	(3,312)	-	-
Fair value reserve	-	(1,982)	-	(1,982)
Share options reserve	2,477	1,890	2,477	1,890
Capital reserves	(786)	(786)	-	-
	89,033	105,657	64,819	86,657
Minority interests	16,017	20,577	-	-
Total Equity	105,050	126,234	64,819	86,657
Non-current Liabilities				
Deferred income tax liabilities	1,829	2,012	76	76
Lease creditors	1,066	720	-	-
Long term payables	566	479	-	-
Amounts due to financial institutions	2,113	20,124	-	11,250
	5,574	23,335	76	11,326
Current Liabilities				
Provision	424	752	-	-
Provision for income tax	2,484	3,220	255	45
Amounts due to financial institutions	79,183	63,158	27,311	26,001
Bills payable	33,323	43,410	-	-
Creditors and accrual	77,596	83,991	3,159	1,623
Amounts due to subsidiary companies	-	-	9,925	7,272
	193,010	194,531	40,650	34,941
Total Liabilities	198,584	217,866	40,726	46,267
Total Equity and liabilities	303,634	344,100	105,545	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

31/12/08		31/12/07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
908	78,275	185	62,973

Amount repayable after one year

31/12/08		31/12/07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,113	Nil	3,738	16,386

Details of any collateral

Bank term loans with aggregate amount of \$3,021,000 (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	
	31/12/08 S\$'000	31/12/07 S\$'000
Cashflow from operating activities		
Cash (used in)/generated from operations	(1,070)	16,175
Interest paid	(6,138)	(7,980)
Interest received	1,663	1,044
Income tax paid	(3,454)	(4,995)
Income tax refund	1,224	464
Cash (used in)/generated from operating activities	(7,775)	4,708
Cashflow from investing activities		
Proceeds on disposals of fixed assets	3,977	1,476
Purchase of fixed assets	(6,165)	(11,606)
Acquisition of other investments	(1,562)	(120)
Convertible loan extended to third party	(1,441)	-
Proceeds from disposals of other investments	-	426
Acquisition of subsidiary companies, net of cash and cash equivalent	-	(1,288)
Increase in investment in associate company	-	(60)
Profit guarantee received	-	1,253
Project development expenditure	(379)	-
Purchase of club membership	(3)	(103)
Equity contribution from minority shareholders	-	5,780
Net proceeds from divestment of interest in subsidiary	-	4,390
Acquisition of minority shareholders' interest in subsidiaries	(1,886)	-
Net cash (used in)/generated from investing activities	(7,459)	148
Cashflow from financing activities		
Considerations paid for share buy-back	(2,844)	(6,649)
Proceeds from sales of treasury shares (net of brokerage fees)	-	17,012
Payment of lease creditors	(1,241)	(3,045)
Net (repayment of)/proceeds from banks borrowings	(2,298)	15,901
Payment of dividend	-	(6,068)
Payment of dividend to minority shareholders of subsidiary	(31)	(993)
Decrease in bank balance under escrow	-	134
Decrease/(increase) in fixed deposits pledged	20	(15)
Net cash (used in)/provided by financing activities	(6,394)	16,277
Net (decrease)/increase in cash and cash equivalents	(21,628)	21,133
Cash and cash equivalents at 1 January	74,702	55,363
Effect of exchange rate changes on cash and cash equivalents	(386)	(1,794)
Cash and cash equivalents at 31 December	52,688	74,702
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	52,723	74,757
Less : Pledged fixed deposits	(35)	(55)
	52,688	74,702



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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	-	-	-	-	-	(1,697)	-	71	(1,626)
Grant of share options	-	-	587	-	-	-	-	-	587
Fair value changes on available-for-sale assets	-	-	-	(747)	-	-	-	-	(747)
Impairment on available-for-sale assets	-	-	-	2,729	-	-	-	-	2,729
Net gain and losses recognised directly in equity	-	-	587	1,982	-	(1,697)	-	71	943
Net loss for the year	-	-	-	-	-	-	(14,652)	(2,494)	(17,146)
Total recognized income and expenses for the year	-	-	587	1,982	-	(1,697)	(14,652)	(2,423)	(16,203)
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	(31)	(31)
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(2,177)	(2,177)
Shares buy-back	-	(2,844)	-	-	-	-	-	-	(2,844)
Acquisition of subsidiary	-	-	-	-	-	-	-	71	71
Balance as at 31 Dec'08	127,359	(11,256)	2,477	-	(786)	(5,009)	(23,752)	16,017	105,050



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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	-	-	-	-	-	(2,695)	-	(516)	(3,211)
Grant of share options	-	-	587	-	-	-	-	-	587
Fair value changes on available-for-sale assets	-	-	-	163	-	-	-	-	163
Fair value changes on treasury shares	-	-	-	(827)	-	-	-	827	-
Net loss on disposal of treasury shares	-	-	-	(89)	(786)	-	-	(176)	(1,051)
Net gain and losses recognised directly in equity	-	-	587	(753)	(786)	(2,695)	-	135	(3,512)
Net profit for the year	-	-	-	-	-	-	5,422	(4,210)	1,212
Total recognised income and expenses for the period	-	-	587	(753)	(786)	(2,695)	5,422	(4,075)	(2,300)
Final dividend for FY 2006 paid	-	-	-	-	-	-	(3,409)	-	(3,409)
Interim dividend declared	-	-	-	-	-	-	(2,659)	-	(2,659)
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	(993)	(993)
Transfer of treasury shares on exercise of employees' share options	-	9	-	-	-	-	-	-	9
Disposal of treasury shares held by subsidiary company	-	26,594	-	-	-	-	-	-	26,594
Share buy-back	-	(6,649)	-	-	-	-	-	-	(6,649)
Minority shareholders contribution to equity in subsidiary	-	-	-	-	-	-	-	5,780	5,780
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	828	828
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(264)	(264)
Balance as at 31 Dec'07	127,359	(8,412)	1,890	(1,982)	(786)	(3,312)	(9,100)	20,577	126,234



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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	-	-	587	-	-	587
Fair value changes on available-for-sale assets	-	-	-	(747)	-	(747)
Impairment on available-for-sale assets	-	-	-	2,729	-	2,729
Net gain and losses recognised directly in equity	-	-	587	1,982	-	2,569
Net loss for the year	-	-	-	-	(21,563)	(21,563)
Total recognised income and expenses for the year	-	-	587	1,982	(21,563)	(18,994)
Shares buy-back	-	(2,844)	-	-	-	(2,844)
Balance as at 31 Dec'08	127,359	(11,256)	2,477	-	(53,761)	64,819



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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

	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	-	-	587	-	-	587
Fair value changes on available-for-sale assets	-	-	-	163	-	163
Net gain and losses recognised directly in equity	-	-	587	163	-	750
Net profit for the year	-	-	-	-	6,945	6,945
Total recognised income and expenses for the year	-	-	587	163	6,945	7,695
Final dividend for FY 2006 paid	-	-	-	-	(3,409)	(3,409)
Interim dividend paid	-	-	-	-	(2,842)	(2,842)
Transfer of treasury shares on exercise of employees' share options	-	9	-	-	-	9
Shares buy-back	-	(6,649)	-	-	-	(6,649)
Balance as at 31 Dec'07	127,359	(8,412)	1,890	(1,982)	(32,198)	86,657



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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 27,686,000 unissued ordinary shares were outstanding as at 31 December 2008 (31 December 2007: 28,130,000 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	
	31/12/08	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			
	Fourth Quarter Ended		Full Year Ended	
	31/12/08	31/12/07	31/12/08	31/12/07
(Loss)/earning per share after deducting any provision for preference dividends:-				
a) Based on weighted average number of ordinary shares in issue	(1.31) cents	0.03 cents	(2.84) cents	1.02 cents
Weighted average number of shares	515,696,427	564,074,702	516,448,164	530,754,454
b) On a fully diluted basis	(1.31) cents	0.03 cents	(2.84) cents	1.01 cents
Adjusted weighted average number of shares	515,822,930	560,628,884	516,573,963	535,031,404

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	
	31/12/08	31/12/07	31/12/08	31/12/07
Net assets value per ordinary share	17.26 cts	19.85 cts	12.57 cts	16.28 cts
Number of ordinary shares at end of financial year	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>4Q2008</u> <u>S\$'000</u>	<u>4Q2007</u> <u>S\$'000</u>	<u>FY2008</u> <u>S\$'000</u>	<u>FY2007</u> <u>S\$'000</u>
Backend Equipment Solutions & Technologies ("BEST")	22,360	35,840	100,302	146,900
Distribution & Services	97,176	104,109	415,508	450,316
	<u>119,536</u>	<u>139,949</u>	<u>515,810</u>	<u>597,216</u>

INCOME STATEMENT

Revenue

In 4Q2008, the Group reported a 15% decline in revenue from \$139.9 million (4Q2007) to \$119.5 million (4Q2008) due to weakening demand arising from the global financial crisis. Compared to 3Q2008, the Group reported a 14% decline in revenue, which decreased from \$138.7 million (3Q2008) to \$119.5 million (4Q2008). For the full year 2008, revenue for the Group decreased 14% from \$597.2 million to \$515.8 million.

Both Distribution & Services and Backend Equipment Solutions & Technologies ("BEST") businesses turned in weaker performances. Contribution from Distribution & Services business, which accounted for 81.3% of the Group's total revenue, declined \$6.9 million from \$104.1 million (4Q2007) to \$97.2 million (4Q2008). For the full financial year, contribution from the Distribution & Services business declined 7.7% to \$415.5 million.

The balance of 18.7% of the Group's revenue comprises contribution from its BEST business. During the quarter, the BEST business reported a \$13.5 million drop in revenue, which declined from \$35.8 million (4Q2007) to \$22.4 million (4Q2008). This revenue decline is attributable to lower business activities caused by the weakening demand in the semiconductor equipment industries. For the full year, revenue for the BEST division declined 31.7% to \$100.3 million.

Gross Profit

Gross profit margin declined from 16.1% (4Q2007) to 14.1% (4Q2008), 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. The Group's margin was affected by the lower contribution from its BEST business which generate higher gross margin. Similarly, the gross margin for the full year declined from 16.4% (FY2007) to 14.3% (FY2008).

Operating Expenses

Selling, marketing and general administrative expenses were lower by \$0.9 million, declining from \$25.2 million (4Q2007) to \$24.3 million (4Q2008), due to various costs saving initiatives carried out by the Group. The operating expenses for the full year declined by 8% from \$89.1 million to \$81.6 million, mainly due to the deconsolidation of Advanced Systems Automation Limited in 2nd half of FY2007.

Financing costs was lower by 68.2% declining from \$2.2 million (4Q2007) to \$0.7 million (4Q2008). This is mainly due to the lower utilisation of trade facilities by the distribution business and lower interest rates for the current period under review as compared to the previous corresponding period. The full year finance costs decreased 30% from \$8.4 million to \$5.9 million, mainly due to the deconsolidation of Advanced Systems Automation Limited in 2nd half of FY2007.

The Group reported a foreign exchange loss of \$0.2 million in 4Q2008 compared to the loss of \$1.7 million reported in 4Q2007. Foreign exchange loss for the full year amounted to \$0.1 million as compared to \$2.3 million in 2007 due a relatively stronger US Dollar in the final quarter of 2008.

Net Loss

The Group reported a net loss of \$6.7 million in 4Q2008 compared to the net loss of \$1.3 million reported in 3Q2008. The net loss for full year 2008 amounted to \$14.7 million, compared to a net profit of \$5.4 million in the previous year.



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

BALANCE SHEET

As at 31 December 2008, total assets stood at \$303.6 million comprising \$62.0 million from non-current asset and \$241.6 million from current assets. Total liabilities stood at \$198.6 million comprising current liabilities of \$190.7 million and non-current liabilities of \$7.9 million. Shareholders' equity including minority interests stood at \$105.0 million.

The following are highlights of the Group's balance sheet as at 31 December 2008:

Intangible assets

Intangible assets increased by \$2.5 million from \$12.2 million to \$14.7 million. This is mainly due to goodwill arising from the acquisition of minority shareholdings' interest in subsidiaries and acquisition of a subsidiary in 2008.

Fixed assets

Fixed assets decreased by \$6.0 million from \$46.4 million to \$40.4 million. This is mainly due to the depreciation of fixed assets, offset by additional investment in plants and machinery.

Investment in associated companies

Investment in associated companies was lower, declining from \$1.7 million to \$0.2 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 rose from \$2.8 million to \$3.7 million due mainly to an increase in the Group's investments.

Other assets

The amount relates to a convertible loan to a third party.

Inventory

Corresponding to the lower sales activities in 2008 and better inventory management, inventory balance decreased from \$69.5 million to \$54.0 million.

Other debtors & prepayment

The decrease was due mainly to the reduction of advance payments to suppliers.

Trade debtors

Compared to 31 December 2007, trade debtors' balance decreased from \$108.5 million to \$103.1 million, mainly due to lower sales reported in 4Q2008 as compared to 4Q2007.

Creditors and accruals

Creditors and accruals decreased \$6.4 million, declining from \$84.0 million to \$77.6 million. The decline was mainly due to lower stock purchases caused by slower sales activities.

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

Total borrowings from financial institutions decreased from \$83.3 million to \$81.3 million, representing a decline of 2% or \$2.0 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 open market and these were accounted as treasury shares.

CASHFLOW STATEMENT

A total of \$7.8 million was used in operating activities for year 2008, mainly for funding of working capital. The Group also utilised \$9.6 million for the acquisition of fixed assets, other investments and minority shareholders' interests in subsidiaries. An additional \$2.8 million was incurred for the share buy-back exercise and \$3.5 million for repayment of bank loans and finance leases. Cash and cash equivalents amounted to \$52.7 million compared to \$74.7 million reported in 31 December 2007.

The Group is not exposed to any derivatives contracts and not under any due distress from financial institutions and creditors on repayment. The Group continues to manage its cashflows and has deferred any non-critical capital expenditure. The Group expects to service its loans repayment commitments as and when it falls due and believes that it has sufficient funds to support its operations.



Results For The Financial Year Ended 31 December 2008 Unaudited Financial Statements and Dividend Announcement

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 visibility for both Distribution & Services and BEST businesses is low.

In view of the on-going economic and business consolidation globally, we expect that the performances of both our businesses will be affected.

The Distribution & Services business will be stepping up its focus in the rapidly growing telecommunications infrastructure segment in China. In view of the global macro environment, we expect the markets will continue to be challenging. We will be taking a cautious approach to this business.

For our BEST business, we will be focusing on the Manufacturing Services business. Due to capital expenditure constraints in the semiconductor industry, customers will benefit from capital avoidance by utilising our manufacturing services capabilities.

The Group will closely monitor the performances of the businesses in light of current global crisis.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend is declared for the current financial quarter reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

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



Results For The Financial Year Ended 31 December 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

Business segment	Back-end Equipment Solutions and Technologies ("BEST")		Distribution & Services		Adjustments & elimination		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Turnover :								
External customers	100,302	146,900	415,508	450,316	-	-	515,810	597,216
Segment results	(9,030)	10,428	(1,588)	1,723	500	250	(10,118)	12,401
Other income	2,041	2,630	511	1,262	(500)	(2,483)	2,052	1,409
Finance costs, net	(183)	(2,186)	(5,714)	(6,212)	-	-	(5,897)	(8,398)
(Loss)/profit before income tax							(13,963)	5,412
Share of results of associated companies							(1,528)	(1,020)
Income tax							(1,655)	(3,180)
(Loss)/profit for the year							<u>(17,146)</u>	<u>1,212</u>
Attributable to :								
Members of the Company							(14,652)	5,422
Minority interests							<u>(2,494)</u>	<u>(4,210)</u>
							<u>(17,146)</u>	<u>1,212</u>

The Group has positioned its operations into two strategic business segments comprising of Back-end Equipment Solutions and Technologies ("BEST") and Distribution Services. BEST is mainly engaged in provision of solutions and technologies in the back-end (ie assembly, test and finishing) arena of the semiconductor industry. The Distribution Services engaged mainly in the distribution and acting as commission agents in the electronic components and products as well as provision of semiconductor application in consumer electronics, computer peripheral and communication solution.



Results For The Financial Year Ended 31 December 2008

Unaudited Financial Statements and Dividend 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

	Group		
	S\$'000		%
	31/12/08	31/12/07	Change
Sales reported for first half year	257,623	286,602	(10%)
Operating (loss)/profit after tax before deducting minority interests reported for first half year	(7,324)	2,825	NM
Sales reported for second half year	258,187	310,614	(17%)
Operating loss after tax before deducting minority interests reported for second half year	(9,822)	(1,613)	509%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	31/12/08	31/12/07
	S\$'000	S\$'000
Interim Dividend	-	2,659

BY ORDER OF THE BOARD

Woo Kwek Kiong
Company Secretary
28 February 2009