

Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

Issuer/ Manager	ASTI HOLDINGS LIMITED
Securities	ASTI HOLDINGS LIMITED - SG1G77872271 - 575
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	13-Nov-2015 17:37:35
Status	New
Announcement Sub Title	Third Quarter Results
Announcement Reference	SG151113OTHR SX33
Submitted By (Co./ Ind. Name)	DATO' MICHAEL LOH SOON GNEE
Designation	EXECUTIVE CHAIRMAN & CEO
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	The Board of Directors of ASTI Holdings Limited releases its 3rd Quarter 2015 Results Announcement.

Additional Details

For Financial Period Ended	30/09/2015
Attachments	ASTI_3Q2015_Results_Announcement.pdf Total size =465K



The Directors are pleased to make the following announcement of the unaudited results for the financial period ended 30 September 2015.

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

	Group			Group		
	Third Quarter Ended			Nine Months Ended		
	S\$'000		%	S\$'000		%
	30/9/15	30/9/14	Change	30/9/15	30/9/14	Change
		(restated)		(restated)		
Revenue	27,145	38,849	(30%)	89,107	101,366	(12%)
Cost of sales	(18,928)	(26,432)	(28%)	(58,359)	(67,226)	(13%)
Gross profit	8,217	12,417	(34%)	30,748	34,140	(10%)
Other income	204	141	45%	534	473	13%
Marketing and distribution	(2,826)	(3,490)	(19%)	(9,226)	(8,994)	3%
Research and development	(3,713)	(2,605)	43%	(10,337)	(7,264)	42%
Administrative expenses	(6,845)	(6,517)	5%	(20,174)	(18,676)	8%
Other net operating gain	1,628	772	111%	2,009	215	834%
Operating expenses	(11,756)	(11,840)	(1%)	(37,728)	(34,719)	9%
Operating (loss)/profit	(3,335)	718	NM	(6,446)	(106)	NM
Finance costs, net	(255)	(285)	(11%)	(853)	(731)	17%
Exceptional Items	-	397	NM	3,599	397	807%
Share of results of associates, net of tax	-	-	NM	(3)	-	NM
(Loss)/profit before tax	(3,590)	830	NM	(3,703)	(440)	742%
Income tax expense	(448)	(845)	(47%)	(2,374)	(2,155)	10%
Net loss for the period	(4,038)	(15)		(6,077)	(2,595)	
Attributable to :						
Owners of the Company	(466)	787	NM	2,158	(344)	NM
Non-controlling interests	(3,572)	(802)	345%	(8,235)	(2,251)	266%
Net loss for the period	(4,038)	(15)		(6,077)	(2,595)	

NM: Not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year

	Group			Group		
	Third Quarter Ended			Nine Months Ended		
	S\$'000		%	S\$'000		%
	30/9/15	30/9/14	Change	30/9/15	30/9/14	Change
	(restated)			(restated)		
(Loss)/profit before tax is stated after crediting/(charging):						
Interest income	16	23	(30%)	55	78	(29%)
Interest on borrowings	(224)	(246)	(9%)	(731)	(655)	12%
Depreciation of property, plant and equipment	(1,808)	(1,649)	10%	(5,753)	(4,843)	19%
Amortisation of intangible assets	(75)	(72)	4%	(225)	(219)	3%
(Loss)/gain on disposal of property, plant and equipment	(21)	9	NM	(26)	51	NM
Net provision for doubtful debts	-	(31)	NM	-	(80)	NM
Net provision for stock obsolescence	(373)	(1,065)	(65%)	(247)	(540)	(54%)
Impairment loss on club membership	-	(39)	NM	(50)	(39)	28%
Foreign currency exchange gain	1,649	838	97%	2,085	324	544%

Exceptional items

Gain on disposal of investment security	-	-	NM	3,599	-	NM
Gain on disposal of available-for-sale financial asset	-	397	NM	-	397	NM
	-	397		3,599	397	

1(a)(iii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			Group		
	Third Quarter Ended			Nine Months Ended		
	S\$'000		%	S\$'000		%
	30/9/15	30/9/14	Change	30/9/15	30/9/14	Change
	(restated)			(restated)		
Net loss for the period	(4,038)	(15)	NM	(6,077)	(2,595)	134%
Other comprehensive income:-						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation adjustment	636	936	(32%)	1,029	(54)	NM
Realisation of fair value changes on available-for-sale assets	-	-	NM	(3,587)	-	NM
Fair value changes on available-for-sale assets	(1)	(46)	(98%)	7	(56)	NM
Other comprehensive income, net of tax	635	890	(29%)	(2,551)	(110)	NM
Total comprehensive income for the period	(3,403)	875	NM	(8,628)	(2,705)	219%
Total comprehensive income attributable to :-						
Owners of the Company	1,177	1,143	3%	423	(413)	NM
Non-controlling interests	(4,580)	(268)	NM	(9,051)	(2,292)	295%
Total comprehensive income for the period	(3,403)	875	NM	(8,628)	(2,705)	219%

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	S\$'000		S\$'000	
	30/9/15	31/12/14	30/9/15	31/12/14
Non-current Assets				
Intangible assets	14,596	15,114	-	-
Property, plant and equipment	44,310	37,412	41	73
Investments in subsidiaries	-	-	31,379	31,379
Investments in associate	11	-	-	-
Investment securities	207	188	-	-
Deferred tax assets	184	179	-	-
	59,308	52,893	31,420	31,452
Current Assets				
Inventories	26,072	27,050	-	-
Other receivables and prepayments	9,884	8,193	135	406
Amounts due from subsidiaries	-	-	11,054	7,766
Trade receivables	28,552	33,162	-	-
Cash and cash equivalents	46,574	52,693	1,924	1,359
Restricted cash	2	2	-	-
	111,084	121,100	13,113	9,531
Non-current assets held for sale	-	11,100	-	8,885
	111,084	132,200	13,113	18,416
Total Assets	170,392	185,093	44,533	49,868
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	377	(1,418)	-	-
Capital reserves	(8,038)	(8,056)	(2,960)	(2,960)
Fair value reserve	23	3,608	-	3,587
Accumulated losses	(33,594)	(35,752)	(119,262)	(116,744)
	86,613	86,227	5,623	11,728
Non-controlling interests	24,455	31,001	-	-
Total Equity	111,068	117,228	5,623	11,728
Non-current Liabilities				
Deferred tax liabilities	776	1,028	-	-
Lease creditors	444	511	-	-
Long term payables	1,098	1,016	-	-
Loans and borrowings	730	938	-	-
Amounts due to subsidiaries	-	-	29,665	29,605
	3,048	3,493	29,665	29,605
Current Liabilities				
Provision	536	587	-	-
Income tax payable	3,067	1,507	271	91
Loans and borrowings	20,177	27,823	5,000	5,000
Payables and accruals	32,496	34,455	2,239	1,930
Amounts due to subsidiaries	-	-	1,735	1,514
	56,276	64,372	9,245	8,535
Total Liabilities	59,324	67,865	38,910	38,140
Total Equity and liabilities	170,392	185,093	44,533	49,868

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

Amount repayable in one year or less, or on demand

30/9/15		31/12/14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
241	19,936	1,704	26,119

Amount repayable after one year

30/9/15		31/12/14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
730	-	938	-

Details of any collateral

Bank term loans with aggregate amount of \$971,000 (31/12/14: \$2,642,000) of subsidiaries are secured on the land & buildings, and 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	
	30/9/15 S\$'000	30/9/14 S\$'000 (restated)
Operating activities		
Loss before income tax	(3,703)	(440)
Adjustment for:-		
Non-cash items	2,023	4,995
Operating cash flows before reinvestment in working capital	(1,680)	4,555
Changes in working capital		
Receivables	2,926	(14,200)
Inventories	(1,193)	(4,695)
Payables	(1,678)	12,853
Provisions	(51)	260
Cash flow used in operations	(1,676)	(1,227)
Interest paid	(668)	(597)
Interest received	55	78
Income tax paid	(961)	(668)
Income tax refund	2	76
Net cash used in operating activities	(3,248)	(2,338)
Investing activities		
Proceeds from disposals of property, plant and equipment	102	110
Purchase of property, plant and equipment	(7,995)	(3,671)
Proceeds from disposal of discontinued operations	-	2,314
Proceeds from disposal of investment security	8,897	-
Acquisition of an associate	(15)	-
Net cash generated from/(used in) investing activities	989	(1,247)
Financing activities		
Proceeds from share placement by subsidiaries	2,500	-
Shares issuance expenses	(32)	-
Payment to finance lease creditors	(651)	(646)
Proceeds from bank borrowings	-	9,400
Repayment of bank borrowings	(7,503)	-
Decrease in restricted cash	-	4
Net cash (used in)/provided by financing activities	(5,686)	8,758
Net (decrease)/increase in cash and cash equivalents	(7,945)	5,173
Cash and cash equivalents at 1 January	52,580	37,977
Effect of exchange rate changes on cash and cash equivalents	1,856	115
Cash and cash equivalents at 30 September	46,491	43,265

Cash and cash equivalent included in the consolidated cash flow statement comprise the following balance sheet amounts:-

	S\$'000	S\$'000
Cash and bank balances	46,574	43,293
Bank overdraft	(83)	(28)
	46,491	43,265

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 Nine Months Ended 30 Sep 2015									
Balance as at 1 Jan'15	132,617	(4,772)	(8,056)	3,608	(1,418)	(35,752)	86,227	31,001	117,228
Total comprehensive income for the period	-	-	-	(3,585)	1,850	2,158	423	(9,051)	(8,628)
<u>Changes in ownership interests in subsidiaries without a change in control</u>									
Share placement to non-controlling interests, net of share issue expenses	-	-	18	-	(55)	-	(37)	2,505	2,468
Total changes in ownership interests in subsidiaries	-	-	18	-	(55)	-	(37)	2,505	2,468
Balance as at 30 Sep'15	132,617	(4,772)	(8,038)	23	377	(33,594)	86,613	24,455	111,068

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 Nine Months Ended 30 Sep 2014									
Balance as at 1 Jan'14 <i>(restated)</i>	132,617	(4,772)	(6,619)	19	(2,975)	(38,609)	79,661	29,138	108,799
Total comprehensive income for the period <i>(as previously reported)</i>	-	-	-	(25)	(54)	(307)	(386)	(2,245)	(2,631)
Effects of FRS103 - Business Combination	-	-	-		10	(37)	(27)	(47)	(74)
Total comprehensive income for the period <i>(restated)</i>	-	-	-	(25)	(44)	(344)	(413)	(2,292)	(2,705)
<u>Changes in ownership interests in subsidiaries without a change in control</u>									
Acquisition of additional interests in a subsidiary from non-controlling interests	-	-	(332)		-	-	(332)	332	-
Total changes in ownership interests in subsidiaries	-	-	(332)	-	-	-	(332)	332	-
							-		
Balance as at 30 Sep'14	132,617	(4,772)	(6,951)	(6)	(3,019)	(38,953)	78,916	27,178	106,094

Company	Share Capital	Treasury shares	Capital reserve	Fair Value reserve	Accumulated losses	Total
	(Non-distributable)				Distributable	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For The Nine Months Ended 30 Sep 2015						
Balance as at 1 Jan'15	132,617	(4,772)	(2,960)	3,587	(116,744)	11,728
Total comprehensive income for the period	-	-	-	(3,587)	(2,518)	(6,105)
Balance as at 30 Sep'15	132,617	(4,772)	(2,960)	-	(119,262)	5,623
For The Nine Months Ended 30 Sep 2014						
Balance as at 1 Jan'14	132,617	(4,772)	(2,960)	-	(106,562)	18,323
Total comprehensive income for the period	-	-	-	-	(3,979)	(3,979)
Balance as at 30 Sep'14	132,617	(4,772)	(2,960)	-	(110,541)	14,344

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

No ordinary shares were issued during the period.

See below for details relating to the number of shares held as treasury shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	Group & Company	
	30/9/15	31/12/14
Total number of issued shares	681,966,341	681,966,341
Less : Treasury shares	(27,234,855)	(27,234,855)
Total number of issued shares (excluding treasury shares)	654,731,486	654,731,486

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Please refer to note 1(d)(ii) above.

- 2. Whether the figures have been audited, or reviewed and in accordance with which (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Other than the adoption of the amended Financial Reporting Standards (FRS) that are effective from the current financial year, the accounting policies and methods of computation applied by the Group in the financial statements for the period ended 30 September 2015, are consistent with those of the audited financial statement as at 31 December 2014.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The adoption of the amended FRS is assessed to have no material impact to the financial position or financial performance of the Group.

Effects of the revision in the provisional amounts determined in relation to the business combination which occurred during the year ended 31 December 2013 are as follows:

Effects of FRS 103 – Business Combinations

On 9 September 2013, a subsidiary of the Company, Advanced Systems Automation Limited (“ASA”) acquired an additional 10% equity interests in its associate, ASA Multiplate (M) Sdn. Bhd.) (“ASA Multiplate”) from its non-controlling interest. ASA Multiplate ceased to be an associate and became a subsidiary of ASA. The acquisition of ASA Multiplate was reported based on provisional amounts in the Group’s financial statements for the year ended 31 December 2013.

ASA engaged an independent valuer to determine the fair values of the identifiable assets and liabilities of ASA Multiplate at the acquisition date. Subsequent to the completion of the valuation by the valuer, the Group made certain restatements in connection with the acquisition of ASA Multiplate as follows.

	As at 31/08/13	
	Provisional fair values	Restated fair values
	S\$'000	S\$'000
Consideration paid for business combination	3,672	3,672
<u>Fair values of assets and liabilities acquired</u>		
Property, plant and equipment	7,961	8,562
Customer relationships	-	459
Inventories	1,122	1,116
Trade receivables, net	1,005	1,005
Prepayments and advances	40	40
Other receivables, net	121	121
Cash and cash equivalents	3	3
Trade payables and accruals	(583)	(583)
Other payables	(3,038)	(3,038)
Income tax payable	(181)	(181)
Amount due to holding company	(1,107)	(1,107)
Amount due to financial institutions	(2,609)	(2,609)
Bank overdraft	(102)	(102)
Deferred tax liability	(470)	(736)
Net identified assets	2,162	2,950
Less: non-controlling interests	(973)	(1,328)
Total net identifiable assets at fair value	1,189	1,622
Goodwill arising from acquisition	2,483	2,050

As a result of the above restatement, the Group's financial results for the period ended 30 September 2014 were restated as follows

	Third Quarter Ended		Nine Months Ended	
	30/9/14	30/9/14	30/9/14	30/9/14
	Previously stated	Restated	Previously stated	Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(loss) for the period	16	(15)	(2,501)	(2,595)
Attributable to:				
Owners of the Company	801	787	(307)	(344)
Non-controlling interests	(785)	(802)	(2,194)	(2,251)
Loss for the period	16	(15)	(2,501)	(2,595)

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	Third Quarter Ended		Nine Months Ended	
	30/9/15	30/9/14	30/9/15	30/9/14
(Loss)/earning per share:-		(restated)		(restated)
a) Based on weighted average number of ordinary shares in issue	(0.07) cents	0.12 cents	0.33 cents	(0.05) cents
Weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486
b) On a fully diluted basis	(0.07) cents	0.12 cents	0.33 cents	(0.05) cents
Adjusted weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486

7. **Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	30/9/15	31/12/14	30/9/15	31/12/14
Net assets value per ordinary share	13.23 cts	13.17 cts	0.86 cts	1.79 cts
Number of ordinary shares at end of financial period	654,731,486	654,731,486	654,731,486	654,731,486

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

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.**

It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial reported on

Analysis of Group Performance

INCOME STATEMENT

<u>Business Segment</u>	Sales			
	<u>3Q2015</u> <u>S\$'000</u>	<u>3Q2014</u> <u>S\$'000</u>	<u>YTD3Q2015</u> <u>S\$'000</u>	<u>YTD3Q2014</u> <u>S\$'000</u>
Backend Equipment Solutions & Technologies ("BEST")	25,204	38,483	86,239	99,672
Distribution & Services	1,941	366	2,868	1,694
	<u>27,145</u>	<u>38,849</u>	<u>89,107</u>	<u>101,366</u>

Revenue

The Group reported a 30.1% or \$11.7 million decline in revenue from \$38.8 million (3Q2014) to \$27.1 million (3Q2015).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 34.5% or \$13.3 million decrease in revenue from \$38.5 million (3Q2014) to \$25.2 million (3Q2015). The decline in revenue was due to lower demand for the equipment business. The revenue from Distribution & Service business increased from \$0.4 million (3Q2014) to \$1.9 million (3Q2015) due to increase in sales from the distribution business.

Gross Profit Margin

Gross profit margin ("GPM") in 3Q2015 was 30.3%, which was 1.7% lower compared to the 32.0% reported in 3Q2014.

Operating Expenses

Marketing & distribution, research & development and general administrative expenses of \$13.4 million incurred in 3Q2015 were \$0.8 million higher compared to the expenses reported in 3Q2014. The expenditure rose mainly due to the increase in payroll related costs and higher research and development activities carried out for the development of the advanced semiconductor packages and batteries.

Financing costs decreased \$30,000 in 3Q2015 compared to 3Q2014.

Appreciation of US dollar against the Singapore dollar in 3Q2015 resulted in a foreign exchange gain of \$1.6 million in 3Q2015, compared to the lower gain of \$0.8 million in 3Q2014.

Depreciation of property, plant and equipment in 3Q2015 increased due to additional purchase of property, plant and equipment during the year 2014 and nine months in 2015.

Net Loss/Profit

The Group reported a net profit attributable to shareholders of \$2.2 million in 9M2015 compared to the net loss of \$0.3 million in 9M2014. For 3Q2015, the Group reported a net loss attributable to shareholders of \$0.5 million, compared to the net profit of \$0.8 million in 3Q2014.

Analysis of Group Performance (Cont'd)

BALANCE SHEET

As at 30 September 2015, total assets stood at \$170.4 million comprising \$59.3 million from non-current assets and \$111.1 million from current assets. Total liabilities stood at \$59.3 million comprising current liabilities of \$56.3 million and non-current liabilities of \$3.0 million. Shareholders' equity including non-controlling interests stood at \$111.1 million.

The following are highlights of the Group's balance sheet as at 30 September 2015.

Intangible assets

The increase in intangible assets was mainly due to amortisation of customer relationships and intellectual properties, and asset values fluctuation due to currency volatility.

Property, plant and equipment

The increase in property, plant and equipment ("PPE") was mainly due to the reclassification of a leasehold land and building from non-current assets held for sale to PPE. The increase in PPE was also due to additional purchases which were partially offset by the depreciation during the period and asset values fluctuation due to currency volatility.

Investment in associate

Investment in associate relates to the 49% acquisition of the issued share capital of APA Capital & Advisory Co., Ltd on 29 April 2015.

Inventories

Inventories decreased \$1.0 million from \$27.1 million (4Q2014) to \$26.1 million (3Q2015), mainly due to lesser inventory purchases in view of lower customers' demands.

Other receivables and prepayments

These comprised receivables from external parties which increased during the year.

Trade receivables

Trade receivables' balance decreased \$4.6 million due to the lower sales in year 2015.

Non-current assets held for sale

Balance as at 31 December 2014 included an amount of \$8.9 million which relate to the Company's investment in APSI Pte. Ltd. that was disposed at end of 1Q2015. The balance as at 31 December 2014 also included an amount of \$2.2 million which relate to a leasehold land and building which a subsidiary of the Group owns. On 2 September 2014, the subsidiary entered into an agreement to dispose this property. The parties to the agreement had mutually agreed to terminate the agreement. As a result of this termination, the leasehold land and building were reclassified from non-current assets held for sale to property, plant and equipment.

Loans and borrowings

Loans and borrowings decreased \$7.9 million from \$28.8 million (4Q2014) to \$20.9 million (3Q2015), due to repayments made during the period.

Payables and accruals

Payables and accruals decreased \$2.0 million from \$34.5 million (4Q2014) to \$32.5 million (3Q2015), mainly due to lower inventory purchases during the period.

CASHFLOW STATEMENT

The Group utilised \$1.7 million for its operations. An amount of \$1.6 million was used for the payment of interest and tax. \$8.9 million, being proceeds from the disposal of investment, was received. A net amount of \$7.9 million was used for the purchase of property, plant and equipment. An amount of \$2.5 million was received from a share placement exercise by a subsidiary. The Group repaid net loans and borrowings of \$8.2 million to the financial institutions.

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 group in the next reporting period and the next 12 months

The prevailing weakness in the global economies continues to affect our business. Visibility in the semiconductor industry is still low and we expect the headwinds that we are now facing to continue into the end of this year.

Advanced Systems Automation Limited's ("ASA") businesses were affected by the weak business sentiments across the region and China. This is further exacerbated by the weakening currencies. Both factors have affected its business.

ASA expects business sentiment for the year to remain weak and hence it will continue to exercise caution in its business management.

On 23 October 2015, Dragon Group International Limited ("DGI") completed the acquisition of its 19% interests in Heat Tech Japan Co., Ltd ("HTJ"). DGI still has an option to acquire 47.67% interests in HTJ and 20% interests in 3DOM Inc. at a future date. For more details, please refer to DGI's announcement made on 23 October 2015.

On the progress of the development project along the Yangtze Riverbank, DGI is working closely with various Chinese authorities to finalise the proposed concepts and plans. It will keep its shareholders duly informed of its progress.

DGI will be spending more time and resources on projects that have materialised to ensure that they progress according to plan. At the same time, it remains open to consider viable business propositions from the market.

Our business is prone to economic uncertainties and the cyclical nature of the semiconductor industry. Other unforeseeable factors including but not limited to foreign exchange fluctuations, intellectual property litigations, product and technology obsolescence, and inventory adjustments continue to be challenges that we may encounter. In view of these factors, we will remain prudent and cautious in the management of our business.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Please refer to note 11(a).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

(Not applicable to quarterly announcement)

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

(Not applicable to quarterly announcement)

- 15. A breakdown of sales**

(Not applicable to quarterly announcement)

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

(Not applicable to quarterly announcement)

- 17. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

(Not applicable to quarterly announcement)

- 18. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT") as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

There is no general mandate obtained for IPT and there were no IPT for the period ended 30 September 2015.

- 19. Negative Confirmation by the Board pursuant to Rule 705(5)**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the financial period ended 30 September 2015 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

13 November 2015