

## Financial Statements and Related Announcement::Third Quarter Results

## Issuer &amp; Securities

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

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	14-Nov-2018 18:12:08
<b>Status</b>	New
<b>Announcement Sub Title</b>	Third Quarter Results
<b>Announcement Reference</b>	SG181114OTHR0AQ7
<b>Submitted By (Co./ Ind. Name)</b>	DATO' MICHAEL LOH SOON GNEE
<b>Designation</b>	EXECUTIVE CHAIRMAN & CEO
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	PLEASE SEE ATTACHED FILE.

## Additional Details

<b>For Financial Period Ended</b>	30/09/2018
<b>Attachments</b>	<a href="#">📄ASTI_Sep_2018_Announcement.pdf</a> Total size =223K

The Directors are pleased to make the following announcement of the unaudited results for the nine months financial period ended 30 September 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		
	Third Quarter Ended			Nine Months Ended		
	S\$'000	%		S\$'000	%	
30/9/18	30/9/17	Change	30/9/18	30/9/17	Change	
	(restated)*			(restated)*		
<b>Continuing Operations</b>						
Revenue	15,889	16,248	(2%)	44,095	50,035	(12%)
Cost of sales	(12,239)	(11,220)	9%	(33,799)	(36,376)	(7%)
Gross profit	3,650	5,028	(27%)	10,296	13,659	(25%)
Other income	580	139	317%	1,666	759	119%
Marketing and distribution	(435)	(392)	11%	(1,320)	(2,311)	(43%)
Research and development	(953)	(1,068)	(11%)	(3,136)	(3,527)	(11%)
Administrative expenses	(10,726)	(3,845)	179%	(18,803)	(14,709)	28%
Other operating income/(costs), net	35,823	(228)	NM	36,782	1,268	NM
Operating expenses	23,709	(5,533)	NM	13,523	(19,279)	NM
Operating profit/(loss)	27,939	(366)	NM	25,485	(4,861)	NM
Finance costs, net	(134)	(96)	40%	(352)	(556)	(37%)
Share of results of associates, net of tax	(944)	3	NM	(1,632)	(3)	NM
Profit/(loss) before tax from Continuing Operations	26,861	(459)	NM	23,501	(5,420)	NM
Income tax expense	(303)	(354)	(14%)	(963)	(981)	(2%)
<b>Net profit/(loss) for the period from Continuing Operations, net of tax</b>	<b>26,558</b>	<b>(813)</b>		<b>22,538</b>	<b>(6,401)</b>	
<b>Discontinued Operations</b>						
<b>Net profit for the period from Discontinued Operations, net of tax</b>	<b>883</b>	<b>2,674</b>		<b>8,123</b>	<b>3,918</b>	
<b>Net profit/(loss) for the period</b>	<b>27,441</b>	<b>1,861</b>		<b>30,661</b>	<b>(2,483)</b>	
<b>Attributable to :</b>						
Owners of the Company						
- Continuing Operations	27,498	(104)	NM	25,212	(1,990)	NM
- Discontinued Operations	883	2,674	(67%)	8,123	3,918	107%
	28,381	2,570		33,335	1,928	
Non-controlling interests	(940)	(709)	33%	(2,674)	(4,411)	(39%)
<b>Net profit/(loss) for the period</b>	<b>27,441</b>	<b>1,861</b>		<b>30,661</b>	<b>(2,483)</b>	

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 3Q2017 and 9M2017 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

**Continuing Operations**

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

	30/9/18	30/9/17	Change	30/9/18	30/9/17	Change
Interest income	68	60	13%	193	93	108%
Interest on borrowings	391	149	162%	(423)	(524)	(19%)
Depreciation of property, plant and equipment	(1,726)	(1,357)	27%	(4,495)	(3,777)	19%
Depreciation of investment properties	(4)	(4)	0%	(13)	(13)	0%
Write-back of allowance on trade receivables	-	-	NM	-	20	NM
Allowance on non-trade receivables	(7)	(13)	(46%)	(20)	(85)	(76%)
Net write back/(provision) for stock obsolescence	3	(42)	NM	(18)	(130)	(86%)

**Other operating income/(costs)**

Impairment loss on investment securities	-	-	NM	(24)	-	NM
Impairment loss on property, plant and equipment	-	-	NM	(1)	-	NM
Impairment loss on club membership	-	-	NM	-	(8)	NM
Property, plant and equipment written off	(3)	-	NM	(7)	-	NM
Gain on disposal of property, plant and equipment	16	-	NM	183	180	2%
Gain on disposal of club membership	-	-	NM	-	73	NM
Gain on disposal of subsidiaries	36,530	-	NM	36,530	2,945	NM
Foreign currency exchange (loss)/gain	(720)	(228)	216%	101	(1,922)	NM

Group			Group		
Third Quarter Ended			Nine Months Ended		
S\$'000		%	S\$'000		%
30/9/18	30/9/17	Change	30/9/18	30/9/17	Change
	(restated)*			(restated)*	

**Discontinued Operations**

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

	30/9/18	30/9/17	Change	30/9/18	30/9/17	Change
Interest income	-	1	NM	1	1	0%
Interest on borrowings	(211)	(114)	85%	(597)	(308)	94%
Depreciation of property, plant and equipment	(89)	(148)	(40%)	(275)	(438)	(37%)
Write-back of/(allowance on) trade receivables	56	(68)	NM	53	(74)	NM
Net write back/(provision) for stock obsolescence	19	114	(83%)	(35)	(446)	(92%)

Group			Group		
Third Quarter Ended			Nine Months Ended		
S\$'000		%	S\$'000		%
30/9/18	30/9/17	Change	30/9/18	30/9/17	Change

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		%
	30/9/18	30/9/17	Change	30/9/18	30/9/17	Change
<b>Net profit/(loss) for the period</b>	27,441	(restated)* 1,861	NM	30,661	(restated)* (2,483)	NM
<b>Other comprehensive income:-</b>						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation adjustment	218	57	282%	(48)	116	NM
Fair value changes on available-for-sale assets	-	-	NM	(3)	5	NM
<b>Other comprehensive income, net of tax</b>	<b>218</b>	<b>57</b>	<b>282%</b>	<b>(51)</b>	<b>121</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>	<b>27,659</b>	<b>1,918</b>	<b>NM</b>	<b>30,610</b>	<b>(2,362)</b>	<b>NM</b>
<b>Total comprehensive income attributable to:-</b>						
Owners of the Company	28,259	2,682	954%	33,072	2,212	NM
Non-controlling interests	(600)	(764)	(21%)	(2,462)	(4,574)	(46%)
<b>Total comprehensive income for the period</b>	<b>27,659</b>	<b>1,918</b>	<b>NM</b>	<b>30,610</b>	<b>(2,362)</b>	<b>NM</b>
<u>Attributable to Owners of the Company</u>						
Continuing Operations	27,375	290	NM	24,963	(1,686)	NM
Discontinued Operations	884	2,392	(63%)	8,109	3,898	108%
	<b>28,259</b>	<b>2,682</b>	<b>954%</b>	<b>33,072</b>	<b>2,212</b>	<b>NM</b>

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	
	30/9/18	31/12/17 (restated) #	30/9/18	31/12/17
<b>Non-current Assets</b>				
Intangible assets	5,955	4,170	-	-
Property, plant and equipment	26,626	20,582	117	79
Investment properties	322	338	-	-
Investments in subsidiaries	-	-	9,905	17,532
Investments in associate	3,175	4,807	5,801	5,801
Investment securities	-	24	-	-
Deferred tax assets	-	103	-	-
	<b>36,078</b>	<b>30,024</b>	<b>15,823</b>	<b>23,412</b>
<b>Current Assets</b>				
Inventories	3,938	24,068	-	-
Other receivables and prepayments	21,729	3,951	19,237	92
Amounts due from subsidiaries	-	-	12,967	8,184
Amounts due from associates	1,246	14	947	-
Trade receivables	15,050	31,203	-	-
Cash and cash equivalents	76,050	29,616	65,167	1,485
	<b>118,013</b>	<b>88,852</b>	<b>98,318</b>	<b>9,761</b>
<b>Total Assets</b>	<b>154,091</b>	<b>118,876</b>	<b>114,141</b>	<b>33,173</b>
<b>Equity Attributable to Owners of the Company</b>				
Share capital	132,617	132,617	132,617	132,617
Treasury shares	(4,772)	(4,772)	(4,772)	(4,772)
Foreign currency translation reserve	34	296	-	-
Capital reserves	(8,091)	(8,091)	(2,960)	(2,960)
Fair value reserve	1	2	-	-
Accumulated losses	(28,148)	(61,483)	(55,934)	(143,914)
	<b>91,641</b>	<b>58,569</b>	<b>68,951</b>	<b>(19,029)</b>
Non-controlling interests	(10,415)	(7,953)	-	-
<b>Total Equity</b>	<b>81,226</b>	<b>50,616</b>	<b>68,951</b>	<b>(19,029)</b>
<b>Non-current Liabilities</b>				
Deferred tax liabilities	106	165	-	-
Lease creditors	2,021	1,325	-	-
Long term payables	1,048	1,028	-	-
Loans and borrowings	-	2,061	-	-
Amounts due to subsidiaries	-	-	-	44,718
	<b>3,175</b>	<b>4,579</b>	<b>-</b>	<b>44,718</b>
<b>Current Liabilities</b>				
Provision	-	409	-	-
Income tax payable	562	1,020	170	120
Loans and borrowings	7,939	25,161	5,000	5,000
Payables and accruals	61,023	36,556	32,715	2,049
Amounts due to subsidiaries	-	-	7,305	315
Amounts due to associates	166	535	-	-
	<b>69,690</b>	<b>63,681</b>	<b>45,190</b>	<b>7,484</b>
<b>Total Liabilities</b>	<b>72,865</b>	<b>68,260</b>	<b>45,190</b>	<b>52,202</b>
<b>Total Equity and liabilities</b>	<b>154,091</b>	<b>118,876</b>	<b>114,141</b>	<b>33,173</b>

# 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

30/9/18		31/12/17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
670	7,939	506	25,161

Amount repayable after one year

30/9/18		31/12/17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,021	-	1,325	2,061

**Details of any collateral**

On 30 September 2018, finance lease with aggregate amount of \$2,691,000 (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

	<b>Group</b>	
	30/9/18 S\$'000	30/9/17 S\$'000
		(restated)*
<b>Operating activities</b>		
Profit/(loss) before income tax from Continuing Operations	23,501	(5,420)
Profit before income tax from Discontinued Operations	8,837	4,327
Adjustment for:-		
Non-cash items	(29,707)	4,161
<b>Operating cash flows before reinvestment in working capital</b>	<b>2,631</b>	<b>3,068</b>
Changes in working capital		
Receivables	(10,645)	(8,097)
Inventories	(4,581)	(3,456)
Payables	8,173	7,777
Provisions	(108)	(236)
Amounts due from associates	(801)	(306)
<b>Cash flow used in operations</b>	<b>(5,331)</b>	<b>(1,250)</b>
Interest paid	(958)	(768)
Interest received	194	94
Income tax paid	(1,353)	(1,133)
Income tax refund	19	61
<b>Net cash used in operating activities</b>	<b>(7,429)</b>	<b>(2,996)</b>
<b>Investing activities</b>		
Proceeds from disposals of club membership	-	141
Proceeds from disposals of property, plant and equipment	247	256
Purchase of property, plant and equipment	(3,022)	(6,543)
Expenditure on research and development project	(1,672)	(1,514)
Expenditure on development project	-	(230)
Cash and cash equivalents divested on deconsolidation	-	(6,920)
Net cash inflow on disposal of subsidiaries	54,673	-
Advance from external party	5,000	-
Extension of club membership	-	(19)
<b>Net cash generated from/(used in) investing activities</b>	<b>55,226</b>	<b>(14,829)</b>
<b>Financing activities</b>		
Repayment to finance lease creditors	(476)	(431)
Proceeds from bank borrowings	1,879	5,342
Repayment of bank borrowings	(1,186)	(3,535)
Advance for capital injection from non-controlling interest	168	407
Proceeds from rights issue exercise of a subsidiary	-	7,517
Loan to associates	(800)	-
Loan to external party	(1,000)	-
Other borrowings, net	-	(559)
<b>Net cash (used in)/provided by financing activities</b>	<b>(1,415)</b>	<b>8,741</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>46,382</b>	<b>(9,084)</b>
Cash and cash equivalents at 1 January	29,616	39,174
Effect of exchange rate changes on cash and cash equivalents	52	(677)
<b>Cash and cash equivalents at 30 September</b>	<b>76,050</b>	<b>29,413</b>

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	
<b>For The Nine Months Ended 30 Sep 2018</b>									
Balance at 1 Jan'18, as previously reported	132,617	(4,772)	(8,091)	2	(1,598)	(59,589)	<b>58,569</b>	(7,953)	<b>50,616</b>
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)	<b>58,569</b>	(7,953)	<b>50,616</b>
<b>Total comprehensive income for the period</b>	-	-	-	(1)	(262)	33,335	<b>33,072</b>	(2,462)	<b>30,610</b>
Balance at 30 Sep'18	132,617	(4,772)	(8,091)	1	34	(28,148)	<b>91,641</b>	(10,415)	<b>81,226</b>



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	
<b>For The Nine Months Ended 30 Sep 2017</b>									
Balance at 1 Jan'17, as previously reported	132,617	(4,772)	(7,936)	-	(1,894)	(55,192)	<b>62,823</b>	(555)	<b>62,268</b>
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)	<b>62,823</b>	(555)	<b>62,268</b>
<b>Total comprehensive income for the period</b>	-	-	-	2	282	1,928	<b>2,212</b>	(4,574)	<b>(2,362)</b>
<u>Changes in ownership interests in</u>									
Non-controlling interests' subscription of shares in a subsidiary	-	-	-	-	-	-	-	7,517	<b>7,517</b>
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	-	7,517	<b>7,517</b>
<u>Changes of ownership interests in subsidiaries with a change in control</u>									
Disposal of subsidiaries	-	-	-	-	-	-	-	(4,547)	<b>(4,547)</b>
Realisation of reserves arising from disposal of subsidiaries	-	-	(155)	-	(38)	-	<b>(193)</b>	-	<b>(193)</b>
<b>Total changes of ownership interests in subsidiaries with a change in control</b>	-	-	(155)	-	(38)	-	<b>(193)</b>	(4,547)	<b>(4,740)</b>
							-		
Balance at 30 Sep'17 (restated)*#	132,617	(4,772)	(8,091)	2	244	(55,158)	<b>64,842</b>	(2,159)	<b>62,683</b>

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
<b>For The Nine Months Ended 30 Sep 2018</b>						
Balance at 1 Jan'18,	132,617	(4,772)	(2,960)	-	(143,914)	(19,029)
<b>Total comprehensive income for the period</b>	-	-	-	-	87,980	87,980
Balance at 30 Sep'18	132,617	(4,772)	(2,960)	-	(55,934)	68,951
<b>For The Nine Months Ended 30 Sep 2017</b>						
Balance at 1 Jan'17,	132,617	(4,772)	(2,960)	-	(134,911)	(10,026)
<b>Total comprehensive income for the period</b>	-	-	-	-	(3,715)	(3,715)
Balance at 30 Sep'17	132,617	(4,772)	(2,960)	-	(138,626)	(13,741)

- 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	
	30/9/18	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**

	<u>Continuing Operations</u>		<u>Discontinued Operations</u>		<u>Total</u>	
	<u>Third Quarter Ended</u>		<u>Third Quarter Ended</u>		<u>Third Quarter Ended</u>	
<b>Earnings per share:-</b>	<u>30/9/18</u>	<u>30/9/17</u> (restated)*	<u>30/9/18</u>	<u>30/9/17</u> (restated)*	<u>30/9/18</u>	<u>30/9/17</u> (restated)*
a) Based on weighted average number of ordinary shares in issue	4.20 cents	(0.02) cents	0.13 cents	0.41 cents	4.33 cents	0.39 cents
b) On a fully diluted basis	4.20 cents	(0.02) cents	0.13 cents	0.41 cents	4.33 cents	0.39 cents
	<u>Continuing Operations</u>		<u>Discontinued Operations</u>		<u>Group</u>	
	<u>Nine Months Ended</u>		<u>Nine Months Ended</u>		<u>Nine Months Ended</u>	
<b>Earnings per share:-</b>	<u>30/9/18</u>	<u>30/9/17</u> (restated)*	<u>30/9/18</u>	<u>30/9/17</u> (restated)*	<u>30/9/18</u>	<u>30/9/17</u> (restated)*
a) Based on weighted average number of ordinary shares in issue	3.85 cents	(0.30) cents	1.24 cents	0.60 cents	5.09 cents	0.29 cents
b) On a fully diluted basis	3.85 cents	(0.30) cents	1.24 cents	0.60 cents	5.09 cents	0.29 cents

  

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30/9/18</u>	<u>30/9/17</u> (restated)*	<u>30/9/18</u>	<u>30/9/17</u> (restated)*
Weighted average number of shares	654,731,486	654,731,486	654,731,486	654,731,486
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	
	30/9/18	31/12/17	30/9/18	31/12/17
Net assets value per ordinary share	14.00 cts	8.95 cts	10.53 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 period 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 3Q2017 and 9M2017 takes into account the disposal of ASA Group.

#### **Discontinued Operations**

On 28 September 2018, the Company announced that the disposal of STI Group of companies ("STI Group") has completed successfully and STI Group has ceased to be wholly-owned subsidiaries of the Company. In compliance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, the results of STI Group are presented separately in the Group's statement of comprehensive income as "Discontinued Operations". The Group has recognised the results generated from the Discontinued Operations for the period from January to September 2018.

#### **Continuing Operations**

#### **INCOME STATEMENT**

	Sales			
	<u>3Q2018</u>	<u>3Q2017</u>	<u>9M2018</u>	<u>9M2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>Business Segment</u></b>				
Backend Equipment Solutions & Technologies ("BEST")	14,801	15,346	42,121	48,087
Distribution & Services	1,088	902	1,974	1,948
	<u>15,889</u>	<u>16,248</u>	<u>44,095</u>	<u>50,035</u>

#### **Revenue**

The Group reported a 2.2% or \$0.3 million decrease in revenue from \$16.2 million (3Q2017) to \$15.9 million (3Q2018).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 3.6% or \$0.5 million decrease in revenue from \$15.3 million (3Q2017) to \$14.8 million (3Q2018) due to lower sales. The revenue from Distribution & Service business increased 20.6% or \$0.2 million from 3Q2017 to 3Q2018 due to increase in sales.

**Analysis of Group Performance (Continued)**

**Continuing Operations (Continued)**

**INCOME STATEMENT (CONTINUED)**

Gross Profit Margin

Gross profit margin in 3Q2018 was 23.0%. This was a decline of 7.9% compared to the 30.9% reported in 3Q2017 due to lower sales.

Other Income

Other income increased \$0.4 million or 317.3% in 3Q2018 as compared to 3Q2017 due to fees from a project.

Operating Expenses

Marketing & distribution (“M&D”), research & development (“R&D”) and general administrative (“G&A”) expenses of \$12.1 million incurred in 3Q2018 were \$6.8 million higher compared to the expenses reported in 3Q2017. M&D costs in 3Q2018 increased by about \$43,000 when compared to the costs in 3Q2017. R&D costs in 3Q2018 decreased by about \$0.1 million when compared to the costs incurred in 3Q2017. G&A costs increased \$6.9 million in 3Q2018 when compared to 3Q2017, mainly due to project costs.

Other operating income in 3Q2018 consisted mainly of the \$36.5 million gain on disposal of the STI Group. A foreign exchange loss of \$0.7 million was posted in 3Q2018 as compared to the \$0.2 million exchange loss in 3Q2017 due to the fluctuation of the US dollar against the Singapore dollar.

Finance costs in 3Q2018 were about \$38,000 higher compared to the costs incurred in 3Q2017.

Depreciation charges of property, plant and equipment (“PPE”) increased \$0.4 million in 3Q2018 compared to 3Q2017, due to the purchase of PPE during the year.

Net Profit Attributable to Owners of the Company

The Group reported a net profit to shareholders of \$27.5 million in 3Q2018. This represents an increase of \$27.6 million compared to the net loss of \$0.1 million in 3Q2017 due to the gain recorded on the disposal of the STI Group.

## **Analysis of Group Performance (Continued)**

### **BALANCE SHEET**

As at 30 September 2018, total assets stood at \$154.1 million comprising \$36.1 million from non-current assets and \$118.0 million from current assets. Total liabilities stood at \$72.9 million comprising current liabilities of \$69.7 million and non-current liabilities of \$3.2 million. Shareholders' equity including non-controlling interests stood at \$81.2 million.

The following are highlights of the Group's balance sheet as at 30 September 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 decreased \$20.2 million from \$24.1 million (4Q2017) to \$3.9 million (3Q2018), mainly due to the disposal of the STI Group.

#### Other receivables and prepayment

Other receivables increased mainly due to the pending proceeds from the disposal of the STI Group.

#### Amounts due from associates

Amounts due from associates increased mainly due to loans extended and other receivables during the period.

#### Trade receivables

Trade receivables' balance decreased \$16.2 million mainly due to the disposal of the STI Group.

#### Lease creditors

Lease creditors increased due to purchase of PPE during the period.

#### Provisions

Provisions decreased due to the disposal of the STI Group.

#### Loans and borrowings

Loans and borrowings decreased mainly due to the disposal of the STI Group.

#### Payables and accruals

Payables and accruals increased \$24.4 million from \$36.6 million (4Q2017) to \$61.0 million (3Q2018). There was a decrease in payables and accruals due to the disposal of the STI Group. Correspondingly, the amount was offset by the accruals of costs relating to the disposal of the STI Group as well as amounts owing for the purchases of PPE.

### **CASHFLOW STATEMENT**

The Group utilised \$5.3 million for its operational working capital. An amount of \$2.1 million was used for the net payments of interests and taxes. A net amount of \$2.8 million was used for the purchase of property, plant and equipment. A net inflow of \$54.7 million was received from the disposal of the STI Group. The Group also utilised \$1.7 million on research and development projects. A loan of \$1.0 million was provided to an external party. The Group borrowed \$1.9 million but repaid \$1.7 million to financial institutions during the period. Loans of \$0.8 million were provided to an associate. An advance of \$5.0 million was received from an external party. An advance of \$0.2 million was received from a non-controlling interest for capital injection.

**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**

ASTI is cautiously optimistic about its prospects for the next quarter. Our performance may be affected by the markets uncertainties arising from the looming trade disputes.

Please refer to ASTI's announcement on 1 November 2018, during which the ASTI's Board informed its shareholders that as DGI's controlling shareholder, it is currently working on a cash exit offer proposal to be issued to DGI's shareholders. ASTI's shareholders will be informed of developments in due course.

DGI's discussions with Zhuhai Yinlong Energy Co., Ltd and Coeur Gold Armenia Ltd are ongoing.

*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?

Yes.

<b>Name of Dividend</b>	Interim Dividend
<b>Dividend Type</b>	Cash
<b>Dividend Amount per Share</b>	2 cents per ordinary share
<b>Tax Rate</b>	Tax Exempt (One-Tier)

**(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**

The interim dividend will be paid on 7 December 2018.

**(d) Books closure date**

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 23 November 2018 ("Book Closure Date") for the purpose of determining members' entitlement to the interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 22 November 2018 ("Entitlement Date") will be registered to determine members' entitlement to the interim dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Entitlement Date will be entitled to the interim dividend.

**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 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 September 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 November 2018