

The Directors are pleased to make the following announcement of the unaudited results for the first quarter financial period ended 31 March 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		
	First Quarter Ended		
	S\$'000		%
	31/3/18	31/3/17	Change
Revenue	36,543	24,399	50%
Cost of sales	(22,738)	(16,234)	40%
Gross profit	13,805	8,165	69%
Other income	165	421	(61%)
Marketing and distribution	(2,962)	(3,009)	(2%)
Research and development	(2,999)	(2,854)	5%
Administrative expenses	(4,990)	(5,915)	(16%)
Other expenses, net	(732)	(1,648)	(56%)
Operating expenses	(11,683)	(13,426)	(13%)
Operating profit/(loss)	2,287	(4,840)	NM
Finance costs, net	(332)	(338)	(2%)
Share of results of associates, net of tax	(352)	(5)	NM
Profit/(loss) before tax	1,603	(5,183)	NM
Income tax expense	(1,169)	(132)	786%
Net profit/(loss) for the period	434	(5,315)	
Attributable to :			
Owners of the Company	1,317	(3,626)	NM
Non-controlling interests	(883)	(1,689)	(48%)
Net profit/(loss) for the period	434	(5,315)	

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

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

Interest income
Interest on borrowings
Depreciation of property, plant and equipment
Depreciation of investment properties
Amortisation of intangible assets
Gain on disposal of club membership
Impairment loss on investment securities
Write-back of allowance on trade receivables
Allowance on non-trade receivables
Net provision for stock obsolescence
Foreign currency exchange loss

Group		
First Quarter Ended		
S\$'000		%
31/3/18	31/3/17	Change
60	16	275%
(299)	(274)	9%
(1,397)	(1,297)	8%
(4)	(4)	0%
-	(51)	NM
-	73	NM
(24)	-	NM
3	20	(85%)
(7)	(6)	17%
(256)	(383)	(33%)
(756)	(1,721)	(56%)

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

Net profit/(loss) for the period

Other comprehensive income:-

Items that may be reclassified subsequently to profit or loss:

Foreign currency translation adjustment
Fair value changes on available-for-sale assets

Other comprehensive income, net of tax

Total comprehensive income for the period

Total comprehensive income attributable to :-

Owners of the Company
Non-controlling interests

Total comprehensive income for the period

Group		
First Quarter Ended		
S\$'000		%
31/3/18	31/3/17	Change
434	(5,315)	NM
99	9	1000%
(3)	7	NM
96	16	500%
530	(5,299)	NM
1,531	(3,597)	NM
(1,001)	(1,702)	(41%)
530	(5,299)	NM

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

	Group		Company	
	S\$'000		S\$'000	
	31/3/18	31/12/17	31/3/18	31/12/17
Non-current Assets				
Intangible assets	4,788	4,170	-	-
Property, plant and equipment	22,780	20,582	74	79
Investment properties	350	338	-	-
Investments in subsidiaries	-	-	17,532	17,532
Investments in associate	4,455	4,807	5,801	5,801
Investment securities	-	24	-	-
Deferred tax assets	96	103	-	-
	32,469	30,024	23,407	23,412
Current Assets				
Inventories	24,701	24,068	-	-
Other receivables and prepayments	3,933	3,951	121	92
Amounts due from subsidiaries	-	-	9,990	8,184
Amounts due from associates	240	14	185	-
Trade receivables	42,545	31,203	-	-
Cash and cash equivalents	23,019	29,616	215	1,485
	94,438	88,852	10,511	9,761
Total Assets	126,907	118,876	33,918	33,173
Equity Attributable to Owners of the Company				
Share capital	132,617	132,617	132,617	132,617
Treasury shares	(4,772)	(4,772)	(4,772)	(4,772)
Foreign currency translation reserve	(1,383)	(1,598)	-	-
Capital reserves	(8,091)	(8,091)	(2,960)	(2,960)
Fair value reserve	1	2	-	-
Accumulated losses	(58,272)	(59,589)	(146,341)	(143,914)
	60,100	58,569	(21,456)	(19,029)
Non-controlling interests	(8,954)	(7,953)	-	-
Total Equity	51,146	50,616	(21,456)	(19,029)
Non-current Liabilities				
Deferred tax liabilities	169	165	-	-
Lease creditors	1,232	1,325	-	-
Long term payables	1,005	1,028	-	-
Loans and borrowings	733	2,061	-	-
Amounts due to subsidiaries	-	-	47,583	44,718
	3,139	4,579	47,583	44,718
Current Liabilities				
Provision	501	409	-	-
Income tax payable	1,587	1,020	150	120
Loans and borrowings	29,742	25,161	5,000	5,000
Payables and accruals	40,074	36,556	2,330	2,049
Amounts due to subsidiaries	-	-	311	315
Amounts due to associates	718	535	-	-
	72,622	63,681	7,791	7,484
Total Liabilities	75,761	68,260	55,374	52,202
Total Equity and liabilities	126,907	118,876	33,918	33,173

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

Amount repayable in one year or less, or on demand

31/3/18		31/12/17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
418	29,742	506	25,161

Amount repayable after one year

31/3/18		31/12/17	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,232	733	1,325	2,061

Details of any collateral

On 31 March 2018, finance lease with aggregate amount of \$1,650,000 (31/12/17: \$1,831,000) are secured on certain plant and machinery of the subsidiaries.

1(c) A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	31/3/18 S\$'000	31/3/17 S\$'000
Operating activities		
Profit/(loss) before income tax	1,603	(5,183)
Adjustment for:-		
Non-cash items	2,759	3,095
Operating cash flows before reinvestment in working capital	4,362	(2,088)
Changes in working capital		
Receivables	(11,339)	2,142
Inventories	(931)	(1,288)
Payables	108	(2,142)
Provisions	(36)	(75)
Amounts due from associates	(43)	-
Cash flow used in operations	(7,879)	(3,451)
Interest paid	(279)	(253)
Interest received	60	16
Income tax paid	(600)	(131)
Income tax refund	9	39
Net cash used in operating activities	(8,689)	(3,780)
Investing activities		
Proceeds from disposals of club membership	-	141
Purchase of property, plant and equipment	(384)	(2,589)
Expenditure on research and development project	(711)	(528)
Expenditure on development project	-	(63)
Net cash used in investing activities	(1,095)	(3,039)
Financing activities		
Repayment to finance lease creditors	(146)	(134)
Proceeds from bank borrowings	4,493	152
Repayment of bank borrowings	(1,087)	(7,391)
Other borrowings, net	-	145
Net cash provided by/(used in) financing activities	3,260	(7,228)
Net decrease in cash and cash equivalents	(6,524)	(14,047)
Cash and cash equivalents at 1 January	29,616	39,174
Effect of exchange rate changes on cash and cash equivalents	(73)	(602)
Cash and cash equivalents at 31 March	23,019	24,525

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	
For The First Quarter Ended 31 Mar 2018									
Balance as at 1 Jan'18	132,617	(4,772)	(8,091)	2	(1,598)	(59,589)	58,569	(7,953)	50,616
Total comprehensive income for the period	-	-	-	(1)	215	1,317	1,531	(1,001)	530
Balance as at 31 Mar'18	132,617	(4,772)	(8,091)	1	(1,383)	(58,272)	60,100	(8,954)	51,146

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 First Quarter Ended 31 Mar 2017									
Balance as at 1 Jan'17	132,617	(4,772)	(7,936)	-	(1,894)	(55,192)	62,823	(555)	62,268
Total comprehensive income for the period	-	-	-	3	26	(3,626)	(3,597)	(1,702)	(5,299)
Balance as at 31 Mar'17	132,617	(4,772)	(7,936)	3	(1,868)	(58,818)	59,226	(2,257)	56,969

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 First Quarter Ended 31 Mar 2018						
Balance as at 1 Jan'18	132,617	(4,772)	(2,960)	-	(143,914)	(19,029)
Total comprehensive income for the period	-	-	-	-	(2,427)	(2,427)
Balance as at 31 Mar'18	132,617	(4,772)	(2,960)	-	(146,341)	(21,456)
For The First Quarter Ended 31 Mar 2017						
Balance as at 1 Jan'17	132,617	(4,772)	(2,960)	-	(134,911)	(10,026)
Total comprehensive income for the period	-	-	-	-	(1,128)	(1,128)
Balance as at 31 Mar'17	132,617	(4,772)	(2,960)	-	(136,039)	(11,154)

- 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	
	31/3/18	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

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 31 March 2018, are consistent with those of the audited financial statement as at 31 December 2017.

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.

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	
	First Quarter Ended	
	31/3/18	31/3/17
Earnings/(loss) per share:-		
a) Based on weighted average number of ordinary shares in issue	0.20 cents	(0.55) cents
Weighted average number of shares	654,731,486	654,731,486
b) On a fully diluted basis	0.20 cents	(0.55) cents
Adjusted weighted average number of shares	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	
	31/3/18	31/12/17	31/3/18	31/12/17
Net assets value per ordinary share	9.18 cts	8.95 cts	(3.28) cts	(2.91) cts
Number of ordinary shares at end of financial period	654,731,486	654,731,486	654,731,486	654,731,486

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

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

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

Analysis of Group Performance

INCOME STATEMENT

	Sales	
	1Q2018 S\$'000	1Q2017 S\$'000
Business Segment		
Backend Equipment Solutions & Technologies ("BEST")	36,262	24,002
Distribution & Services	281	397
	<u>36,543</u>	<u>24,399</u>

Analysis of Group Performance (Cont'd)

Revenue

The Group reported a 49.8% or \$12.1 million increase in revenue from \$24.4 million (1Q2017) to \$36.5 million (1Q2018).

Backend Equipment Solutions & Technologies ("BEST") business recorded a 51.1% or \$12.3 million increase in revenue from \$24.0 million (1Q2017) to \$36.3 million (1Q2018). The increase in revenue was mainly due to increase in customers' demands. The revenue from Distribution & Service business decreased 29.2% or \$0.1 million from \$0.4 million (1Q2017) to \$0.3 million (1Q2018) due to decrease in sales from the distribution business.

Gross Profit Margin

Gross profit margin in 1Q2018 was 37.8%. This was an increase of 4.3% compared to the 33.5% reported in 1Q2017.

Operating Expenses

Marketing & distribution ("M&D"), research & development ("R&D") and general administrative ("G&A") expenses of \$11.0 million incurred in 1Q2018 were \$0.8 million higher compared to the expenses reported in 1Q2017. M&D costs in 1Q2018 were comparable to the costs in 1Q2017. R&D costs in 1Q2018 increased \$0.1 million compared to 1Q2017. G&A costs decreased \$0.9 million in 1Q2018 when compared to 1Q2017. The decrease in G&A costs was mainly due to the deconsolidation of a group of subsidiaries in second half of last year.

Other expenses in 1Q2018 decreased \$0.9 million compared to 1Q2017, mainly due to the lower foreign exchange losses as a result of the fluctuation of the US dollar against the Singapore dollar.

Finance costs in 1Q2018 were comparable to the costs incurred in 1Q2017.

Depreciation charges of property, plant and equipment ("PPE") increased \$0.1 million in 1Q2018 compared to 1Q2017.

Net Profit/Loss Attributable to Owners of the Company

The Group reported a net profit to shareholders of \$1.3 million in 1Q2018, compared to the net loss of \$3.6 million in 1Q2017, mainly due to the higher revenue attained in 1Q2018.

BALANCE SHEET

As at 31 March 2018, total assets stood at \$126.9 million comprising \$32.5 million from non-current assets and \$94.4 million from current assets. Total liabilities stood at \$75.8 million comprising current liabilities of \$72.6 million and non-current liabilities of \$3.1 million. Shareholders' equity including non-controlling interests stood at \$51.1 million.

The following are highlights of the Group's balance sheet as at 31 March 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 quarter.

Inventories

Inventories increased \$0.6 million from \$24.1 million (4Q2017) to \$24.7 million (1Q2018), mainly due to higher inventory purchases.

Trade receivables

Trade receivables' balance increased \$11.3 million due to higher sales in 1Q2018 compared to 4Q2017.

Loans and borrowings

Loans and borrowings increased \$3.3 million from \$27.2 million (4Q2017) to \$30.5 million (1Q2018), due to additional drawdowns to fund working capital requirements during the quarter.

Payables and accruals

Payables and accruals increased \$3.5 million from \$36.6 million (4Q2017) to \$40.1 million (1Q2018). The increase can be attributable to higher inventory purchases and amounts owing for the purchases of PPE.

CASHFLOW STATEMENT

The Group used \$7.9 million from its operational working capital. An amount of \$0.8 million was used for the net payments of interests and taxes. A net amount of \$0.4 million was used for the purchase of property, plant and equipment. The Group also utilised \$0.7 million for expenditure on research and development projects. The Group borrowed \$4.5 million but repaid \$1.2 million to financial institutions during the quarter.

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

We expect demand to be softer in the second quarter. We are also taking steps to reduce cost in our weaker subsidiaries.

On 2 April 2018, the Company announced the proposed disposal of STI Group of companies. The Company is working towards the completion of this deal.

As previously announced, DGI has received a notification of delisting dated 11 April 2018 from the SGX-ST (refer to DGI's announcement dated 12 April 2018). On 11 May 2018, DGI announced that Trading Suspension has been effected as per announcement on 12 April 2018.

Zhuhai Yinlong Energy Co., Ltd had failed to complete the transaction on the long stop date, 9 April 2018. However, the parties are still in negotiation to complete the transaction.

DGI's transaction with Coeur Gold Armenia Ltd is still under negotiation.

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 31 March 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 31 March 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
15 May 2018