
UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Group		
	3 months ended		
	31-Mar-19	31-Mar-18	
	S\$'000	S\$'000	%
<u>Continuing Operations</u>			
Revenue	17,365	14,064	23.5
Cost of sales	(13,262)	(10,115)	31.1
Gross profit	4,103	3,949	3.9
Other income	172	140	22.9
Other expense			
Marketing and distribution	(477)	(483)	(1.2)
Research and development	(849)	(1,143)	(25.7)
Administrative expenses	(4,545)	(3,996)	13.7
Foreign exchange loss	(437)	(471)	(7.2)
Finance costs, net	(123)	(108)	13.9
	(6,431)	(6,201)	3.7
Share of results of associates, net of tax	(141)	(352)	(59.9)
Loss before tax from continuing operations	(2,297)	(2,464)	(6.8)
Income tax expense	(285)	(419)	(32.0)
Loss after tax from continuing operations	(2,582)	(2,883)	(10.4)
<u>Discontinued Operations</u>			
Profit after tax from discontinued operations	-	3,317	NM
(Loss)/profit for the period	(2,582)	434	(694.9)
Attributable to :			
Owners of the Company			
- Continuing operations	(1,876)	(2,000)	(6.2)
- Discontinued operations	-	3,317	NM
	(1,876)	1,317	(242.4)
Non-controlling interests			
- Continuing operations	(706)	(883)	(20.0)
Total	(2,582)	434	(694.9)

NM – Not meaningful



Statement of Comprehensive Income for the Group for the First Quarter Ended 31 March 2019

	Group	
	3 months ended	
	31-Mar-19	31-Mar-18
	S\$'000	S\$'000
(Loss)/profit for the period	(2,582)	434
Other comprehensive income items that may be reclassified subsequently to profit or loss		
Foreign currency translation	228	97
Fair value changes on available-for-sale assets	-	(1)
Other comprehensive income for the period, net of tax of nil	228	96
Total comprehensive income for the period	<u>(2,354)</u>	<u>530</u>
Attributable to :		
Owners of the Company		
- Continuing operations	(1,595)	(1,786)
- Discontinued operations	-	3,317
	<u>(1,595)</u>	<u>1,531</u>
Non-controlling interests		
- Continuing operations	(759)	(1,001)
Total comprehensive income for the period	<u>(2,354)</u>	<u>530</u>

Additional Information

Profit from operation is determined after (charging)/crediting:

	Group		
	3 months ended		
	31-Mar-19	31-Mar-18	%
	S\$'000	S\$'000	
<u>Continued Operations</u>			
Interest income	69	59	17
Interest expense	(168)	(127)	32
Depreciation of property, plant and equipment	(2,113)	(1,294)	63
Depreciation of investment properties	(13)	(4)	225
Gain/(loss) on disposal of property, plant and equipment	918	-	NM
Write-back of allowance for trade receivables	1	3	(67)
(Allowance for)/write-back of stock obsolescence, net	-	(256)	NM
Impairment loss on investment securities	-	(24)	NM
<u>Discontinued Operations</u>			
Interest income	-	1	NM
Interest expense	-	(172)	NM
Depreciation of property, plant and equipment	-	(103)	NM

NM – Not meaningful



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

	Group		Company	
	31-Mar-19 S\$'000	31-Dec-18 S\$'000 ⁽¹⁾	31-Mar-19 S\$'000	31-Dec-18 S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Non-Current Assets				
Intangible assets	6,818	6,410	-	-
Property, plant and equipment	28,593	27,312	228	244
Investment properties	-	303	-	-
Right-of-use assets	4,963	-	-	-
Subsidiaries	-	-	7,910	7,910
Associates	4,219	4,357	5,801	5,801
Other receivables	4,503	4,915	4,500	4,500
	49,096	43,297	18,439	18,455
Current Assets				
Inventories	3,253	3,064	-	-
Prepayment and advances	679	781	33	26
Due from subsidiaries	-	-	11,993	9,940
Due from associates	2,545	2,417	2,471	2,389
Trade receivables	14,699	13,804	-	-
Other receivables	18,769	20,538	17,587	19,405
Cash and cash equivalents	18,101	23,261	8,532	10,595
	58,046	63,865	40,616	42,355
Current Liabilities				
Trade payables and accruals	26,353	25,305	10,894	10,872
Other payables	8,696	10,130	293	234
Due to subsidiaries	-	-	7,083	7,146
Lease creditors	660	656	-	-
Interest-bearing loans and borrowings	1,541	2,804	-	-
Tax payable	630	831	170	170
	37,880	39,726	18,440	18,422
Net Current Assets	20,166	24,139	22,176	23,933
Non-Current Liabilities				
Long term payables	2,185	2,571	-	-
Lease creditors	6,680	1,846	-	-
Deferred tax liabilities	147	108	-	-
	9,012	4,525	-	-
Net Assets	60,250	62,911	40,615	42,388
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	186	(95)	-	-
Capital reserves	(8,345)	(8,345)	(2,960)	(2,960)
Accumulated losses	(46,653)	(44,470)	(84,270)	(82,497)
	73,033	74,935	40,615	42,388
Non-controlling interests	(12,783)	(12,024)	-	-
Total Equity	60,250	62,911	40,615	42,388

Notes:

⁽¹⁾ Balance sheet has been restated to effect the adoption of SFRS(I) 16 *Leases*. Refer to note 4 and 5.



1(b)(ii) Aggregate amount of Group's borrowings and debts securities.

Amount repayable in one year or less, or on demand

(S\$'000)

As at 31 Mar 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
660	1,541	656	2,804

Amount repayable after one year

(S\$'000)

As at 31 Mar 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
1,717	-	1,846	-

Details of any collateral

On 31 March 2019, finance leases with an aggregate amount of \$2,377,000 (31 December 2017: \$2,502,000) are secured on certain plant and machinery of the subsidiaries.



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

	Group	
	31-Mar-19	31-Mar-18
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation from Continuing Operations	(2,297)	(2,464)
Profit before taxation from Discontinued Operations	-	4,067
Adjustments for:		
Non cash items	778	2,759
Operating cash flows before changes in working capital	(1,519)	4,362
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Inventories	(158)	(931)
Receivables	3,671	(11,339)
Due from associates	(128)	(43)
Increase/(decrease) in :		
Provision	-	(36)
Payables	(3,106)	108
	(1,240)	(7,879)
Income tax paid	(435)	(591)
Interest received	69	60
Interest paid	(168)	(279)
Net cash flows used in operating activities	(1,774)	(8,689)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,841)	(384)
Proceeds from disposal of property, plant and equipment	1,624	-
Expenditure on research and development project	(464)	(711)
Net cash flows used in investing activities	(1,681)	(1,095)
Cash flow from financing activities		
Repayment of lease obligations	(474)	(146)
Repayment of bank borrowings	(1,256)	(1,087)
Proceeds from loans and borrowings	-	4,493
Net cash flows (used in)/generated from financing activities	(1,730)	3,260
Net increase in cash and cash equivalents	(5,185)	(6,524)
Effect of exchange rate changes on cash and cash equivalents	25	(73)
Cash and cash equivalents at beginning of period	23,261	29,616
Cash and cash equivalents at end of period	18,101	23,019



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.

Consolidated Statement of Changes in Equity

Group	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity	
	Share capital	Treasury shares	Accumulated losses (Distributable)	Capital reserve ------(Non-distributable)-----	Fair value reserve	Foreign currency reserve				Total reserves
(All figures in S\$'000)										
Balance at 1 January 2019, as previously reported	132,617	(4,772)	(44,470)	(8,345)	-	(95)	(52,910)	74,935	(12,024)	62,911
Effect of adopting SFRS(I) 16 Leases	-	-	(307)	-	-	-	(307)	(307)	-	(307)
Balance at 1 January 2019, as restated	132,617	(4,772)	(44,777)	(8,345)	-	(95)	(53,217)	74,628	(12,024)	62,604
Loss for the period	-	-	(1,876)	-	-	-	(1,876)	(1,876)	(706)	(2,582)
Foreign currency translation	-	-	-	-	-	281	281	281	(53)	228
Fair value changes on available-for-sale assets	-	-	-	-	-	-	-	-	-	-
Other comprehensive income net of tax of nil	-	-	-	-	-	281	281	281	(53)	228
Total comprehensive income for the period	-	-	(1,876)	-	-	281	(1,595)	(1,595)	(759)	(2,354)
At 31 March 2019	132,617	(4,772)	(46,653)	(8,345)	-	186	(54,812)	73,033	(12,783)	60,250
Balance at 1 January 2018, as previously reported	132,617	(4,772)	(59,589)	(8,091)	2	(1,598)	(69,276)	58,569	(7,953)	50,616
Effect of transition to SFRS(I)	-	-	(1,894)	-	-	1,894	-	-	-	-
Balance at 1 January 2018, as restated	132,617	(4,772)	(61,483)	(8,091)	2	296	(69,276)	58,569	(7,953)	50,616
Profit/(loss) for the period	-	-	1,317	-	-	-	1,317	1,317	(883)	434
Foreign currency translation	-	-	-	-	-	215	215	215	(118)	97
Fair value changes on available-for-sale assets	-	-	-	-	(1)	-	(1)	(1)	-	(1)
Other comprehensive income net of tax of nil	-	-	-	-	(1)	215	214	214	(118)	96
Total comprehensive income for the period	-	-	1,317	-	(1)	215	1,531	1,531	(1,001)	530
At 31 March 2018	132,617	(4,772)	(60,166)	(8,091)	1	511	(67,745)	60,100	(8,954)	51,146



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. (Cont'd)

Consolidated Statement of Changes in Equity

Company (All figures in S\$'000)	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total reserves	Total equity
At 1 January 2019	132,617	(4,772)	(2,960)	(82,497)	(85,457)	42,388
Loss for the period	-	-	-	(1,773)	(1,773)	(1,773)
Total comprehensive loss for the period	-	-	-	(1,773)	(1,773)	(1,773)
At 31 March 2019	132,617	(4,772)	(2,960)	(84,270)	(87,230)	40,615
At 1 January 2018	132,617	(4,772)	(2,960)	(143,914)	(146,874)	(19,029)
Loss for the period	-	-	-	(2,427)	(2,427)	(2,427)
Total comprehensive loss for the period	-	-	-	(2,427)	(2,427)	(2,427)
At 31 March 2018	132,617	(4,772)	(2,960)	(146,341)	(149,301)	(21,456)

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 for cash or as consideration for acquisition or 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 total 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.

Ordinary Shares (excluding Treasury Shares)

	Number of Ordinary Shares	
	31-Mar-19	31-Mar-18
Balance as at 1 January and 31 March	654,731,486	654,731,486
Balance as at 1 January and 31 March	654,731,486	654,731,486

Treasury Shares

	Number of Treasury Shares	
	31-Mar-19	31-Mar-18
Balance as at 1 January and 31 March	27,234,855	27,234,855
Balance as at 1 January and 31 March	27,234,855	27,234,855

During the period ended 31 March 2019, there was no change to the issued share capital of the Company.

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.

The number of issued shares as at 31 March 2019 is 654,731,486 (31 December 2018: 654,731,486).

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

Not applicable.

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.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the Company’s auditors.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those for the financial year ended 31 December 2018.

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.

On 1 January 2019, the Group adopted SFRS(I) 16 *Leases*, a new accounting standard that became effective for annual periods beginning on or after 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets (where relevant) and interest expense on lease liabilities.

As a lessee, the Group has adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance as at 1 January 2019, with no restatement of comparative information.

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

	Group	
	3 months ended	
	31-Mar-19	31-Mar-18
<u>Continuing Operations</u>		
Earning per share (cents)		
Basic	(0.29)	(0.31)
Diluted	(0.29)	(0.31)
<u>Discontinued Operations</u>		
Earning per share (cents)		
Basic	-	0.51
Diluted	-	0.51
Weighted average number of shares		
Basic	654,731,486	654,731,486
Diluted	654,731,486	654,731,486

Earnings per share are calculated based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares.

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

	Group		Company	
	31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
Net assets value per share (cents)	11.15	11.45	6.20	6.47
Based on number of shares	654,731,486	654,731,486	654,731,486	654,731,486

Net assets value per share is calculated based on the equity attributable to the equity holders of the parent excluding the non-controlling interests divided by the number of shares excluding 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.**

Consolidated Income Statement – first quarter ended 31 March 2019 (“1Q2019”) performance

Revenue

	3 months ended 31-Mar-19		3 months ended 31-Mar-18		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies (“BEST”)	16,384	94.4	13,783	98.0	18.9
Distribution & Services	981	5.6	281	2.0	249.1
	17,365	100	14,064	100	23.5

The Group recorded revenue of \$17.4 million in the 3 months ended 31 March 2019 (“1Q2019”); an increase of \$3.3 million from \$14.1 million recorded in the previous corresponding period ended 31 March 2018 (“1Q2018”).

Loss before tax

The Group reported a loss before tax from continuing operation of \$2.3 million and \$2.5 million in 1Q2019 and 1Q2018 respectively.

Research and development expense has dropped by 25.7% or \$0.3 million as compared to 1Q2018 due to the implementation of cost cutting measures.

Depreciation expense increased by \$0.7 million in 1Q2019 as compared to 1Q2018 due to additional depreciation expense from newly acquired plant and machinery in the Group.

Administrative expenses increased by \$0.5 million or 13.7% from \$4.0 million in 1Q2018 to \$4.5 million in 1Q2019. The increase was mainly due to accrued employee benefits.

The Group recorded higher finance cost by about \$15,000 which is attributed to higher interest rates as compared to 1Q2018.

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. (Cont'd)**

Net Loss

The Group registered a net loss after tax of \$2.6 million in 1Q2019 mainly due to the increase of administrative expenses as compared to 1Q2018. Included in the profit after tax of \$0.4 million in 1Q2018 was a profit derived from disposed discontinued operations.

Consolidation Statement of Financial Position as at 31 March 2019

Non-current assets

Non-current assets comprised the increase in (i) development expenditure incurred by the battery storage solutions; (ii) additional property, plant and equipment purchased by the Group; and (iii) right-of-use assets in relation to the adoption of new accounting standard from 1 January 2019. This increase was net off by the depreciation of PPE and investment properties and translation changes for non-current assets.

This resulted in an overall increase of \$5.8 million from \$43.3 million in 31 December 2018 to \$49.1 million in 31 March 2019.

Current assets

The decrease in current assets of \$5.9 million or 9.1% from \$63.9 million as at 31 December 2018 to \$58.0 million as at 31 March 2019 was mainly due to the utilisation of cash and cash equivalents for operational working capital.

Current liabilities

Current liabilities decreased by \$1.8 million or 4.6% from \$39.7 million as at 31 March 2019 to \$37.9 million as at 31 December 2018. Included in this quarter are the repayment of loans and borrowings and payables.

Non-current liabilities

The increase in non-current liabilities from \$4.5 million as at 31 December 2018 to \$9.0 million as at 31 March 2019 was mainly due to the adoption of new accounting standard from 1 January 2019 as mentioned above.

Consolidated Statement of Cash Flows Position as at 31 March 2019

The Group utilized \$1.8 million for its operational working capital. An amount of \$0.5 million was used for the net payments of interests and taxes.

Net cash used in investing activities amounted to \$1.7 million was mainly due to the purchase of property, plant and equipment.

The Group repaid \$1.3 million and \$0.5 million to financial institutions and lease obligations during the quarter respectively.



9. Where a forecast, or 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 significant trends and 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.

Amid the continuing global trade tensions, ASTI remains cautious about its prospects for the next quarter. The uncertainties surrounding the current business environment will be a key challenge to our business.

ASTI continues to work on their cash exit proposal to DGI's shareholders (refer to our announcement on 1 November 2018). The shareholders will be informed of developments with respect to the above-mentioned in due course.

Referring to the claims from the ex-employee of a DGI subsidiary, it continues to assess the basis and merits of the claims and will update shareholders in due course.

DGI continues to work towards completion of the subscription by Zhuhai Yinlong Energy Co., Ltd in EoCell Limited (refer to DGI announcement on 4 January 2019).

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(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) Book closure date

Not applicable.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate for IPTs has been obtained from shareholders.



14. 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 of ASTI Holdings Limited which may render the unaudited financial results for the financial period ended 31 March 2019 to be false or misleading in any material aspect.

15. Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual.

The Company hereby confirms that it has procured undertaking from all directors and executive officers under Rule 720(1).

By Order of the Board

Dato' Michael Loh Soon Gnee
Executive Chairman / Chief Executive Officer
14 May 2019