

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 30 JUNE 2020

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		
	6 months ended		
	30-Jun-20 S\$'000	30-Jun-19 S\$'000	%
Revenue	27,642	35,321	(21.7)
Cost of sales	(20,865)	(27,685)	(24.6)
Gross profit	6,777	7,636	(11.2)
Other income	2,491	11,825	(78.9)
Other expense			
Marketing and distribution	(760)	(931)	(18.4)
Research and development	(251)	(1,586)	(84.2)
Administrative expenses	(7,737)	(2,418)	>100
Foreign exchange gain/(loss)	1,541	(696)	<100
Finance costs, net	(71)	(249)	(71.5)
	(7,278)	(5,880)	23.8
Share of results of associates, net of tax	(1,359)	(657)	>100
Profit before tax	631	12,924	(95.1)
Income tax expense	(942)	(823)	14.5
(Loss)/profit for the period	(311)	12,101	<100
Attributable to :			
Owners of the Company	1,076	7,113	(84.9)
Non-controlling interests	(1,387)	4,988	<100
Total	(311)	12,101	<100

NM – Not meaningful



Statement of Comprehensive Income for the Group for the First Half Year Ended 30 June 2020

	Group	
	6 months ended	
	30-Jun-20 S\$'000	30-Jun-19 S\$'000
(Loss)/profit for the period	(311)	12,101
Other comprehensive income items that may be reclassified subsequently to profit or loss		
Foreign currency translation	159	(75)
Other comprehensive income for the period, net of tax of nil	159	(75)
Total comprehensive income for the period	<u>(152)</u>	<u>12,026</u>
Attributable to :		
Owners of the Company	1,059	6,904
Non-controlling interests	(1,211)	5,122
Total comprehensive income for the period	<u>(152)</u>	<u>12,026</u>

Additional Information

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

	Group		
	6 months ended		
	30-Jun-20 S\$'000	30-Jun-19 S\$'000	%
Interest income	155	139	11.5
Interest expense	(198)	(336)	(41.1)
Depreciation of property, plant and equipment	(2,832)	(3,858)	(26.6)
Depreciation of right-of-use assets	(570)	(13)	>100
Property, plant and equipment written off	(75)	-	NM
Gain on deemed disposal of subsidiaries	-	11,498	NM
Gain on disposal of property, plant and equipment	1,577	22	>100
Allowances on other receivables	(14)	(13)	7.7
Allowances on trade receivables	(16)	-	NM
Allowances on stock obsolescence, net	(41)	(9)	>100

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	
	30-Jun-20 S\$'000	31-Dec-19 S\$'000	30-Jun-20 S\$'000	31-Dec-19 S\$'000
Non-Current Assets				
Intangible assets	66	64	-	-
Property, plant and equipment	18,703	19,781	232	282
Investment properties	-	-	-	-
Right-of-use assets	2,378	3,082	-	-
Subsidiaries	-	-	7,910	7,910
Associates	28,595	29,126	5,801	5,801
Other receivables	5	4	-	-
Deferred tax assets	200	54	-	-
	<u>49,947</u>	<u>52,111</u>	<u>13,943</u>	<u>13,993</u>
Current Assets				
Inventories	2,278	3,242	-	-
Prepayment and advances	612	690	74	36
Due from subsidiaries	-	-	9,045	7,413
Due from associates	275	158	71	-
Trade receivables	11,358	12,303	-	-
Other receivables	5,556	7,933	365	2,379
Cash and cash equivalents	29,092	24,343	7,894	10,165
	<u>49,171</u>	<u>48,669</u>	<u>17,449</u>	<u>19,993</u>
Assets held for sale	-	2,119	-	-
	<u>49,171</u>	<u>50,788</u>	<u>17,449</u>	<u>19,993</u>
Current Liabilities				
Trade payables and accruals	12,032	15,252	1,277	2,455
Other payables	3,844	3,904	351	234
Due to subsidiaries	-	-	7,270	7,049
Provisions	154	217	-	-
Lease creditors	1,343	1,582	-	-
Interest-bearing loans and borrowings	1,755	1,596	-	-
Tax payable	370	336	-	-
	<u>19,498</u>	<u>22,887</u>	<u>8,898</u>	<u>9,738</u>
Net Current Assets	29,673	27,901	8,551	10,255
Non-Current Liabilities				
Long term payables	2,710	2,479	-	-
Lease creditors	1,444	1,944	-	-
Interest-bearing loans and borrowings	556	616	-	-
Deferred tax liabilities	197	108	-	-
	<u>4,907</u>	<u>5,147</u>	<u>-</u>	<u>-</u>
Net Assets	74,713	74,865	22,494	24,248
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	(117)	(100)	-	-
Capital reserves	(8,194)	(8,194)	(2,960)	(2,960)
Accumulated losses	(45,240)	(46,316)	(102,391)	(100,637)
	<u>74,294</u>	<u>73,235</u>	<u>22,494</u>	<u>24,248</u>
Non-controlling interests	419	1,630	-	-
Total Equity	74,713	74,865	22,494	24,248

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 30 Jun 20		As at 31 Dec 19	
Secured	Unsecured	Secured	Unsecured
1,343	1,755	1,582	1,596

Amount repayable after one year

(S\$'000)

As at 30 Jun 20		As at 31 Dec 19	
Secured	Unsecured	Secured	Unsecured
1,444	556	1,944	616

Details of any collateral

As at 30 June 2020, finance leases with an aggregate amount of \$1,178,000 (31 December 2019: \$1,903,000) 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	
	6 months ended	
	30-Jun-20	30-Jun-19
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(loss) before tax	631	12,924
Adjustments for:		
Non cash items	2,490	(7,020)
Exchange difference	(883)	(247)
Depreciation of property, plant and equipment	2,832	3,858
Depreciation of right-of-use assets	570	13
Gain on disposal of property, plant and equipment	(1,577)	(22)
Property, plant and equipment written off	75	-
Allowances on stock obsolescence, net	41	9
Allowances on trade receivables	16	-
Allowances on other receivables	14	13
Gain on deemed disposal of subsidiaries	-	(11,498)
Interest expenses	198	336
Interest income	(155)	(139)
Share of associates loss	1,359	657
Operating cash flows before changes in working capital	3,121	5,904
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Inventories	978	(932)
Receivables	3,781	(924)
Due from associates	5	(238)
Increase/(decrease) in :		
Payables	(3,566)	(8,634)
	4,319	(4,824)
Income tax paid	(1,012)	(835)
Interest received	34	139
Interest paid	(155)	(336)
Net cash flows generated from/(used in) operating activities	3,186	(5,856)
Cash flows from investing activities		
Purchase of property, plant and equipment	(940)	(2,909)
Proceeds from disposal of property, plant and equipment	3,701	22
Expenditure on research and development project	-	(612)
Repayment of loan from associates	-	4,065
Cash and cash equivalents in subsidiaries disposed of	-	(256)
Cash consideration received from disposed of subsidiaries	-	9,000
Net cash flows generated from investing activities	2,761	9,310
Cash flow from financing activities		
Repayment of lease obligations	(786)	(1,040)
Repayment of bank borrowings	-	(1,256)
Net cash flows used in financing activities	(786)	(2,296)
Net increase in cash and cash equivalents	5,161	1,158
Effect of exchange rate changes on cash and cash equivalents	(412)	77
Cash and cash equivalents at beginning of year	24,343	23,261
Cash and cash equivalents at end of year	29,092	24,496



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 (All figures in S\$'000)	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated losses (Distributable)	Capital reserve ------(Non-distributable)-----	Foreign currency reserve	Total reserves			
At 1 January 2020	132,617	(4,772)	(46,316)	(8,194)	(100)	(8,294)	73,235	1,630	74,865
Profit/(loss) for the period	-	-	1,076	-	-	-	1,076	(1,387)	(311)
Foreign currency translation	-	-	-	-	(17)	(17)	(17)	176	159
Other comprehensive income net of tax of nil	-	-	-	-	(17)	(17)	(17)	176	159
Total comprehensive income for the period	-	-	1,076	-	(17)	(17)	1,059	(1,211)	(152)
At 30 June 2020	132,617	(4,772)	(45,240)	(8,194)	(117)	(8,311)	74,294	419	74,713
At 1 January 2019	132,617	(4,772)	(50,242)	(8,345)	(95)	(8,440)	69,163	(12,156)	57,007
Profit for the period	-	-	7,113	-	-	-	7,113	4,988	12,101
Foreign currency translation	-	-	-	-	(209)	(209)	(209)	134	(75)
Other comprehensive income net of tax of nil	-	-	-	-	(209)	(209)	(209)	134	(75)
Total comprehensive income for the period	-	-	7,113	-	(209)	(209)	6,904	5,122	12,026
Contributions by and distributions to owners	-	-	-	151	-	151	151	220	371
Deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	151	-	151	151	220	371
At 30 June 2019	132,617	(4,772)	(43,129)	(8,194)	(304)	(8,498)	76,218	(6,814)	69,404



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 equity
At 1 January 2020	132,617	(4,772)	(2,960)	(100,637)	24,248
Loss for the period	-	-	-	(1,754)	(1,754)
Total comprehensive income for the period	-	-	-	(1,754)	(1,754)
At 30 June 2020	132,617	(4,772)	(2,960)	(102,391)	22,494
At 1 January 2019	132,617	(4,772)	(2,960)	(87,876)	37,009
Profit for the period	-	-	-	2,308	2,308
Total comprehensive income for the period	-	-	-	2,308	2,308
At 30 June 2019	132,617	(4,772)	(2,960)	(85,568)	39,317

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 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 total 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.

Ordinary Shares (excluding Treasury Shares)

	<u>Number of Ordinary Shares</u>	
	30-Jun-20	30-Jun-19
Balance as at 1 January and 30 June	<u>654,731,486</u>	<u>654,731,486</u>

Treasury Shares

	<u>Number of Treasury Shares</u>	
	30-Jun-20	30-Jun-19
Balance as at 1 January and 30 June	<u>27,234,855</u>	<u>27,234,855</u>

During the period ended 30 June 2020, 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 30 June 2020 is 654,731,486 (31 December 2019: 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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2019.

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.

In the current financial period, the Group and the Company adopted the Amendments to Singapore Financial Reporting Standards (International) ("**SFRS(I)**") that are effective for annual periods beginning on or after 1 January 2020.

The adoption of the Amendments to SFRS(I) did not result in any substantial change to the Group and the Company's accounting policies or any material impact on the financial statements of the Group.

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	
	6 months ended	
	30-Jun-20	30-Jun-19
Earning per share (cents)		
Basic	0.16	1.09
Diluted	0.16	1.09
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	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Net assets value per share (cents)	11.35	11.19	3.44	3.70
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 half year ended 30 June 2020 (“1H2020”) performance

Revenue

	6 months ended 30-Jun-20		6 months ended 30-Jun-19		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies (“BEST”)	26,270	95.0	33,530	94.9	(21.7)
Distribution & Services	1,372	5.0	1,791	5.1	(23.4)
	<u>27,642</u>	100.0	<u>35,321</u>	100.0	(21.7)

The Group recorded revenue of \$27.6 million for the first half year ended 30 June 2020 (“1H2020”), down by 21.7% or \$7.7 million from \$35.3 million recorded in the previous corresponding period ended 30 June 2019 (“1H2019”).

Profit before tax

The Group reported profit before tax of \$0.6 million in 1H2020 compared to \$12.9 million in 1H2019.

Compared to 1H2019, other income decreased by \$9.3 million in 1H2020 mainly due to a one-off gain arising from the deemed disposal of subsidiaries by the DGI Group in 1H2019. Included in 1H2020 was another one-off gain of \$1.6 million from the disposal of equipment due to project end of life.

Research and development (“R&D”) expenses have dropped by 84.2% or \$1.3 million compared to 1H2019. The decrease was mainly due to the implementation of cost cutting measures and the absence of R&D expenses in 1H2020 in relation to the deconsolidation of subsidiaries.

Administrative expense increased by \$5.3 million or 220.0% from \$2.4 million in 1H2019 to \$7.7 million in 1H2020 mainly due to a bonus written back in 1H2019.

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)**

The Group recorded in 1H2020 a foreign exchange gain of \$1.5 million compared to a foreign exchange loss of \$0.7 million in 1H2019 mainly due to the appreciation of the United States dollar.

The Group recorded lower finance cost by \$178,000 or 71.5% in 1H2020 compared to 1H2019. The decrease was due to a loan repayment made during 1H2019.

Net Loss

The Group registered a net loss after tax of \$0.3 million in 1H2020 compared to a net profit after tax of \$12.1 million in 1H2019 mainly due to the deemed disposal of subsidiaries in 1H2019.

Consolidation Statement of Financial Position as at 30 June 2020

Non-current assets

Non-current assets comprised the decrease in (i) investment in associates, (ii) the depreciation of PPE and right-of-use assets and (iii) translation changes for non-current assets. These were net off against additional property, plant and equipment ("PPE") purchased by the Group.

This resulted in an overall reduction of \$2.2 million from \$52.1 million in 31 December 2019 to \$49.9 million in 30 June 2020.

Current assets

Compared to 30 June 2020, current assets were lower by \$1.6 million or 3.1% decreasing from \$50.8 million at 31 December 2019 to \$49.2 million at 30 June 2020. This was mainly due to the disposal of assets held for sale and collections.

Current liabilities

Current liabilities decreased by \$3.4 million or 14.8% from \$22.9 million at 31 December 2019 to \$19.5 million at 30 June 2020 were mainly due to repayments.

Non-current liabilities

The decline in non-current liabilities from \$5.1 million at 31 December 2019 to \$4.9 million at 30 June 2020 was mainly due to the repayment of lease liabilities, which was mitigated by the increase in long term payables mainly attributable to the US-Singapore dollar exchange rate.

Consolidated Statement of Cash Flows Position as at 30 June 2020

The Group recorded net cash generated from operating activities of \$3.2 million for its operational working capital. An amount of \$1.1 million was used for the net payments of interests and taxes.

Net cash generated from investing activities amounted to \$2.8 million was mainly due to the proceeds from disposal of property, plant and equipment ("PPE"), net off the purchase of PPE.

The Group repaid \$0.8 million to lease obligations during the period.



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.

ASTI's operations are affected by the global pandemic situation. Visibility for the next quarter remains low. The Management will be closely monitoring our operations to ensure cost efficiency across the region.

ASA's outlook for the next quarter remains uncertain in the midst of the on-going global pandemic situation. The Management will continue to work on cost cutting measures and will continue to seek ways to reduce losses with plan to divest loss-making entities. The Management is also looking at various ways of optimizing its resources utilization and various working capital funding options to support its business operations.

DGI's activities had significantly slowed due to the regional travel restrictions.

11. Dividend

(b) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(c) Corresponding Period of the immediately preceding financial year

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

None

(d) Date payable

Not applicable.

(e) 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 30 June 2020 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 August 2020