



ASTI Holdings Limited and its Subsidiaries

**Condensed Interim Financial Statements
For the Six Months Ended 30 June 2021**

CONDENSED BALANCE SHEETS

AS AT 30 JUNE 2021

	Note	Group		Company	
		30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Non-Current Assets					
Intangible assets		64	63	-	-
Property, plant and equipment	4	20,816	20,180	112	213
Investment properties		-	-	-	-
Right-of-use assets		1,695	1,412	-	-
Subsidiaries	5	-	-	7,910	7,910
Associates	6	21,441	22,478	5,801	5,801
Other receivables		5	5	-	-
Deferred tax assets		59	58	-	-
		44,080	44,196	13,823	13,924
Current Assets					
Inventories		1,948	2,790	-	-
Prepayment and advances		746	759	63	50
Due from subsidiaries		-	-	9,864	10,466
Due from associates		8,035	7,845	8,020	7,913
Due from related companies		3,111	3,070	-	-
Trade receivables		10,308	10,663	-	-
Other receivables		2,754	1,542	1,231	77
Cash and cash equivalents		27,169	28,917	693	2,902
		54,071	55,586	19,871	21,408
Current Liabilities					
Trade payables and accruals		10,826	11,556	1,155	1,029
Other payables	7	6,308	7,039	233	356
Due to subsidiaries		-	-	7,001	6,906
Provisions		104	101	-	-
Lease creditors		1,134	1,061	-	-
Interest-bearing loans and borrowings	8	2,695	2,682	-	-
Tax payable		645	685	-	-
		21,712	23,124	8,389	8,291
Net Current Assets		32,359	32,462	11,482	13,117
Non-Current Liabilities					
Long term payables		2,805	2,665	-	-
Lease creditors		915	771	-	-
Interest-bearing loans and borrowings	8	460	491	-	-
Deferred tax liabilities		193	183	-	-
		4,373	4,110	-	-
Net Assets		72,066	72,548	25,305	27,041
Equity attributable to owners of the Company					
Share capital	14	132,617	132,617	132,617	132,617
Treasury shares	15	(4,772)	(4,772)	(4,772)	(4,772)
Foreign currency translation reserve		606	338	-	-
Capital reserves		(8,194)	(8,194)	(2,960)	(2,960)
Accumulated losses		(43,387)	(44,218)	(99,580)	(97,844)
		76,870	75,771	25,305	27,041
Non-controlling interests		(4,804)	(3,223)	-	-
Total Equity		72,066	72,548	25,305	27,041

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	Group		
		6 months ended		change %
		30-Jun-21 S\$'000	30-Jun-20 S\$'000	
Revenue	10	26,200	27,642	(5.2)
Cost of sales		(18,870)	(20,865)	(9.6)
Gross profit		7,330	6,777	8.2
Other income		749	2,491	(69.9)
Other expense				
Marketing and distribution		(848)	(760)	11.6
Research and development		(43)	(251)	(82.9)
Administrative expenses		(6,700)	(7,737)	(13.4)
Other expenses, net		845	1,541	(45.2)
Finance costs, net		(85)	(71)	19.7
		(6,831)	(7,278)	(6.1)
Share of results of associates, net of tax		(1,293)	(1,359)	(4.9)
(Loss)/profit before tax	11	(45)	631	NM
Income tax expense	9	(534)	(942)	(43.3)
Loss for the period		(579)	(311)	86.2
Attributable to :				
Owners of the Company		831	1,076	(22.8)
Non-controlling interests		(1,410)	(1,387)	1.7
Loss for the period		(579)	(311)	86.2
Earnings per share from continuing operations attributable to owners of the Company (cents per share)				
Basic and diluted	13	0.13	0.16	
Earnings per share (cents per share)				
Basic and diluted	13	0.13	0.16	

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Group		
	6 months ended		
	30-Jun-21	30-Jun-20	change
	S\$'000	S\$'000	%
Loss for the period	(579)	(311)	86.2
Other comprehensive income items that may be reclassified subsequently to profit or loss			
Foreign currency translation	<u>97</u>	<u>159</u>	(39.0)
Other comprehensive income for the period, net of tax of nil	<u>97</u>	<u>159</u>	(39.0)
Total comprehensive income for the period	<u>(482)</u>	<u>(152)</u>	>100
Attributable to :			
Owners of the Company	<u>1,099</u>	<u>1,059</u>	3.8
Non-controlling interests	<u>(1,581)</u>	<u>(1,211)</u>	30.6
Total comprehensive income for the period	<u>(482)</u>	<u>(152)</u>	>100

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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) -----	Foreign currency reserve	Total reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
At 1 January 2021	132,617	(4,772)	(44,218)	(8,194)	338	(7,856)	75,771	(3,223)	72,548
Profit/(loss) for the period	-	-	831	-	-	-	831	(1,410)	(579)
Foreign currency translation	-	-	-	-	268	268	268	(171)	97
Other comprehensive income net of tax of nil	-	-	-	-	268	268	268	(171)	97
Total comprehensive income for the period	-	-	831	-	268	268	1,099	(1,581)	(482)
At 30 June 2021	132,617	(4,772)	(43,387)	(8,194)	606	(7,588)	76,870	(4,804)	72,066
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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Group	
	6 months ended	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/profit before tax	(45)	631
Adjustments for:		
Non cash items	5,850	2,490
Exchange difference	863	(883)
Depreciation of property, plant and equipment	3,155	2,832
Depreciation of right-of-use assets	398	570
Gain on disposal of property, plant and equipment	(10)	(1,577)
Property, plant and equipment written off	1	75
Allowances on stock obsolescence, net	13	41
Allowances on trade receivables	45	16
Allowances on other receivables	10	14
Interest expenses	197	198
Interest income	(115)	(155)
Share of associates loss	1,293	1,359
Operating cash flows before changes in working capital	5,805	3,121
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Inventories	879	978
Receivables	(1,518)	3,781
Due from associates	(166)	5
Increase/(decrease) in :		
Payables	(1,694)	(3,566)
	3,306	4,319
Income tax paid	(579)	(1,012)
Interest received	21	34
Interest paid	(156)	(155)
Net cash flows generated from operating activities	2,592	3,186
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,186)	(940)
Proceeds from disposal of property, plant and equipment	10	3,701
Prepayment of right-of-use assets	14	-
Net cash flows (used in)/generated from investing activities	(3,162)	2,761
Cash flow from financing activities		
Repayment of lease obligations	(747)	(786)
Net cash flows used in financing activities	(747)	(786)
Net (decrease)/increase in cash and cash equivalents	(1,317)	5,161
Effect of exchange rate changes on cash and cash equivalents	(431)	(412)
Cash and cash equivalents at beginning of the period	28,917	24,343
Cash and cash equivalents at end of the period	27,169	29,092

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

1. CORPORATION INFORMATION

ASTI Holdings Limited (the “Company”) was incorporated in the Republic of Singapore on 27 March 1999 as a public company limited by shares. The Company is domiciled in the Republic of Singapore and was admitted to the Official List of the Stock Exchange of Singapore Dealing and Automated Quotation System (“SGX-SESDAQ”) on 8 July 1999. Effective 28 April 2005, the listing and quotation of the Company’s shares was transferred to the official list of the SGX Mainboard. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The registered office of the Company is located at 1 Robinson Road, #18-00 AIA Tower, Singapore 048542. The principal place of the Company’s business is located at Block 25 Kallang Avenue, #06-01, Kallang Basin Industrial Estate, Singapore 339416.

The principal activities of the Company are those of investment holdings and acting as corporate manager and advisor in connection with the administration and organisation of the businesses of its subsidiaries.

The principal activities of the subsidiaries and associates are disclosed in Note 5 and Note 6.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore Dollars (SGD or S\$) and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

- Amendments to SFRS(I)16 COVID-19 Related Rent Concessions
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

4. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group had an addition of property, plant and equipment of approximately S\$3,186,000 (2020: S\$3,483,000).

5. SUBSIDIARIES

Company	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Quoted shares, at cost	37,914	37,914
Unquoted shares, at cost	24,456	24,456
Less: Dividend income declared from subsidiary's pre-acquisition reserve	(294)	(294)
	62,076	62,076
Impairment loss on quoted shares	(37,914)	(37,914)
Impairment loss on unquoted shares	(16,252)	(16,252)
	7,910	7,910
Allowance for impairment		
At 1 January	54,166	53,507
Current period allowance	-	659
Balance at end of the period	54,166	54,166

Impairment testing of investment in subsidiaries

In 2020, the Company has performed an impairment assessment on certain subsidiaries which had been dormant or loss-making. Based on the assessment, the management made additional impairment charge of S\$659,000 to write down the investment in a subsidiary to its recoverable amount.

(a) The Group has the following significant investments in subsidiaries:

Name of subsidiaries (Country of incorporation)	Principal activities	Effective shareholding	
		30 Jun 21 %	31 Dec 20 %
Held by the Company			
(1) Telford Industries Pte Ltd (Singapore)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
(2) Telford SVC. Phils., Inc. (Philippines)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
(2) Reel Service Limited (United Kingdom)	Investment holding, manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing	100	100
(2) Reel Service (Philippines), Inc. (Philippines)	Manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing services for surface mount technology components	100	100

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

5. SUBSIDIARIES (CONT'D)

(a) The Group has the following significant investments in subsidiaries (Cont'd):

	Name of subsidiaries (Country of incorporation)	Principal activities	Effective shareholding	
			30 Jun 21 %	31 Dec 20 %
Held by the Company				
(2)	Telford Technologies (Shanghai) Pte Ltd (People's Republic of China)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
(2)	Telford Property Management Inc. (Philippines)	Property investment	100	100
(1)	Dragon Group International Limited (Singapore)	Investment holding and acting as corporate manager and advisor to its subsidiaries	41	41
(3)	EoPlex Limited (Hong Kong)	Development of advanced chip packaging and related technologies	85	85
Held by EoPlex Limited				
(4)	EoPlex Inc (United States of America)	Development of advanced chip packaging and related technologies	100	100
Held by Telford Industries Pte Ltd				
(3)	Telford Service Sdn. Bhd. (Malaysia)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
(3)	Telford Service (Melaka) Sdn. Bhd. <i>(formerly known as TQS Manufacturing Sdn. Bhd.)</i> (Malaysia)	Provision of semiconductor manufacturing services for surface mount technology components	100	100
Held by Dragon Group International Limited				
(1)	Sooner Technology Pte Ltd (Singapore)	Trading in electronic components, computer peripherals and acting as commission agent	100	100
(3)	Dragon Equipment & Materials Technology Ltd (Hong Kong)	Sale, distribution and acting as commission agent in equipment, materials and electronic components	100	100
(3)	DTB Limited (Hong Kong)	Investment holding	100	100
Held by DTB Limited				
(3)	Nanjing DTB Development Co., Ltd (People's Republic of China)	Construction of antique wooden sea boat, communication of culture, exhibition and conference etc.	60	60
(3)	Dragon Ventures Limited (Hong Kong)	Investment holding	100	100

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

5. SUBSIDIARIES (CONT'D)

(a) The Group has the following significant investments in subsidiaries (Cont'd):

Name of subsidiaries (Country of incorporation)	Principal activities	Effective shareholding	
		30 Jun 21 %	31 Dec 20 %
Held by Dragon Ventures Limited			
(4) Dragon Tourism Management Company Limited (People's Republic of China)	Develop and manage a mixed-used property	100	100

The above list excludes subsidiaries that are insignificant to the operations of the Group.

- (1) Audited by Ernst & Young LLP, Singapore
 (2) Audited by a member firm of Ernst & Young Global
 (3) Audited by other audit firms
 (4) Not required to be audited in country of incorporation

Subsidiaries that are audited by other audit firms: -

Company	Auditors
Telford Service Sdn. Bhd.	BDO, Malaysia
Telford Service (Melaka) Sdn. Bhd. (formerly known as TQS Manufacturing Sdn. Bhd.)	Cheng & Co., Malaysia
Dragon Equipment & Materials Technology Ltd	Y. K Leung & Co., Hong Kong
DTB Limited	Y. K Leung & Co., Hong Kong
Dragon Ventures Limited	Y. K Leung & Co., Hong Kong
Nanjing DTB Development Co. Ltd	Jiangsu Verti-Hor Certified Public Accountant Co. Ltd
EoPlex Limited	Bright Brilliance CPA Limited, Hong Kong

6. ASSOCIATES

The Group's material investment in associate is summarised below:

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Advanced Systems Automation Limited ("ASA")	2,073	1,952	5,801	5,801
EoCell Limited	19,368	20,526	-	-
	21,441	22,478	5,801	5,801
Carrying amount of quoted shares at end of the period	2,073	1,952	5,801	5,801
Carrying amount of unquoted shares at end of the period	19,368	20,526	-	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

6. ASSOCIATES (CONT'D)

The Group has the following significant investments:

	Name of investments (Country of incorporation)	Principal activities	Effective shareholding	
			30 Jun 21 %	31 Dec 20 %
Held by the Company				
(1)	Advanced Systems Automation Limited (Singapore)	Investment holding	26	26
Held by Advanced Systems Automation Limited				
(1)	Microfits Pte Ltd (Singapore)	Design and manufacture of automatic moulding machines and other back-ended assembly equipment for the semiconductor industry	–	100
(3)	Dragon Microfits Sdn. Bhd. (Malaysia)	Design of precision tools, dies and mould	100	100
(2)	Emerald Precision Engineering Sdn. Bhd. (Malaysia)	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	100	100
(1)	Pioneer Venture Pte Ltd (Singapore)	Contract manufacturing solutions of fabricated metal products	100	100
(2)	Yumei Technologies Sdn. Bhd. (Malaysia)	Manufacturing of die-casting products	100	100
(2)	Yumei REIT Sdn. Bhd. (Malaysia)	Property owner	100	100
Held by the Company				
(1)	Dragon Group International Limited (Singapore)	Investment holding and acting as corporate manager and advisor to its subsidiaries	41	41
Held by Dragon Group International Limited				
(3)	EoCell Limited (Hong Kong)	Development of battery and storage solutions	40	40
Held by EoCell Limited				
(3)	EoCell Inc (United States of America)	Development of battery and storage solutions	100	100

The above list excludes associates that are insignificant to the operations of the Group.

- (1) Audited by Ernst & Young LLP, Singapore
(2) Audited by a member firm of Ernst & Young Global
(3) Audited by other audit firms

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

6. ASSOCIATES (CONT'D)

Associates that are audited by other audit firms: -

Company	Auditors
Dragon Microfits Sdn. Bhd.	KCK Associates, Malaysia
EoCell Limited	Y.K Leung & Co., Hong Kong
EoCell Inc	Armanino LLP

7. OTHER PAYABLES

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Proposed Directors' fees	164	234	164	234
Proposed Directors' fees of subsidiaries	102	149	-	-
Payable arising from purchase of property, plant and equipment	2,063	2,897	-	-
Advances received from customers (Note (i))	100	108	-	-
Advances for capital injection from non-controlling Interest	2,638	2,569	-	-
Sundry creditors	1,079	889	-	100
Others	162	193	69	22
	6,308	7,039	233	356

(i) The advances received from customers relate to the deposits received for sales orders.

8. LOANS AND BORROWINGS

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Current liabilities:				
Unsecured loan	2,695	2,682	-	-
Non-current liabilities:				
Unsecured loan	460	491	-	-
	3,155	3,173	-	-

Unsecured loan

- (a) Unsecured floating rate bank borrowings of the subsidiaries bear effective interest rates of 6.25% (2020: 6.25%) per annum. These bank borrowings comprise S\$1,643,000 (2020: S\$1,682,000) which are repayable ranging from 90 days to 180 days.
- (b) Short Term unsecured floating rate bank borrowings of the subsidiaries bear effective interest rates of 6.00% (2020: 6.00%) per annum. These bank borrowings comprise S\$1,512,000 (2020: S\$1,491,000) which are repayable within one year.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

9. INCOME TAX EXPENSE

Group	30-Jun-21 S\$'000	30-Jun-20 S\$'000
Income tax payable in respect of results for the period:		
Current income tax		
(i) Singapore	(2)	(2)
(ii) Others	(515)	(1,042)
Deferred income tax	(3)	144
	(520)	(900)
Under provision in respect of prior period:		
Current income tax	(14)	(5)
Deferred income tax	-	(37)
	(14)	(42)
	(534)	(942)

10. REVENUE

Disaggregation of revenue

Group	Backend equipment solutions & technologies		Distribution & services		Total revenue	
	30-Jun-21 S\$'000	30-Jun-20 S\$'000	30-Jun-21 S\$'000	30-Jun-20 S\$'000	30-Jun-21 S\$'000	30-Jun-20 S\$'000
Primary geographical markets						
China	2,863	9,047	208	279	3,071	9,326
Singapore	495	570	72	60	567	630
Malaysia	1,225	1,270	97	56	1,322	1,326
Philippines	17,059	12,949	-	-	17,059	12,949
United Kingdom	1,276	1,065	-	-	1,276	1,065
Others	1,713	1,369	1,192	977	2,905	2,346
	24,631	26,270	1,569	1,372	26,200	27,642
Timing of transfer of goods or services						
At a point in time	24,631	26,270	1,569	1,372	26,200	27,642
	24,631	26,270	1,569	1,372	26,200	27,642

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

11. (LOSS)/PROFIT BEFORE TAX

The following significant items have been included in arriving at (loss)/profit before tax.

	Group	
	6 months ended	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
Interest income	115	155
Interest expense	(197)	(198)
Depreciation of property, plant and equipment	(3,155)	(2,832)
Depreciation of right-of-use assets	(398)	(570)
Property, plant and equipment written off	(1)	(75)
Gain on disposal of property, plant and equipment	10	1,577
Allowances on other receivables	(10)	(14)
Allowances on trade receivables	(45)	(16)
Allowances on stock obsolescence, net	(13)	(41)

12. NET ASSETS VALUE

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net assets value per share (cents)	<u>11.74</u>	<u>11.57</u>	<u>3.86</u>	<u>4.13</u>

Net assets value per share is calculated based on the equity attributable to the owners of the Company divided by the number of issued shares (excluding treasury shares).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

13. EARNINGS PER SHARE

Continuing operations

Basic and diluted earnings per share from continuing operations are calculated by dividing profit from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The following reflects the income and share data used in the basic and diluted earnings per share computations for the end of the period:

Group	30-Jun-21 S\$'000	30-Jun-20 S\$'000
Profit for the period attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	<u>831</u>	<u>1,076</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share computation (no. of shares, in '000s)	<u>654,731</u>	<u>654,731</u>

The diluted earnings per share are the same as the basic earnings per share as there were no outstanding convertible securities.

14. SHARE CAPITAL

Group and Company	30-Jun-21 Number of shares	31-Dec-20 Number of shares	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Issued and fully paid ordinary shares				
Balance at beginning and at end	<u>681,966,341</u>	<u>681,966,341</u>	<u>132,617</u>	<u>132,617</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

15. TREASURY SHARES

Group and Company	30-Jun-21 Number of shares	31-Dec-20 Number of shares	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Balance at beginning and at end	<u>(27,234,855)</u>	<u>(27,234,855)</u>	<u>(4,772)</u>	<u>(4,772)</u>

Treasury shares relate to the ordinary shares of the Company that are held by the Company. Losses or gains on disposal or reissue of treasury shares are reflected as equity in the balance sheet.

16. SEGMENT INFORMATION

The Group positioned its operations into two strategic business segments comprising Back-end Equipment Solutions and Technologies ("BEST") and Distribution and Services. BEST is mainly engaged in provision of solutions and technologies in the back-end (i.e. assembly, test and finishing) arena of the semiconductor industry. The Distribution and Services segment is engaged mainly in the provision of semiconductor application in consumer electronics, computer peripheral and communication solution.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

15. SEGMENT INFORMATION (CONT'D)

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, current assets, investments and intangible assets.

Group	Backend Equipment Solutions & Technologies ("BEST")		Distribution and Services		Adjustments and Elimination		Consolidated Total	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue								
Segmental Revenue								
- External Sales	24,631	26,270	1,569	1,372	-	-	26,200	27,642
- Inter-segment sales	30	223	-	-	(30)	(223)	-	-
	24,661	26,493	1,569	1,372	(30)	(223)	26,200	27,642
Segment results	1,529	1,865	(2,108)	(2,176)	-	-	(579)	(311)
Operating profit/(loss)	5,526	6,108	(1,868)	(1,961)	-	-	3,658	4,147
Interest income	560	595	13	15	(458)	(455)	115	155
Interest expense	(477)	(453)	(178)	(200)	458	455	(197)	(198)
Depreciation on property, plant & equipment	(3,154)	(2,831)	(1)	(1)	-	-	(3,155)	(2,832)
Depreciation on right-of-use assets	(398)	(570)	-	-	-	-	(398)	(570)
Impairment loss on inventories	(13)	(45)	-	4	-	-	(13)	(41)
Impairment loss on trade receivables	-	-	(45)	(16)	-	-	(45)	(16)
Impairment loss on other receivables	-	(7)	(10)	(7)	-	-	(10)	(14)
Profit/(loss) before tax	2,044	2,797	(2,089)	(2,166)	-	-	(45)	631
Income tax expense	(515)	(932)	(19)	(10)	-	-	(534)	(942)
Profit/(loss) after tax	1,529	1,865	(2,108)	(2,176)	-	-	(579)	(311)
Other information:								
Share of results of associates, net of tax	145	(410)	(1,438)	(949)	-	-	(1,293)	(1,359)
Foreign currency exchange gain/(loss)	665	1,555	227	(15)	-	-	892	1,540

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant transactions are entered with related parties and the effects of these transactions on the basis determined between the parties are reflected in these financial statements.

Group	30-Jun-21 S\$'000	30-Jun-20 S\$'000
<u>Related parties:</u>		
Corporate cost recovery	100	200
Interest income	94	122
Rental expenses	-	(59)
	-	(59)

Related party refers to the company in which the Company's Chairman and Chief Executive Officer holds a key executive position and has 5% equity interest, as well as associates.

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Financial assets:				
Cash and cash equivalents	27,169	28,917	693	2,902
Trade receivables	10,308	10,663	-	-
Other receivables	2,754	1,542	1,231	77
Amount due from associates	8,035	7,845	8,020	7,913
Amount due from related company	3,111	3,070	-	-
	51,377	52,037	9,944	10,892
Financial liabilities:				
Trade payables and accruals	10,826	11,556	1,155	1,029
Other payables	6,308	7,039	233	356
Lease liabilities	2,049	1,832	-	-
Long term payables	2,805	2,665	-	-
Loans and borrowings	3,155	3,173	-	-
	25,143	26,265	1,388	1,385

18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2021

OTHER INFORMATION**1. REVIEW**

The condensed consolidated balance sheet of ASTI Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and certain explanatory notes have not been audited or reviewed.

2. WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY MODIFICATIONS OR EMPHASIS OF MATTER)

Not applicable.

2A. WHERE THE LATEST FINANCIAL STATEMENTS ARE SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER OR 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. The Group's latest audited financial statements for the financial year ended 31 December 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

3. CHANGES IN TREASURY SHARES

Not applicable.

4. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable.

5. REVIEW OF PERFORMANCE OF THE GROUP**Consolidated Income Statement – first half ended 30 June 2021 ("1H2021") performance****Revenue**

	6 months ended 30-Jun-21		6 months ended 30-Jun-20		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies	24,631	94.0	26,270	95.0	(6.2)
Distribution & Services	1,569	6.0	1,372	5.0	14.4
	<u>26,200</u>	<u>100.0</u>	<u>27,642</u>	<u>100.0</u>	<u>(5.2)</u>

The Group recorded revenue of \$26.2 million in the first half year ended 30 June 2021 ("1H2021"), down by 5.2% or \$1.4 million from \$27.6 million recorded in the previous corresponding period ended 30 June 2020 ("1H2020"). This is mainly due to lower sales from one of our China subsidiaries.

Loss before tax

The Group recorded a loss before tax of \$45,000 in 1H2021 compared to a profit before tax of \$0.6 million in 1H2020 respectively. This is mainly due to the losses incurred by one of our subsidiaries in Singapore.

Other income dropped by \$1.7 million in 1H2021 compared to 1H2020, mainly due to one-off gain arising from the disposal of equipment due to project end of life in 1H2020. Included in 1H2021 was government grants received of \$0.4 million during the period.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2021

5. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Research and development expenses declined by 82.9% or \$0.2 million compared to 1H2020. The decrease was mainly due to the implementation of cost-cutting measures.

Administrative expense declined by \$1.0 million or 13.4% from \$7.7 million in 1H2020 to \$6.7 million in 1H2021 mainly due to the implementation of cost-cutting measures and lower business taxes.

Other expenses included foreign exchange gain of \$0.9 million and \$1.5 million in 1H2021 and 1H2020 respectively. This was mainly due to the volatility of the United States dollar and Singapore dollar exchange rates.

Finance cost increased by \$14,000 or 19.7% in 1H2021 compared to 1H2020 due to additional loan taken up.

Net Loss

The Group registered a net loss after tax of \$0.6 million and \$0.3 million in 1H2021 and 1H2020 respectively. Included in 1H2020 was a one-off gain of \$1.6 million from disposal of equipment due to project end of life.

Consolidation Statement of Financial Position as at 30 June 2021

Non-current assets

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

The above resulted in an overall impact of \$0.1 million from \$44.2 million in 31 December 2020 to \$44.1 million in 30 June 2021.

Current assets

Compared to 30 June 2021, current assets dropped by \$1.5 million or 2.7% from \$55.6 million at 31 December 2020 to \$54.1 million at 30 June 2021. This was mainly due to the utilisation of cash and cash equivalents for operational working capital.

Current liabilities

Current liabilities decreased by \$1.4 million or 6.1% from \$23.1 million at 31 December 2020 to \$21.7 million at 30 June 2021 were mainly due to repayments.

Non-current liabilities

The increase in non-current liabilities from \$4.1 million at 31 December 2020 to \$4.4 million at 30 June 2021 was due to the increase in long term payables mainly attributable to the US-Singapore dollar exchange volatility, which was mitigated by the repayment of lease liabilities.

Consolidated Statement of Cash Flows Position as at 30 June 2021

The Group recorded net cash generated from operating activities of \$2.6 million for its operational working capital. An amount of \$0.7 million was used for the payment of interests and taxes.

Net cash used in investing activities amounting to \$3.2 million was mainly due to purchase of property, plant and equipment and after netting off the proceeds from disposal of property, plant and equipment.

The Group recorded net cash used in financing activities of \$0.7 million in 1H2021 attributable to the repayment of lease obligations.

6. WHERE A FORECAST, OR PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.

Not applicable.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2021

7. 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 is in the process of acquiring selected businesses from the ASA Group as well as search for viable projects. Ultimately, the Group's goal is for it to exit from the Watch-list.

ASA is in the midst of exploring a potential acquisition of a new business and will make the necessary announcements in compliance with the Catalist Rules as and when there are material developments in relation to such a potential acquisition.

DGI's work on the exit proposal is on-going and it will keep its shareholders updated at the appropriate time.

8. DIVIDEND

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

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) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

(f) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for 1H2021 as the Group is still has accumulated losses as at 30 June 2021.

9. 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.

10. 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).

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2021

11. 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 2021 to be false or misleading in any material aspect.

12. DISCLOSURES ON ACQUISITION AND REALISATION OF SHARES PURSUANT TO RULE 706A.

There were no acquisitions or realisations of shares in neither any of the Group's subsidiary associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the 1H2021.

By Order of the Board

Dato' Michael Loh Soon Gnee
Executive Chairman / Chief Executive Officer
13 August 2021