



Company No. 198600740M

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

Condensed Interim Consolidated Financial Statements For the Six Months Ended 30 June 2024

This announcement has been prepared by Advanced Systems Automation Limited and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Group		change %
		6 months ended		
		30 Jun 24 S\$'000	30 Jun 23 S\$'000	
Revenue	5	8,620	5,825	48
Cost of sales		(6,106)	(4,338)	41
Gross profit		2,514	1,487	69
Other income		64	20	>100
Other expenses				
Selling and marketing costs		(229)	(361)	(37)
General and administrative costs		(2,270)	(1,898)	20
Other expenses/income, net		47	98	(52)
Finance costs, net		(424)	(410)	3
Loss before tax	6	(298)	(1,064)	(72)
Income tax (expense)/credit	7	(223)	16	NM
Loss for the period		(521)	(1,048)	(50)
Attributable to:				
Owners of the Company		(521)	(1,048)	(50)
Loss for the period		(521)	(1,048)	(50)
Loss per share (cents per share)				
Basic and diluted	8	(0.152)	(0.305)	

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Group		
	6 months ended		change %
	30 Jun 24 S\$'000	30 Jun 23 S\$'000	
Loss for the period	(521)	(1,048)	(50)
Other comprehensive income items that may be reclassified subsequently to profit or loss			
Foreign currency translation	<u>68</u>	<u>(393)</u>	NM
Total comprehensive loss for the period	<u>(453)</u>	<u>(1,441)</u>	(69)
Attributable to:			
Owners of the Company	<u>(453)</u>	<u>(1,441)</u>	(69)
Total comprehensive loss for the period	<u>(453)</u>	<u>(1,441)</u>	(69)

NM: Not meaningful

CONDENSED BALANCE SHEETS

AS AT 30 JUNE 2024

	Note	Group		Company	
		30 Jun 24 S\$'000	31 Dec 23 S\$'000	30 Jun 24 S\$'000	31 Dec 23 S\$'000
Non-Current Assets					
Property, plant and equipment	9	6,284	6,354	4	-
Right-of-use assets		653	495	-	-
Investments in subsidiaries	10	-	-	10,494	10,494
		<u>6,937</u>	<u>6,849</u>	<u>10,498</u>	<u>10,494</u>
Current Assets					
Inventories		427	809	-	-
Trade and other receivables		5,218	4,386	2,451	2,332
Prepayments and advances		92	260	10	8
Cash at bank and on hand		3,831	4,251	148	34
Tax recoverable		153	138	-	-
		<u>9,721</u>	<u>9,844</u>	<u>2,609</u>	<u>2,374</u>
Current Liabilities					
Other liabilities	11	1,716	1,801	755	659
Trade and other payables	12	5,754	5,174	6,608	5,721
Convertible notes	13	2,587	2,587	2,587	2,587
Contract liabilities		68	149	-	-
Income tax payable		197	66	-	-
Lease liabilities		102	187	-	-
Bank overdraft	14	712	682	-	-
Loans and borrowings	14	728	662	-	-
		<u>11,864</u>	<u>11,308</u>	<u>9,950</u>	<u>8,967</u>
Net Current Liabilities		(2,143)	(1,464)	(7,341)	(6,593)
Non-Current Liabilities					
Trade and other payables	12	10,947	10,765	10,947	10,765
Lease liabilities		39	52	-	-
Loans and borrowings	14	1,046	1,339	-	-
Deferred tax liabilities		464	478	-	-
		<u>12,496</u>	<u>12,634</u>	<u>10,947</u>	<u>10,765</u>
Net Liabilities		(7,702)	(7,249)	(7,790)	(6,864)
Equity attributable to owners of the Company					
Share capital	16	148,841	148,841	148,841	148,841
Foreign currency translation reserve	17	(982)	(1,050)	-	-
Merger reserve	17	(2,136)	(2,136)	-	-
Accumulated losses		(153,425)	(152,904)	(156,631)	(155,705)
		<u>(7,702)</u>	<u>(7,249)</u>	<u>(7,790)</u>	<u>(6,864)</u>
Total Equity		(7,702)	(7,249)	(7,790)	(6,864)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Group	Attributable to equity holders of the Company					
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger reserve	Total reserves	Total equity
	S\$'000	(Distributable) S\$'000	------(Non-distributable)----- S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	148,841	(152,904)	(1,050)	(2,136)	(3,186)	(7,249)
Loss for the period	-	(521)	-	-	-	(521)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	68	-	68	68
Total comprehensive loss for the period	-	(521)	68	-	68	(453)
At 30 June 2024	148,841	(153,425)	(982)	(2,136)	(3,118)	(7,702)
At 1 January 2023	148,841	(148,887)	(544)	(2,136)	(2,680)	(2,726)
Loss for the period	-	(1,048)	-	-	-	(1,048)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(393)	-	(393)	(393)
Total comprehensive loss for the period	-	(1,048)	(393)	-	(393)	(1,441)
At 30 June 2023	148,841	(149,935)	(937)	(2,136)	(3,073)	(4,167)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Company	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2024	148,841	(155,705)	(6,864)
Loss for the period	-	(926)	(926)
Total comprehensive loss for the period	-	(926)	(926)
At 30 June 2024	148,841	(156,631)	(7,790)
At 1 January 2023	148,841	(150,753)	(1,912)
Loss for the period	-	(733)	(733)
Total comprehensive loss for the period	-	(733)	(733)
At 30 June 2023	148,841	(151,486)	(2,645)

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Group	
	6 months ended	
	30 Jun 24	30 Jun 23
	S\$'000	S\$'000
Operating activities		
Loss before tax	(298)	(1,064)
<u>Adjustments for:</u>		
Effect of unrealised exchange gain	(51)	(236)
Depreciation of property, plant and equipment	404	402
Depreciation of right-of-use assets	69	69
Gain on disposal of property, plant and equipment	(3)	(3)
Amortisation of intangible assets	-	115
Write-back of stock obsolescence	-	(2)
Interest income	(19)	(15)
Interest expenses	436	417
	<u>538</u>	<u>(317)</u>
<u>Changes in working capital</u>		
Decrease in inventories	384	116
Increase in trade and other receivables	(637)	(526)
Increase in trade and other payables, contract liabilities and other liabilities	214	355
	<u>499</u>	<u>(372)</u>
Cash flows generated from/(used in) operations		
Interest received	19	15
Income tax paid	(124)	(153)
	<u>394</u>	<u>(510)</u>
Net cash flows generated from/(used in) operating activities		
Investing activities		
Purchase of property, plant and equipment	(511)	(84)
Proceeds from disposal of property, plant and equipment	189	21
	<u>(322)</u>	<u>(63)</u>
Net cash flows used in investing activities		
Financing activities		
Payment of principal portion of lease liabilities	(98)	(20)
Repayments of bank borrowings	(530)	(537)
Proceeds from bank borrowings	296	185
Interest paid	(158)	(78)
	<u>(490)</u>	<u>(450)</u>
Net cash flows used in financing activities		
Net decrease in cash and cash equivalents	(418)	(1,023)
Effects of exchange rate changes on cash and cash equivalents	(32)	192
Cash and cash equivalents at beginning of the period	3,569	3,678
	<u>3,119</u>	<u>2,847</u>
Cash and cash equivalents at end of the period		
Consolidated cash and bank balances represented by		
Cash at bank and on hand	3,831	3,557
Bank overdraft	(712)	(710)
	<u>3,119</u>	<u>2,847</u>
Cash and cash equivalents at end of the period		

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

Advanced Systems Automation Limited (the "Company") was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from 4 January 2010. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the "Group").

With effect from 22 January 2024, the registered office of the Company and principal place of the business had changed from 33 Ubi Avenue 3 #08-69, Vertex, Singapore 408868 to 3014 Ubi Road 1 #02-282, Kampong Ubi Industrial Estate, Singapore 408702.

The principal activity of the Company is investment holding. There have been no significant changes in the nature of the activity during the financial period.

The principal activities of the subsidiaries are disclosed in Note 10.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated 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 since the last annual audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("FY2023").

The accounting policies and methods of computations adopted are consistent with those adopted by the Group in its most recently audited annual consolidated financial statements for the 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 consolidated financial statements are presented in Singapore Dollars ("SGD" or "\$") which is the Company's functional currency, and all values in the tables are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

Going concern assumption

As at 30 June 2024, the Group had net current liabilities of S\$2,143,000 (2023: S\$1,464,000) and the Group recorded a net loss of S\$521,000 (2023: net loss S\$1,048,000) for the period ended 30 June 2024.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the directors of the Company ("Directors") are confident that the Group will generate positive cash flows based on a cash flow projection that was prepared.

In preparing the cash flow projection, the Group has taken the following into consideration:

- (i) in relation to the convertible loan, Tranche 2 totalling of S\$2,500,000 will be drawn down by 31 October 2024 and converted into ordinary shares of the Company, of which an aggregate amount of S\$2,000,000 had been received by 1 August 2024;
- (ii) the letter of undertaking obtained from an investor to undertake, subject to the approval of shareholders of the Company, an additional funding of S\$10,000,000 into the Company within the next 12 months from the date of FY2023 audited financial statements (being 31 July 2024);
- (iii) the letter of undertaking obtained from a director, who is also a shareholder of the Company, to not demand repayment for the amount owed to him of S\$1,927,000 as recorded under amount due to a director and deferred cash settlement for the next 12 months from the date of the FY2023 audited financial statements (being 31 July 2024), if the Group's and the Company's financial situation does not allow for repayment; and
- (iv) positive cash flow generated from its operating activities.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Directors have assessed and confirmed there is no breach of any loan covenants that may trigger the banks to demand full repayment of all bank facilities (bank overdraft, and loans and borrowings of S\$2,486,000 (2023: S\$2,684,000) respectively within the next 12 months from the date of the FY2023 audited financial statements (being 31 July 2024).

Based on the above, the Directors have assessed and are of the view that it is appropriate that the financial statements of the Group and the Company be prepared on a going concern basis.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the most recently audited financial year except in the current financial year, the Group has adopted all the new or revised standards which are mandatorily effective for annual financial period beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-7: Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements
- Amendments to SFRS(I) 1-21: Lack of Exchangeability
- Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an investor and its Associate or Joint Venture
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants

The Group has not early adopted any of the above new or revised standards, interpretations and amendments to the existing standards, that have been issued but not yet mandatorily effective for the annual year beginning on or after 1 January 2024.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the condensed interim consolidated 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 uncertainties were the same as those that applies to the most recently audited consolidated financial statements as at and for the financial year ended 31 December 2023.

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

4. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

5. REVENUE

Group	Equipment Contract Manufacturing Services ("ECMS")	
	6 months ended	
	30 Jun 24 S\$'000	30 Jun 23 S\$'000
Primary geographical markets		
Asia	8,574	5,776
North America	23	38
Others	23	11
	<u>8,620</u>	<u>5,825</u>
Timing of transfer of goods or services		
At a point in time	<u>8,620</u>	<u>5,825</u>

6. LOSS BEFORE TAX

The following significant items have been included in arriving at loss before tax: -

	Group	
	6 months ended	
	30 Jun 24 S\$'000	30 Jun 23 S\$'000
Depreciation of property, plant and equipment	(404)	(402)
Depreciation of right-of-use assets	(69)	(69)
Gain on disposal of property, plant and equipment	3	3
Amortisation of intangible assets	-	(115)
Interest expenses	(436)	(417)
Interest income	19	15
Write back of stock obsolescence	-	2

7. INCOME TAX (EXPENSE)/CREDIT

	Group	
	6 months ended	
	30 Jun 24 S\$'000	30 Jun 23 S\$'000
Current income tax: -		
Current income tax	(240)	-
	<u>(240)</u>	<u>-</u>
Deferred income tax: -		
Origination and reversal of temporary difference	17	16
	<u>17</u>	<u>16</u>
Income tax (expense)/credit recognised in profit and loss	<u>(223)</u>	<u>16</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares for diluted loss per share computation respectively.

The following table reflects the income and share data used in the computation of basic and diluted loss per share for the financial periods ended 30 June 2024 and 2023.

Group	30 Jun 24 S\$'000	30 Jun 23 S\$'000
Loss for the period attributable to owners of the Company used in the computation of basic and diluted loss per ordinary share	<u>(521)</u>	<u>(1,048)</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted loss per ordinary share computation (no. of shares, in '000s)	<u>343,445</u>	<u>343,445</u>

The comparative for the half year ended 30 June 2023 was adjusted retrospectively based on weighted average number of shares in issue of 343,445,313, following the completion of the Company's share consolidation of every 65 existing shares of the Company into 1 ordinary share, on 11 June 2024.

Diluted loss per share for the period ended 30 June 2024 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive. Diluted loss per share for the period ended 30 June 2023 is the same as the basic loss per share because there are no potential ordinary shares to be converted.

9. PROPERTY, PLANT AND EQUIPMENT

During the financial period ended 30 June 2024, the Group has an addition of property, plant and equipment of approximately S\$511,000 (30 June 2023: S\$84,000) and disposed of property, plant and equipment amounting to S\$189,000 (30 June 2023: S\$21,000).

10. INVESTMENTS IN SUBSIDIARIES

	Company	
	30 Jun 24 S\$'000	31 Dec 23 S\$'000
Unquoted shares, at cost	13,422	13,422
Impairment losses	<u>(2,928)</u>	<u>(2,928)</u>
	<u>10,494</u>	<u>10,494</u>

The Group has the following significant investment in subsidiaries: -

Name of company (Principal place of business)	Principal activities	Proportion of ownership interest	
		30 Jun 24 %	31 Dec 23 %
Held by the Company			
Emerald Precision Engineering Sdn. Bhd. (Malaysia)	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	100	100
Pioneer Venture Pte Ltd (Singapore)	Contract manufacturing solutions of fabricated metal products	100	100

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Name of company	Principal activities	Proportion of ownership interest	
Yumei Technologies Sdn. Bhd. (Malaysia)	Manufacturing of die-casting products and plastic products	100	100
Yumei REIT Sdn. Bhd. (Malaysia)	Investment holding	100	100

11. OTHER LIABILITIES

	Group		Company	
	30 Jun 24 S\$'000	31 Dec 23 S\$'000	30 Jun 24 S\$'000	31 Dec 23 S\$'000
Amounts due to directors	276	330	276	330
Accrued operating expenses	1,250	1,344	289	202
Accrued directors' fee	191	127	191	127
	1,716	1,801	755	659

Amounts due to directors

The amounts due to directors are unsecured, interest-free, repayable on demand and are to be settled in cash.

12. TRADE AND OTHER PAYABLES

	Group		Company	
	30 Jun 24 S\$'000	31 Dec 23 S\$'000	30 Jun 24 S\$'000	31 Dec 23 S\$'000
<u>Trade and other payables:</u>				
Current:				
Trade payables	933	665	108	11
Other creditors	649	301	644	274
Deferred cash settlement	1,597	1,597	1,597	1,597
Loan from a shareholder	400	400	400	400
Amounts due to subsidiaries	-	-	1,684	1,235
Amount due to related party	288	318	288	318
Amount due to a corporate shareholder	1,887	1,893	1,887	1,886
	5,754	5,174	6,608	5,721
Non-current:				
Loan from a shareholder	1,693	1,649	1,693	1,649
Amount due to related party	-	-	-	-
Amount due to a corporate shareholder	9,254	9,116	9,254	9,116
	10,947	10,765	10,947	10,765
Total trade and other payables	16,701	15,939	17,555	16,486
<u>Add:</u>				
- Other liabilities (Note 11)	1,716	2,149	755	659
- Loans and borrowings (Note 14)	2,487	2,683	-	-
- Convertible notes	2,587	2,587	2,587	2,587
- Lease liabilities	141	239	-	-
	23,632	23,597	20,897	19,732
Total financial liabilities carried at amortised cost	23,632	23,597	20,897	19,732

Trade payables

Trade payables are non-interest bearing. Trade payables are normally settled on 30 – 120 days (2022: 30 – 120 days) credit terms.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

12. TRADE AND OTHER PAYABLES (CONT'D)

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash except for outstanding balance of S\$400,000 (2023: S\$400,000) which bears floating interest rate ranging from 5.88% to 5.90% (2023: 6.25% to 6.34%) per annum, is repriced on a quarterly basis.

Loan from a shareholder

Loans due to a shareholder of the Company, is unsecured and interest-free, except for the amount of S\$1,797,000 (2023: S\$1,797,000), which bears a fixed interest rate of 5% (2023: 5%) per annum. The loan is repayable on yearly instalment and matures in 2028.

Amount due to a related party

Amount due to a related party is unsecured, interest-free, repayable on demand and is to be settled in cash.

Amount due to a corporate shareholder

Amount due to a corporate shareholder included an amount S\$1,747,000 (2023: S\$1,614,000), which are interest free and unsecured, except for S\$9,394,000 (2023: S\$9,394,000), which bears floating interest rates ranging from 5.88% to 5.90% (2023: 6.25% to 6.34%) per annum, repriced on a quarterly basis. The amount due to a corporate shareholder is repayable on yearly instalment and matures in 2029.

Deferred cash settlement

This relates to an amount owing to Mr. Seah Chong Hoe (shareholder, director and Chief Executive Officer of the Company) upon the acquisition of subsidiaries during the financial year ended 31 December 2018. This amount is interest-free, unsecured and repayable on demand.

13. CONVERTIBLE NOTES

The movement of the redeemable convertible loan notes for the period is set out as below:

Group and Company	S\$'000
As at 1 January 2024 and 30 June 2024	2,587

14. LOANS AND BORROWINGS

	Group		Company	
	30 Jun 24 S\$'000	31 Dec 23 S\$'000	30 Jun 24 S\$'000	31 Dec 23 S\$'000
Current:				
<u>Amount repayable within one year or on demand</u>				
Bank Overdraft - secured	712	682	-	-
Trust receipts - secured	136	87	-	-
Secured loan	384	262	-	-
Unsecured loan	208	313	-	-
	1,440	1,344	-	-
Non-current:				
<u>Amount repayable after one year</u>				
Secured loan	958	804	-	-
Unsecured loan	88	535	-	-
	1,046	1,339	-	-
Total financial liabilities carried at amortised cost	2,486	2,683	-	-

Bank overdrafts

Bank overdraft is denominated in Malaysian Ringgit, bears floating interest rate at 0.50% (2023: 0.5%) above the bank's base lending rate from time to time and is secured over certain properties of the Group.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

14. LOANS AND BORROWINGS (CONT'D)

Trust receipts

Trust receipts are drawn for a period of up to 120 days which are renewable upon maturity and bear floating interest rate at 8.01% (2023: 8.01%) per annum. The loan is secured by a fixed charge over certain properties of the Group.

Secured loan

- (a) The term loan is repayable in monthly instalments, bears fixed interest rate at 4.76% (2023: 4.76%) and matures in 2027. The loan is secured by the following:
- (i) by way of fixed charge over the leasehold land and building of a related company;
 - (ii) by joint and several guarantee of certain directors of a related company; and
 - (iii) by corporate guarantee from a related company.
- (b) The term loan is repayable in monthly instalments, bears fixed interest rate at 3% (2023: 3%) and matures in 2025. The loan is secured by corporate guarantee by the Company.
- (c) The term loan is repayable in monthly instalments, bears fixed interest rate at 4.55% (2023: 4.55%) and matures in 2024. The loan is secured by corporate guarantee by the Company.

Unsecured loan

- (a) The term loan is repayable in monthly instalment, bears fixed interest at 2.5% (2023: 2.50%) and matures in 2025. This term loan is guaranteed by Mr Seah Chong Hoe (shareholder, Director and Chief Executive Officer of the Company).
- (b) The term loan is repayable in monthly instalment, bears fixed interest at 8.00% (2023: 8.00%) and matures in 2027. This term loan is guaranteed by Mr Seah Chong Hoe (shareholder, Director and Chief Executive Officer of the Company).
- (c) The term loan is repayable in monthly instalment, bears fixed interest at 9.88% (2023: 9.88%) and matures in 2027. This term loan is guaranteed by Mr Seah Chong Hoe (shareholder, Director and Chief Executive Officer of the Company).

15. NET LIABILITIES VALUE

	Group		Company	
	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23
Net liabilities value per share (cents)	<u>(2.243)</u>	(2.111)	<u>(2.268)</u>	(1.999)
Based on number of shares (in '000s)	<u>343,445</u>	343,445	<u>343,445</u>	343,445

Net liabilities 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) as at 30 June 2024. The comparatives as at 31 December 2023 were adjusted retrospectively based on 343,445,313 shares of the Company, following the completion of the Company's share consolidation of every 65 existing shares of the Company into 1 ordinary share, on 11 June 2024.

16. SHARE CAPITAL

	Group and Company			
	30 Jun 24	30 Jun 24	31 Dec 23	31 Dec 23
	Number of shares ('000)	S\$'000	Number of shares ('000)	S\$'000
At beginning and end of the period	<u>343,445</u>	<u>148,841</u>	22,324,126	148,841

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. SHARE CAPITAL (CONT'D)

	Number of shares ('000)	Amount (S\$'000)
As at 31 December 2023 and 1 January 2024	22,324,126	148,841
Share consolidation of every 65 existing shares of the Company into 1 share completed on 11 June 2024	343,445	-
As at 30 June 2024	343,445	148,841

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

17. OTHER RESERVES

(a) Merger reserve

Merger reserve represents the difference between the consideration paid and the net assets of a subsidiary restructured under common control in prior years.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	30 Jun 24 S\$'000	31 Dec 23 S\$'000	30 Jun 24 S\$'000	31 Dec 23 S\$'000
Financial assets measured at amortised cost				
Trade and other receivables	5,218	4,386	2,451	2,332
Cash at bank and on hand	3,831	4,251	148	34
	9,049	8,637	2,599	2,366
Financial liabilities measured at amortised cost				
Trade and other payables	16,701	15,939	17,555	16,486
Other liabilities	1,716	1,801	755	659
Lease liabilities	141	239	-	-
Loans and borrowings	2,486	2,683	-	-
	21,044	20,662	18,310	17,145

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year: -

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Company	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	S\$'000	S\$'000	S\$'000	S\$'000
Transactions with ASTI Group (corporate shareholder of the Company): -				
Corporate support cost	-	(60)	-	(60)
Interest expenses on loan	(234)	(295)	(234)	(295)
Interest expense on loans from a shareholder of the Company: -				
Interest expenses on loan	(44)	(45)	(44)	(45)
Transactions with a director who is also a shareholder of the Company: -				
Rental expense paid	(48)	(48)	-	-

20. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The only reportable segment is the Equipment Contract Manufacturing Services ("ECMS") segment, which is mainly engaged in precision engineering and fabrication assembly of parts for both semiconductor and non-semiconductor industries.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

20. SEGMENT INFORMATION (CONT'D)

Group	ECMS		Corporate expenses		Adjustment and elimination		Consolidated Total	
	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:								
- External sales	8,620	5,825	-	-	-	-	8,620	5,825
- Inter-segment sales (Note A)	-	6	-	-	2	(6)	-	-
	8,620	5,831	-	-	2	(6)	8,620	5,825
EBITDA (Note B)	1,522	185	(929)	(376)	-	-	593	(191)
Depreciation on property, plant & equipment	(404)	(402)	-	-	-	-	(404)	(402)
Depreciation on right-of-use assets	(69)	(69)	-	-	-	-	(69)	(69)
Interest expense	(105)	(106)	(373)	(352)	41	41	(437)	(417)
Interest income	60	56	-	-	(41)	(41)	19	15
Profit/(loss) before tax	1,004	(336)	(1,302)	(728)	-	-	(298)	(1,064)
Income tax expense	(223)	16	-	-	-	-	(223)	16
Segment results	781	(320)	(1,302)	(728)	-	-	(521)	(1,048)
Other information:								
Additions to non-current assets	511	84	-	-	-	-	511	84
	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets	15,733	17,124	2,609	563	(1,684)	(1,409)	16,658	16,693
Segment liabilities	4,798	5,224	21,246	16,630	(1,684)	(1,409)	24,360	23,942

A. Inter-segment revenues are eliminated on consolidation.

B. Elimination of unrealised gains and losses arising from inter-segment transactions.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

21. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (i) On 2 July 2024, the Company received a letter of demand from the corporate shareholder, ASTI Holdings Limited demanding full repayment of the outstanding debt amount of S\$886,000. The Company had made the full amount of S\$886,000 to ASTI Holdings Limited on 1 August 2024.
- (ii) On 20 July 2024, the Company convened an extraordinary general meeting and obtained its shareholders' approval on, *inter alia*, the following:
 - (a) proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. ("LSO") ("Acquisition");
 - (b) proposed ratification of the issuance of tranche 1 ("T1") redeemable convertible notes of a principal amount of S\$2.5 million pursuant to a conditional subscription agreement dated 24 October 2023 entered into between the Company and Advance Opportunities Fund 1 ("AOF 1") and Advance Opportunities Fund VCC ("AOF VCC") (acting for and on behalf of and for the account of AOF Singapore Opportunities Fund) ("Proposed RCN");
 - (c) proposed issuance of tranche 2 ("T2") redeemable convertible notes of a principal amount of up to S\$2.5 million pursuant to the Proposed RCN; and
 - (d) proposed allotment and issuance of up to 171,722,656 shares of the Company upon conversion of T1 and T2.
- (iii) On 25 July 2024, the Company allotted and issued 43,103,448 shares at S\$0.0232 per share following the conversion of T1 notes by AOF 1 with an aggregate principal value of S\$1.0 million.
- (iv) On 26 July 2024, the Company allotted and issued 30,172,413 shares at S\$0.0232 per shares following the conversion of T1 notes by AOF VCC with an aggregate principal value of S\$0.7 million.
- (v) On 26 July 2024, the Company announced that it had, in response to a statutory demand letter from Telford Service Sdn Bhd ("Telford"), used its internal funds for the full repayment of RM1,114,340 owed to Telford.
- (vi) On 30 July 2024 and 1 August 2024, the Company carried out a drawdown of T2 under the Proposed RCN in an aggregate nominal amount of S\$2.0 million.
- (vii) On 1 August 2024, the Company announced that it had, on 30 July 2024, paid the sum equivalent to S\$1.0 million, in cash to ASTI Holdings Limited which is due and payable on 31 July 2024 pursuant to the second addendum dated 6 June 2023 to the loan agreement between the Company and ASTI Holdings Limited.
- (viii) On 2 August 2024, the Company completed the Acquisition and LSO becomes a wholly-owned subsidiary of the Company. In conjunction with the completion of the Acquisition, the Company had on 2 August 2024, issued an aggregate of 213,846,154 shares at an issue price of S\$0.065 per share, to (a) the vendors of LSO as part satisfaction of the purchase consideration; (b) the introducer for its service in respect of the Acquisition; (iii) the financial adviser and the legal counsel of the Acquisition as part payment of fees.
- (ix) On 5 August 2024, the Company allotted and issued 23,474,178 shares at S\$0.0213 per share following the conversion of the T1 notes by AOF 1 with an aggregate principal value of S\$0.5 million.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2024

OTHER INFORMATION

1. REVIEW

The condensed consolidated balance sheet of Advanced Systems Automation Limited and its subsidiaries as at 30 June 2024 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 period then ended and the explanatory notes have not been audited or reviewed by the Company's auditors.

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 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.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited consolidated financial statements for the financial year ended 31 December 2023 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

3. CHANGES IN TREASURY SHARES

Not applicable. The Company does not have any treasury shares.

4. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable. The Company does not have any subsidiary holdings.

5. REVIEW OF PERFORMANCE OF THE GROUP

The post-tax loss for the financial period ended 30 June 2024 from the operations attributable to the Group is presented below:

Income Statement

The Group recorded revenue of S\$8.6 million in the 6 months ended 30 June 2024 ("1H2024"), an increase of S\$2.8 million or 48% from S\$5.8 million in the previous corresponding period ended 30 June 2023 ("1H2023"). The increase in revenue was mainly due to higher demand from customers.

Gross profit margin ("GPM") of the Group in 1H2024 was 29%, which was 3% higher as compared to the GPM of 26% in 1H2023 mainly due to changes in the sales mix in 1H2024.

Selling and marketing ("S&M") costs decreased by 37% or S\$0.2 million from S\$0.4 million in 1H2023 to S\$0.2 million in 1H2024 mainly due to lower sales commission expenses incurred in 1H2024 and full impairment of goodwill on customer relationship as at 31 December 2023.

General and administrative ("G&A") costs increased by 20% or S\$0.4 million from S\$1.9 million in 1H2023 to S\$2.3 million in 1H2024 mainly due to professional and consultancy fees incurred for the proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. ("Proposed Acquisition") during 1H2024. Please refer to the Company's circular to shareholders of the Company dated 5 July 2024 in relation to, *inter alia*, the Proposed Acquisition for further information.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

Other expenses included foreign exchange gain of S\$0.04 million in 1H2024 and S\$0.07 million in 1H2023. The foreign exchange gain was mainly due to the strengthening of the Singapore Dollar against the Malaysian Ringgit.

As a result of the above, the Group reported a net loss attributable to owners of the Company of S\$0.5 million in 1H2024, as compared to a net loss of S\$1.0 million in 1H2023.

Balance Sheet

Property, plant and equipment decreased by S\$0.1 million, from S\$6.4 million as at 31 December 2023 to S\$6.3 million as at 30 June 2024, mainly due to depreciation costs charged during the period.

Right-of-use assets increased by S\$0.2 million, from S\$0.5 million as at 31 December 2023 to S\$0.7 million as at 30 June 2024, mainly due to new hire-purchase lease.

Inventories decreased by S\$0.4 million, from S\$0.8 million as at 31 December 2023 to S\$0.4 million as at 30 June 2024, due to lower orders from one of the Group's subsidiaries.

Trade and other receivables increased by S\$0.8 million, from S\$4.4 million as at 31 December 2023 to S\$5.2 million as at 30 June 2024, due higher sales in 1H2024.

Prepayments and advances decreased by S\$0.2 million, from S\$0.3 million as at 31 December 2023 to S\$0.1 million as at 30 June 2024, due to lower advances to vendors in 1H2024.

Other liabilities decreased by S\$0.1 million, from S\$1.8 million as at 31 December 2023 to S\$1.7 million as at 30 June 2024, due to decrease in payroll related cost.

Current trade and other payables increased by S\$0.6 million from S\$5.2 million as at 31 December 2023 to S\$5.8 million as at 30 June 2024 mainly due to more materials purchases and higher interest accrued.

Non-current trade and other payables increased by S\$0.1 million from S\$10.8 million as at 31 December 2023 to S\$10.9 million as at 30 June 2024 due to interest costs incurred in 1H2024.

Total loans and borrowings and bank overdrafts decreased by S\$0.2 million, from S\$2.7 million as at 31 December 2023 to S\$2.5 million as at 30 June 2024, due to loan repayments during the period.

As at 30 June 2024, the Group reported net current liabilities of S\$2.1 million and net liabilities of S\$7.7 million. Please refer to Note 2.1 under the Notes to the Condensed Financial Statements of this announcement for information on the Directors' assessment of the Group's and the Company's ability to continue as a going concern.

Cash Flows

Net cash generated from operating activities amounted to S\$0.4 million in 1H2024. The Group recorded positive operating cash outflows before working capital changes of S\$0.5 million. The main movements of the cash flows from operating activities in 1H2024 comprised (i) the decrease in inventories of S\$0.4 million; (ii) the increase in trade and other receivables of S\$0.6 million; and (iii) the increase in trade and other payables, contract liabilities and other liabilities of S\$0.2 million. An amount of S\$0.1 million was also utilised for the payments of taxes in 1H2024.

Net cash used in investing activities amounting to S\$0.3 million in 1H2024 were for the purchase of property, plant and equipment net of the proceeds from disposal of property, plant and equipment.

A total of S\$0.5 million was used in financing activities in 1H2024 mainly for repayments (net) of bank borrowings, payment of lease obligations, and payment of interest.

As a result, the Group utilised cash and cash equivalents of S\$0.4 million in 1H2024 and recorded a cash and cash equivalents of S\$3.1 million as at 30 June 2024.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

Not applicable.

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

In relation to its existing business, while the Group is of the opinion that the performance may be better in the second half of the year, it remains vulnerable to the uncertainties in the global landscape. The business may be affected by the outcomes of the US elections at the end of the year, the soft Chinese economy and the ongoing tensions in the Middle East. The Board and management are also evaluating the performance of the Group's existing businesses and may consider downsizing or divesting non-performing segments.

Following the completion of the acquisition of LSO Organization Holdings Pte. Ltd. ("**LSO**"), LSO's contributions will be reflected in the second half of the current financial year with effect from 2 August 2024. As LSO's business is Asia-centric, it has more buffer from the volatility of international stage.

The Company is committed to continuously monitoring and optimising its portfolio to enhance overall performance and Shareholders' value.

8. DIVIDEND

(a) Whether an interim (final) ordinary dividend has been declared (recommended) Any dividend declared for the current financial year reported on?

None.

(b) Corresponding year of the immediately preceding financial year Any dividend declared for the corresponding year 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 1H2024 as the Group still has accumulated losses as at 30 June 2024.

9. INTERESTED PERSON TRANSACTIONS

The Group had obtained a general mandate from shareholders for interested person transactions ("**IPTs**") at an extraordinary meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated 4 February 2021. The general mandate for IPTs was renewed at the Company's Annual General Meeting ("**AGM**") held on 28 June 2023 and will remain in force until the Company's upcoming AGM for FY2023 to be held on 23 August 2024.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2024

9. INTERESTED PERSON TRANSACTIONS (CONT'D)

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		6 months ended 30 June 2024	6 months ended 30 June 2024
ASTI Holdings Limited ("ASTI") and its subsidiary of companies ("ASTI Group")	A controlling shareholder of the Company	Interest expense amounting to S\$234,000 ⁽¹⁾	Nil
Dato' Loh Soon Gnee	A controlling shareholder of the Company	Nil ⁽²⁾	Nil
Yumei Plastic Pte Ltd	A wholly-owned company of Seah Chong Hoe, who is a controlling shareholder, an executive director and the Chief Executive Officer of the Company	Nil ⁽³⁾	Nil

Notes:

- (1) Relates to interest payable on the loan extended by ASTI Group. As at 30 June 2024, ASTI Group had provided an aggregate of S\$9.4 million loan (the "Loan") to the Group. The Loan which bears effective interest rates ranging from 5.88% to 5.90% per annum is unsecured, repayable on yearly instalment and matures in 2029. The Group had obtained a specific IPT mandate from shareholders for the consolidated loan agreement entered into with ASTI Group at an extraordinary general meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated 4 February 2021.
- (2) Relates to interest payable to Dato' Loh Soon Gnee on loans extended by Dato' Loh Soon Gnee to the Company for 1H2024, amounting to S\$44,000, which was below S\$100,000.
- (3) Relates to office facility and storage services expenses for 1H2024 payable to Yumei Plastic Pte Ltd, amounting to S\$48,000, which was below S\$100,000.

10. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7H UNDER RULE 720(1) OF THE CATALIST RULES

We hereby confirm that we have procured all the required undertakings from all the Directors and Executive Officers of the Company in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

11. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE CATALIST RULES

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the six months ended 30 June 2024 to be false or misleading in any material aspect.

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

There were no acquisitions or realization of shares in any of the Group's subsidiary and associated company as well as no incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during 1H2024.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2024

BY ORDER OF THE BOARD

Dato' Sri Mohd Sopiyan B Mohd Rashdi
Chairman
14 August 2024