



ADVANCED SYSTEMS AUTOMATION LIMITED

Registration No: 198600740M
(Incorporated in Republic of Singapore)

Results for the Financial Period Ended 31 March 2014

Unaudited Financial Statements and Dividend Announcement

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement.

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.

The contact person for the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.



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Registration No: 198600740M
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Results for the Financial Period Ended 31 March 2014 Unaudited Financial Statements and Dividend Announcement

The Board of Directors announces the results of the Group and Company for the financial period ended 31 March 2014.

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

	Group		
	First Quarter Ended		
	31/3/2014	31/3/2013	Change
	S\$'000	S\$'000	%
Sales revenue	7,105	3,801	87
Costs of sales	(5,515)	(2,927)	88
Gross profit	1,590	874	82
Selling and marketing costs	(495)	(490)	1
Research and development costs	(207)	(208)	(0)
General and administrative costs	(1,502)	(1,289)	17
Foreign exchange gain/(loss)	82	(26)	NM
Total operating costs	(2,122)	(2,013)	5
Operating loss before finance costs	(532)	(1,139)	(53)
Finance costs, net	(50)	(8)	525
Share of results of an associate	-	45	(100)
Operating loss before taxation	(582)	(1,102)	(47)
Taxation	(108)	(2)	5,300
Net loss for the period	(690)	(1,104)	(38)
Attributable to:			
Owners of the Company	(735)	(1,104)	(33)
Non-controlling interests	45	-	NM
	(690)	(1,104)	(38)

NM: Not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year

Operating loss before taxation is stated after crediting/(charging):

- Interest income
- Interest on borrowings
- Depreciation of property, plant and equipment
- Allowance for doubtful trade debts
- Write-back/(Allowance for) stock obsolescence
- Inventories written back directly to income statement

Group	
First Quarter Ended	
31/3/2014	31/3/2013
S\$'000	S\$'000
1	7
(45)	(10)
(400)	(53)
-	(5)
38	(267)
1	2

Statement of Comprehensive income

Net loss for the period

Other comprehensive income:

Items that may be reclassified subsequently to profit or loss:

Exchange differences arising from consolidation of foreign operations

Total comprehensive income for the period

Total comprehensive income attributable to:-

Owners of the Company

Non-controlling interests

Group		
First Quarter Ended		
31/3/2014	31/3/2013	Change
S\$'000	S\$'000	%
(690)	(1,104)	(38)
(274)	204	NM
(964)	(900)	7
(1,009)	(900)	12
45	-	NM
(964)	(900)	7

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

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Intangible assets	2,578	2,578	95	95
Property, plant and equipment	14,191	14,222	-	-
Investment in subsidiaries	-	-	22,531	20,258
Deferred tax assets	131	131	-	-
Total non-current assets	16,900	16,931	22,626	20,353
Current assets				
Inventories	4,570	4,253	-	-
Trade receivables, net	8,337	8,950	13	50
Prepayment and advances	238	145	80	8
Other receivables, net	278	333	-	-
Amount due from subsidiaries	-	-	10,329	9,602
Amount due from related companies	237	390	-	-
Cash and cash equivalents	2,768	4,535	84	251
Total current assets	16,428	18,606	10,506	9,911
TOTAL ASSETS	33,328	35,537	33,132	30,264
EQUITY AND LIABILITIES				
Current liabilities				
Payables and accruals	10,354	12,368	2,024	1,857
Income tax payable	705	622	-	-
Lease creditors	458	450	-	-
Amount due to financial institutions	1,671	1,714	-	-
Amount due to subsidiaries	-	-	6,396	6,351
Amount due to related companies	117	101	8	7
Amount due to holding company	1,188	339	773	15
Total current liabilities	14,493	15,594	9,201	8,230
NET CURRENT ASSETS	1,935	3,012	1,305	1,681
Non-current liabilities				
Deferred tax liabilities	492	491	-	-
Lease creditors	565	682	-	-
Amount due to financial institutions	995	1,015	-	-
Total non-current liabilities	2,052	2,188	-	-
TOTAL LIABILITIES	16,545	17,782	9,201	8,230
NET ASSETS	16,783	17,755	23,931	22,034
Equity attributable to the owners of the Company				
Share capital	127,875	125,610	127,875	125,610
Reserves	(111,315)	(108,814)	(103,944)	(103,576)
	16,560	16,796	23,931	22,034
Non-controlling interest	223	959	-	-
TOTAL EQUITY	16,783	17,755	23,931	22,034
TOTAL EQUITY AND LIABILITIES	33,328	35,537	33,132	30,264

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

Amount repayable in one year or less, or on demand

<u>As at 31/03/2014</u>		<u>As at 31/12/2013</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
1,671	-	1,714	-

Amount repayable after one year

<u>As at 31/03/2014</u>		<u>As at 31/12/2013</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
995	-	1,015	-

Details of any collateral

The aggregate amount due to financial institutions of \$2,666,000 (31/12/13: \$2,729,000) is secured on a building and certain plant and machinery of the Group.

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	
	<u>31/03/2014</u>	<u>31/03/2013</u>
	<u>S\$'000</u>	<u>S\$'000</u>
OPERATING ACTIVITIES		
Operating loss before taxation	(582)	(1,102)
Adjustments for:		
Depreciation of property, plant and equipment	400	53
Interest income	(1)	(7)
Interest expense	45	10
Currency realignment	(201)	150
Share of results of an associate	-	(45)
Operating cash flows before changes in working capital	(339)	(941)
<u>Changes in working capital</u>		
(Increase)/decrease in inventories	(317)	261
Decrease in receivables	575	368
Increase in amount due from an associate	-	(152)
Decrease in amount due from related companies	153	-
(Decrease)/increase in payables and accruals	(2,014)	349
Increase in amount due to related companies	16	20
Increase in amount due to holding company	843	55
Cash used in operations	(1,083)	(40)
Interest received	1	7
Interest paid	(39)	(3)
Taxes paid	(24)	(2)
Net cash used in operating activities	(1,145)	(38)
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(441)	(5)
Share issuance expenses relating to acquisition of additional interests in a subsidiary	(8)	-
Net cash flows used in investing activity	(449)	(5)
FINANCING ACTIVITIES		
Repayment of lease creditors and bank borrowings	(99)	-
Proceeds from share placement	-	1,890
Expenses relating to share placement	-	(10)
Net cash (used in)/provided by financing activities	(99)	1,880
Net (decrease)/increase in cash and cash equivalents	(1,693)	1,837
Cash and cash equivalents at beginning of period	4,420	7,428
Cash and cash equivalents at end of period	2,727	9,265
Cash and cash equivalents comprised of:-		
Cash and bank balances	2,768	9,265
Less: bank overdraft	(41)	-
	2,727	9,265

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to Members of the Company						Non-controlling Interests	Equity Total
	Issued capital	Accumulated losses	Foreign currency translation reserve	Reserve on merger	Capital reserve	Equity attributable to owners of parent, Total		
		Distributable						
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2013	121,371	(106,107)	1,099	-	-	16,363	-	16,363
Loss for the period	-	(1,104)	-	-	-	(1,104)	-	(1,104)
Other comprehensive income for the period								
Foreign currency translation	-	-	204	-	-	204	-	204
Total comprehensive income for the period	-	(1,104)	204	-	-	(900)	-	(900)
Contributions by and distributions to equity holders								
Issuance of shares pursuant to share placement	1,890	-	-	-	-	1,890	-	1,890
Share issuance expenses	(10)	-	-	-	-	(10)	-	(10)
Total transactions with equity holders in their capacity as equity holders	1,880	-	-	-	-	1,880	-	1,880
Balance at 31 March 2013	123,251	(107,211)	1,303	-	-	17,343	-	17,343
Balance at 1 January 2014	125,610	(108,388)	1,710	(2,136)	-	16,796	959	17,755
Loss for the period	-	(735)	-	-	-	(735)	45	(690)
Other comprehensive income for the period								
Foreign currency translation	-	-	(274)	-	-	(274)	-	(274)
Total comprehensive income for the period	-	(735)	(274)	-	-	(1,009)	45	(964)
Contributions by and distributions to equity holders								
Issuance of shares pursuant to acquisition of additional interests in a subsidiary	2,273	-	-	-	(1,492)	781	(781)	-
Share issuance expenses	(8)	-	-	-	-	(8)	-	(8)
Total transactions with equity holders in their capacity as equity holders	2,265	-	-	-	(1,492)	773	(781)	(8)
Balance at 31 March 2014	127,875	(109,123)	1,436	(2,136)	(1,492)	16,560	223	16,783

Company	Issued Capital	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2013	121,371	(101,029)	20,342
Loss for the period	-	(542)	(542)
<u>Contributions by and distributions to equity holders</u>			
Issuance of shares pursuant to share placement	1,890	-	1,890
Share issuance expenses	(10)	-	(10)
Total transactions with equity holders in their capacity as equity holders	1,880	-	1,880
Balance at 31 March 2013	123,251	(101,571)	21,680
Balance at 1 January 2014	125,610	(103,576)	22,034
Loss for the period	-	(368)	(368)
<u>Contributions by and distributions to equity holders</u>			
Issuance of shares pursuant to acquisition of additional interests in a subsidiary	2,273	-	2,273
Share issuance expenses	(8)	-	(8)
Total transactions with equity holders in their capacity as equity holders	2,265	-	2,265
Balance at 31 March 2014	127,875	(103,944)	23,931

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

On 27 March 2014, the Company completed the allotment and issuance of 189,408,333 new ordinary shares as consideration for the Company's acquisition of additional equity interests in a subsidiary. The issued share capital of the Company as at 31 March 2014 comprised 1,948,465,457 ordinary shares (31 December 2013: 1,759,057,124 ordinary shares).

The Company did not have any treasury shares as at the end of the current financial period reported on and as at 31 March 2013.

- 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**

Total number of issued shares excluding treasury shares was 1,948,465,457 as at 31 March 2014 (31 December 2013: 1,759,057,124).

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

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Other than the adoption of the amended Financial Reporting Standards (FRS) that are effective from the current financial period reported on, the accounting policies and methods of computation applied by the Group in the financial statements for the financial period ended 31 March 2014, are consistent with those of the audited financial statements for the financial year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the amended FRS is assessed to have no material impact to the financial position or financial performance of the Group.

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

	Group	
	<u>31/03/2014</u>	<u>31/03/2013</u>
Loss per ordinary share for the period based on net loss attributable to shareholders:		
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.04)	(0.07)
Weighted average number of shares	1,769,579,809	1,498,755,476
(b) On a fully diluted basis (cents)	(0.04)	(0.07)

The diluted loss per share are the same as the basic loss per share as there were no outstanding convertible securities for both the financial periods ended 31 March 2014 and 31 March 2013.

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

Net asset value per ordinary share (cents)

Group		Company	
<u>31/03/2014</u>	<u>31/12/2013</u>	<u>31/03/2014</u>	<u>31/12/2013</u>
0.85	0.95	1.23	1.25

The net asset value per ordinary share as at 31 March 2014 and 31 December 2013 were calculated based on the total number of issued shares (excluding treasury shares) of 1,948,465,457 (31 December 2013: 1,759,057,124).

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**

Income Statement

The Group's revenue in 1Q2014 was higher by 87% compared to 1Q2013.

Revenue from the Equipment Contract Manufacturing Services ("ECMS") business rose by 135%, while revenue from the Equipment business was lower by 35%. The increase in revenue from the ECMS business was due mainly to the contribution of sales by the two subsidiaries, namely ASA Multiplate (M) Sdn. Bhd. ("ASA Multiplate") and Emerald Precision Engineering Sdn. Bhd. ("Emerald") which were acquired in August 2013 and November 2013 respectively.

Gross profit margin ("GPM") for 1Q2014 was comparable to that of 1Q2013. GPM of Equipment business increased from 52% in 1Q2013 to 54% in 1Q2014. GPM of ECMS division improved from 8% in 1Q2013 to 18% in 1Q2014 mainly due to the stock provision recorded in 1Q2013.

Selling and marketing ("S&M") costs for 1Q2014 were comparable to the amount expensed for 1Q2013. In line with the lower sales activities S&M costs incurred by Equipment business in 1Q2014 decreased by 32%. Costs incurred by ECMS division in 1Q2014 increased 48% mainly due to the inclusion of expenses from ASA Multiplate and Emerald.

Research & development costs for 1Q2014 were comparable to the amount incurred for 1Q2013.

General and administrative ("G&A") costs for 1Q2014 were 17% higher compared to 1Q2013. G&A costs incurred by Equipment business in 1Q2014 declined 24% due to higher payroll related expenditure recorded in 1Q2013. Costs incurred by ECMS division increased 136% in 1Q2014 mainly due to the inclusion of expenses from ASA Multiplate and Emerald.

1Q2014 saw higher financing costs due to the inclusion of the interest expenses from ASA Multiplate and Emerald.

The Group reported a net loss attributable to shareholders of S\$0.7 million for 1Q2014 as compared to the net loss of S\$1.1 million for 1Q2013.

Balance Sheet

The increase in property, plant and equipment was offset by the depreciation during the period.

Inventories had increased to cater for customers' orders of Equipment business.

Trade receivables decreased in 1Q2014 due to increase in proportion of sales to a related company which were recorded as amounts due from related companies in the balance sheet.

Payables and accruals decreased due to lower trade purchases in 1Q2014.

Amount due to lease creditors and financial institutions comprises bank borrowings of ASA Multiplate and Emerald.

Share capital of the Company increased S\$2.3 million due to the issuance of new ordinary shares on 27 March 2014 for the acquisition of additional 35% interests in ASA Multiplate.

As at 31 March 2014, the Group has net current assets of S\$1.9 million and shareholders' equity of S\$16.8 million.

Cash Flow

Cash flow used in operations by the Group amounted to S\$1.1 million for funding of working capital requirements. An amount of S\$0.4 million was utilized for the purchase of property, plant and equipment and S\$0.1 million was repaid to financial institutions.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

On 27 March 2014, the Company completed its acquisition of the additional 35% equity interest in ASA Multiplate, bringing the Company's equity interest in ASA Multiplate to 90%.

Both Emerald and ASA Multiplate have contributed positively to the Group's revenue in 1Q2014. Barring unforeseen circumstances, we expect that both entities will continue to enhance the Group's core competencies and revenue performance in the next quarter. While ECMS continues to grow, the visibility of the Equipment business continues to be low.

Going forward, the Group will continue to explore opportunities to expand and enhance its business.

Our business is prone to economic uncertainties and the cyclical nature of the semiconductor industry. Other unforeseeable factors including but not limited to foreign exchange fluctuations, intellectual property litigations, product and technology obsolescence, inventory adjustments continue to be challenges that we may encounter. In view of these factors, we will remain prudent and cautious in the management of our business.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for 1Q2014.

13. Interested person transactions

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial year under review (excluding transactions below \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) S\$	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below \$100,000) S\$
ASTI Holdings Limited	Nil	835,000*

* Relates to trade sales to a subsidiary of ASTI Holdings Limited.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable to quarterly announcement.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable to quarterly announcement.

16. A breakdown of sales

Not applicable to quarterly announcement.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable to quarterly announcement.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Not applicable to quarterly announcement.



19. Negative Confirmation by the Board pursuant to Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the financial period ended 31 March 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee
Executive Chairman
15 May 2014