ADVANCED SYSTEMS AUTOMATION LIMITED

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

Results for the Financial Year Ended 31 December 2017

Unaudited Financial Statements and Dividend Announcement

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor 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.

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ADVANCED SYSTEMS AUTOMATION LIMITED

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Results for the Financial Year Ended 31 December 2017
Unaudited Financial Statements and Dividend Announcement

The Board of Directors of the Company announces the unaudited financial results of the Group and the Company for the financial year ended 31 December 2017.

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 Fourth Quarter Ended			Group Full Year Ended		
	31/12/2017 S$'000	31/12/2016 S$'000	Change %	31/12/2017 S$'000	31/12/2016 S$'000	Change %
Revenue	8,574	7,806	10	31,267	26,558	18
Costs of sales	(6,864)	(6,053)	13	(24,164)	(20,646)	17
Gross profit	**1,710**	**1,753**	(2)	**7,103**	**5,912**	20
Selling and marketing costs	(730)	(515)	42	(2,606)	(2,031)	28
Research and development costs	(171)	(182)	(6)	(721)	(720)	NM
General and administrative costs	(2,551)	(1,583)	61	(7,438)	(5,714)	30
Other expenses	(1,071)	(23)	NM	(1,071)	(23)	NM
Foreign exchange (loss)/gain	(3)	69	NM	(223)	166	NM
Total operating costs	(4,526)	(2,234)	103	(12,059)	(8,322)	45
Operating loss before finance costs	**(2,816)**	**(481)**	NM	**(4,956)**	**(2,410)**	106
Finance costs, net	(35)	(121)	(71)	(387)	(412)	(6)
Loss before taxation	**(2,851)**	**(602)**	NM	**(5,343)**	**(2,822)**	89
Income tax credit/(expense)	6	(72)	NM	(267)	8	NM
Net loss for the period/year	**(2,845)**	**(674)**	NM	**(5,610)**	**(2,814)**	99
Attributable to:						
Owners of the Company	(2,836)	(639)	NM	(5,529)	(2,750)	101
Non-controlling interests	(9)	(35)	(74)	(81)	(64)	27
Net loss for the period/year	**(2,845)**	**(674)**	NM	**(5,610)**	**(2,814)**	99

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

	Group Fourth Quarter Ended			Group Full Year Ended		
	31/12/2017 S$'000	31/12/2016 S$'000	Change %	31/12/2017 S$'000	31/12/2016 S$'000	Change %
Net loss for the period/year is derived after crediting/(charging) the following:						
- Interest income	7	2	NM	22	11	100
- Interest expense	(38)	(118)	(68)	(392)	(406)	(3)
- Depreciation of property, plant and equipment	(165)	(105)	57	(606)	(456)	33
- Amortisation of intangible assets	-	-	NM	-	(15)	NM
- Property, plant and equipment written off	(407)	(1)	NM	(408)	(2)	NM
- Gain/(loss) on disposal of property, plant and equipment	20	(1)	NM	146	411	(64)
- Allowance for trade receivables	(339)	(19)	NM	(339)	-	NM
- Allowance for other receivables	-	-	NM	(65)	-	NM
- Write-back of allowance for/(allowance for) stock obsolescence, net	93	(34)	NM	226	(195)	NM
- Reversal of write-down/(write-down) of inventories	3	(1)	NM	3	7	(57)
- (Provision)/reversal of provision for warranty	(231)	66	NM	(420)	53	NM
- (Under provision)/over provision of income tax in respect of prior years	-	(1)	NM	-	118	NM
Other expenses:						
- Impairment loss on property, plant and equipment	(1,071)	(23)	NM	(1,071)	(23)	NM

Consolidated Statement of Comprehensive Income

	Group Fourth Quarter Ended			Group Full Year Ended		
	31/12/2017 S$'000	31/12/2016 S$'000	Change %	31/12/2017 S$'000	31/12/2016 S$'000	Change %
Net loss for the period/year	(2,845)	(674)	NM	(5,610)	(2,814)	99
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	(50)	147	NM	(121)	(146)	(17)
Total comprehensive loss for the period/year	(2,895)	(527)	NM	(5,731)	(2,960)	94
Attributable to:						
Owners of the Company	(2,870)	(510)	NM	(5,634)	(2,909)	94
Non-controlling interests	(25)	(17)	47	(97)	(51)	90
Total comprehensive loss for the period/year	(2,895)	(527)	NM	(5,731)	(2,960)	94

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

	Group		Company	
	31/12/2017 S$'000	31/12/2016 S$'000	31/12/2017 S$'000	31/12/2016 S$'000
ASSETS				
Non-current assets				
Intangible assets	64	45	64	45
Property, plant and equipment	2,014	1,851	-	-
Investments in subsidiaries	-	-	4,699	10,522
Deferred tax assets	53	81	-	-
Total non-current assets	2,131	1,977	4,763	10,567
Current assets				
Inventories	3,486	2,505	-	-
Trade receivables	8,953	8,713	-	-
Prepayments and advances	357	568	7	6
Other receivables	493	483	1	2
Amounts due from subsidiaries	-	-	3,484	5,622
Amounts due from related companies	-	624	-	-
Amounts due from related parties	537	-	1	-
Cash and cash equivalents	4,799	2,716	61	29
Total current assets	18,625	15,609	3,554	5,659
TOTAL ASSETS	**20,756**	**17,586**	**8,317**	**16,226**
EQUITY AND LIABILITIES				
Current liabilities				
Payables and accruals	10,999	10,246	324	286
Income tax payable	64	29	-	-
Lease creditors	9	9	-	-
Amounts due to subsidiaries	-	-	1,364	1,302
Amounts due to related companies	-	242	-	36
Amounts due to related parties	4,839	-	3,932	-
Amounts due to holding company	-	5,027	-	4,964
Total current liabilities	15,911	15,553	5,620	6,588
NET CURRENT ASSETS/(LIABILITIES)	**2,714**	**56**	**(2,066)**	**(929)**
Non-current liabilities				
Amounts due to holding company	-	2,843	-	2,843
Total non-current liabilities	-	2,843	-	2,843
TOTAL LIABILITIES	**15,911**	**18,396**	**5,620**	**9,431**
NET ASSETS/(LIABILITIES)	**4,845**	**(810)**	**2,697**	**6,795**
Equity attributable to the owners of the Company				
Share capital	142,351	130,965	142,351	130,965
Reserves	(136,745)	(131,111)	(139,654)	(124,170)
	5,606	(146)	2,697	6,795
Non-controlling interests	(761)	(664)	-	-
TOTAL EQUITY	**4,845**	**(810)**	**2,697**	**6,795**
TOTAL EQUITY AND LIABILITIES	**20,756**	**17,586**	**8,317**	**16,226**

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

Amount repayable in one year or less, or on demand

As at 31/12/2017		As at 31/12/2016	
S$'000		S$'000	
Secured	Unsecured	Secured	Unsecured
9	5,208	9	6,101

Amount repayable after one year

As at 31/12/2017		As at 31/12/2016	
S$'000		S$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	2,843

Details of any collateral

The amount due to financial institutions of approximately S$9,000 (31 December 2016: approximately S$9,000) is secured on certain plant and machinery of a subsidiary.

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 Full Year Ended	
	31/12/2017 S$'000	31/12/2016 S$'000
OPERATING ACTIVITIES		
Loss before taxation	(5,343)	(2,822)
Adjustments for:		
Depreciation of property, plant and equipment	606	456
Amortisation of intangible assets	-	15
Property, plant and equipment written off	408	2
Gain on disposal of property, plant and equipment	(146)	(411)
Impairment loss on property, plant and equipment	1,071	23
Allowance for trade receivables	339	-
Allowance for other receivables	65	-
(Write-back of)/allowance for stock obsolescence, net	(226)	195
Provision for warranty	420	53
Interest income	(22)	(11)
Interest expense	392	406
Effect of unrealised exchange gain	(173)	(82)
Operating cash flows before changes in working capital	(2,609)	(2,176)
Changes in working capital		
Increase in inventories	(755)	(279)
Increase in receivables	(443)	(2,435)
(Increase)/decrease in amounts due from related companies	(111)	657
Decrease in amounts due from related parties	198	-
Increase in payables	747	2,794
Increase/(decrease) in amounts due to related companies	341	(53)
Decrease in amounts due to related parties	(456)	-
Increase/(decrease) in amounts due to holding company	502	(17)
Cash flows used in operations	(2,586)	(1,509)
Interest received	22	11
Interest paid	(366)	(382)
Income taxes paid	(203)	(316)
Net cash flows used in operating activities	(3,133)	(2,196)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,167)	(303)
Extension of club membership	(19)	-
Proceeds from disposal of leasehold land and building	-	1,934
Proceeds from disposal of property, plant and equipment	221	411
Net cash flows (used in)/generated from investing activities	(1,965)	2,042
FINANCING ACTIVITIES		
Payment to lease creditors	-	(187)
Repayment of bank borrowings	-	(915)
Other borrowings, net	(542)	555
Proceeds from Company's rights issue exercise	7,517	-
Rights issue expenses	(482)	-
Loans from related parties	1,065	
Loan repaid to holding company	(400)	
Loan from holding company	-	486
Net cash flows generated from/(used in) financing activities	7,158	(61)
Net increase/(decrease) in cash and cash equivalents	2,060	(215)
Cash and cash equivalents at beginning of year	2,716	2,990
Effect of exchange rate changes on cash and cash equivalents	23	(59)
Cash and cash equivalents at end of year	**4,799**	**2,716**

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

Consolidated Statement of Changes in Equity

Group	Attributable to owners of the Company						Non-controlling Interests	Equity Total
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger reserve	Premium paid on acquisition of non-controlling interests	Equity attributable to owners of the Company, Total		
		Distributable	Non-distributable					
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2017	**130,965**	**(129,244)**	**1,497**	**(2,136)**	**(1,228)**	**(146)**	**(664)**	**(810)**
Loss for the year	-	(5,529)	-	-	-	(5,529)	(81)	(5,610)
Other comprehensive income for the year								
- Foreign currency translation	-	-	(105)	-	-	(105)	(16)	(121)
Total comprehensive income for the year	-	(5,529)	(105)	-	-	(5,634)	(97)	(5,731)
Contributions by and distributions to equity holders								
- Issuance of shares pursuant to Rights Issue	11,868	-	-	-	-	11,868	-	11,868
- Share issuance expenses	(482)	-	-	-	-	(482)	-	(482)
Total transactions with equity holders in their capacity as equity holders	11,386	-	-	-	-	11,386	-	11,386
Balance at 31 December 2017	**142,351**	**(134,773)**	**1,392**	**(2,136)**	**(1,228)**	**5,606**	**(761)**	**4,845**

Group	Attributable to owners of the Company						Non-controlling Interests	Equity Total
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger reserve	Premium paid on acquisition of non-controlling interests	Equity attributable to owners of the Company, Total		
		Distributable	Non-distributable					
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2016	**130,965**	**(126,494)**	**1,656**	**(2,136)**	**(1,228)**	**2,763**	**(613)**	**2,150**
Loss for the year	-	(2,750)	-	-	-	(2,750)	(64)	(2,814)
Other comprehensive income for the year								
Foreign currency translation	-	-	(159)	-	-	(159)	13	(146)
Total comprehensive income for the year	-	(2,750)	(159)	-	-	(2,909)	(51)	(2,960)
Balance at 31 December 2016	**130,965**	**(129,244)**	**1,497**	**(2,136)**	**(1,228)**	**(146)**	**(664)**	**(810)**

Company	Share Capital	Accumulated Losses	Equity, Total
	S$'000	S$'000	S$'000
Balance at 1 January 2017	**130,965**	**(124,170)**	**6,795**
Loss for the year	-	(15,484)	(15,484)
Contributions by and distributions to equity holders			
- Issuance of shares pursuant to Rights Issue	11,868	-	11,868
- Share issuance expenses	(482)	-	(482)
Total transactions with equity holders in their capacity as equity holders	11,386	-	11,386
Balance at 31 December 2017	**142,351**	**(139,654)**	**2,697**
Balance at 1 January 2016	**130,965**	**(117,627)**	**13,338**
Loss for the year	-	(6,543)	(6,543)
Balance at 31 December 2016	**130,965**	**(124,170)**	**6,795**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company	
	Number of ordinary shares	Issued and paid-up share capital
		S$'000
Balances as at 31 December 2017 and 30 September 2017	15,824,126,058	142,351

The Company did not have any outstanding convertible securities or treasury shares or subsidiary holdings as at 31 December 2016 and 31 December 2017.

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 15,824,126,058 as at 31 December 2017 (31 December 2016: 2,637,354,343).

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

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

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

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**") and Interpretations of FRS that are effective from 1 January 2017, the accounting policies and methods of computation applied by the Group in the financial statements for the financial year ended 31 December 2017, are consistent with those of the audited financial statements for the financial year ended 31 December 2016.

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 and Interpretations of FRS is assessed to have no material impact to the financial position or financial performance of the Group for the financial year ended 31 December 2017.

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 Fourth Quarter Ended		Group Full Year Ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Loss per ordinary share for the period/year based on net loss attributable to owners of the Company:				
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.02)	(0.01)	(0.05)	(0.06)
Weighted average number of ordinary shares #	15,824,126,058	4,868,961,864	10,871,791,559	4,868,961,864
(b) On a fully diluted basis (cents)	(0.02)	(0.01)	(0.05)	(0.06)

The weighted average number of ordinary shares for both the current and prior periods/years had been restated for the effects of the rights issue that was completed on 14 June 2017.

The diluted loss per share is the same as the basic loss per share as there were no outstanding convertible securities or other dilutive equity instruments for both financial years ended 31 December 2017 and 31 December 2016.

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	
31/12/2017	31/12/2016	31/12/2017	31/12/2016
0.04	(0.01)	0.02	0.26

The net asset value per ordinary share as at 31 December 2017 was calculated based on the total number of issued shares (excluding treasury shares) of 15,824,126,058 (31 December 2016: 2,637,354,343).

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 the fourth quarter ended 31 December ("**4Q**") 2017 was 10% higher when compared to 4Q2016. Equipment business posted a revenue increase of 45% in 4Q2017 when compared to 4Q2016 due to increased customers' demands during the quarter. Equipment Contract Manufacturing Services ("**ECMS**") business recorded a decline in revenue of 3% in 4Q2017 when compared to 4Q2016.

The Group's revenue for the full year ended 31 December ("**FY**") 2017 was 18% higher when compared to FY2016. Equipment business posted an increase of 42% in revenue in FY2017 when compared to FY2016 due to increased customers' demands in 4Q2017. ECMS business recorded an increase in revenue of 10% in FY2017 when compared to FY2016 due to increases in customers' loadings.

Gross profit margin ("**GPM**") of the Group in 4Q2017 was 20%, representing a 2 percentage-points ("**ppt**") decrease compared to the GPM in 4Q2016 of 22%. GPM of the Equipment business in 4Q2017 was 26%, representing 33ppt decrease from the GPM in 4Q2016 of 59% due to a shift in sales mix during the quarter. GPM of the ECMS business in 4Q2017 was 17%, representing an increase of 7ppt compared to the 10% GPM in 4Q2016.

GPM of the Group in FY2017 was comparable to the GPM in FY2016. GPM of the Equipment business in FY2017 was 38%, which was 17ppt lower than the GPM in FY2016 of 55% due to a shift in sales mix during the year. GPM of the ECMS business in FY2017 was 16%, representing a 5ppt increase when compared to the GPM of 11% in FY2016, mainly due to higher sales in FY2017.

Selling and marketing ("**S&M**") costs in 4Q2017 and FY2017 were 42% and 28% higher when compared to 4Q2016 and FY2016 respectively. S&M costs incurred by the Equipment business in 4Q2017 and FY2017 were 117% and 62% higher when compared to 4Q2016 and FY2016 respectively, mainly due to higher warranty costs and sales support services incurred. S&M costs incurred by the ECMS business in 4Q2017 were 7% lower than in 4Q2016, while the costs in FY2017 were 10% higher than in FY2016. The S&M costs incurred were in line with the sales levels in 4Q2017 and FY2017.

Research and development ("**R&D**") costs in 4Q2017 were 6% lower when compared to the costs incurred in 4Q2016. The costs incurred in FY2017 and FY2016 were comparable.

In 4Q2017, FY2017 and FY2016, the write-downs and disposals of property, plant and equipment ("**PPE**") resulted in loss of S$0.4 million, loss of S$0.3 million and gain of S$0.4 million respectively. The allowance on trade receivables also resulted in losses of S$0.3 million in 4Q2017 and FY2017. All these losses and gain were accounted under the general and administrative ("**G&A**") costs. Excluding these losses and gain, the G&A costs in 4Q2017 and FY2017 were 17% and 12% higher when compared to the G&A costs incurred in 4Q2016 and FY2016 respectively. The higher costs were due to more consultancy fees incurred in 4Q2017 and FY2017.

Other expenses increased S$1.0 million in 4Q2017 and FY2017 compared to 4Q2016 and FY2016 respectively, due to higher amount of impairment in PPE after assessment.

The Group reported a foreign exchange loss of about S$3,000 in 4Q2017 compared to the foreign exchange gain of about S$69,000 in 4Q2016. The Group reported a foreign exchange loss of S$0.2 million in FY2017 compared to the foreign exchange gain of S$0.2 million in FY2016, mainly due to the fluctuation of the US Dollars against the Singapore Dollar and Chinese Renminbi.

Finance costs incurred in 4Q2017 and FY2017 were lower by 71% and 6% when compared to 4Q2016 and FY2016 respectively, mainly due to reduced interest payments to holding company and external parties.

Depreciation of PPE was higher by 57% and 33% in 4Q2017 and FY2017 when compared to 4Q2016 and FY2016 due to the additional PPE purchased in 2017.

There was no amortisation of intangible assets in 4Q2017 and FY2017 as the intangible assets had been fully amortised in 2016.

The efficient utilisation of some aged inventories enabled the Group to make a net reversal of allowance for stock obsolescence of S$0.1 million and S$0.2 million in 4Q2017 and FY2017 respectively.

As a result of the above, the Group reported a net loss attributable to owners of the Company of S$2.8 million in 4Q2017 when compared to the net loss of S$0.6 million in 4Q2016. Net loss attributable to owners of the Company was S$5.5 million in FY2017 as compared to net loss of S$2.8 million in FY2016.

Balance Sheet

The intangible assets increased by approximately S$19,000 from approximately S$45,000 as at 31 December 2016 to approximately S$64,000 as at 31 December 2017 due to payment made to extend an existing club membership. Club membership is not subjected to amortisation.

The PPE increased by S$0.1 million from S$1.9 million as at 31 December 2016 to S$2.0 million as at 31 December 2017. The purchases of machineries were offset by the depreciation, impairment and write-downs of PPE during the year.

Inventories increased by S$1.0 million, from S$2.5 million as at 31 December 2016 to S$3.5 million as at 31 December 2017, mainly due to increased work-in-progress inventories.

Trade receivables increased by S$0.2 million, from S$8.7 million as at 31 December 2016 to S$8.9 million as at 31 December 2017.

Prepayments and advances decreased by S$0.2 million, from S$0.6 million as at 31 December 2016 to S$0.4 million as at 31 December 2017 due to lower advances to the vendors.

With the completion of the right issues by the Company in June 2017, ASTI Holdings Limited ("**ASTI**") ceased to be the holding company of the Company. Amounts due from ASTI and its subsidiaries ("**ASTI Group**") had been termed as amounts due from related parties. Amounts due from related parties comprised mainly of receivables from sales to a related party.

As at 31 December 2017, the amounts due to related parties were $4.8 million. There were advances of $0.7 million from the related parties during the year.

Amounts due to holding company (current and non-current), decreased by S$7.9 million from 31 December 2016 to 31 December 2017. The decrease was partly due to ASTI's payment for its subscription of the Company's rights issue, which amounted to S$4.4 million by means of an offset against the amounts owing from the Group. As at 31 December 2017, the balances owing to ASTI had been included as amounts due to related parties.

Payables and accruals increased by S$0.8 million, from S$10.2 million as at 31 December 2016 to S$11.0 million as at 31 December 2017, mainly due to higher inventory purchases and extended repayment period.

As at 31 December 2017, the Group had net current assets of S$2.7 million and net assets of S$4.8 million.

Cash Flows

Cash flows used in operating activities of S$3.1 million comprised of cash flows used in the Group's operations in FY2017 of S$2.6 million and net amounts paid for interests and taxes of S$0.5 million. Cash flows used in investing activities amounted to S$2.0 million, which was mainly utilised for the net purchase of new PPE. Cash flows generated from financing activities amounted to S$7.2 million, mainly due to the net proceeds of S$7.0 million from the Rights Issue, net loans of $0.7 million from the related parties and the repayment of S$0.5 million in other borrowings.

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

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

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

The revenue improved in 4Q2017 amid a challenging operating environment. The first quarter of 2018 ("**1Q2018**") will see lower activities due to the festive period in Asia. Correspondingly, the performance of the Group in 1Q2018 will reflect the softer market demand.

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, and 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 4Q2017.

13. Interested person transactions

The Group has an existing general mandate from shareholders for interested person transactions which was last renewed at the annual general meeting of the Company on 29 April 2017.

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial period under review (excluding transactions below S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) S$	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S$100,000) S$
ASTI Holdings Limited and its subsidiary companies	Nil	1,076,000*

* Related to trade sales to a subsidiary of ASTI.

14. Use of proceeds arising from rights issue

The Company completed the Rights Issue on 14 June 2017 and raised S$11,868,095, of which S$4,350,594 was set-off against the amounts owing to ASTI.

As at 31 December 2017, the utilisation of the cash proceeds of approximately S$7,517,000 were as follow:-

	Amount allocated S$'000	Amount utilised S$'000	Amount unutilised S$'000
General working capital	6,025	(5,327)	698
Acquisition of property, plant and equipment	976	(924)	52
Payment for expenses incurred in connection with the Rights Issue	516	(516)	-
Total	**7,517**	**(6,767)**	**750**

Breakdown of general working capital usage	**S$'000**
Payments to trade creditors	4,034
Payroll costs	634
Consultancy fees	220
Utility expenses	66
Travelling expenses	158
Directors' fees	132
Others	83
Total	**5,327**

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

15. Segmented revenue and results for operating 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

Business segment	Equipment		ECMS		Adjustment and elimination		Consolidated	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Sales to external customers	9,411	6,650	21,856	19,908	-	-	31,267	26,558
Inter-segment sales[1]	-	-	31	213	(31)	(213)	-	-
Total revenue	9,411	6,650	21,887	20,121	(31)	(213)	31,267	26,558
EBITDA[2]	(2,472)	(1,227)	(1,895)	(731)	-	2	(4,367)	(1,956)
Depreciation	(34)	(38)	(572)	(418)	-	-	(606)	(456)
Amortisation	-	-	-	(15)	-	-	-	(15)
Interest expense	(240)	(303)	(236)	(114)	84	11	(392)	(406)
Interest income	43	11	63	11	(84)	(11)	22	11
Loss before income tax	(2,703)	(1,557)	(2,640)	(1,267)	-	2	(5,343)	(2,822)
Income tax (expense)/credit	(5)	(8)	(262)	16	-	-	(267)	8
Segment results	(2,708)	(1,565)	(2,902)	(1,251)	-	2	(5,610)	(2,814)
Other information:								
Segment assets	5,094	3,200	15,662	14,386	-	-	20,756	17,586
Segment liabilities	(6,978)	(9,990)	(8,933)	(8,406)	-	-	(15,911)	(18,396)
Additions to non-current assets[3]	38	17	2,257	286	-	-	2,295	303

(1) Inter-segment revenues are eliminated on consolidation.

(2) Elimination of unrealised gains and losses arising from inter-segment transactions.

(3) Additions to non-current assets consist of additions to property, plant and equipment.

The following table presents revenue and non-current assets information regarding the Group's geographical segments for the years ended 31 December 2017 and 31 December 2016.

Geographical segment	Revenues		Non-current assets	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
China	12,093	9,128	-	525
South East Asia	10,826	12,100	2,078	1,371
America	1,844	2,341	-	-
Europe	6,026	2,253	-	-
Others	478	736	-	-
Total	**31,267**	**26,558**	**2,078**	**1,896**

Non-current assets information presented above consist of intangibles assets and property, plant and equipment.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to note 8 above.

17. A breakdown of sales

Group	FY2017 S$'000 Group	FY2016 S$'000 Group	Increase/ (decrease) S$'000 Group
(a) Sales reported for first six months	12,070	11,607	463
(b) Sales reported for subsequent six months	19,197	14,951	4,246
(c) Net loss after tax before deducting minority interests reported for first six months	(2,908)	(1,520)	(1,388)
(d) Net loss after tax before deducting minority interests reported for subsequent six months	(2,702)	(1,294)	(1,408)

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

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer of 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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Loh Choon Piew	57	Nephew of Executive Chairman, Dato' Loh Soon Gnee	Microfits Pte Ltd Vice President, Operations (since Dec 2014) Duties: Oversees the business operations of the Equipment Contract Manufacturing Services division	No change

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dato' Loh Choon Khiang	55	Nephew of Executive Chairman, Dato' Loh Soon Gnee	Microfits Pte Ltd Vice President, Business Development (since Dec 2014) Duties: In charge of business development of the Equipment Contract Manufacturing Services division	No change

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

Not applicable to full year announcement.

21. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

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).

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee
Executive Chairman and CEO

1 March 2018