ADVANCED INTEGRATED MANUFACTURING CORP. LTD.

Registration No: 200405216C

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2015

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.

INCOME STATEMENT

	Group			Group		
	3Q FY2015 US$'000	3Q FY2014 US$'000	Increase/ (Decrease) %	9 months ended 30-Sep-2015 US$'000	9 months ended 30-Sep-2014 US$'000	Increase/ (Decrease) %
Revenue	18,021	19,340	-6.8%	57,284	54,996	4.2%
Cost of sales	(16,029)	(16,490)	-2.8%	(49,937)	(47,128)	6.0%
Gross profit	1,992	2,850	-30.1%	7,347	7,868	-6.6%
Other revenue	36	46	-21.7%	179	205	-12.7%
Marketing and distribution	(22)	(29)	-24.1%	(67)	(94)	-28.7%
Administrative expenses	(1,770)	(1,889)	-6.3%	(5,478)	(5,614)	-2.4%
Other expenses	(207)	69	N/M	(221)	-	N/M
Finance cost	(171)	(219)	-21.9%	(603)	(517)	16.6%
(Loss)/Profit before tax	(142)	828	N/M	1,157	1,848	-37.4%
Income tax (expenses)/credit	(275)	58	N/M	(618)	(290)	113.1%
(Loss)/Profit after tax attributable to owners of the Company	(417)	886	N/M	539	1,558	-65.4%

STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3Q FY2015 US$'000	3Q FY2014 US$'000	Increase/ (Decrease) %	9 months ended 30-Sep-2015 US$'000	9 months ended 30-Sep-2014 US$'000	Increase/ (Decrease) %
(Loss)/Profit for the period	(417)	886	N/M	539	1,558	-65.4%
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	6	(135)	N/M	(36)	(6)	500.0%
Net loss on fair value changes of available-for-sale financial assets	-	(6)	N/M	(59)	83	N/M
Total comprehensive income for the period attributable to owners of the Company	(411)	745	N/M	444	1,635	-72.8%

1 (a) (ii) NOTES TO INCOME STATEMENT

(Loss)/Profit before tax is arrived at after (charging) / crediting:

	Group			Group		
	3Q FY2015 US$'000	3Q FY2014 US$'000	Increase/ (Decrease) %	9 months ended 30-Sep-2015 US$'000	9 months ended 30-Sep-2014 US$'000	Increase/ (Decrease) %
Depreciation of property, plant and equipment	(312)	(329)	-5.2%	(951)	(958)	-0.7%
Property, plant and equipment written off	-	-	N/M	-	(12)	N/M
Gain on disposal of available-for-sale financial assets	(6)	-	N/M	86	-	N/M
Gain on disposal of property, plant and equipment	16	-	N/M	26	80	-67.5%
Net foreign exchange (loss) / gain	(207)	84	N/M	(221)	15	N/M
Interest income	2	1	100.0%	9	3	200.0%
Interest expense	(156)	(202)	-22.8%	(557)	(460)	21.1%
Inventory written off	-	-	N/M	(12)	(1)	1100.0%
Post employment benefit liabilities	5	(15)	N/M	(60)	(79)	-24.1%

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.

STATEMENT OF FINANCIAL POSITION	Group			Company		
	As at 30-Sep-15	As at 31-Dec-14	Increase/ (Decrease)	As at 30-Sep-15	As at 31-Dec-14	Increase/ (Decrease)
	US$'000	US$'000	%	US$'000	US$'000	%
ASSETS						
Non-current assets						
Property, plant and equipment	7,303	8,048	-9.3%	33	40	-17.5%
Investment in subsidiary companies	-	-	N/M	29,394	29,394	0.0%
Investment properties	5,431	6,980	-22.2%	-	-	N/M
Intangible assets	1,832	1,832	0.0%	-	-	N/M
Available-for-sale financial assets	-	127	N/M	-	-	N/M
Deferred tax assets	307	303	1.3%	-	-	N/M
Total non-current assets	14,873	17,290	-14.0%	29,427	29,434	0.0%
Current assets						
Inventories	24,495	25,868	-5.3%	-	-	N/M
Trade and other receivables	15,627	16,026	-2.5%	4,526	4,476	1.1%
Prepaid operating expenses	295	175	68.6%	34	8	325.0%
Cash and cash equivalents	4,581	5,832	-21.5%	142	158	-10.1%
Total current assets	44,998	47,901	-6.1%	4,702	4,642	1.3%
TOTAL ASSETS	59,871	65,191	-8.2%	34,129	34,076	0.2%
EQUITY AND LIABILITIES						
Equity						
Share capital	28,739	28,739	0.0%	28,739	28,739	0.0%
Treasury shares	(345)	(345)	0.0%	(345)	(345)	0.0%
Retained earnings	7,203	7,808	-7.7%	94	1,319	-92.9%
Other reserves	(4,868)	(4,773)	2.0%	(574)	(574)	0.0%
Total equity	30,729	31,429	-2.2%	27,914	29,139	-4.2%
Non-current liabilities						
Deferred tax liabilities	95	93	2.2%	7	7	0.0%
Loans and borrowings	5,232	7,903	-33.8%	-	-	N/M
Employment benefits	963	903	6.6%	-	-	N/M
Total non-current liabilities	6,290	8,899	-29.3%	7	7	0.0%
Current liabilities						
Trade and other payables	7,399	11,305	-34.6%	5,375	4,766	12.8%
Accrued operating expenses	963	1,092	-11.8%	114	164	-30.5%
Amount due to related parties	746	-	N/M	719	-	N/M
Loans and borrowings	13,166	11,922	10.4%	-	-	N/M
Income tax payables	578	544	6.3%	-	-	N/M
Total current liabilities	22,852	24,863	-8.1%	6,208	4,930	25.9%
TOTAL EQUITY AND LIABILITIES	59,871	65,191	-8.2%	34,129	34,076	0.2%

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

	Group	
	As at 30-Sep-15	As at 31-Dec-14
	US$'000	US$'000
SECURED		
Amount repayable within 1 year or less, or on demand	13,167	11,922
Amount repayable after 1 year	5,232	7,903
UNSECURED		
Amount repayable within 1 year or less, or on demand	-	-
Amount repayable after 1 year	-	-

Details of any collaterals

Mortgage loans are secured against freehold land, freehold properties and leasehold properties.
Finance lease obligations are secured against the assets purchased.
Borrowings are secured by corporate guarantees from the Company and/or a debenture over the assets 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		Group	
	3Q FY2015	3Q FY2014	9 months ended 30-Sep-2015	9 months ended 30-Sep-2014
	US$'000	US$'000	US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(142)	828	1,157	1,848
Adjustments for:				
Post employment benefit liabilities	(76)	15	(11)	79
Depreciation of property, plant and equipment	308	329	947	958
Exchange differences	127	(193)	42	(50)
Property, plant and equipment written off	-	-	-	12
Gain on disposal of available-for-sale investments	6	-	(86)	-
Interest expense	156	202	557	460
Interest income	(2)	(1)	(9)	(3)
Inventory written off	-	-	12	1
Gain on disposal of property, plant and equipment	(16)	-	(26)	(80)
Fair value gain on derivatives	-	-	-	(18)
Operating profit before working capital changes	361	1,180	2,583	3,207
In inventories	1,502	(466)	1,361	325
In trade and other receivables	2,069	651	399	(861)
In deposits and prepayment	-	16	(120)	(49)
In trade and other payables	(1,737)	1,000	(3,906)	(320)
In accruals	(37)	93	(129)	57
In amount due to / from related parties	20	6	27	6
	1,817	1,300	(2,368)	(842)
CASH GENERATED FROM / (USED IN) FROM OPERATIONS	2,178	2,480	215	2,365
Net Income tax (paid) / refund	(229)	(163)	(584)	(90)
Interest paid	(156)	(202)	(557)	(460)
Interest received	2	1	9	3
Net cash generated from / (used in) operating activities	1,795	2,116	(917)	1,818
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of available-for-sale investments	154	-	154	-
Acquisition of investment property	-	(1,041)	-	(7,510)
Proceeds from disposal of property, plant and equipment	67	134	155	134
Purchase of property, plant and equipment	(19)	(142)	(312)	(238)
Net cash used in investing activities	202	(1,049)	(3)	(7,614)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of trade financing	(19,038)	(16,933)	(53,746)	(47,509)
Proceeds from trade financing	18,451	17,137	55,302	49,465
Repayment of term loan	(304)	(302)	(1,047)	(695)
Repayment of obligation under finance lease	(118)	(95)	(415)	(282)
Proceeds from short term loan from related party	(42)	-	719	3,645
Dividends paid	-	-	(1,144)	(836)
Net cash generated from / (used in) financing activities	(1,051)	3,482	(331)	7,463
NET INCREASE IN CASH AND CASH EQUIVALENTS	946	4,549	(1,251)	1,667
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,635	2,829	5,832	5,711
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,581	7,378	4,581	7,378

Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

Bank balances, fixed deposits and cash	4,581	7,378	4,581	7,378
	4,581	7,378	4,581	7,378

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity for the Group

Group	Share capital	Treasury shares	Capital reserves	Retained earnings	Fair value reserves	Foreign currency translation reserves	Employee benefits plan reserve	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 01-Jan-2015	28,739	(345)	(524)	7,808	59	(4,154)	(154)	31,429
Total comprehensive income for the period	-	-	-	692	(55)	(96)	-	541
Dividend paid	-	-	-	-	-	-	-	-
Balance at 31-Mar-2015	28,739	(345)	(524)	8,500	4	(4,250)	(154)	31,970
Total comprehensive income for the period	-	-	-	264	(4)	54	-	314
Dividend paid	-	-	-	(1,144)	-	-	-	(1,144)
Balance at 30-Jun-2015	28,739	(345)	(524)	7,620	-	(4,196)	(154)	31,140
Total comprehensive income for the period	-	-	-	(417)	-	6	-	(411)
Dividend paid	-	-	-	-	-	-	-	-
Balance at 30-Sep-2015	28,739	(345)	(524)	7,203	-	(4,190)	(154)	30,729
Balance at 01-Jan-2014	28,739	(345)	(524)	6,124	252	(4,081)	(125)	30,040
Total comprehensive income for the period	-	-	-	155	(14)	11	-	152
Dividend paid	-	-	-	-	-	-	-	-
Balance at 31-Mar-2014	28,739	(345)	(524)	6,279	238	(4,070)	(125)	30,192
Total comprehensive income for the period	-	-	-	517	103	118	-	738
Dividend paid	-	-	-	(836)	-	-	-	(836)
Balance at 30-Jun-2014	28,739	(345)	(524)	5,960	341	(3,952)	(125)	30,094
Total comprehensive income for the period	-	-	-	886	(6)	(135)	-	745
Dividend paid	-	-	-	-	-	-	-	-
Balance at 30-Sep-2014	28,739	(345)	(524)	6,846	335	(4,087)	(125)	30,839

Statement of changes in equity for the Company

Company	Share Capital	Treasury Shares	Capital Reserves	Retained earnings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 01-Jan-2015	28,739	(345)	(574)	1,319	29,139
Total comprehensive income for the period	-	-	-	(64)	(64)
Balance at 31-Mar-2015	28,739	(345)	(574)	1,255	29,075
Total comprehensive income for the period	-	-	-	(102)	(102)
Dividend paid	-	-	-	(1,144)	(1,144)
Balance at 30-Jun-2015	28,739	(345)	(574)	9	27,829
Total comprehensive income for the period	-	-	-	85	85
Dividend paid	-	-	-	-	-
Balance at 30-Sep-2015	28,739	(345)	(574)	94	27,914
Balance at 01-Jan-2014	28,739	(345)	(574)	1,618	29,438
Total comprehensive income for the period	-	-	-	(43)	(43)
Balance at 31-Mar-2014	28,739	(345)	(574)	1,575	29,395
Total comprehensive income for the period	-	-	-	(143)	(143)
Dividend paid	-	-	-	(836)	(836)
Balance at 30-Jun-2014	28,739	(345)	(574)	596	28,416
Total comprehensive income for the period	-	-	-	(49)	(49)
Dividend paid	-	-	-	-	-
Balance at 30-Sep-2014	28,739	(345)	(574)	547	28,367

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 for 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.

There was a share consolidation exercise, consolidating every 5 existing issued ordinary shares into 1 ordinary share in the capital of the company. Subsequent to the EGM approval on 30 April 2015, the share consolidation exercise was completed on 22 May 2015.

Share capital	**No of shares**	**Amount**
	'000	US$'000
Balance as at 01-Jan-2015 and 31-Mar-2015	658,990	28,739
Share consolidation exercise	(527,192)	-
Balance as at 30-Jun-2015 and 30-Sep-2015	131,798	28,739

Treasury shares	**No of shares**	**Amount**
	'000	US$'000
Balance as at 01-Jan-2015 and 31-Mar-2015	2,621	345
Share consolidation exercise	(2,097)	-
Balance as at 30-Jun-2015 and 30-Sep-2015	524	345

There was no purchase of ordinary shares to be held as treasury shares for 3Q FY2015 (3Q FY2014: NIL).

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 financial year.

	As at 30-Sep-15	**As at 31-Dec-14**
	'000	'000
Total number of issued shares	131,798	658,990
Total number of treasury shares	(524)	(2,621)
Total number of issued shares excluding treasury shares	131,274	656,369

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

Please refer to 1(d)(ii)

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

This consolidated financial information has not been audited nor reviewed by the external 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.

The Group and Company have applied the same accounting policies and methods of computations in the financial statements for the current financial year and is consistent with those of the most recent audited financial statements for the financial year ended 31 December 2014 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2015. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial year ended 31 December 2015.

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 Group and the Company have adopted the new and revised Financial Reporting Standards (FRS) which are effective for its financial year beginning 1 January 2015. These changes in accounting policies are assessed to have no material impact to the current or prior results of the Group and of the Company.

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; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group		**Group**	
			9 months ended	9 months ended
	3Q FY2015	3Q FY2014	30-Sep-2015	30-Sep-2014
Earnings per share (US cents)	(0.32)	0.67	0.41	1.19

Note: Earnings per share for the periods have been computed based on the revised number of shares of 131,273,855 shares as a result of the Share Consolidation. For comparison, earning per share for the corresponding periods last year have been re-computed based on the revised number of shares of 131,273,855 shares.

7. Net asset value (for the Issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year of the Group and Company.

	Group		**Company**	
	As at	As at	As at	As at
	30-Sep-15	31-Dec-14	30-Sep-15	31-Dec-14
Net assets value per ordinary share (US cents)	23.41	23.94	21.26	22.20

Note: The net assets value per ordinary share have been computed based on the revised number of shares of 131,273,855 excluding treasury shares as a result of the Share Consolidation. For comparison, net assets value per share for the corresponding periods last year have been re-computed based on the revised number of shares of 131,273,855 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) 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; and

(b) any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF PERFORMANCE

a) Income Statement

3Q FY2015 sales decreased by 6.8% to US$18m as compared to 3Q FY2014 sales of US$19.3m. Gross profit decreased from US$2.8m in 3Q FY2014 to US$2m in 3Q FY2015. Gross margin decreased from 14.7% in 3Q FY2014 to 11.1% in 3Q FY2015 due to lower sales and product mix.
Administrative expenses decreased by 6.3% in 3Q FY2015 as compared to 3Q FY2014. Finance cost decreased by 21.9% from US$0.22m in 3Q FY2014 to US$0.17m in 3Q FY2015 due to the translation differences as interest expenses are mainly in Malaysian Ringgit. Other expenses of US$0.21m mainly due to unrealized foreign currency loss for loans to a subsidiary in Malaysia.
Loss before tax of US$0.28m in 3Q FY2015 mainly due to lower sales and gross profit margin as compared to 3Q FY2014. Income tax expenses mainly due to under provision for prior year taxation.

b) Balance Sheet

During 3Q FY2015, the value of our investment properties in Malaysia reduced by 22.2% or US$1.5m from 4Q FY2014. This is mainly due to the translation of Malaysian Ringgit into USD as the Malaysian Ringgit had weakened against USD during the period. Available-for-sale financial assets was disposed off during the financial period at a net gain of US$86k.
Trade and other payables decreased by US$3.9m from US$11.3m as at 4Q FY2014 to US$7.4m as at 3Q FY2015.

c) Cash flow statement

During 3Q FY2015, the net cash generated from operating activities was US$1.8m compared to net cash generated of US$2.1m for 3Q FY2014.
Net cash of US$0.2m generated from investing activities was for proceed from disposal of fixed asset and investment available for sales after deducting capital expenditure.
Net cash of US$1.1m used in financing activities during 3Q FY2015 was mainly due to repayment of trade financing and term loans.
Cash on hand was lower at US$4.6m as at 3Q FY2015 compared to US$7.4m as at 3Q FY2014.

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 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 report period and the next 12 months.

The avionics industry which the Group operates will continue to be challenging in the next 12 months. However, the Board remains cautiously optimistic about the Group's prospects in 2016.

11. If a decision regarding dividend has been made.

(a) Current Financial Period Reported On

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Nil

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

No dividend has been declared or recommended for the third quarter ended 30 September 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions under Rule 920.

14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

Pursuant to Rule 705(5) of the SGX-ST Listing Manual, we, Dr Tan Kim Yong and Tan Gim Seng, being Directors of Advanced Integrated Manufacturing Corp. Ltd. ("the Company") do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has came to the attention of the Board of Directors of the Company which may render the Group's unaudited financial statements for the third quarter ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Dr Tan Kim Yong
Group Chairman and CEO

Tan Gim Seng
Executive Director

BY ORDER OF THE BOARD
Ong Beng Hong
Company Secretary
11 November 2015