



Company No. 198600740M

**ADVANCED SYSTEMS AUTOMATION LIMITED  
AND ITS SUBSIDIARIES**

**Condensed Financial Statements  
For the Six Months Ended 30 June 2023**

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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 COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Group		change %
		6 months ended		
		30 Jun 23 S\$'000	30 Jun 22 S\$'000	
<b>Revenue</b>	5	<b>5,825</b>	8,981	(35)
Cost of sales		<b>(4,338)</b>	(5,978)	(27)
<b>Gross profit</b>		<b>1,487</b>	3,003	(50)
<b>Other income</b>		<b>20</b>	46	(57)
<b>Other expenses</b>				
Selling and marketing costs		<b>(361)</b>	(423)	(15)
General and administrative costs		<b>(1,898)</b>	(1,919)	(1)
Other expenses, net		<b>98</b>	106	(8)
Finance costs, net		<b>(410)</b>	(188)	>100
<b>(Loss)/profit before tax</b>	6	<b>(1,064)</b>	625	NM
Income tax credits/(expense)	7	<b>16</b>	(310)	NM
<b>(Loss)/profit for the period</b>		<b>(1,048)</b>	315	NM
<b>Attributable to:</b>				
Owners of the Company		<b>(1,048)</b>	315	NM
<b>(Loss)/profit for the period</b>		<b>(1,048)</b>	315	NM
<b>(Loss)/Earning per share (cents per share)</b>				
Basic and diluted	8	<b>(0.005)</b>	0.001	

NM: Not meaningful

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Group		
	6 months ended		change %
	30 Jun 23 S\$'000	30 Jun 22 S\$'000	
<b>(Loss)/profit for the period</b>	<b>(1,048)</b>	315	NM
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation	<u>(393)</u>	<u>(232)</u>	69
<b>Total comprehensive income for the period</b>	<b><u>(1,441)</u></b>	<b><u>83</u></b>	NM
<b>Attributable to:</b>			
Owners of the Company	<u>(1,441)</u>	<u>83</u>	NM
<b>Total comprehensive income for the period</b>	<b><u>(1,441)</u></b>	<b><u>83</u></b>	NM

NM: Not meaningful

# CONDENSED BALANCE SHEETS

AS AT 30 JUNE 2023

	Note	Group		Company	
		30 Jun 23 S\$'000	31 Dec 22 S\$'000	30 Jun 23 S\$'000	31 Dec 22 S\$'000
<b>Non-Current Assets</b>					
Property, plant and equipment	9	6,267	6,936	-	-
Right-of-use assets		455	484	-	-
Intangible assets	10	2,016	2,131	-	-
Investment in subsidiaries	11	-	-	13,422	13,422
		<u>8,738</u>	<u>9,551</u>	<u>13,422</u>	<u>13,422</u>
<b>Current Assets</b>					
Inventories		856	1,010	-	-
Trade and other receivables		2,467	2,292	357	178
Prepayments and advances		400	172	25	13
Cash at bank and on hand		3,557	4,426	181	375
Tax recoverable		260	229	-	-
		<u>7,540</u>	<u>8,129</u>	<u>563</u>	<u>566</u>
<b>Current Liabilities</b>					
Other liabilities	12	1,563	1,518	628	532
Trade and other payables	13	6,644	6,147	7,136	6,530
Contract liabilities		167	122	-	-
Income tax payable		-	110	-	-
Lease liabilities		188	159	-	-
Bank overdraft	14	710	748	-	-
Loans and borrowings	14	749	839	-	-
		<u>10,021</u>	<u>9,643</u>	<u>7,764</u>	<u>7,062</u>
<b>Net Current Liabilities</b>		<b>(2,481)</b>	<b>(1,514)</b>	<b>(7,201)</b>	<b>(6,496)</b>
<b>Non-Current Liabilities</b>					
Trade and other payables	13	8,866	8,838	8,866	8,838
Lease liabilities		104	159	-	-
Loans and borrowings	14	1,071	1,354	-	-
Deferred tax liabilities		383	412	-	-
		<u>10,424</u>	<u>10,763</u>	<u>8,866</u>	<u>8,838</u>
<b>Net Liabilities</b>		<b>(4,167)</b>	<b>(2,726)</b>	<b>(2,645)</b>	<b>(1,912)</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	16	148,841	148,841	148,841	148,841
Foreign currency translation reserves	17	(937)	(544)	-	-
Merger reserves	17	(2,136)	(2,136)	-	-
Accumulated losses		(149,935)	(148,887)	(151,486)	(150,753)
<b>Total Equity</b>		<b>(4,167)</b>	<b>(2,726)</b>	<b>(2,645)</b>	<b>(1,912)</b>

## CONDENSED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Group	Attributable to equity holders of the Company					
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger reserve	Total reserves	Total equity
		(Distributable)	------(Non-distributable)-----			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2023</b>	<b>148,841</b>	<b>(148,887)</b>	<b>(544)</b>	<b>(2,136)</b>	<b>(2,680)</b>	<b>(2,726)</b>
Loss for the period	-	(1,048)	-	-	-	(1,048)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(393)	-	(393)	(393)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(1,048)</b>	<b>(393)</b>	<b>-</b>	<b>(393)</b>	<b>(1,441)</b>
<b>At 30 June 2023</b>	<b>148,841</b>	<b>(149,935)</b>	<b>(937)</b>	<b>(2,136)</b>	<b>(3,073)</b>	<b>(4,167)</b>
At 1 January 2022	148,841	(148,910)	(28)	(2,136)	(2,164)	(2,233)
Profit for the period	-	315	-	-	-	315
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(232)	-	(232)	(232)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>315</b>	<b>(232)</b>	<b>-</b>	<b>(232)</b>	<b>83</b>
<b>At 30 June 2022</b>	<b>148,841</b>	<b>(148,595)</b>	<b>(260)</b>	<b>(2,136)</b>	<b>(2,396)</b>	<b>(2,150)</b>

# CONDENSED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Company	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>At 1 January 2023</b>	148,841	(150,753)	(1,912)
Loss for the period	-	(733)	(733)
<b>Total comprehensive loss for the period</b>	-	(733)	(733)
<b>At 30 June 2023</b>	<b>148,841</b>	<b>(151,486)</b>	<b>(2,645)</b>
<b>At 1 January 2022</b>	148,841	(150,661)	(1,820)
Loss for the period	-	(363)	(363)
<b>Total comprehensive loss for the period</b>	-	(363)	(363)
<b>At 30 June 2022</b>	<b>148,841</b>	<b>(151,024)</b>	<b>(2,183)</b>

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Group	
	6 months ended	
	30 Jun 23	30 Jun 22
	S\$'000	S\$'000
<b>Operating activities</b>		
(Loss)/profit before tax	(1,064)	625
<u>Adjustments for:</u>		
Effect of unrealised exchange gain	(236)	(137)
Depreciation of property, plant and equipment	402	482
Depreciation of right-of-use assets	69	73
Gain on disposal of property, plant and equipment	(3)	-
Amortisation of intangible assets	115	115
Write-back of stock obsolescence	(2)	(10)
Interest income	(15)	(1)
Interest expenses	417	178
	<u>(317)</u>	<u>1,325</u>
<u>Changes in working capital</u>		
Decrease in inventories	116	110
(Increase)/decrease in trade and other receivables	(526)	947
Increase/(Decrease) in trade and other payables, contract liabilities and other liabilities	355	(574)
	<u>(372)</u>	<u>1,808</u>
<b>Cash flows (used in)/generated from operations</b>		
Interest received	15	1
Interest paid	(78)	(67)
Income tax paid	(153)	(213)
	<u>(588)</u>	<u>1,529</u>
<b>Net cash flows (used in)/generated from operating activities</b>		
<b>Investing activities</b>		
Purchase of property, plant and equipment	(84)	(159)
Proceeds from disposal of property, plant and equipment	21	-
	<u>(63)</u>	<u>(159)</u>
<b>Net cash flows used in investing activities</b>		
<b>Financing activities</b>		
Payment of principal portion of lease liabilities	(20)	(96)
Repayments of bank borrowings	(537)	(509)
Proceeds from bank borrowings	185	153
	<u>(372)</u>	<u>(452)</u>
<b>Net cash flows used in financing activities</b>		
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,023)	918
Effects of exchange rate changes on cash and cash equivalents	192	97
Cash and cash equivalents at beginning of the period	3,678	2,352
	<u>2,847</u>	<u>3,367</u>
<b>Cash and cash equivalents at end of the period</b>		
<b>Consolidated cash and bank balances represented by</b>		
Cash at bank and on hand	3,557	4,154
Bank overdraft	(710)	(787)
	<u>2,847</u>	<u>3,367</u>
<b>Cash and cash equivalents at end of the period</b>		

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 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 on 4 January 2010. These condensed consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The registered office of the Company and principal place of the business is located at 33 Ubi Avenue 3 #08-69, Vertex, Singapore 408868.

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 11.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The condensed financial statements for the six months ended 30 June 2023 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 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 of the Group since the last annual financial statements for the year ended 31 December 2022.

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

The condensed financial statements are presented in Singapore Dollars (SGD or S\$) 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 2023, the Group had net current liabilities of S\$2,481,000 (2022: S\$1,514,000) and the Group recorded a net loss of S\$1,048,000 (30 June 2022: net profit S\$315,000) for the period then ended.

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

In addition, the Group received continued support from the shareholders as disclosed below:

- (i) On 6 June 2023, the Group entered into a second addendum to loan agreement with its ultimate holding company to revise the loan repayment terms up to 6 years, with the first annual principal instalment due in July 2024. Interest accrued will be payable in the last instalment in July 2029.
- (ii) On 6 June 2023, the Group entered into a second settlement agreement with its shareholder to revise the loan repayment terms to 5 years, with the first annual principal instalment due in July 2024 up to July 2028.
- (iii) Letter of undertaking obtained from a key management personnel and shareholder not to demand repayment for the amount due to him of S\$1,597,000 (2022: S\$1,597,000) and to defer the payment of his salary for the next 12 months from the signing date of FY2022 financial statements (12 June 2023), if the Group’s and the Company’s financial situation does not allow for repayment.



# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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

### 2.1 Basis of preparation (Cont'd)

#### Going concern uncertainty (cont'd)

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 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. 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 previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are mandatorily effective for annual financial periods beginning on or after 1 January 2023. 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) 1-8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to SFRS(I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies

The Group has not early applied new and revised SFRSs that have been issued but not yet mandatorily effective for the year beginning 1 January 2023.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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

## 4. SEASONAL OPERATIONS

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 5. REVENUE

Group	Equipment Contract Manufacturing Services ("ECMS")	
	6 months ended	
	30 Jun 23 S\$'000	30 Jun 22 S\$'000
<b>Primary geographical markets</b>		
Asia	5,776	8,594
North America	38	27
Others	11	360
	<u>5,825</u>	<u>8,981</u>
<b>Timing of transfer of goods or services</b>		
At a point in time	<u>5,825</u>	<u>8,981</u>

## 6. (LOSS)/PROFIT BEFORE TAX

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

	Group	
	6 months ended	
	30 Jun 23 S\$'000	30 Jun 22 S\$'000
Depreciation of property, plant and equipment	(402)	(482)
Depreciation of right-of-use assets	(69)	(73)
Gain on disposal of property, plant and equipment	3	-
Amortisation of intangible assets	(115)	(115)
Interest expenses	(417)	(178)
Interest income	15	1
Write-back of stock obsolescence	2	10

## 7. INCOME TAX EXPENSE

	Group	
	6 months ended	
	30 Jun 23 S\$'000	30 Jun 22 S\$'000
Current income tax: -		
Current income tax	-	(338)
	-	(338)
Deferred income tax: -		
Origination and reversal of temporary difference	16	8
Over provision in respect of prior year	-	20
	<u>16</u>	<u>28</u>
<b>Income tax credit/(expense) recognised in profit and loss</b>	<u>16</u>	<u>(310)</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 8. (LOSS)/EARNING PER SHARE

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

Diluted loss/earning per share are calculated by dividing loss or profit 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/earning per share computation respectively.

The following tables reflect the income and share data used in the computation of basic and diluted loss/earning per share for the end of the period.

Group	30 Jun 23 S\$'000	30 Jun 22 S\$'000
(Loss)/profit for the period attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	<u>(1,048)</u>	<u>315</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share computation (no. of shares, in '000s)	<u>22,324,126</u>	<u>22,324,126</u>

## 9. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2023, the Group has an addition of property, plant and equipment of approximately S\$84,000 (30 June 2022: S\$159,000).

## 10. INTANGIBLE ASSETS

Group	Goodwill S\$'000	Customer relationships S\$'000	Total S\$'000
<b>Cost</b>			
At 1 January 2023, 30 June 2023	1,462	1,607	3,069
<b>Accumulated amortisation and impairment loss</b>			
At 1 January 2023	-	938	938
Charge for the period	-	115	115
At 30 June 2023	<u>-</u>	<u>1,053</u>	<u>1,053</u>
<b>Net carrying amount</b>			
At 31 December 2022	<u>1,462</u>	<u>669</u>	<u>2,131</u>
At 30 June 2023	<u>1,462</u>	<u>554</u>	<u>2,016</u>

### *Customer relationships*

Customer relationships have remaining amortisation period of 2 years (2022: 3 years). The amortisation of customer relationships is included in the "selling and marketing costs" line item in the consolidated income statement.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 11. INVESTMENTS IN SUBSIDIARIES

	Company	
	30 Jun 23 S\$'000	31 Dec 22 S\$'000
Unquoted shares, at cost	13,746	13,746
Impairment losses	(324)	(324)
	<b>13,422</b>	<b>13,422</b>

The Group has the following significant investment in subsidiaries: -

	Name of company (Principal place of business)	Principal activities	Proportion of ownership interest	
			30 Jun 23 %	31 Dec 22 %
<b>Held by the Company</b>				
2	Emerald Precision Engineering Sdn. Bhd. (Malaysia)	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	100	100
1	Pioneer Venture Pte Ltd (Singapore)	Contract manufacturing solutions of fabricated metal products	100	100
2	Yumei Technologies Sdn. Bhd. (Malaysia)	Manufacturing of die-casting products and plastic products	100	100
2	Yumei REIT Sdn. Bhd. (Malaysia)	Investment holdings	100	100

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

<sup>1</sup> Audited by Mazars LLP, Singapore.

<sup>2</sup> Audited by overseas member firm of Mazars LLP.

## 12. OTHER LIABILITIES

	Group		Company	
	30 Jun 23 S\$'000	31 Dec 22 S\$'000	30 Jun 23 S\$'000	31 Dec 22 S\$'000
Amounts due to directors	198	196	198	196
Accrued operating expenses	1,174	1,195	239	209
Accrued directors' fee	191	127	191	127
	<b>1,563</b>	<b>1,518</b>	<b>628</b>	<b>532</b>

### Amounts due to directors

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 13. TRADE AND OTHER PAYABLES

	Group		Company	
	30 Jun 23 S\$'000	31 Dec 22 S\$'000	30 Jun 23 S\$'000	31 Dec 22 S\$'000
<b>Trade and other payables:</b>				
<b>Current:</b>				
Trade payables	920	776	39	50
Other creditors	33	57	-	-
Deferred cash settlement	1,597	1,597	1,597	1,597
Loan from a shareholder	400	400	400	400
Amounts due to subsidiaries	-	-	1,409	1,166
Amount due to related party	-	298	-	298
Amount due to ultimate holding company	3,694	3,019	3,691	3,019
	<b>6,644</b>	<b>6,147</b>	<b>7,136</b>	<b>6,530</b>
<b>Non-current:</b>				
Loan from a shareholder	1,604	1,560	1,604	1,560
Amount due to related party	322	339	322	339
Amount due to ultimate holding company	6,940	6,939	6,940	6,939
	<b>8,866</b>	<b>8,838</b>	<b>8,866</b>	<b>8,838</b>
<b>Total trade and other payables</b>	<b>15,510</b>	<b>14,985</b>	<b>16,002</b>	<b>15,368</b>
<b>Add:</b>				
- Other liabilities (Note 12)	1,563	1,518	628	532
- Loans and borrowings (Note 14)	2,530	2,941	-	-
- Lease liabilities	292	318	-	-
<b>Total financial liabilities carried at amortised cost</b>	<b>19,895</b>	<b>19,762</b>	<b>16,630</b>	<b>15,900</b>

### Trade payables

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

### 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 (2022: S\$400,000) which bears floating interest rate ranging from 6.33% to 6.34% (2022: 1.99% to 4.63%) per annum, is repriced on a quarterly basis.

### Loan from a shareholder

Loan from a shareholder of the Company, is unsecured and interest free, except for the amount of S\$800,000 (2022: S\$800,000), which bears a fixed interest rate of 5% (2022: 5%) per annum and S\$997,000 (2022: S\$997,000) bears a fixed interest rate of 5% (2022: floating interest rate ranging from 1.99% to 4.63%) per annum. The loan is repayable on yearly instalment and mature in 2028.

### Amount due to related party

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

### Amount due to ultimate holding company

Amount due to ultimate holding company included an amount S\$1,240,000 (2022: S\$1,019,000) which are interest free and unsecured except for S\$9,394,000 (2022: S\$8,939,000), which bears floating interest rates ranging from 6.33% to 6.34% (2022: 1.99% to 4.63%) per annum, repriced on a quarterly basis. The amount due to ultimate holding company is repayable on yearly instalment and mature in 2029.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 13. TRADE AND OTHER PAYABLES (CONT'D)

### 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.

## 14. LOANS AND BORROWINGS

	Group		Company	
	30 Jun 23 S\$'000	31 Dec 22 S\$'000	30 Jun 23 S\$'000	31 Dec 22 S\$'000
<b>Current:</b>				
<u>Amount repayable within one year or on demand</u>				
Bank overdraft - secured	710	748	-	-
Trust receipts - secured	120	94	-	-
Secured loan	426	445	-	-
Unsecured loan	203	300	-	-
	<b>1,459</b>	<b>1,587</b>	-	-
<b>Non-current:</b>				
<u>Amount repayable after one year</u>				
Secured loan	775	506	-	-
Unsecured loan	296	848	-	-
	<b>1,071</b>	<b>1,354</b>	-	-
<b>Total financial liabilities carried at amortised cost</b>	<b>2,530</b>	<b>2,941</b>	-	-

### Bank overdraft

Bank overdraft is denominated in Malaysian Ringgit, bears floating interest rate at 0.50% (2022: 0.75%) above the bank's base lending rate ("BLR") from time to time and is secured over certain properties of the Group.

### 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% (2022: 7.76%) 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 4.51% (2022: 4.51%) 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% (2022: 3%) and matures in 2025. The loan includes corporate guarantee by holding company Advanced Systems Automation Ltd.
- (c) The term loan is repayable in monthly instalments, bears fixed interest rate at 2% over banks prevailing 1,3,6,9 or 12 months' Effective Cost of Funds on monthly rests and matures in 2023. The loan includes corporate guarantee by holding company Advanced Systems Automation Ltd and charge over freehold land and building of a subsidiary company.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 14. LOANS AND BORROWINGS (CONT'D)

### Unsecured loan

- (a) The term loan is repayable in monthly instalments, bears fixed interest rate at 2.50% (2022: 2.50%) and matures in 2025.
- (b) The term loan is repayable in monthly instalments, bears fixed interest rate at 8.00% (2022: 8.00%) and matures in 2027.
- (c) The term loan is repayable in monthly instalments, bears fixed interest rate at 9.88% (2022: 9.88%) and matures in 2027.

All the above unsecured term loans include guarantees by Mr Seah Chong Hoe (shareholder and Chief Executive Officer of the Company).

## 15. NET LIABILITIES VALUE

	Group		Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
Net liabilities value per share (cents)	<u>(0.019)</u>	(0.012)	<u>(0.012)</u>	(0.009)
Based on number of shares (in '000s)	<u>22,324,126</u>	22,324,126	<u>22,324,126</u>	22,324,126

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).

## 16. SHARE CAPITAL

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

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.

The Company did not hold any outstanding treasury shares, convertibles or subsidiary holdings as at 30 June 2023 and 31 December 2022.

## 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.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	30 Jun 23 S\$'000	31 Dec 22 S\$'000	30 Jun 23 S\$'000	31 Dec 22 S\$'000
<b>Financial assets measured at amortised cost</b>				
Trade and other receivables	2,467	2,292	357	178
Cash at bank and on hand	3,557	4,426	181	375
	<b>6,024</b>	<b>6,718</b>	<b>538</b>	<b>553</b>
<b>Financial liabilities measured at amortised cost</b>				
Trade and other payables	15,510	14,985	16,002	15,368
Other liabilities	1,563	1,518	628	532
Lease liabilities	292	318	-	-
Loans and borrowings	2,530	2,941	-	-
	<b>19,895</b>	<b>19,762</b>	<b>16,630</b>	<b>15,900</b>

## 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 period: -

	Group		Company	
	30 Jun 23 S\$'000	30 Jun 22 S\$'000	30 Jun 23 S\$'000	30 Jun 22 S\$'000
Transactions with ASTI Group (corporate shareholder of the Company): -				
Corporate support cost	(60)	(85)	(60)	(85)
Interest expenses on loan	(295)	(90)	(295)	(90)
Interest expense on loans from a shareholder of the Company: -				
Interest expenses on loan	(45)	(21)	(45)	(21)
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 segments.

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 2023

### 20. SEGMENT INFORMATION (CONT'D)

Group	ECMS		Corporate expenses		Adjustment and elimination		Consolidated Total	
	30 Jun 23 S\$'000	30 Jun 22 S\$'000	30 Jun 23 S\$'000	30 Jun 22 S\$'000	30 Jun 23 S\$'000	30 Jun 22 S\$'000	30 Jun 23 S\$'000	30 Jun 22 S\$'000
<b>Revenue:</b>								
- External sales	5,825	8,981	-	-	-	-	5,825	8,981
- Inter-segment sales (Note A)	6	69	-	-	(6)	(69)	-	-
	<b>5,831</b>	9,050	-	-	<b>(6)</b>	(69)	<b>5,825</b>	8,981
EBITDA (Note B)	185	2,241	(376)	(884)	-	-	(191)	1,357
Depreciation on property, plant & equipment	(402)	(482)	-	-	-	-	(402)	(482)
Depreciation on right-of-use assets	(69)	(73)	-	-	-	-	(69)	(73)
Interest expense	(106)	(93)	(352)	(115)	41	30	(417)	(178)
Interest income	56	31	-	-	(41)	(30)	15	1
Profit/(loss) before tax	(336)	1,624	(728)	(999)	-	-	(1,064)	625
Income tax expense	16	(310)	-	-	-	-	16	(310)
<b>Segment results</b>	<b>(320)</b>	1,314	<b>(728)</b>	(999)	-	-	<b>(1,048)</b>	315
<b>Other information:</b>								
Additions to non-current assets	84	466	-	-	-	-	84	466
	<b>30 Jun 23</b>	31 Dec 22	<b>30 Jun 23</b>	31 Dec 22	<b>30 Jun 23</b>	31 Dec 22	<b>30 Jun 23</b>	31 Dec 22
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
Segment assets	17,124	18,281	563	565	(1,409)	(1,166)	16,278	17,680
Segment liabilities	5,224	5,673	16,630	15,899	(1,409)	(1,166)	20,445	20,406

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 2023

## 21. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

# OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## OTHER INFORMATION

### 1. REVIEW

The condensed consolidated balance sheet of Advanced Systems Automation Limited and its subsidiaries as at 30 June 2023 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 certain explanatory notes have not been audited and reviewed.

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

Not applicable.

### 2A. WHERE THE LATEST FINANCIAL STATEMENTS ARE SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER 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 financial statements for the financial year ended 31 December 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

### 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 2023 attributable to the Group is presented below:

#### Income Statement

The Group recorded revenue of S\$5.8 million in the 6 months ended 30 June 2023 ("1H2023"), a decrease of S\$3.2 million or 35% from S\$9.0 million in the previous corresponding period ended 30 June 2022 ("1H2022"). The decrease in revenue was mainly due to lower sales demand from customers.

Gross profit margin ("GPM") of the Group was 26% in 1H2023, down from 33% in 1H2022 mainly due to changes in the sales mix in 1H2023.

Selling and marketing ("S&M") costs decreased by 15% or S\$0.06 million from S\$0.42 million in 1H2022 to S\$0.36 million in 1H2023 mainly due to lower sales promotion expenses incurred in 1H2023.

General and administrative ("G&A") costs remained relatively constant at S\$1.9 million for 1H2023 and 1H2022.

Finance costs increased by 118% or S\$0.22 million from S\$0.19 million in 1H2022 to S\$0.41 million in 1H2023 mainly due to higher prevailing interest rates and the outstanding amounts due to related parties that were converted into new interest-bearing loans in 2<sup>nd</sup> half of 2022.

Other expenses included foreign exchange gain of S\$0.07 million in 1H2023 and S\$0.11 million in 1H2022. The foreign exchange gain was mainly due to the strengthening of the Singapore Dollar against the Malaysian Ringgit.

# OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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

### Income Statement (Cont'd)

The Group reported a net loss attributable to owners of the Company of S\$1.0 million in 1H2023 compared to a net profit of S\$0.3 million in 1H2022.

### Balance Sheet

Property, plant and equipment decreased by S\$0.6 million, from S\$6.9 million (31 December 2022) to S\$6.3 million (30 June 2023) mainly due to depreciation charges during the period.

Right-of-use assets reported remained relatively constant at S\$0.5 million as at 30 June 2023 and 31 December 2022.

The decrease in intangible assets from S\$2.1 million (31 December 2022) to S\$2.0 million (30 June 2023) was due to the amortisation of customer relationships.

Trade and other receivables increased by S\$0.2 million, from S\$2.3 million (31 December 2022) to S\$2.5 million (30 June 2023) due to lower sales billings in tandem with slower market conditions in 1H2023.

Prepayments and advances increased by S\$0.2 million, from S\$0.2 million (31 December 2022) to S\$0.4 million (30 June 2023) due to higher advances to vendors in 1H2023.

Current trade and other payables increased from S\$6.1 million (31 December 2022) to S\$6.6 million (30 June 2023) mainly due to higher interest costs in 1H2023.

Non-current trade and other payables increased marginally from S\$8.8 million (31 December 2022) to S\$8.9 million (30 June 2023) due to higher interest costs.

Total loans and borrowings and bank overdrafts decreased by S\$0.4 million from S\$2.9 million (31 December 2022) to S\$2.5 million (30 June 2023) due to net loan repayments during the period.

As at 30 June 2023, the Group reported net current liabilities of S\$2.5 million and net liabilities of S\$4.2 million.

### Cash Flows

Operating activities utilises net cash flows of S\$0.6 million in 1H2023. This was mainly due to an operating loss before working capital changes of S\$0.3 million, working capital requirements of S\$0.06 million and an amount of S\$0.2 million utilised for the payments of interests and taxes.

Net cash flows used in investing activities that amounted to S\$0.06 million were due to purchase and disposals of property, plant and equipment.

A total of S\$0.4 million was used in financing activities mainly for net repayments of bank borrowings and lease obligations.

Cash and cash equivalents amounted to S\$2.8 million (30 June 2023) compared to S\$3.4 million reported at 30 June 2022.

## OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2023

**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**

The Group expects its business in the next reporting period to remain challenging amid the current political and economic global uncertainties.

The Group will continue to search for viable business acquisitions and make necessary announcements in accordance with the requirements of the Catalist Rules.

**8. DIVIDEND**

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

None.

**(b) Corresponding period of the immediately preceding financial year Any dividend declared for the corresponding period of the immediately preceding financial year?**

None.

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

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for 1H2023 as the Group still has accumulated losses as at 30 June 2023.

# OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 9. INTERESTED PERSON TRANSACTIONS

The Group had obtained a general mandate from shareholders for interested person transactions at an extraordinary meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated on 4 February 2021. The mandate was renewed at the Company's Annual General Meeting on 28 June 2023.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	6 months ended 30 June 2023	6 months ended 30 June 2023
<b>ASTI Holdings Limited ("ASTI") and its subsidiary of companies (the controlling shareholder of the Group)</b>	Interest expense amounting to S\$295,000 <sup>(1)</sup>	Corporate Support Services fee amounting to S\$60,000
<b>Dato' Loh Soon Gnee (controlling shareholder of the Group)</b>	Nil <sup>(2)</sup>	Nil
<b>Yumei Plastic Pte Ltd (A wholly-owned company of Seah Chong Hoe, who is the Chief Executive Officer and controlling shareholder of the Group)</b>	Nil <sup>(3)</sup>	Nil

Note:

- (1) Relates to interest payable on the loan extended by ASTI Group. As at 30 June 2023, 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 6.33% to 6.34% is unsecured. The Group had obtained a specific IPT mandate from shareholders for the consolidated loan agreement entered into with ASTI Holdings Limited at an extraordinary meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated on 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 1H2023, amounting to S\$45,000, which was below S\$100,000.
- (3) Relates to office facility and storage services expenses for 1H2023 amounted to S\$48,000 payable to Yumei Plastic Pte Ltd, which was below S\$100,000.

## 10. 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) 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 2023 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 realisations of shares in neither any of the Group's subsidiary associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the 1H2023.

# OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## BY ORDER OF THE BOARD

Dato' Sri Mohd Sopiyan B Mohd Rashdi  
Chairman  
14 August 2023