



Company No. 198600740M

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

Condensed Interim Consolidated Financial Statements For the Six Months and Full Year Ended 31 December 2024

This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").

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

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

		Group					
		6 months ended			12 months ended		
	Note	31 Dec 24 S\$'000	31 Dec 23 S\$'000	change %	31 Dec 24 S\$'000	31 Dec 23 S\$'000	change %
Revenue	5	8,745	7,103	23	17,365	12,928	34
Cost of sales		(6,500)	(4,575)	42	(12,606)	(8,913)	41
Gross profit		2,245	2,528	(11)	4,759	4,015	19
Other income		42	117	(64)	106	137	(23)
Other expenses							
Selling and marketing costs		(247)	(369)	(33)	(476)	(730)	(35)
General and administrative costs		(6,674)	(2,409)	NM	(8,944)	(4,307)	NM
Other expenses, net		(301)	(2,086)	(86)	(254)	(1,988)	(87)
Finance costs, net		(482)	(394)	22	(906)	(804)	13
Loss before tax	6	(5,417)	(2,613)	NM	(5,715)	(3,677)	55
Income tax expense	7	(211)	(356)	(41)	(434)	(340)	28
Loss for the period/year		(5,628)	(2,969)	90	(6,149)	(4,017)	53
Attributable to:							
Owners of the Company		(5,628)	(2,969)	90	(6,149)	(4,017)	53
Loss for the period/year		(5,628)	(2,969)	90	(6,149)	(4,017)	53
Loss per share (cents per share)							
Basic and diluted	8	(1.002)	(0.529)		(1.095)	(0.715)	

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

	Group					
	6 months ended			12 months ended		
	31 Dec 24	31 Dec 23	change	31 Dec 24	31 Dec 23	change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss for the period/year	(5,628)	(2,969)	90	(6,149)	(4,017)	53
Other comprehensive income items that may be reclassified subsequently to profit or loss						
Foreign currency translation	<u>420</u>	<u>(113)</u>	NM	<u>488</u>	<u>(506)</u>	NM
Total comprehensive loss for the period/year	<u>(5,208)</u>	<u>(3,082)</u>	69	<u>(5,661)</u>	<u>(4,523)</u>	25
Attributable to:						
Owners of the Company	<u>(5,208)</u>	<u>(3,082)</u>	69	<u>(5,661)</u>	<u>(4,523)</u>	25
Total comprehensive loss for the period/year	<u>(5,208)</u>	<u>(3,082)</u>	69	<u>(5,661)</u>	<u>(4,523)</u>	25

NM: Not meaningful

CONDENSED BALANCE SHEETS

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	31 Dec 24 S\$'000	31 Dec 23 S\$'000	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Non-Current Assets					
Intangible Assets	10	42,613	-	-	-
Property, plant and equipment	9	6,810	6,354	11	-
Right-of-use assets		535	495	-	-
Investments in subsidiaries	11	-	-	30,494	10,494
		49,958	6,849	30,505	10,494
Current Assets					
Inventories		538	809	-	-
Trade and other receivables		7,242	4,386	791	2,332
Prepayments and advances		67	260	34	8
Cash at bank and on hand		4,737	4,251	1,292	34
Tax recoverable		123	138	-	-
		12,707	9,844	2,117	2,374
Current Liabilities					
Other liabilities	12	2,029	1,801	907	659
Trade and other payables	13	11,829	5,174	10,019	5,721
Convertible notes	14	2,485	2,587	2,485	2,587
Contract liabilities		68	149	-	-
Income tax payable		135	66	-	-
Lease liabilities		152	187	-	-
Bank overdraft	15	745	682	-	-
Loans and borrowings	15	621	662	-	-
		18,064	11,308	13,411	8,967
Net Current Liabilities		(5,357)	(1,464)	(11,294)	(6,593)
Non-Current Liabilities					
Trade and other payables	13	9,811	10,765	9,811	10,765
Lease liabilities		217	52	-	-
Loans and borrowings	15	1,046	1,339	-	-
Deferred tax liabilities		545	478	-	-
		11,619	12,634	9,811	10,765
Net Assets/(Liabilities)		32,982	(7,249)	9,400	(6,864)
Equity attributable to owners of the Company					
Share capital	17	169,846	148,841	169,846	148,841
Foreign currency translation reserve	18	(562)	(1,050)	-	-
Merger reserve	18	(2,136)	(2,136)	-	-
Accumulated losses		(159,053)	(152,904)	(160,446)	(155,705)
		8,095	(7,249)	9,400	(6,864)
Non-controlling interests		24,887	-	-	-
Total Equity/(Capital Deficiencies)		32,982	(7,249)	9,400	(6,864)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FULL YEAR ENDED 31 DECEMBER 2024

Group	Attributable to equity holders of the Company						
	Share capital	Accumulated losses (Distributable)	Foreign currency translation reserve	Merger reserve	Total reserves	Non-controlling interests	Total equity
			----- (Non-distributable) -----				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	148,841	(152,904)	(1,050)	(2,136)	(3,186)	-	(7,249)
Loss for the year	-	(6,149)	-	-	-	-	(6,149)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	488	-	488	-	488
Other comprehensive loss net of tax	-	-	488	-	488	-	488
Total comprehensive loss for the year	-	(6,149)	488	-	488	-	(5,661)
Contributions by and distributions to equity holders							
Issue of new ordinary shares pursuant to redeemable convertible notes	2,200	-	-	-	-	-	2,200
Issue of new ordinary shares pursuant to acquisition of subsidiaries	13,900	-	-	-	-	-	13,900
Issue of new ordinary shares pursuant to right shares	4,905	-	-	-	-	-	4,905
Contributions by non-controlling interests	-	-	-	-	-	24,887	24,887
Total contributions by and distributions to equity holders	21,005	-	-	-	-	24,887	45,892
At 31 December 2024	169,846	(159,053)	(562)	(2,136)	(2,698)	24,887	32,982
At 1 January 2023	148,841	(148,887)	(544)	(2,136)	(2,680)	-	(2,726)
Loss for the period	-	(4,017)	-	-	-	-	(4,017)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(506)	-	(506)	-	(506)
Other comprehensive loss net of tax	-	-	(506)	-	(506)	-	(506)
Total comprehensive loss for the year	-	(4,017)	(506)	-	(506)	-	(4,523)
At 31 December 2023	148,841	(152,904)	(1,050)	(2,136)	(3,186)	-	(7,249)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FULL YEAR ENDED 31 DECEMBER 2024

Company	Attributable to equity holders of the Company		
	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
At 1 January 2024	148,841	(155,705)	(6,864)
Loss for the year	-	(4,741)	(4,741)
Total comprehensive loss for the year	-	(4,741)	(4,741)
Contributions by and distributions to equity holders			
Issue of new ordinary shares pursuant to redeemable convertible notes	2,200	-	2,200
Issue of new ordinary shares pursuant to acquisition of subsidiaries	13,900	-	13,900
Issue of new ordinary shares pursuant to right shares	4,905	-	4,905
Total contributions by and distributions to equity holders	21,005	-	21,005
At 31 December 2024	169,846	(160,446)	9,400
At 1 January 2023	148,841	(150,753)	(1,912)
Loss for the year	-	(4,952)	(4,952)
Total comprehensive loss for the year	-	(4,952)	(4,952)
At 31 December 2023	148,841	(155,705)	(6,864)

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

FOR THE FULL YEAR ENDED 31 DECEMBER 2024

	Group	
	12 months ended 31 Dec 24	31 Dec 23
	S\$'000	S\$'000
Operating activities		
Loss before tax	(5,715)	(3,677)
<u>Adjustments for:</u>		
Effect of unrealised exchange gain	470	(365)
Depreciation of property, plant and equipment	877	810
Depreciation of right-of-use assets	132	138
Gain on disposal of property, plant and equipment	(47)	(28)
Amortisation of intangible assets	-	230
Allowance for/(Write-back of) trade receivables net	(21)	-
Impairment of intangible assets	-	1,901
Fair value loss on convertible notes	98	87
Allowance for/(Write-back of) trade receivables net	-	12
Write-back of stock obsolescence	(4)	(2)
Interest income	(38)	(47)
Interest expenses	848	838
	(3,400)	(103)
<u>Changes in working capital</u>		
Inventories	312	152
Trade and other receivables and prepayment and advances	(6,341)	(277)
Trade and other payables, contract liabilities and other liabilities	7,980	661
Cash flows (used in)/generated from operations	(1,449)	433
Interest received	38	31
Income tax paid	(304)	(218)
Net cash flows (used in)/generated from operating activities	(1,715)	246
Investing activities		
Purchase of property, plant and equipment	(1,023)	(660)
Proceeds from disposal of property, plant and equipment	123	71
Issuance of bridging loan	-	(2,000)
Net cash flows used in investing activities	(900)	(2,589)
Financing activities		
Payment of principal portion of lease liabilities	(140)	(212)
Proceed from convertible loan note	2,000	2,500
Repayments of bank borrowings	(907)	(1,084)
Proceeds from bank borrowings	521	908
Net proceeds from issuance of rights shares	2,105	-
Interest paid	(290)	(144)
Net cash flows generated from financing activities	3,289	1,968
Net increase/(decrease) in cash and cash equivalents	674	(375)
Effects of exchange rate changes on cash and cash equivalents	(251)	266
Cash and cash equivalents at beginning of the year	3,569	3,678
Cash and cash equivalents at end of the year	3,992	3,569
Consolidated cash and bank balances represented by		
Cash at bank and on hand	4,737	4,251
Bank overdraft	(745)	(682)
Cash and cash equivalents at end of the year	3,992	3,569

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

Advanced Systems Automation Limited (the "Company") was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from 4 January 2010. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the "Group").

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

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

The principal activities of the subsidiaries are disclosed in Note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last condensed interim consolidated financial statements of the Group for the six months ended 30 June 2024.

The accounting policies and methods of computations adopted are consistent with those adopted by the Group in its most recently audited annual consolidated financial statements for the financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim consolidated financial statements are presented in Singapore Dollars (SGD or 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 31 December 2024, the Group had net current liabilities of S\$5,357,000 (2023: net current liabilities S\$1,464,000) and the Group recorded a net loss of S\$6,149,000 (2023: net loss S\$4,017,000) for the financial year ended 31 December 2024.

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

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

- (i) On 6 June 2023, the Group entered into a second addendum to loan agreement with a external party 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\$1,462,000 (2023: S\$1,597,000) and to defer the payment of his salary for the next 12 months from the signing date of the audited financial statements for the financial year ended 31 December 2023 (being 31 July 2024), if the Group's and the Company's financial situation does not allow for repayment.
- (iv) The Company will obtain a letter of undertaking from Mr. Lim Chen Chong, Ms. Victoria Lim Yu and Structured Capital Solutions Inc. to whom the Company owed S\$4.6 million, not to demand the amount due to them for the next 12 months from the signing date of the audited financial statements for the financial year ended 31 December 2024, 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 AND FULL YEAR ENDED 31 DECEMBER 2024

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

2.1 Basis of preparation (Cont'd)

Going concern uncertainty (cont'd)

The Directors have assessed and confirmed there is no breach of any loan covenants that may trigger the banks to demand full repayment of all bank facilities (bank overdraft and loans and borrowings of S\$2,412,000 (2023: S\$2,683,000) respectively within the next 12 months from the date of release of these financial statements.

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

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

2.2 Adoption of new and amended standards and interpretations

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recently audited consolidated financial statements as at and for the year ended 31 December 2023.

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

4. SEASONAL OPERATIONS

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

5. REVENUE

The Group has 2 business segments as follows:

Group	Equipment Contract Manufacturing Services ("ECMS")			
	6 months ended		12 months ended	
	31 Dec 24 S\$'000	31 Dec 23 S\$'000	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Primary geographical markets				
Asia	7,483	7,070	16,057	12,846
North America	21	24	44	62
Others	-	9	23	20
	7,504	7,103	16,124	12,928
Timing of transfer of goods or services				
At a point in time	7,504	7,103	16,124	12,928

Group	Aquaculture			
	6 months ended		12 months ended	
	31 Dec 24 S\$'000	31 Dec 23 S\$'000	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Primary geographical market				
Asia	1,241	-	1,241	-
	1,241	-	1,241	-
Timing of transfer of goods or services				
At a point in time	1,241	-	1,241	-

6. LOSS BEFORE TAX

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

	Group			
	6 months ended		12 months ended	
	31 Dec 24 S\$'000	31 Dec 23 S\$'000	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Depreciation of property, plant and equipment	(473)	(408)	(877)	(810)
Depreciation of right-of-use assets	(63)	(69)	(132)	(138)
Gain on disposal of property, plant and equipment	44	25	47	28
Amortisation of intangible assets	-	(115)	-	(230)
Impairment of intangible assets	-	(1,901)	-	(1,901)
Fair Value loss on convertible notes	(98)	(87)	(98)	(87)
Write back of stock obsolescence	4	-	4	2
Interest expenses	(412)	(421)	(848)	(838)
Interest income	19	16	38	31

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

7. INCOME TAX EXPENSE

	Group			
	6 months ended		12 months ended	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax: -				
Current income tax	(165)	(244)	(405)	(244)
(Under provision in respect of prior year)	(1)	(14)	(1)	(14)
	(166)	(258)	(406)	(258)
Deferred income tax: -				
Origination and reversal of temporary difference	(45)	(98)	(28)	(82)
	(45)	(98)	(28)	(82)
Income tax expense recognised in profit and loss	(211)	(356)	(434)	(340)

8. LOSS PER SHARE

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

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

The following table reflects the income and share data used in the computation of basic and diluted (loss)/earnings per share for the year ended 31 December 2024 and 2023.

Group	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Loss for the year attributable to owners of the Company used in the computation of basic and diluted loss per ordinary share	(6,149)	(4,017)
Weighted average number of ordinary shares in issue applicable to basic and diluted loss per ordinary share computation (no. of shares, in '000s)	561,515	561,515

The comparative for the year ended 31 December 2023 was adjusted retrospectively based on weighted average number of shares in issue of 561,515, following the completion of the Company's share consolidation exercise in June 2024, and rights issue exercise in December 2024.

Diluted loss per share for the year ended 31 December 2024 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive. Diluted loss per share for the year ended 31 December 2023 is the same as the basic earnings per share because there are no potential ordinary shares to be converted.

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2024, the Group has an addition of property, plant and equipment of approximately S\$1,023,000 (31 December 2023: S\$660,000).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

10. INTANGIBLE ASSETS

Group	Goodwill S\$'000	Customer relationships S\$'000	Total S\$'000
Cost			
At 1 January 2023	1,462	1,607	3,069
Impairment	(1,462)	(1,607)	(3,069)
At 31 December 2023	-	-	-
Acquisition of a subsidiary (Note 11)	42,613	-	42,613
At 31 December 2024	42,613	-	42,613
Accumulated amortisation and impairment loss			
At 1 January 2023	-	938	938
Charge for the year	-	230	230
Impairment	-	(1,168)	(1,168)
At 31 December 2023 and 31 December 2024	-	-	-
Net carrying amount			
At 31 December 2023	-	-	-
At 31 December 2024	42,613	-	42,613

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	31 Dec 24	31 Dec 23
	S\$'000	S\$'000
Unquoted shares, at cost	13,422	13,422
Acquisition of a subsidiary	20,000	-
Impairment losses	(2,928)	(2,928)
	30,494	10,494

The Group has the following significant investment in subsidiaries: -

Name of company (Principal place of business)	Principal activities	Proportion of ownership interest	
		31 Dec 24	31 Dec 23
		%	%
Held by the Company			
Emerald Precision Engineering Sdn. Bhd. (Malaysia)	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	100	100
Pioneer Venture Pte Ltd (Singapore)	Contract manufacturing solutions of fabricated metal products	100	100
Yumei Technologies Sdn. Bhd. (Malaysia)	Manufacturing of die-casting products and plastic products	100	100
Yumei REIT Sdn. Bhd. (Malaysia)	Investment holding	100	100
LSO Organization Holdings Pte Ltd (Singapore) ("LSO")	Aquaculture, food processing and sale of food	100	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

12. OTHER LIABILITIES

	Group		Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	S\$'000	S\$'000	S\$'000	S\$'000
Amounts due to directors	322	330	322	330
Accrued operating expenses	1,557	1,344	435	202
Accrued directors' fee	150	127	150	127
	2,029	1,801	907	659

Amounts due to directors

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

13. TRADE AND OTHER PAYABLES

	Group		Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Trade and other payables:</u>				
Current:				
Trade payables	2,811	665	-	11
Other creditors	6,156	301	5,822	274
Deferred cash settlement	1,462	1,597	1,462	1,597
Loan from a shareholder	400	400	400	400
Amounts due to subsidiaries	-	-	1,335	1,235
Amount due to related party	-	318	-	318
Amount due to a external party	1,000	1,893	1,000	1,886
	11,829	5,174	10,019	5,721
Non-current:				
Loan from a shareholder	1,225	1,649	1,225	1,649
Amount due to a external party	8,586	9,116	8,586	9,116
	9,811	10,765	9,811	10,765
Total trade and other payables	21,640	15,939	19,830	16,486
<u>Add:</u>				
- Other liabilities (Note 12)	2,029	1,801	907	659
- Loans and borrowings (Note 15)	2,412	2,683	-	-
- Convertible notes (Note 14)	2,485	2,587	2,485	2,587
- Lease liabilities	369	239	-	-
Total financial liabilities carried at amortised cost	28,935	23,249	23,222	19,732

Trade payables

Trade payables are non-interest bearing. Trade payables are normally settled on 30 – 120 days (2023: 30 – 120 days) credit terms.

Other creditors

Included in the other creditors are the amount of S\$4.6 million owing to the vendors of LSO Organization Holdings Pte Ltd; being the outstanding cash consideration payable to the aforementioned vendors arising from the completion of the proposed acquisition of 100% of LSO Organization Holdings Pte Ltd ("**Project Acquisition**"). Please refer to the Company's announcements dated 2 August 2024 on the completion of the Proposed Acquisition.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

13. TRADE AND OTHER PAYABLES(CONT'D)

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash except for outstanding balance of S\$400,000 (2023: S\$400,000) which bears floating interest rate ranging from 5.69% to 5.90% (2023: 6.25% to 6.34%) per annum, and is repriced on a quarterly basis.

Loan from a shareholder

Loan due to a shareholder of the Company, is unsecured and interest-free, except for the amount of S\$800,000 (2023: S\$800,000), which bears a fixed interest rate of 5% (2023: 5%) per annum and S\$825,000 (2023: S\$997,000), which bears a fixed interest rate of 5% (2023: 5%) per annum. The loan is repayable on yearly instalment and matures in 2028.

Amount due to an external party

Amount due to an external party included an amount of S\$1,192,000 (2023: S\$1,614,000), which is interest free and unsecured. The remaining portion of such amount due to an external party of S\$8,394,000 (2023: S\$9,394,000) bears floating interest rates ranging from 5.69% to 5.90% (2023: 6.25% to 6.34%) per annum, and is repriced on a quarterly basis. Such amount is repayable on yearly instalment and matures in 2029. The external party has ceased to be a substantial shareholder of the Company as at 31 December 2024 as they had disposed of all the shares in the capital of the Company as at 29 October 2024. Please refer to the Company's announcements dated 29 October 2024.

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. CONVERTIBLE NOTES

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

	Group and Company
	S\$'000
As at 1 January 2023	-
Drawdown on the first tranche of 5% redeemable convertible note	2,500
Fair value loss	87
As at 31 December 2023	2,587
Drawdown on the second tranche of 5% redeemable convertible note	2,000
Conversion of redeemable convertible note completed on 25 July 2024, 26 July 2024 and 5 August 2024	(2,200)
Fair value loss	98
As at 31 December 2024	2,485

On 30 July 2024 and 1 August 2024, the Company drawn partially the second tranche of the 5% redeemable convertible notes amounting to S\$2.0 million.

On 25 July 2024, 26 July 2024 and 5 August 2024, S\$2.2 million of the 5% redeemable convertible notes have been converted.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

15. LOANS AND BORROWINGS

	Group		Company	
	31 Dec 24 S\$'000	31 Dec 23 S\$'000	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Current:				
<u>Amount repayable within one year or on demand</u>				
Bank Overdraft - secured	745	682	-	-
Trust receipts - secured	104	87	-	-
Secured loan	324	262	-	-
Unsecured loan	193	313	-	-
	1,366	1,344	-	-
Non-current:				
<u>Amount repayable after one year</u>				
Secured loan	871	804	-	-
Unsecured loan	175	535	-	-
	1,046	1,339	-	-
Total financial liabilities carried at amortised cost	2,412	2,683	-	-

Bank overdrafts

Bank overdraft is denominated in Malaysian Ringgit, bears floating interest rate at 0.50% (2023: 0.50%) above the bank's base lending rate 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% (2023: 8.01%) per annum. The loan is secured by a fixed charge over certain properties of the Group.

Secured loan

- (a) The term loan is repayable in monthly instalments, bears fixed interest rate at 4.76% (2023: 4.76%) and matures in 2027. The loan is secured by the following:
 - (i) by way of fixed charge over the leasehold land and building of a related company;
 - (ii) by joint and several guarantee of certain directors of a related company; and
 - (iii) by corporate guarantee from a related company.
- (b) The term loan is repayable in monthly instalments, bears fixed interest rate at 3% (2023: 3%) and matures in 2025. The loan includes corporate guarantee by the Company.
- (c) The term loan is repayable in monthly instalments, bears fixed interest rate at 4.55% (2023: 4.55%) and matures in 2043. The loan is secured by corporate guarantee by the Company.

Unsecured loan

- (a) A term loan repayable by monthly instalments, bears fixed interest rate at 2.50% (2023: 2.50%) and matures in 2025.
- (b) A term loan repayable by monthly instalments, bears fixed interest rate at 8.00% (2023: 8.00%) and matures in 2027.
- (c) A term loan repayable by monthly instalments, bears fixed interest rate at 9.88% (2023: 9.88%) and matures in 2027.

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

16. NET LIABILITIES VALUE

	Group		Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
Net liabilities value per share (cents)	<u>0.491</u>	<u>(0.443)</u>	<u>0.571</u>	<u>(0.420)</u>
Based on number of shares (in '000s)	<u>1,635,104</u>	<u>1,635,104</u>	<u>1,635,104</u>	<u>1,635,104</u>

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). The comparatives as at 31 December 2023 were adjusted retrospectively based on 1,635,103,771 shares of the Company, following the completion of the Company's share consolidation exercise in June 2024, and rights issue exercise in December 2024.

17. SHARE CAPITAL

	Group and Company	
	Number of shares ('000)	Amount (\$'000)
As at 31 December 2023 and 1 January 2024	22,324,126	148,841
Share consolidation of every 65 existing shares of the Company into 1 share completed in June 2024	343,445	148,841
Shares issued pursuant to the conversion of redeemable convertible notes on in July 2024 and August 2024	96,750	2,200
Shares issued to Vendors of LSO pursuant to the Proposed Acquisition of LSO in August 2024	184,615	12,000
Shares issued to introducer and professionals pursuant to the Proposed Acquisition of LSO in August 2024	29,232	1,900
Shares issued pursuant to a rights issue exercise completed in December 2024	<u>981,062</u>	<u>4,905</u>
As at 31 December 2024	<u>1,635,104</u>	<u>169,846</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 had in October 2023 entered into a conditional subscription agreement ("**Subscription Agreements**") with two subscribers ("**Subscribers**") for the proposed issuance of 5.0% redeemable convertible notes convertible into new ordinary shares in the capital of the Company with an aggregate principal amount of up to S\$20 million ("**Proposed RCN Issuance**"). On 31 October 2023, the Company drew on the first tranche of the 5% redeemable convertible notes amounting to S\$2.5 million.

On 14 June 2024 and 2 July 2024, the Company entered into a first supplemental letter and a second supplemental letter, respectively, with the Subscribers to amend the terms of the Subscription Agreement.

On 30 July 2024 and 1 August 2024, the Company partially drew on the second tranche of the 5% redeemable convertible notes amounting to S\$2.0 million.

Please refer to the Company's announcements on 27 October 2023, 31 October 2023, 28 May 2024, 14 June 2024, 2 July 2024, 26 July 2024 and 1 August 2024 for further information on the Proposed RCN Issuance.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

17. SHARE CAPITAL (CONT'D)

Accordingly, the Company has the following outstanding convertibles:

	As at 31 December 2024 (‘000)	As at 31 December 2023 (‘000)
Number of shares that may be issued upon conversion of all outstanding convertibles	74,973	-

Other than the abovementioned, the Company did not hold any outstanding convertibles as at 31 December 2024, and 31 December 2023.

The Company did not hold any treasury shares or subsidiary holdings during and as at the end of 31 December 2024, and 31 December 2023.

18. 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.

19. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	31 Dec 24 S\$'000	31 Dec 23 S\$'000	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Financial assets measured at amortised cost				
Trade and other receivables	7,242	4,386	791	2,332
Cash at bank and on hand	4,737	4,251	1,292	34
	11,979	8,637	2,083	2,366
Financial liabilities measured at amortised cost				
Trade and other payables	21,640	15,939	19,830	16,486
Other liabilities	2,029	1,801	907	659
Lease liabilities	369	239	-	-
Loans and borrowings	2,412	2,683	-	-
	26,450	20,662	20,737	17,145

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

20. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Company	
	31 Dec 24 S\$'000	31 Dec 23 S\$'000	31 Dec 24 S\$'000	31 Dec 23 S\$'000
Transactions with ASTI Group (former corporate shareholder of the Company): -				
Corporate support cost	-	(120)	-	(120)
Interest expenses on loan	(391)	(593)	(391)	(593)
Interest expense on loans from a shareholder of the Company: -				
Interest expenses on loan	(89)	(90)	(89)	(90)
Transactions with a director who is also a shareholder of the Company: -				
Rental expense paid	(96)	(96)	-	-

ASTI Group has ceased to be a substantial shareholder of the Company as at 29 October 2024 as ASTI Group has disposed of all the shares in the capital of the Company as at 29 October 2024. The interest expenses disclosed above is calculated until such date ASTI Group ceased to be a substantial shareholder of the Company. Please refer to the Company's announcements dated 29 October 2024 for further details.

21. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The reportable segments are 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 and Aquaculture segment, a newly added business to the Group during second half of FY2024, which is principally engaged in management and operations of, and the technology licensing of operational know-how and expertise to, aquaculture farms.

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 AND FULL YEAR ENDED 31 DECEMBER 2024

21. SEGMENT INFORMATION (CONT'D)

Group	ECMS (Note C)		Aquaculture (Note D)		Corporate expenses		Adjustment and elimination		Consolidated Total	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:										
- External sales	16,124	12,928	1,241	-	-	-	-	-	17,365	12,928
- Inter-segment sales (Note A)	-	19	-	-	-	-	2	(19)	-	-
	16,124	12,947	1,241	-	-	-	2	(19)	17,365	12,928
EBITDA (Note B)	2,705	(574)	(786)	-	(5,810)	537	(7)	-	(3,898)	(37)
Impairment loss on intangible assets	-	-	-	-	-	(1,901)	-	-	-	(1,901)
Depreciation on property, plant & equipment	(875)	(810)	-	-	(2)	-	-	-	(877)	(810)
Depreciation on right-of-use assets	(132)	(138)	-	-	-	-	-	-	(132)	(138)
Interest expense	(204)	(212)	-	-	(729)	(708)	87	82	(846)	(838)
Interest income	118	113	-	-	-	16	(80)	(82)	38	47
Profit/(loss) before tax	1,612	(1,621)	(786)	-	(6,541)	(2,056)	-	-	(5,715)	(3,677)
Income tax expense	(434)	(340)	-	-	-	-	-	-	(434)	(340)
Segment results	1,178	(1,961)	(786)	-	(6,541)	(2,056)	-	-	(6,149)	(4,017)
Other information:										
Additions to non-current assets	1,023	660	-	-	-	-	-	-	1,023	660
Segment assets	14,720	15,553	47,162	-	2,118	2,562	(1,335)	(1,422)	62,665	16,693
Segment liabilities	4,735	5,443	3,061	-	23,222	19,921	(1,335)	(1,422)	29,683	23,942

- A. Inter-segment revenues are eliminated on consolidation.
 B. Elimination of unrealised gains and losses arising from inter-segment transactions.
 C. The operation for this segment is in Singapore and Malaysia.
 D. The operation for this segment is in Indonesia.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

22. EVENTS OCCURRING AFTER THE REPORTING YEAR

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

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

OTHER INFORMATION

1. REVIEW

The condensed consolidated balance sheet of Advanced Systems Automation Limited and its subsidiaries as at 31 December 2024 and the related condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and the explanatory notes have not been audited or reviewed by the Company's auditors.

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

Not applicable.

2A. WHERE THE LATEST FINANCIAL STATEMENTS ARE SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER OF OPINION: -

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

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

3. CHANGES IN TREASURY SHARES

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

4. CHANGES IN SUBSIDIARY HOLDINGS

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

5. REVIEW OF PERFORMANCE OF THE GROUP

The post-tax loss for the financial year ended 31 December 2024 ("FY2024") from the operations attributable to the Group is presented below:

Income Statement

The Group recorded revenue of S\$8.7 million in the 6 months ended 31 December 2024 ("2H2024"); an increase of S\$1.6 million or 23% from S\$7.1 million in the previous corresponding 6 months ended 31 December 2023 ("2H2023").

Revenue of S\$17.4 million for FY2024 was S\$4.5 million or 34% higher as compared to the previous corresponding financial year ended 31 December 2023 ("FY2023"). The increase in revenue was mainly due to higher sales demand from ECMS customers and the revenue contribution of S\$1.2 million from LSO organizations Holdings Limited.

Gross profit margin ("GPM") of the Group in 2H2024 was 26%, which was 10% lower as compared to the GPM of 36% in 2H2023. GPM of the Group in FY2024 was 27%, which was 4% lower as compared to the GPM of 31% in FY2023. This was mainly due to changes in the sales mix in FY2024.

Selling and marketing ("S&M") costs in 2H2024 were 33% lower as compared to 2H2023. S&M costs in FY2024 decreased by \$0.2 million or 35%, from S\$0.7 million in FY2023 to S\$0.5 million in FY2024. The decrease was mainly due to lower sales commission expenses incurred in FY2024 and full impairment of goodwill on customer relationship as at 31 December 2023.

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

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

General and administrative (“G&A”) costs in 2H2024 and FY2024 increased by approximately 179% and 109% respectively as compared to the G&A costs incurred in 2H2023 and FY2023. The increase was mainly due to fees and expenses incurred for the proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. (“**Proposed Acquisition**”) during 2H2024. Please refer to the Company’s announcement dated 27 October 2023 entitled “Proposed Acquisition of 100% of the Issued and Paid-up Share Capital of LSO Organization Holdings Pte. Ltd.” and the circular to shareholders dated 5 July 2024 for further information on the Proposed Acquisition.

The Group recorded other expenses (net) of S\$0.3 million in FY2024, as compared to S\$2.0 million in FY2023. The decrease was mainly due to the full impairment of intangible assets (comprising goodwill and customer relationships) of S\$1.9 million due to a shortfall between the carrying amount of net operating assets and value in use for an identified cash-generating unit in FY2023.

Finance costs (net) increased by 13% or S\$0.1 million, from S\$0.8 million in FY2023 to S\$0.9 million in FY2024, mainly due to interest accrued on the 5% Redeemable Convertible Notes in FY2024.

As a result of the above, the Group reported a net loss attributable to owners of the Company of S\$6.2 million in FY2024, as compared to a net loss of S\$4.0 million in FY2023.

Balance Sheet

The inclusion of S\$43.0 million of intangible assets as at 31 December 2024 arose from the Proposed Acquisition during FY2024.

Property, plant and equipment increased by S\$0.4 million, from S\$6.4 million as at 31 December 2023 to S\$6.8 million, as at 31 December 2024, mainly due to purchase of new property, plant and equipment, partially offset by yearly depreciation.

Right-of-use assets reported remained relatively constant at S\$0.5 million as at 31 December 2024 and 31 December 2023.

Inventories decreased by S\$0.3 million, from S\$0.8 million as at 31 December 2023 to S\$0.5 million as at 31 December 2024, due to lower orders from one of the Group’s subsidiaries.

Trade and other receivables increased by S\$2.8 million, from S\$4.4 million as at 31 December 2023 to S\$7.2 million as at 31 December 2024. This was due to the inclusion of trade and other receivables arising from LSO Organization Holdings Pte Ltd.

Prepayments and advances decreased by S\$0.2 million, from S\$0.3 million as at 31 December 2023 to S\$0.1 million as at 31 December 2024, due to lower advances to vendors in FY2024.

Other liabilities increased by S\$0.2 million, from S\$1.8 million as at 31 December 2023 to S\$2.1 million, as at 31 December 2024 due to accrual of operating expenses.

Current trade and other payables increased from S\$5.2 million as at 31 December 2023 to S\$11.9 million as at 31 December 2024, mainly due to S\$4.6 million owing to the vendors of LSO pursuant to the Proposed Acquisition, being outstanding cash consideration arising from the completion of the Proposed Acquisition. Please refer to the Company’s announcement dated 2 August 2024 for further details.

Non-current trade and other payables decreased from S\$10.8 million as at 31 December 2023 to S\$9.8 million as at 31 December 2024 due to repayment of loan to ASTI Holdings Limited during FY2024.

Lease liabilities increased from S\$0.2 million as at 31 December 2023 to S\$0.4 million as at 31 December 2024 due to new hire-purchase lease and partially offset by repayment of lease obligations.

Total loans and borrowings and bank overdrafts decreased by S\$0.3 million, from S\$2.7 million as at 31 December 2023 to S\$2.4 million as at 31 December 2024, due to loan repayment during FY2024.

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

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

The Group reported net current liabilities of S\$5.3 million and net assets of S\$32.9 million as at 31 December 2024. Please refer to Note 2.1 under the Notes to the Condensed Financial Statements of this announcement for information on the Directors' assessment of the Group's and the Company's ability to continue as a going concern.

Cash Flows

Net cash used in operating activities amounted to S\$1.7 million in FY2024. The Group recorded operating cash outflows before working capital changes of S\$3.4 million. The main movements of the cash flows from operating activities in FY2024 comprised: (i) the decrease in inventories of S\$0.3 million; (ii) the increase in trade and other receivables, prepayments and advances of S\$6.3 million; and (iii) the increase in trade and other payables, contract liabilities and other liabilities of S\$8.0 million. An amount of S\$0.3 million was also utilised for the payments of taxes in FY2024.

Net cash used in investing activities amounting to S\$0.9 million in FY2024 were due to the purchase of property, plant and equipment, and partially offset from the proceeds from the disposal of property, plant and equipment in FY2024.

A total of S\$3.3 million was generated from financing activities in FY2024, mainly due to the drawdown of S\$2.0 million redeemable convertible notes and net proceeds of S\$2.1 million from the rights issue completed in FY2024. Such amounts were partially offset by repayments (net) of bank borrowings and lease obligations.

Cash and cash equivalents amounted to S\$4.0 million as at 31 December 2024 compared to S\$3.6 million reported at 31 December 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 YEAR AND THE NEXT 12 MONTHS

The Group has made significant strides in transforming into a fully integrated aquaculture supply chain player, following the acquisition of LSO Organisation Holdings Pte. Ltd. in August 2024. This strategic move, backed by our new management team's expertise, strengthens our foothold in hatcheries, aquatech farming, farm asset development, seafood processing, and global distribution. By integrating these capabilities, we are positioning ourselves as a keen player in the fast-growing aquaculture industry, addressing rising global demand for sustainable seafood.

In early 2024, our 50%-owned subsidiary, Lim Shrimp Organization Limited, secured two major operational management agreements in Malaysia and Palau. These partnerships are already in motion and are expected to contribute meaningfully to our revenue streams in the near future. A key milestone in our innovation roadmap is our collaboration with Hewlett Packard Enterprise to develop a Shrimp Farming Intelligence Centre. This initiative underscores our commitment to integrating AI-driven decision intelligence into aquaculture, enhancing productivity, efficiency, and sustainability across the industry.

The Group is actively divesting non-core businesses, such as the proposed 67% divestment of Emerald Precision Engineering Sdn. Bhd.

As geopolitical tensions and food security concerns continue to shape global markets, we expect that our strategic pivot to aquaculture, will position us for long-term, sustainable growth.

8. DIVIDEND

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

None.

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

8. DIVIDEND (CONT'D)

(b) Corresponding year of the immediately preceding financial year

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

None.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for FY2024 as the Group recorded accumulated losses as at 31 December 2024.

9. INTERESTED PERSON TRANSACTIONS

The Group had obtained a general mandate from shareholders for interested person transactions ("IPTs") at an extraordinary meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated 4 February 2021. The general mandate for IPTs was renewed at the Company's Annual General Meeting held on 23 August 2024.

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		12 months ended 31 December 2024	12 months ended 31 December 2024
ASTI Holdings Limited ("ASTI") and its subsidiary of companies ("ASTI Group")	A controlling shareholder of the Company ⁽¹⁾	Interest expenses amounting to S\$391,000 ⁽¹⁾	Nil ⁽¹⁾
Dato' Loh Soon Gnee	A controlling shareholder of the Company	Nil ⁽²⁾	Nil
Yumei Plastic Pte Ltd	A wholly-owned company of Seah Chong Hoe, who is a controlling shareholder, a director and the Chief Executive Officer of the Company	Nil ⁽³⁾	Nil

Notes:

- ⁽¹⁾ ASTI Group has ceased to be a substantial shareholder of the Company as at 29 October 2024 as ASTI Group has disposed of all the shares in the capital of the Company as at 29 October 2024. The interest expenses is calculated until such date ASTI Group ceased to be a substantial shareholder of the Company.

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

9. INTERESTED PERSON TRANSACTIONS (CONT'D)

- (2) Relates to interest payable to Dato' Loh Soon Gnee on loans extended by Dato' Loh Soon Gnee to the Company for FY2024, amounting to S\$89,000, which was below S\$100,000.
- (3) Relates to office facility and storage services expenses for FY2024 payable to Yumei Plastic Pte Ltd, amounting to S\$96,000, which was below S\$100,000.

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

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

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

On 2 August 2024, the Company completed the proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. ("LSO") for an aggregate consideration of S\$20.0 million ("LSO Acquisition"), and LSO became a wholly-owned subsidiary of the Company on the same day. Please refer to the Company's circular to shareholders dated 5 July 2024 for information on the LSO Acquisition, including the information on the aggregate value of the purchase consideration, the factors taken into account in arriving at the purchase consideration and how it was satisfied, including the terms of payment, and the net asset value represented by such shares acquired.

Save of the above, there were no acquisitions or realization of shares in any of the Group's subsidiary and associated company as well as no incorporation of any new subsidiary or associated company by the Company or any of the Group's entities since the end of the previous reporting year, up to 31 December 2024.

12. 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 the notes to the condensed interim consolidated financial statements of the Group for the six months and full year ended 31 December 2024 as set out in Note 21 to Condensed Financial Statements, and the review of performance of the Group under income statement under paragraph 5 of the section entitled "Other Information Required Pursuant to Appendix 7C of the Catalist Rules".

The ECMS and the Aquaculture businesses of the Group are mainly carried out in the Asia region.

13. A BREAKDOWN OF SALES

Group	31 Dec 24 S\$'000	31 Dec 23 S\$'000	change %
Revenue reported for first half year	8,620	5,825	48%
Operating loss after tax before deducting non-controlling interests reported for first half year	(521)	(1,048)	-50%
Revenue reported for second half year	8,745	7,103	23%
Operating loss after tax before deducting non-controlling interests reported for second half year	(5,687)	(2,969)	92%

14. A BREAKDOWN OF THE TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE ISSUER'S LATEST FULL YEAR AND ITS PREVIOUS FULL YEAR

Not applicable. No dividend has been declared or recommended for FY2024 and FY2023.

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

15. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION IN THE ISSUER OR ANY OF ITS PRINCIPAL SUBSIDIARIES WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER OF THE ISSUER PURSUANT TO RULE 704(10) IN THE FORMAT BELOW. IF THERE ARE NO SUCH PERSONS, THE ISSUER MUST MAKE AN APPROPRIATE NEGATIVE STATEMENT

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

16. USE OF PROCEEDS

Proposed RCN Issuance

On 31 October 2023, 30 July 2024 and 1 August 2024, the Company partially drew on the 5% redeemable convertible notes amounting to an aggregate of S\$4.5 million ("**RCN Net Proceeds**"), pursuant to the Proposed RCN Issuance.

The following table summarises the use of the Net Proceeds based on the Company's announcement on 2 August 2024 on the re-allocation of use of net proceeds from the Proposed RCN Issuance ("**Amended Allocation for RCN**") ("**Announcement on Re-allocation of Net Proceeds from RCN**"):

Use of RCN Net Proceeds	Amended Allocation for RCN Net Proceeds (S\$' million)	Drawn down and utilised as at the date of the Company's announcement on 2 August 2024 (S\$' million)	Balance (not drawn down) as at the date of this announcement (S\$' million)
Bridging Loan ⁽¹⁾	2.0	2.0	-
General Working Capital ⁽²⁾	3.0	2.5	0.5
Total	5.0	4.5	0.5

Notes:

(1) The Company has on 31 October 2023 issued and the Subscribers have subscribed for Tranche 1 of the Proposed RCN Issuance in an aggregate nominal amount of SGD2.5 million. Of the SGD2.5 million proceeds received by the Company, SGD2.0 million has been lent to the Vendors of the LSO Acquisition pursuant to a bridging loan, whilst the rest has been utilised for general working capital of the Company.

(2)

No	Breakdown of usage	S\$' million
1	Repayment of first instalment to ASTI pursuant to the Second Addendum	1.00
2	Partial repayment of the debt to ASTI pursuant to the ASTI Statutory Demand Letter	0.67
3	Payment of Administrative fees amounting to 6% of the sum of SGD4.5 million drawdown pursuant to the Proposed RCN Issuance	0.28
4	Professional expenses related to acquisition of LSO Organization HoldingsPte Ltd	0.36
5	Payroll related costs	0.16
6	Others	0.03
	Total	2.50

The use of the cash proceeds is in accordance with the intended uses and amount allocation as disclosed in the Company's announcement dated 2 August 2024 on the Proposed RCN Issuance.

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

16. USE OF PROCEEDS (CONT'D)

Rights Cum Warrants Issue

On 19 December 2024, the Company completed a renounceable non-underwritten right cum warrants issue exercise ("**Rights Cum Warrants Issue**") and raised net proceeds of approximately S\$4.605 million ("**Net Proceeds**") (excluding proceeds to be raised from the exercise of the Warrants). Please refer to the Company's offer information statement dated 27 November 2024 ("**OIS**") for more information on the Rights Cum Warrants Issue, the Company's announcement dated 6 January 2025 on the re-allocation of use of Net Proceeds, and the Company's announcement dated 1 March 2025 on further re-allocation of use of Net Proceeds ("**Revised Allocation**") ("**Announcement on Revised Allocation of Net Proceeds**").

The following table summarises the use of the Net Proceeds based on the Announcement on Revised Allocation of Net Proceeds:

Use of Net Proceeds	Net Proceeds after reallocation as announced on 6 January 2025 (S\$' million)	Balance as at 6 January 2025 (S\$' million)	Balance after Revised Allocation (S\$' million)	Amount utilised since 7 January 2025 up until 28 February 2025 (S\$' million)	Balance of Net Proceeds as at 28 February 2025 (S\$' million)
Partial payment of the cash consideration payable to the LSO Vendors for the LSO Acquisition	3.497	2.112	0.450	0.450	-
Partial payment of the indebtedness owing to SCH	0.135	-	-	-	-
Partial payment of professional fees owing to ILaw and ZICAP in respect of the LSO Acquisition	0.367	-	-	-	-
General corporate and working capital purposes ⁽¹⁾	0.606	0.006	1.668	1.066 ⁽¹⁾	0.602
Total	4.605	2.118	2.118	1.516	0.602

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

16. USE OF PROCEEDS (CONT'D)

Note:

(1)

No	Breakdown of usage	S\$' million
1	Partial payment of the indebtedness owing to a shareholder	0.513
2	Professional fees	0.322
3	Payroll	0.138
4	Other	0.093
	Total	1.066

The use of Net Proceeds disclosed above is in accordance with the intended uses as disclosed in the Announcement on Revised Allocation of Net Proceeds. The Board will continue to provide periodic announcements on the utilisation of the balance of the Net Proceeds as and when such proceeds are materially disbursed or utilised, and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s) and financial results announcement(s).

BY ORDER OF THE BOARD

Mr Seah Chong Hoe
Chairman and CEO
1 March 2025