



## **ADVANCED SYSTEMS AUTOMATION LIMITED**

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

---

### Results for the Second Quarter Financial Period Ended 30 June 2017

### Unaudited Financial Statements and Dividend Announcement

---

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

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.*

*SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.*



## ADVANCED SYSTEMS AUTOMATION LIMITED

(Company Registration No: 198600740M)

(Incorporated in the Republic of Singapore)

### Results for the Second Quarter Financial Period Ended 30 June 2017 Unaudited Financial Statements and Dividend Announcement

The Board of Directors of the Company announces the unaudited financial results of the Group and the Company for the financial period ended 30 June 2017.

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

	Group Second Quarter Ended			Group Half Year Ended		
	30/6/2017	30/6/2016	Change	30/6/2017	30/6/2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	6,285	6,616	(5)	12,070	11,607	4
Costs of sales	(5,057)	(4,997)	1	(9,741)	(9,063)	7
<b>Gross profit</b>	<b>1,228</b>	<b>1,619</b>	(24)	<b>2,329</b>	<b>2,544</b>	(8)
Selling and marketing costs	(573)	(487)	18	(1,142)	(978)	17
Research and development costs	(186)	(184)	1	(371)	(365)	2
General and administrative costs	(1,582)	(1,218)	30	(3,110)	(2,728)	14
Foreign exchange gain/(loss)	10	41	(76)	(154)	106	NM
Total operating costs	(2,331)	(1,848)	26	(4,777)	(3,965)	20
<b>Operating loss before finance costs</b>	<b>(1,103)</b>	<b>(229)</b>	382	<b>(2,448)</b>	<b>(1,421)</b>	72
Finance costs, net	(184)	(108)	70	(314)	(210)	50
<b>Loss before taxation</b>	<b>(1,287)</b>	<b>(337)</b>	282	<b>(2,762)</b>	<b>(1,631)</b>	69
Income tax (expense)/credit	(72)	63	NM	(146)	111	NM
<b>Net loss for the period</b>	<b>(1,359)</b>	<b>(274)</b>	396	<b>(2,908)</b>	<b>(1,520)</b>	91
<u>Attributable to:</u>						
Owners of the Company	(1,328)	(249)	433	(2,849)	(1,494)	91
Non-controlling interests	(31)	(25)	24	(59)	(26)	127
<b>Net loss for the period</b>	<b>(1,359)</b>	<b>(274)</b>	396	<b>(2,908)</b>	<b>(1,520)</b>	91

NM: Not meaningful

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

	<u>Group</u>		<u>Group</u>	
	<u>Second Quarter Ended</u>		<u>Half Year Ended</u>	
	<u>30/6/2017</u>	<u>30/06/2016</u>	<u>30/6/2017</u>	<u>30/06/2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Net loss for the period is derived after crediting/(charging) the following:</b>				
- Interest income	6	3	10	6
- Interest expense	(185)	(107)	(315)	(208)
- Depreciation of property, plant and equipment	(145)	(117)	(273)	(254)
- Amortisation of intangible assets	-	-	-	(15)
- Property, plant and equipment written off	-	(1)	-	(1)
- Gain on disposal of property, plant and equipment	116	312	116	326
- Allowance for other receivables	(65)	-	(65)	-
- Allowance for stock obsolescence, net	(80)	(38)	(78)	(99)
- Reversal of write-down of inventories	-	5	-	5
- Provision for warranty	33	8	61	15
- Over provision of income tax in respect of prior years	-	-	-	64

### Consolidated Statement of Comprehensive Income

	<u>Group</u>			<u>Group</u>		
	<u>Second Quarter Ended</u>			<u>Half Year Ended</u>		
	<u>30/6/2017</u>	<u>30/6/2016</u>	<u>Change</u>	<u>30/6/2017</u>	<u>30/6/2016</u>	<u>Change</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b>Net loss for the period</b>	(1,359)	(274)	396	(2,908)	(1,520)	91
<b>Other comprehensive income:</b>						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	(33)	(41)	(20)	(72)	(336)	(79)
<b>Total comprehensive income for the period</b>	(1,392)	(315)	342	(2,980)	(1,856)	61
<u>Attributable to:</u>						
Owners of the Company	(1,349)	(309)	337	(2,922)	(1,820)	61
Non-controlling interests	(43)	(6)	617	(58)	(36)	61
<b>Total comprehensive income for the period</b>	(1,392)	(315)	342	(2,980)	(1,856)	61

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

	<b>Group</b>		<b>Company</b>	
	<b>30/6/2017</b>	<b>31/12/2016</b>	<b>30/6/2017</b>	<b>31/12/2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	64	45	64	45
Property, plant and equipment	3,104	1,851	-	-
Investments in subsidiaries	-	-	10,522	10,522
Deferred tax assets	81	81	-	-
<b>Total non-current assets</b>	<b>3,249</b>	<b>1,977</b>	<b>10,586</b>	<b>10,567</b>
<b>Current assets</b>				
Inventories	4,857	2,505	-	-
Trade receivables	8,156	8,713	-	-
Prepayments and advances	474	568	3	6
Other receivables	475	483	5	2
Amounts due from subsidiaries	-	-	7,100	5,622
Amounts due from related companies	736	624	-	-
Cash and cash equivalents	6,920	2,716	4,142	29
<b>Total current assets</b>	<b>21,618</b>	<b>15,609</b>	<b>11,250</b>	<b>5,659</b>
<b>TOTAL ASSETS</b>	<b>24,867</b>	<b>17,586</b>	<b>21,836</b>	<b>16,226</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals	12,966	10,246	454	286
Income tax payable	91	29	-	-
Lease creditors	9	9	-	-
Amounts due to subsidiaries	-	-	914	1,302
Amounts due to related companies	583	242	-	36
Amounts due to holding company	3,622	5,027	3,225	4,964
<b>Total current liabilities</b>	<b>17,271</b>	<b>15,553</b>	<b>4,593</b>	<b>6,588</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>4,347</b>	<b>56</b>	<b>6,657</b>	<b>(929)</b>
<b>Non-current liabilities</b>				
Amounts due to holding company	-	2,843	-	2,843
<b>Total non-current liabilities</b>	<b>-</b>	<b>2,843</b>	<b>-</b>	<b>2,843</b>
<b>TOTAL LIABILITIES</b>	<b>17,271</b>	<b>18,396</b>	<b>4,593</b>	<b>9,431</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>7,596</b>	<b>(810)</b>	<b>17,243</b>	<b>6,795</b>
<b>Equity attributable to the owners of the Company</b>				
Share capital	142,351	130,965	142,351	130,965
Reserves	(134,033)	(131,111)	(125,108)	(124,170)
	8,318	(146)	17,243	6,795
Non-controlling interests	(722)	(664)	-	-
<b>TOTAL EQUITY</b>	<b>7,596</b>	<b>(810)</b>	<b>17,243</b>	<b>6,795</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24,867</b>	<b>17,586</b>	<b>21,836</b>	<b>16,226</b>

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities**
**Amount repayable in one year or less, or on demand**

<u>As at 30/06/2017</u>		<u>As at 31/12/2016</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
9	4,525	9	6,101

**Amount repayable after one year**

<u>As at 30/06/2017</u>		<u>As at 31/12/2016</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	-	2,843

**Details of any collateral**

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

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>	
	<b>Half Year Ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(2,762)	(1,631)
Adjustments for:		
Depreciation of property, plant and equipment	273	254
Amortisation of intangible assets	-	15
Property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	(116)	(326)
Allowance for other receivables	65	-
Allowance for stock obsolescence, net	78	99
Provision for warranty	61	15
Interest income	(10)	(6)
Interest expense	315	208
Effect of unrealised exchange gain	(39)	(330)
<b>Operating cash flows before changes in working capital</b>	<b>(2,135)</b>	<b>(1,701)</b>
<u>Changes in working capital</u>		
Increase in inventories	(2,430)	(133)
Decrease/(increase) in receivables	594	(395)
Increase in amounts due from related companies	(112)	(210)
Increase in payables	2,520	1,638
Increase/(decrease) in amounts due to related companies	341	(6)
(Decrease)/increase in amounts due to holding company	(44)	350
<b>Cash flows used in operations</b>	<b>(1,266)</b>	<b>(457)</b>
Interest received	10	6
Interest paid	(168)	(52)
Income taxes paid	(84)	(145)
<b>Net cash flows used in operating activities</b>	<b>(1,508)</b>	<b>(648)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(977)	(58)
Extension of club membership	(19)	-
Proceeds from disposal of leasehold land and building	-	1,934
Proceeds from disposal of property, plant and equipment	191	326
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(805)</b>	<b>2,202</b>
<b>FINANCING ACTIVITIES</b>		
Payment to lease creditors	-	(165)
Repayment of bank borrowings	-	(926)
Repayment of other borrowings	(559)	-
Proceeds from Company's rights issue exercise	7,517	-
Rights issue expenses	(424)	-
Loan from holding company	-	146
<b>Net cash flows generated from/(used in) financing activities</b>	<b>6,534</b>	<b>(945)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,221</b>	<b>609</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,716</b>	<b>2,990</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(17)</b>	<b>(27)</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,920</b>	<b>3,572</b>



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

**Consolidated Statement of Changes in Equity**

Group	Attributable to owners of the Company					Equity attributable to owners of the Company, Total	Non-controlling Interests	Equity Total
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger Reserve	Premium paid on acquisition of non-controlling interests			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
<b>Balance at 1 January 2017</b>	<b>130,965</b>	<b>(129,244)</b>	<b>1,497</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>(146)</b>	<b>(664)</b>	<b>(810)</b>
Loss for the period	-	(2,849)	-	-	-	(2,849)	(59)	(2,908)
<u>Other comprehensive income for the period</u>								
- Foreign currency translation	-	-	(73)	-	-	(73)	1	(72)
Total comprehensive income for the period	-	(2,849)	(73)	-	-	(2,922)	(58)	(2,980)
<u>Contributions by and distributions to equity holders</u>								
- Issuance of shares pursuant to Rights Issue	11,868	-	-	-	-	11,868	-	11,868
- Share issuance expenses	(482)	-	-	-	-	(482)	-	(482)
Total transactions with equity holders in their capacity as equity holders	11,386	-	-	-	-	11,386	-	11,386
<b>Balance at 30 June 2017</b>	<b>142,351</b>	<b>(132,093)</b>	<b>1,424</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>8,318</b>	<b>(722)</b>	<b>7,596</b>



**ADVANCED SYSTEMS AUTOMATION LIMITED**  
 Results for the Second Quarter Financial Period Ended 30 June 2017  
 Unaudited Financial Statements and Dividend Announcement

Group	Attributable to owners of the Company					Equity attributable to owners of the Company, Total	Non-controlling Interests	Equity Total
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger Reserve	Premium paid on acquisition of non-controlling interests			
		Distributable	Non-distributable					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
<b>Balance at 1 January 2016</b>	<b>130,965</b>	<b>(126,494)</b>	<b>1,656</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>2,763</b>	<b>(613)</b>	<b>2,150</b>
Loss for the period	-	(1,494)	-	-	-	(1,494)	(26)	(1,520)
<u>Other comprehensive income for the period</u>								
Foreign currency translation	-	-	(326)	-	-	(326)	(10)	(336)
<b>Total comprehensive income for the period</b>	-	(1,494)	(326)	-	-	(1,820)	(36)	(1,856)
<b>Balance at 30 June 2016</b>	<b>130,965</b>	<b>(127,988)</b>	<b>1,330</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>943</b>	<b>(649)</b>	<b>294</b>





Company	Share Capital	Accumulated Losses	Equity, Total
	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2017</b>	<b>130,965</b>	<b>(124,170)</b>	<b>6,795</b>
Loss for the period	-	(938)	(938)
<u>Contributions by and distributions to equity holders</u>			
- Issuance of shares pursuant to Rights Issue	11,868	-	11,868
- Share issuance expenses	(482)	-	(482)
Total transactions with equity holders in their capacity as equity holders	11,386	-	11,386
<b>Balance at 30 June 2017</b>	<b>142,351</b>	<b>(125,108)</b>	<b>17,243</b>
<b>Balance at 1 January 2016</b>	<b>130,965</b>	<b>(117,627)</b>	<b>13,338</b>
Loss for the period	-	(845)	(845)
<b>Balance at 30 June 2016</b>	<b>130,965</b>	<b>(118,472)</b>	<b>12,493</b>

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

	Company	
	<u>No. of ordinary shares</u>	<u>Issued and paid-up share capital</u> S\$'000
Balance as at 30 June 2017	15,824,126,058	142,351
Balance as at 31 March 2017	2,637,354,343	130,965

On 14 June 2017, the Company completed the renounceable and partially-underwritten rights issue of 13,186,771,715 new ordinary shares in the issued share capital of the Company (the "**Rights Shares**") at an issue price of S\$0.0009 for each Rights Share, on the basis of five (5) Rights Shares for every one (1) existing ordinary share held by entitled shareholders as at the rights issue books closure date (the "**Rights Issue**").

Upon completion of the Rights Issue, the issued share capital of the company as at 14 June 2017 comprised a total of 15,824,126,058 ordinary shares.

The Company did not have any outstanding convertible securities or treasury shares or subsidiary holdings as at 30 June 2016 and 30 June 2017.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

Total number of issued shares excluding treasury shares was 15,824,126,058<sup>#</sup> as at 30 June 2017 (31 December 2016: 2,637,354,343).

<sup>#</sup> The number of issued shares excluding treasury shares was based on the number of shares after completion of the Rights Issue as stated in note 1(d)(ii).

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

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

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

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

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

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

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

Not applicable.

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

Other than the adoption of the amended Financial Reporting Standards ("FRS") and Interpretations of FRS that are effective from 1 January 2017, the accounting policies and methods of computation applied by the Group in the financial statements for the financial period ended 30 June 2017, are consistent with those of the audited financial statements for the financial year ended 31 December 2016.

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

The adoption of the amended FRS and Interpretations of FRS is assessed to have no material impact to the financial position or financial performance of the Group for the financial period ended 30 June 2017.

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

	<u>Group</u> <u>Second Quarter Ended</u>		<u>Group</u> <u>Half Year Ended</u>	
	<u>30/06/2017</u>	<u>30/06/2016</u>	<u>30/06/2017</u>	<u>30/06/2016</u>
Loss per ordinary share for the period based on net loss attributable to owners of the Company:				
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.02)	(0.01)	(0.05)	(0.03)
Weighted average number of ordinary shares #	6,795,144,579	4,868,961,864	5,837,374,168	4,868,961,864
(b) On a fully diluted basis (cents)	(0.02)	(0.01)	(0.05)	(0.03)

# The weighted average number of ordinary shares for both the current and prior periods had been restated for the effects of the Rights Issue that was stated in 1(d)(ii). Outstanding shares have been multiplied using an “adjustment factor” calculated by taking the difference in the price at which Rights Issue was issued (S\$0.0009) and the price on the last day of exercise of entitlements (S\$0.002).

The diluted loss per share is the same as the basic loss per share as there were no outstanding convertible securities or other dilutive equity instruments for both financial periods ended 30 June 2017 and 30 June 2016.

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

Net asset value per ordinary share (cents)

<u>Group</u>		<u>Company</u>	
<u>30/06/2017</u>	<u>31/12/2016</u>	<u>30/06/2017</u>	<u>31/12/2016</u>
0.05	(0.01)	0.11	0.26

The net asset value per ordinary share as at 30 June 2017 was calculated based on the total number of issued shares (excluding treasury shares) of 15,824,126,058 (31 December 2016: 2,637,354,343).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

### **Income Statement**

The Group's revenue in the second quarter ended 30 June ("2Q") 2017 was 5% lower when compared to 2Q2016. Equipment Contract Manufacturing Services ("ECMS") business recorded an increase in revenue of 12% in 2Q2017 when compared to 2Q2016 due to increases in customers' loadings. Equipment business posted a decline of 51% in revenue in 2Q2017 when compared to 2Q2016 due to reduced deliveries during the quarter.

The Group's revenue for the six months ended 30 June ("1H") 2017 was 4% higher when compared to 1H2016. ECMS business recorded an increase in revenue of 23% in 1H2017 when compared to 1H2016 due to increases in customers' loadings. Equipment business posted a decline of 46% in revenue in 1H2017 when compared to 1H2016 due to reduced deliveries during the period.

Gross profit margin ("GPM") of the Group in 2Q2017 of 20% was 4 percentage points ("ppt") lower than the GPM in 2Q2016 of 24%. GPM of the ECMS business in 2Q2017 of 13% was comparable to the GPM in 2Q2016. GPM of the Equipment business in 2Q2017 of 60% was 3ppt higher than the GPM in 2Q2016 of 57% due to a shift in sales mix during the quarter.

GPM of the Group in 1H2017 of 19% was 3ppt lower than the GPM in 1H2016 of 22%. GPM of the ECMS business in 1H2017 of 13% was 4ppt higher when compared to the GPM of 9% in 1H2016, mainly due to higher sales in 1H2017. GPM of the Equipment business in 1H2017 of 56% was comparable to the GPM in 1H2016.

Selling and marketing ("S&M") costs in 2Q2017 and 1H2017 were 18% and 17% higher when compared to 2Q2016 and 1H2016 respectively. This was mainly due to higher sales activities. S&M costs incurred by the ECMS business in 2Q2017 and 1H2017 were 15% and 16% higher when compared to 2Q2016 and 1H2016 respectively, which was in line with the higher sales in 2Q2017 and 1H2017. S&M costs incurred by the Equipment business in 2Q2017 and 1H2017 were 23% and 18% higher when compared to 2Q2016 and 1H2016 respectively, mainly due to higher sales support services incurred.

Research and development ("R&D") costs in 2Q2017 and 1H2017 were comparable to the R&D costs incurred in 2Q2016 and 1H2016 respectively.

In 2Q2017 and 2Q2016, the Group recorded gains of S\$0.1 million and S\$0.3 million respectively from the disposal of machinery. These gains were accounted for in the general and administrative ("G&A") costs. Excluding these disposal gains, the G&A costs in 2Q2017 and 1H2017 were 11% and 6% higher when compared to the G&A costs incurred in 2Q2016 and 1H2016 respectively. The higher costs were due to more consultancy fees incurred during the periods.

The Group reported a lower foreign exchange gain in 2Q2017 compared to the foreign exchange gain in 2Q2016. The Group reported a foreign exchange loss in 1H2017 compared to the foreign exchange gain in 1H2016, mainly due to the weakening of the Malaysia Ringgit against the Singapore Dollar in 1H2017.

Finance costs incurred in 2Q2017 and 1H2017 were higher by 70% and 50% when compared to 2Q2016 and 1H2016 respectively, mainly due to a subsidiary's borrowings from external parties.

Depreciation of property, plant and equipment ("PPE") increased in 2Q2017 and 1H2017 when compared to 2Q2016 and 1H2016 respectively due to the additional PPE purchased in 2017.

There was no amortisation of intangible assets in 2Q2017 and 1H2017 as the intangible assets had been fully amortised in 2016.

Allowance for stock obsolescence increased in 2Q2017 compared to 2Q2016 due to provisions made for some aged inventories.

As a result of the above, the Group reported a net loss attributable to owners of the Company of S\$1.3 million in 2Q2017 when compared to the net loss of S\$0.2 million in 2Q2016. Net loss attributable to owners of the Company was S\$2.8 million in 1H2017 as compared to net loss of S\$1.5 million in 1H2016.

### **Balance Sheet**

The intangible assets increased by approximately S\$19,000 from approximately S\$45,000 as at 31 December 2016 to approximately S\$64,000 as at 30 June 2017 due to payment made to extend an existing club membership.

The PPE increased by S\$1.2 million from S\$1.9 million as at 31 December 2016 to S\$3.1 million as at 30 June 2017 mainly due to the purchases of machineries during the period. This addition to PPE was offset by the depreciation of PPE during the period.

Inventories increased by S\$2.4 million, from S\$2.5 million as at 31 December 2016 to S\$4.9 million as at 30 June 2017, mainly due to increased work-in-progress.

Trade receivables decreased by S\$0.5 million, from S\$8.7 million as at 31 December 2016 to S\$8.2 million as at 30 June 2017 due to an improvement in trade receivables turnover.

Prepayments and advances decreased by S\$0.1 million, from S\$0.6 million as at 31 December 2016 to S\$0.5 million as at 30 June 2017 due to lower advances to the vendors.

Amounts due from related companies comprised mainly of receivables from sales to a related company. Amounts due from related companies increased by S\$0.1 million, from S\$0.6 million as at 31 December 2016 to S\$0.7 million as at 30 June 2017, due to more sales made to that related company during the period.

Payables and accruals increased by S\$2.8 million, from S\$10.2 million as at 31 December 2016 to S\$13.0 million as at 30 June 2017, mainly due to higher inventory purchases and extended repayment period.

Amounts due to related companies increased by S\$0.4 million, from S\$0.2 million as at 31 December 2016 to S\$0.6 million as at 30 June 2017. This was mainly due to advances from a related company during the period.

Amounts due to holding company, ASTI Holdings Limited (“ASTI”) (current and non-current) decreased by S\$4.3 million, from S\$7.9 million as at 31 December 2016 to S\$3.6 million as at 30 June 2017. The decrease was due to ASTI's payment for its subscription of the Company's rights issue, which amounted to S\$4.4 million by means of an offset against the amounts owing from the Group.

As at 30 June 2017, the Group had net current assets of S\$4.3 million and net assets of S\$7.6 million.

### **Cash Flows**

Cash flows used in operating activities of S\$1.5 million comprised of cash flows used in the Group's operations in 1H2017 of S\$1.3 million and amounts paid for interests and taxes of S\$0.2 million. Cash flows used in investing activities amounted to S\$0.8 million, which was mainly utilised for the net purchase of new PPE. Cash flows generated from financing activities amounted to S\$6.5 million, mainly due to the net proceeds of S\$7.1 million from the Rights Issue.

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

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

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

The Group is cautiously optimistic about its prospect in the second half of 2017 (“2H2017”). This is due to the continued customers’ demand from its Equipment business. With the funds raised from the Rights Issue, it had strengthened our working capital position and enabled us to grow our businesses. Barring unforeseen circumstances, the Group expects that its performance in 2H2017 will improve.

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

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for 2Q2017.

### 13. Interested person transactions

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

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial period under review (excluding transactions below S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) S\$	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S\$100,000) S\$
ASTI Holdings Limited and its subsidiary companies	Nil	660,000*

\* Related to trade sales to a subsidiary of ASTI.

### 14. Use of proceeds arising from rights issue

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

As at 30 June 2017, the utilisation of the cash proceeds of approximately S\$7,517,000 were as follow:-

Intended usage in accordance with the Offer Information Statement dated 22 May 2017	Amount allocated S\$'000	Amount utilised S\$'000	Amount unutilised S\$'000
General working capital	3,987	(2,423)	1,564
Acquisition of plant and equipment	2,000	(16)	1,984
Payment for expenses incurred in connection with the Rights Issue	530	(424)	106
Repay partially the amount of the ASTI Shareholder Loan outstanding after the set-off of ASTI's subscription monies for its <i>pro rata</i> entitlement to Rights Shares	1,000	-	1,000
<b>Total</b>	<b>7,517</b>	<b>(2,863)</b>	<b>4,654</b>

Breakdown of general working capital usage	S\$'000
Payments to trade creditors	1,475
Payroll costs	634
Consultancy fees	101
Utility expenses	66
Travelling expenses	46
Directors' fees	18
Others	83
<b>Total</b>	<b>2,423</b>





---

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

- 15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable to quarterly announcement.

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

Not applicable to quarterly announcement.

- 17. A breakdown of sales**

Not applicable to quarterly announcement.

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

Not applicable to quarterly announcement.

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

Not applicable to quarterly announcement.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the second quarter financial period ended 30 June 2017 to be false or misleading in any material aspect.

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

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

**BY ORDER OF THE BOARD**

Dato' Michael Loh Soon Gnee  
Executive Chairman and CEO

14 August 2017