



Company No. 198600740M

**ADVANCED SYSTEM AUTOMATION LIMITED
AND ITS SUBSIDIARIES**

**Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 December 2021**

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

	Note	Group					
		6 months ended			12 months ended		
		31 Dec 21	31 Dec 20	change	31 Dec 21	31 Dec 20	change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
		(restated)		(restated)			
Continuing operations							
Revenue	6	8,814	7,475	18	18,990	14,128	34
Cost of sales		(6,229)	(5,837)	7	(13,295)	(10,492)	27
Gross profit		2,585	1,638	58	5,695	3,636	57
Other income		24	168	(86)	67	237	(72)
Other expenses							
Selling and marketing costs		(529)	(385)	37	(1,017)	(797)	28
General and administrative costs		(2,110)	(2,518)	(16)	(4,340)	(4,639)	(6)
Other expenses		(373)	(166)	>100	(274)	(142)	93
Finance costs, net		(190)	(154)	23	(374)	(340)	10
Loss before tax from continuing operations	7	(593)	(1,417)	(58)	(243)	(2,045)	(88)
Income tax (expense)/credit	8	(278)	95	NM	(602)	(162)	>100
Loss from continuing operations, net of tax		(871)	(1,322)	(34)	(845)	(2,207)	(62)
Discontinued operations							
Profit/(loss) from discontinued operations, net of tax	9	-	(995)	NM	533	(1,708)	NM
Loss for the year		(871)	(2,317)	(62)	(312)	(3,915)	(92)
Attributable to:							
Owners of the Company							
- Continuing operations		(871)	(1,344)	(35)	(845)	(2,207)	(62)
- Discontinued operations		-	(1,883)	NM	533	(2,596)	NM
		<u>(871)</u>	<u>(3,227)</u>	(73)	<u>(312)</u>	<u>(4,803)</u>	(94)
Non-controlling interests							
- Discontinued operations		-	910	NM	-	888	NM
Total		(871)	(2,317)	(62)	(312)	(3,915)	(92)
Loss per share from continuing operations attributable to owners of the Company (cents per share)							
Basic and diluted	10	(0.004)	(0.006)		(0.004)	(0.010)	
Loss per share (cents per share)							
Basic and diluted	10	(0.004)	(0.014)		(0.001)	(0.022)	

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

	Group					
	6 months ended			12 months ended		
	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)	change %	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)	change %
Loss for the year	(871)	(2,317)	(62)	(312)	(3,915)	(92)
Other comprehensive income items that may be reclassified subsequently to profit or loss						
Foreign currency translation	<u>12</u>	<u>111</u>	(89)	<u>(87)</u>	<u>103</u>	NM
Total comprehensive income for the year	<u>(859)</u>	<u>(2,206)</u>	(61)	<u>(399)</u>	<u>(3,812)</u>	(90)
Attributable to:						
Owners of the Company						
- Continuing operations	(859)	(1,223)	(30)	(932)	(2,104)	(56)
- Discontinued operations	<u>-</u>	<u>(1,885)</u>	NM	<u>533</u>	<u>(2,598)</u>	NM
	(859)	(3,108)	(72)	(399)	(4,702)	(92)
Non-controlling interests						
- Discontinued operations	<u>-</u>	<u>902</u>	NM	<u>-</u>	<u>890</u>	NM
Total comprehensive income for the year	<u>(859)</u>	<u>(2,206)</u>	(61)	<u>(399)</u>	<u>(3,812)</u>	(90)

NM: Not meaningful

CONDENSED BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)
Non-Current Assets					
Property, plant and equipment	11	7,771	7,008	-	-
Right-of-use assets		231	736	-	-
Intangible assets	12	2,425	2,654	64	64
Investment in subsidiaries	13	-	-	13,422	13,422
		10,427	10,398	13,486	13,486
Current Assets					
Inventories		974	595	-	-
Trade and other receivables		5,427	4,168	103	95
Prepayments and advances		94	83	21	26
Cash at bank and on hand		3,151	2,984	138	258
Tax recoverable		96	113	-	-
		9,742	7,943	262	379
Assets held for sale		-	1,293	-	100
		9,742	9,236	262	479
Current Liabilities					
Other liabilities	14	2,791	2,686	1,454	1,528
Trade and other payables	15	15,439	13,256	14,182	11,916
Contract liabilities		164	68	-	-
Income tax payable		191	6	-	-
Lease liabilities		110	294	-	-
Bank overdraft	16	799	797	-	-
Loans and borrowings	16	936	496	-	-
		20,430	17,603	15,636	13,444
Liabilities directly associated with assets held for sale		-	1,726	-	-
		20,430	19,329	15,636	13,444
Net Current Liabilities		(10,688)	(10,093)	(15,374)	(12,965)
Non-Current Liabilities					
Lease liabilities		31	32	-	-
Loans and borrowings	16	1,572	1,748	-	-
Deferred tax liabilities		437	427	-	-
		2,040	2,207	-	-
Net (Liabilities)/Assets		(2,301)	(1,902)	(1,888)	521
Equity attributable to owners of the Company					
Share capital	18	148,841	148,841	148,841	148,841
Foreign currency translation reserves	19	(28)	59	-	-
Merger reserves	19	(2,136)	(2,136)	-	-
Accumulated losses		(148,978)	(148,666)	(150,729)	(148,320)
Total Equity		(2,301)	(1,902)	(1,888)	521

CONDENSED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

Group	Attributable to equity holders of the Company									
	Share capital	Accumulated losses (Distributable)	Foreign currency translation reserve		Merger reserve	Other reserve	Total reserves	Total	Non-controlling interests	Total equity
			(Non-distributable)							
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2021	148,841	(148,666)	59	(2,136)	-	(2,077)	(1,902)	-	(1,902)	
Loss for the year	-	(312)	-	-	-	-	(312)	-	(312)	
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	(87)	-	-	(87)	(87)	-	(87)	
Other comprehensive income			(87)	-	-	(87)	(87)	-	(87)	
Total comprehensive income for the year	-	(312)	(87)	-	-	(87)	(399)	-	(399)	
At 31 December 2021	148,841	(148,978)	(28)	(2,136)	-	(2,164)	(2,301)	-	(2,301)	
At 1 January 2020	148,841	(143,863)	(42)	(2,136)	(1,228)	(3,406)	1,572	(890)	682	
Loss for the year	-	(4,803)	-	-	-	-	(4,803)	888	(3,915)	
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	101	-	-	101	101	2	103	
Other comprehensive income for the year, net of tax	-	-	101	-	-	101	101	2	103	
Total comprehensive income for the year	-	(4,803)	101	-	-	101	(4,702)	890	(3,812)	
<u>Contributions by and distributions to equity owners</u>										
Disposal of subsidiary					1,228	1,228	1,228		1,228	
Total contributions by and distributions to equity owners	-	-	-	-	1,228	1,228	1,228	-	1,228	
At 31 December 2020	148,841	(148,666)	59	(2,136)	-	(2,077)	(1,902)	-	(1,902)	

CONDENSED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

Company	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2021	148,841	(148,320)	521
Loss for the year	-	(2,409)	(2,409)
Total comprehensive income for the year	-	(2,409)	(2,409)
At 31 December 2021	148,841	(150,729)	(1,888)
At 1 January 2020	148,841	(147,793)	1,048
Loss for the year	-	(527)	(527)
Total comprehensive income for the year	-	(527)	(527)
At 31 December 2020	148,841	(148,320)	521

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group	
	12 months ended	
	31 Dec 21	31 Dec 20
	S\$'000	S\$'000
		(restated)
Cash flows from operating activities		
Loss before tax from continuing operations	(243)	(2,045)
Profit/(loss) before tax from discontinued operations	533	(1,707)
	<u>290</u>	<u>(3,752)</u>
Adjustments for:		
Effect of unrealised exchange loss	(28)	(104)
Depreciation of property, plant and equipment from continuing operations	852	757
Depreciation of right-of-use assets from continuing operations	221	205
Depreciation of right-of-use assets from discontinued operations	-	286
Impairment on property, plant and equipment from continuing operations	223	-
Gain on disposal of property, plant and equipment from continuing operations	(43)	(150)
Amortisation of intangible assets from continuing operations	229	230
Interest expenses from continuing operations	361	333
Interest expenses from discontinued operations	-	7
Interest income from continuing operations	(1)	(8)
Impairment on trade receivables from continuing operations	25	52
Impairment on trade receivables from discontinued operations	-	159
Impairment on other receivables from continuing operations	95	-
Fair value adjustment of contingent consideration	-	105
(Gain)/loss on disposal of a subsidiary	(575)	702
Write back of stock obsolescence from continuing operations	(16)	(30)
Inventories written-down from discontinued operations	18	362
Provisions from discontinued operations	-	64
Other income from discontinued operations	(6)	-
Operating cash flows before changes in working capital	<u>1,645</u>	<u>(782)</u>
Changes in working capital		
(Increase)/decrease in Inventories	(369)	436
Increase in receivables	(1,446)	(681)
Increase in payables	1,134	1,754
Cash flows generated from operations	<u>964</u>	<u>727</u>
Income tax paid	(391)	(309)
Interest received	1	8
Interest paid	(129)	(107)
Net cash flows generated from operating activities	<u>445</u>	<u>319</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,413)	(1,476)
Proceeds from disposal of property, plant and equipment	43	150
Net cash inflow on disposal of a subsidiary	91	85
Net cash flows used in investing activities	<u>(1,279)</u>	<u>(1,241)</u>
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(406)	(397)
Repayment of bank borrowings	(289)	(223)
Proceeds from bank borrowings	558	1,973
Loan from related party	1,000	-
Net cash flows generated from financing activities	<u>863</u>	<u>1,353</u>
Net increase in cash and cash equivalents	29	431
Effect of exchange rate changes on cash and cash equivalents	21	13
Cash and cash equivalents at beginning of the year	<u>2,302</u>	<u>1,858</u>
Cash and cash equivalents at end of the year	<u>2,352</u>	<u>2,302</u>
Cash at bank and on hand	3,151	2,984
Bank overdraft	(799)	(797)
	<u>2,352</u>	<u>2,187</u>
Disposal group classified as held for sale	-	115
Cash and cash equivalents	<u>2,352</u>	<u>2,302</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

Advanced Systems Automation Limited (the “Company”) was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from on 4 January 2010. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

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

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

The principal activities of the subsidiaries are disclosed in Note 13.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

The condensed interim financial statements are presented in Singapore Dollars (SGD or S\$) and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

Going concern assumption

The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has negatively impacted the Group’s operations and its financial performance for the financial year.

As at 31 December 2021, the Group had net current liabilities of S\$10,688,000 (2020: S\$10,093,000) and the Group had incurred net loss of S\$312,000 (2020: S\$3,915,000) for the year then ended. These factors may cast significant doubt about the Group’s ability to continue as going concerns.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the Directors believe that the Group can continue as a going concern based on the following factors: -

- (a) The Group will be able to generate positive cashflows from operations;
- (b) The Group has unutilised credit facilities of S\$0.9 million as at 31 December 2021;
- (c) Three key shareholders have agreed not to recall the amounts due to themselves for the next twelve months from the date that the 2021 year-end financial statements have been authorized for issue; and
- (d) Two key shareholders have agreed to provide financial support of up to S\$2,500,000 each, if required.

If the Group is unable to continue in operational existence for the foreseeable future, the Group 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 may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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

2.1 Basis of preparation (cont'd)

Discontinued operations

In 2020, the Group had announced their plan to dispose of Multiplate and MPL and on 27 February 2021, the Group announced their plan to dispose of Emerald Precision Engineering Sdn. Bhd. ("Emerald"), Yumei Technologies Sdn. Bhd. ("Yumei Tech"), Yumei REIT Sdn. Bhd. ("Yumei REIT") and Pioneer Venture Pte. Ltd. ("Pioneer"). On 25 November 2021, the Group announced that as the parties were not able to satisfy the conditions precedent by the Long Stop Date of 25 November 2021 as required under the sales and purchase agreement ("SPA") (which has not been extended), the SPA was terminated accordingly.

As at 31 December 2020, the assets and liabilities of MPL has been presented in the balance sheet as "Assets held for sale" and "Liabilities directly associated with assets held for sale" respectively. For the year then ended, the results of Multiplate and MPL have been presented separately in the consolidated income statement as "Loss from discontinued operations, net of tax". See Note 9 for more details.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

- Amendments to SFRS(I)16 COVID-19 Related Rent Concessions
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

4. SEASONAL OPERATIONS

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

5. RESTATEMENT OF COMPARATIVE INFORMATION

On 26 Feb 2021, the Company entered into a sale and purchase agreement (the "SPA") in relation to the Company's proposed disposal of the entire issued and paid-up share capital of each of Emerald Precision Engineering Sdn. Bhd. ("Emerald"), Yumei Technologies Sdn. Bhd. ("Yumei Tech"), Yumei REIT Sdn. Bhd. ("Yumei REIT") and Pioneer Venture Pte. Ltd. ("Pioneer") (the "Proposed Disposal").

On 25 November 2021, the Company announced that as the parties were not able to satisfy the conditions precedent by the Long Stop Date of 25 November 2021 as required under the SPA (which has not been extended), the SPA was terminated accordingly.

The Company restated certain balances and transactions previously reported in 2020 financial statements relating to the termination of the Proposed Disposal :-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

5. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D)

	Group		
	31 December 2020		
	S\$'000	S\$'000	S\$'000
	Reported	Adjustment	Restated
Non-Current Assets			
Property, plant and equipment	-	7,008	7,008
Right-of-use assets	-	736	736
Intangible assets	64	2,590	2,654
	64	10,334	10,398
Current Assets			
Inventories	-	595	595
Trade and other receivables	95	4,073	4,168
Prepayments and advances	26	57	83
Cash at bank and on hand	259	2,725	2,984
Tax recoverable	2	111	113
	382	7,561	7,943
Assets held for sale	19,188	(17,895)	1,293
	19,570	(10,334)	9,236
Current Liabilities			
Other liabilities	1,528	1,158	2,686
Trade and other payables	11,885	1,371	13,256
Contract liabilities	-	68	68
Income tax payable	-	6	6
Lease liabilities	-	294	294
Bank overdraft	-	797	797
Loans and borrowings	-	496	496
	13,413	4,190	17,603
Liabilities directly associated with assets held for sale	8,123	(6,397)	1,726
	21,536	(2,207)	19,329
			-
Net Current Liabilities	(1,966)	(8,127)	(10,093)
Non-Current Liabilities			
Lease liabilities	-	32	32
Loans and borrowings	-	1,748	1,748
Deferred tax liabilities	-	427	427
	-	2,207	2,207
Net Liabilities	(1,902)	-	(1,902)

	Company		
	31 December 2020		
	S\$'000	S\$'000	S\$'000
	Reported	Adjustment	Restated
Investment in subsidiaries	-	13,422	13,422
Assets held for sale	13,522	(13,422)	100

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

5. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D)

	Group		
	31 December 2020		
	S\$'000	S\$'000	S\$'000
	Reported	Adjustment	Restated
Continuing operations			
Revenue	-	14,128	14,128
Cost of sales	-	(10,492)	(10,492)
Gross profit	-	3,636	3,636
Other income	69	168	237
Other expenses			
Selling and marketing costs	-	(797)	(797)
General and administrative costs	(2,263)	(2,376)	(4,639)
Other expenses	(139)	(3)	(142)
Finance costs, net	(229)	(111)	(340)
Loss before tax from continuing operations	(2,562)	517	(2,045)
Income tax (expense)/credit	1	(163)	(162)
Loss from continuing operations, net of tax	(2,561)	354	(2,207)
Discontinued operations			
Loss from discontinued operations, net of tax	(1,354)	(354)	(1,708)
Loss for the year	(3,915)	-	(3,915)
Attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax	(2,561)	354	(2,207)
- Loss from discontinued operations, net of tax	(2,242)	(354)	(2,596)
	(4,803)	-	(4,803)

6. REVENUE

	Equipment Contract Manufacturing Services ("ECMS")			
	6 months ended		12 months ended	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	S\$'000	S\$'000	S\$'000	S\$'000
		(restated)		(restated)
Primary geographical markets				
South East Asia	8,382	7,411	17,585	13,846
North America	211	34	1,017	202
Others	221	30	388	80
	8,814	7,475	18,990	14,128
Timing of transfer of goods or services				
At a point in time	8,814	7,475	18,990	14,128

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

7. LOSS BEFORE TAX

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

	Group		Group	
	6 months ended		12 months ended	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	S\$'000	S\$'000	S\$'000	S\$'000
		(restated)		(restated)
Continuing Operations				
Interest expense	(183)	(124)	(361)	(333)
Interest income	-	2	1	8
Depreciation of property, plant and equipment	(437)	(391)	(852)	(757)
Depreciation of right-of-use assets	(112)	(104)	(221)	(205)
Gain on disposal of property, plant and equipment	26	150	43	150
Amortisation of intangible assets	(114)	(115)	(229)	(230)
Impairment on property, plant and equipment from continuing operations	(223)	-	(223)	-
Impairment on other receivables	(95)	-	(95)	-
Impairment on trade receivables	(49)	(52)	(25)	(52)
Write-back of stock obsolescence	21	23	16	30
Fair value adjustment of contingent consideration	-	105	-	105
Discontinued Operations				
Interest expense	-	-	-	(7)
Depreciation of right-of-use assets	-	(136)	-	(286)
Gain on disposal of a subsidiary	-	(702)	575	(702)
Impairment on trade receivables	-	(159)	-	(159)
Inventories written-down, net	-	(362)	(18)	(362)

8. INCOME TAX EXPENSE

	Group		Group	
	6 months ended		12 months ended	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	S\$'000	S\$'000	S\$'000	S\$'000
		(restated)		(restated)
Current income tax – continuing operations:-				
Current income tax	(264)	(39)	(601)	(312)
Over provision in respect of prior year	11	134	10	134
	(253)	95	(591)	(178)
Current income tax – discontinued operations:-				
Current income tax	-	(1)	-	(1)
	-	(1)	-	(1)
Deferred income tax – continuing operations:-				
Origination and reversal of temporary difference	(15)	(20)	(21)	(24)
Over provision in respect of prior year	(10)	20	10	40
	(25)	-	(11)	16
Income tax attributable to continuing operations	(278)	95	(602)	(162)
Income tax attributable to discontinued operations	-	(1)	-	(1)
Income tax expense recognised in profit and loss	(278)	94	(602)	(163)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS ASSETS HELD FOR SALE

- i) On 29 February 2020, the Company announced that it has entered into a letter of intent to explore, with a potential buyer, on the proposed disposal of the entire issued and paid-up share capital of Microfits Pte. Ltd. ("MPL"). Thereafter, on 31 October 2020 the Company entered into a sale and purchase agreement in relation to the proposed disposal. The proposed disposal was completed on 20 January 2021.
- ii) The Company has on 10 August 2020 entered into a sale and purchase agreement in relation to the Company's proposed disposal of its entire interest in ASA Multiplate (M) Sdn. Bhd. ("ASAM"), representing 90% of the issued and paid-up share capital of ASAM. The proposed disposal was completed on 31 December 2020.
- iii) On 27 February 2021, the Company announced that it has entered into a sale and purchase agreement ("SPA") in relation to the Company's proposed disposal of the entire issued and paid-up share capital of each of Emerald Precision Engineering Sdn. Bhd. ("Emerald"), Yumei Technologies Sdn. Bhd. ("Yumei Tech"), Yumei REIT Sdn. Bhd. ("Yumei REIT") and Pioneer Venture Pte. Ltd. ("Pioneer") (the "Proposed Disposal" or "Sale Companies").
- iv) On 25 November 2021, the Company announced that as the parties were not able to satisfy the conditions precedent by the Long Stop Date of 25 November 2021 as required under the SPA (which has not been extended), the SPA was terminated accordingly.

Balance sheet disclosures

The major classes of assets and liabilities of MPL classified as held for sale as at the end of period are as follows:

	31 Dec 20 S\$'000
Right-of-use assets	159
Inventories	465
Trade and other receivables	502
Prepayments and advances	52
Cash at bank and on hand	115
Total assets	1,293
Provisions	61
Trade and other payables	1,049
Lease liabilities	165
Other liabilities	451
Total liabilities	1,726

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS ASSETS HELD FOR SALE (CONT'D)

Income statement disclosures

The results of MPL for the 12 months ended 31 December 2021 and the results of MPL and ASAM for the 12 months ended 31 December 2020 are presented as follows:

	Group	
	12 months ended	
	31 Dec 21	31 Dec 20
	S\$'000	S\$'000
	(restated)	
Revenue	57	2,965
Cost of sales	(47)	(2,379)
Gross profit	<u>10</u>	586
Other income	6	609
Selling and marketing costs	(24)	(421)
Research and development costs	(16)	(453)
General and administrative costs	(18)	(1,040)
Gain/(loss) on disposal of subsidiary	575	(702)
Other expenses	-	(262)
Finance costs, net	-	(24)
Profit/(loss) before taxation from discontinued operation	<u>533</u>	(1,707)
Income tax expense	-	(1)
Profit/(loss) from discontinued operation, net of tax	<u><u>533</u></u>	<u><u>(1,708)</u></u>

10. EARNINGS/(LOSS) PER SHARE

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

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

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

Group	31 Dec 21 S\$'000	31 Dec 20 S\$'000
Loss for the year attributable to owners of the Company from continuing operations used in the computation of basic and diluted earnings per ordinary share	<u>(845)</u>	<u>(2,207)</u>
Profit/(loss) for the year attributable to owners of the Company from discontinued operations used in the computation of basic and diluted earnings per ordinary share	<u>533</u>	<u>(2,596)</u>
Loss for the year attributable to owners of the Company from used in the computation of basic and diluted earnings per ordinary share	<u>(312)</u>	<u>(4,803)</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share computation (no. of shares, in '000s)	<u><u>22,324,126</u></u>	<u><u>22,324,126</u></u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2021, the Group has an addition of property, plant and equipment of approximately S\$1,413,000 (2020: S\$1,476,000) and disposed of assets amounting to S\$238,000 (2020: S\$224,000).

12. INTANGIBLE ASSETS

Group	Group				Total S\$'000
	Goodwill S\$'000	Club memberships S\$'000	Customer relationships S\$'000	Order Backlog S\$'000	
At 30 June 2021					
Cost	1,462	197	1,607	4	3,270
Accumulated amortisation and impairment loss	-	(133)	(594)	(4)	(731)
Net carrying amount	1,462	64	1,013	-	2,539
6 months ended 31 December 2021					
Net carrying amount at 1 July 2021	1,462	64	1,013	-	2,539
Charge for the period	-	-	(114)	-	(114)
Net carrying amount	1,462	64	899	-	2,425
At 31 December 2021					
Cost	1,462	197	1,607	4	3,270
Accumulated amortisation and impairment loss	-	(133)	(708)	(4)	(845)
Net carrying amount	1,462	64	899	-	2,425

Club memberships

Company	Club memberships S\$'000
At 30 June 2021 and 31 December 2021	
Cost	197
Accumulated amortisation and impairment loss	(133)
Net carrying amount	64

Customer relationships

Customer relationships have remaining amortisation period of 4 years (2020: 5 years). The amortisation of customer relationships is included in the "selling and marketing costs" line item in the consolidated income statement.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	31 Dec 21 S\$'000	31 Dec 20 S\$'000
		(restated)
Unquoted shares, at cost	15,745	22,113
Impairment losses	(323)	(2,223)
Disposals	(2,000)	(6,368)
Attributable to discontinued operations *	-	(100)
	13,422	13,422

* These relate to the classification of MPL as assets held for sale as disclosed in Note 9 to the financial statements.

The Group has the following significant investment in subsidiaries:-

	Name of company (Principal place of business)	Principal activities	Proportion of ownership interest	
			31 Dec 21 %	31 Dec 20 %
Held by the Company				
1	Microfits Pte Ltd (Singapore)	Design and manufacture of automatic moulding machines and other back-ended assembly equipment for the semiconductor industry	-	100
2	Emerald Precision Engineering Sdn. Bhd. (Malaysia)	Fabrication of tooling, dies and related moulding of spare parts and other related businesses	100	100
1	Pioneer Venture Pte Ltd (Singapore)	Contract manufacturing solutions of fabricated metal products	100	100
2	Yumei Technologies Sdn. Bhd. (Malaysia)	Manufacturing of die-casting products	100	100
2	Yumei REIT Sdn. Bhd. (Malaysia)	Investment holding	100	100

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

¹ Audited by Ernst & Young LLP, Singapore.

² Audited by member firms of Ernst & Young Global.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

14. OTHER LIABILITIES

	Group		Company	
	31 Dec 21 S\$'000	31 Dec 20 S\$'000	31 Dec 21 S\$'000	31 Dec 20 S\$'000
Amounts due to shareholders and directors	997	1,145	997	1,145
Accrued operating expenses	1,794	1,541	457	383
	2,791	2,686	1,454	1,528

Amounts due to shareholders and directors

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

15. TRADE AND OTHER PAYABLES

	Group		Company	
	31 Dec 21 S\$'000	31 Dec 20 S\$'000	31 Dec 21 S\$'000	31 Dec 20 S\$'000
Trade and other payables:				
Trade payables	1,682	1,395	106	66
Other creditors	372	26	167	3
Customer deposits	-	69	-	50
Deferred cash settlement	2,327	2,327	2,327	2,327
Loan due to a shareholder	901	861	901	861
Amounts due to subsidiaries (Non-trade)	-	-	524	31
Amounts due to related parties (Non-trade)	10,157	8,578	10,157	8,578
Total trade and other payables	15,439	13,256	14,182	11,916
<i>Add:</i>				
- Other liabilities	2,791	2,686	1,454	1,528
Total financial liabilities carried at amortised cost	18,230	15,942	15,636	13,444

Trade payables

Trade payables are non-interest bearing. Trade payables are normally settled on 30 – 120 days' terms.

Loan due to a shareholder

Loan due to a shareholder of the Company, are unsecured, bear an interest of 5% per annum, repayable on demand and are to be settled in cash.

Amounts due to subsidiaries

Amounts due to subsidiaries are interest free, unsecured, repayable on demand and to be settled in cash except for outstanding balance of S\$500,000 (2020: S\$nil) which bears effective interest rates ranging from 3.01% to 3.02% per annum, is repriced on a quarterly basis.

Amounts due to related parties

Amounts due to related parties (corporate shareholder of the Company) are interest free, unsecured, repayable on demand and to be settled in cash except for outstanding balance of S\$7,291,000 (2020: S\$6,632,000) which bears effective interest rates ranging from 3.00% to 3.03% (2020: 2.25% to 3.75%) per annum, is repriced on a quarterly basis.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

15. TRADE AND OTHER PAYABLES (CONT'D)

Deferred cash settlement

This relates to an amount owing to Mr. Seah Chong Hoe (shareholder, director and Chief Executive Officer of the Company) upon the acquisition of subsidiaries.

16. LOANS AND BORROWINGS

	Group		Company	
	31 Dec 21 S\$'000	31 Dec 20 S\$'000	31 Dec 21 S\$'000	31 Dec 20 S\$'000
Current liabilities:				
Amount repayable within one year or on demand				
Bank overdrafts - secured	799	797	-	-
Trust receipts - secured	260	173	-	-
Secured loan	481	132	-	-
Unsecured loan	195	191	-	-
	<u>1,735</u>	<u>1,293</u>	-	-
Non-current liabilities:				
Amount repayable after one year				
Secured loan	973	954	-	-
Unsecured loan	599	794	-	-
	<u>3,307</u>	<u>3,041</u>	-	-

Bank overdrafts

Bank overdrafts are denominated in MYR, bear interest at 0.75% (2020: 0.75%) above the bank's base lending rate ("BLR") from time to time and are secured over certain properties.

Trust receipts

Trust receipts are drawn for a period of up to 120 days which are renewable upon maturity and bear interest at 7.26% (2020: 7.26%) per annum. The loan is secured by a fixed charge over certain properties.

Secured loan

- (a) Term loan 1 is repayable in monthly instalment, bear interest at 4.2% (2020: 4.2% to 5.2%) and mature on 2027. The loan is secured by the following:
 - (i) by way of fixed charge over the long leasehold land and building of a related company;
 - (ii) by joint and several guarantee of certain directors of a subsidiary; and
 - (iii) by corporate guarantee from a subsidiary
- (b) Term loan 2 is repayable in monthly instalment, bear interest at 3% (2020: 3%) and mature on 2025. The loan included corporate guarantee by holding company Advanced Systems Automation Ltd.
- (c) Term loan 3 is repayable in monthly instalment, bear interest at 2% over banks prevailing 1,3,6,9 or 12 months' Effective Cost of Funds on monthly rests and mature on 2023. The loan included corporate guarantee by holding company Advanced Systems Automation Ltd and charge over freehold land and building of a subsidiary company.

Unsecured loan

The term loan includes guarantees by Mr Seah Chong Hoe (shareholder and Chief Executive Officer of the Company).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

17. NET ASSET/(LIABILITIES) VALUE

	Group		Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
Net assets value per share (cents)	<u>(0.010)</u>	<u>(0.009)</u>	<u>(0.008)</u>	<u>0.002</u>
Number of ordinary shares ('000)	<u>22,324,126</u>	<u>22,324,126</u>	<u>22,324,126</u>	<u>22,324,126</u>

Net assets 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).

18. SHARE CAPITAL

Group and Company	31 Dec 21	31 Dec 20	31 Dec 20	31 Dec 20
	Number of shares ('000)		S\$'000	S\$'000
Balance at beginning and at end of period	<u>22,324,126</u>	<u>22,324,126</u>	<u>148,841</u>	<u>148,841</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company did not hold any outstanding treasury shares, convertibles or subsidiary holdings as at 31 December 2021 and 31 December 2020.

19. OTHER RESERVES

(a) Merger reserve

Merger reserve represents the difference between the consideration paid and the net assets of a subsidiary restructured under common control in prior years.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	31 Dec 21 S\$'000	31 Dec 20 S\$'000	31 Dec 21 S\$'000	31 Dec 20 S\$'000
Financial assets measured at amortised cost				
Trade and other receivables	5,427	4,168	103	95
Cash at bank and on hand	3,151	2,984	138	258
	8,578	7,152	241	353
Financial liabilities measured at amortised cost				
Trade and other payables	15,439	13,256	14,182	11,916
Other liabilities	2,791	2,686	1,454	1,528
Lease liabilities	141	326	-	-
Bank overdraft	799	797	-	-
Loans and borrowings	2,508	2,244	-	-
	21,678	19,309	15,636	13,444

21. 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:-

	Group		Company	
	31 Dec 21 S\$'000	31 Dec 20 S\$'000	31 Dec 21 S\$'000	31 Dec 20 S\$'000
Transactions with ASTI Group (corporate shareholder of the Company) :-				
Corporate support cost	(170)	(400)	(170)	(400)
Interest expense on loans	(192)	(188)	(192)	(188)
Rental on premise	167	118	-	-
Utilities on premise	11	-	-	-
Interest expense on loan from a shareholder of the Company:-				
Interest expense on loans	(40)	(40)	(40)	(40)
Transactions with a director who is also a shareholder of the Company:-				
Rental expense paid	(96)	(96)	-	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

22. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

- I. The Equipment segment is mainly engaged in designing and manufacturing Automatic Moulding machines and other back-ended assembly equipment for the semiconductor industry.
- II. The Equipment Contract Manufacturing Services (“ECMS”) segment is mainly engaged in precision engineering and fabrication assembly of parts for both semiconductor and non-semiconductor industries.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

22. SEGMENT INFORMATION (CONT'D)

Group	Equipment		Equipment Contract Manufacturing Services ("ECMS")		Discontinued Operation		Adjustments and Elimination		Note	Consolidated Total	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20		31 Dec 21	31 Dec 20
6 months ended	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000
		(restated)		(restated)		(restated)		(restated)			(restated)
Revenue:											
- External sales	-	-	8,814	7,475	-	1,659	-	(1,659)	A	8,814	7,475
- Inter-segment sales	-	-	107	18	-	-	(107)	(18)	B	-	-
	-	-	8,921	7,493	-	1,659	(107)	(1,677)		8,814	7,475
EBITDA (Note C)	(1,171)	(1,142)	1,310	351	-	(708)	-	699	A	139	(800)
Depreciation on property, plant & equipment	-	-	(437)	(391)	-	-	-	-	A	(437)	(391)
Depreciation on right-of-use assets	-	-	(112)	(104)	-	(136)	-	136	A	(112)	(104)
Interest expense	(121)	(91)	(101)	(74)	-	-	39	41	A	(183)	(124)
Interest income	-	-	39	2	-	-	(39)	-	A	-	2
(Loss)/profit before tax	(1,292)	(1,233)	699	(216)	-	(844)	-	876		(593)	(1,417)
Income tax expense	-	1	(278)	94	-	(1)	-	1	A	(278)	95
Segment results	(1,292)	(1,232)	421	(122)	-	(845)	-	877	A	(871)	(1,322)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

22. SEGMENT INFORMATION (CONT'D)

Group	Equipment		Equipment Contract Manufacturing Services ("ECMS")		Discontinued Operation		Adjustments and elimination		Note	Consolidated Total	
	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)		31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)
Revenue:											
- external sales	-	-	18,990	14,128	57	2,965	(57)	(2,965)	A	18,990	14,128
- Inter-segment sales	-	-	187	80	-	-	(187)	(80)	B	-	-
	-	-	19,177	14,208	57	2,965	(244)	(3,045)		18,990	14,128
EBITDA (Note C)	(2,426)	(2,334)	3,616	1,585	533	(1,414)	(533)	1,405	A	1,190	(758)
Depreciation on property, plant & equipment	-	-	(852)	(757)	-	-	-	-	A	(852)	(757)
Depreciation on right-of-use assets	-	-	(221)	(205)	-	(286)	-	286	A	(221)	(205)
Interest expense	(235)	(228)	(184)	(151)	-	(7)	58	53	A	(361)	(333)
Interest income	-	-	59	43	-	-	(58)	(35)	A	1	8
(Loss)/profit before tax	(2,661)	(2,562)	2,418	515	533	(1,707)	(533)	1,709		(243)	(2,045)
Income tax expense	-	1	(602)	(163)	-	(1)	-	1	A	(602)	(162)
Segment results	(2,661)	(2,561)	1,816	352	533	(1,708)	(533)	1,710	A	(845)	(2,207)

- A. The amounts relating to discontinued operation has been excluded to arrive at amounts shown in profit or loss as they are presented separately in the statement of comprehensive income with one line item, "profit/(loss) from discontinued operation, net of tax".
- B. Inter-segment revenues are eliminated on consolidation.
- C. Elimination of unrealised gains and losses arising from inter-segment transactions.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

OTHER INFORMATION

1. REVIEW

The condensed consolidated balance sheet of Advanced Systems Automation Limited and its subsidiaries as at 31 December 2021 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 certain explanatory notes have not been audited and reviewed.

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

Not applicable.

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

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

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

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

3. CHANGES IN TREASURY SHARES

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

4. CHANGES IN SUBSIDIARY HOLDINGS

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

5. REVIEW OF PERFORMANCE OF THE GROUP

Discontinued operations and subsidiary classified as held for sale:

- i) On 29 February 2020, the Company announced that it has entered into a letter of intent to explore, with a potential buyer, on the proposed disposal of the entire issued and paid-up share capital of Microfits Pte. Ltd. ("MPL"). Thereafter, on 31 October 2020 the Company entered into a sale and purchase agreement in relation to the proposed disposal. The proposed disposal was completed on 20 January 2021.
- ii) The Company has on 10 August 2020 entered into a sale and purchase agreement in relation to the Company's proposed disposal of its entire interest in ASA Multiplate (M) Sdn. Bhd. ("ASAM"), representing 90% of the issued and paid-up share capital of ASAM. The proposed disposal was completed on 31 December 2020.
- iii) On 27 February 2021, the Company announced that it has entered into a sale and purchase agreement ("SPA") in relation to the Company's proposed disposal of the entire issued and paid-up share capital of each of Emerald Precision Engineering Sdn. Bhd. ("Emerald"), Yumei Technologies Sdn. Bhd. ("Yumei Tech"), Yumei REIT Sdn. Bhd. ("Yumei REIT") and Pioneer Venture Pte. Ltd. ("Pioneer") (the "Proposed Disposal" or "Sale Companies"). On 25 November 2021, the Company announced that as the parties were not able to satisfy the conditions precedent by the Long Stop Date of 25 November 2021 as required under the SPA (which has not been extended), the SPA was terminated accordingly.

In compliance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, its results for the corresponding period of the immediately preceding financial year are presented separately in the statement of comprehensive income as "Discontinued Operations". The change in classification and presentation has no effect to the profit or loss after tax and net asset value of the Group.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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

The post-tax profit/(loss) for the financial year ended 31 December 2021 from the continued operations attributable to the Group is presented below:

Income Statement

The Group recorded revenue of S\$8.8 million in the 6 months ended 31 December 2021 (“2H2021”); an increase of S\$1.3 million or 18% from S\$7.5 million in the previous corresponding period ended 31 December 2020 (“2H2020”).

Revenue of S\$19.0 million for FY2021 was \$4.9 million or 34% higher when compared to the previous corresponding financial year ended 31 December 2020 (“FY2020”). The revenue growth in FY2021 were mainly contributed by sales from the South East Asian region.

Gross profit margin (“GPM”) of the Group increased by 7% from 22% in 2H2020 to 29% in 2H2021. GPM of the Group in FY2021 was 30%, which is 4% higher when compared to the GPM in FY2020 of 26%, mainly due to more favourable sales mix in FY2021.

Other income in 2H2021 and FY2021 decreased by \$0.1 million and \$0.2 million respectively as compared to 2H2021 and FY2021. The decrease was mainly due to lower government grant received in FY2021.

Selling and marketing (“S&M”) costs in 2H2021 were higher by 37% compared to 2H2020 mainly due to higher sales activities during the second half of the financial year. S&M costs in FY2021 increased by 28%, from S\$0.8 million in FY2020 to S\$1.0 million in FY2021. The increase is in line with higher sales revenue for FY2021.

General and administrative (“G&A”) costs in 2H2021 and FY2021 decreased by approximately 16% and 6% respectively as compared to the costs incurred in 2H2020 and FY2020. The decrease was mainly due to lower corporate support service charge from ASTI Holdings Limited (“ASTI”) after the disposal of MPL and the lower payroll costs. Consultancy fees incurred from a potential acquisition offset the cost savings.

Finance costs in FY2021 increased by approximately 10% when compared to FY2020 was mainly due to the increased borrowings from financial institutions in fourth quarter of FY2020.

Other expenses in 2H2021 and FY2021 increased by \$0.2 million and \$0.1 million as compared to 2H2020 and FY2020. The increase was mainly due to impairment on property, plant and equipment, trade and other receivables.

Consequently, the Group reported a net loss attributable to owners of the Company from continuing operations of S\$0.8 million in FY2021 compared to S\$2.2 million in FY2020.

A one-off gain from disposal of MPL gave rise to a profit of S\$0.5 million in FY2021 compared to a loss of S\$2.6 million in FY2020 from disposal of ASA Multiplate.

Balance Sheet

Property, plant and equipment (“PPE”) increased by S\$0.8 million, from S\$7.0 million at 31 December 2020 to S\$7.8 million at 31 December 2021 mainly due to purchase of PPE and reclassification from Right-of-use assets to PPE after completion of lease obligation.

The decrease in Intangible assets from S\$2.7 million at 31 December 2020 to S\$2.4 million at 31 December 2021 is due to amortization of Intangible assets.

Right-of-use assets decreased by S\$0.5 million, from S\$0.7 million at 31 December 2021 to S\$0.2 million at 31 December 2020, mainly due to the reclassification to PPE and depreciation expense for the year.

Inventories increased by S\$0.4 million from S\$0.6 million at 31 December 2021 to S\$1.0 million at 31 December 2021, mainly due to higher work-in-progress inventories.

Trade and other receivables increased by S\$1.2 million, from S\$4.2 million at 31 December 2020 to S\$5.4 million at 31 December 2021 due mainly to the higher sales in 2H2021.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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

Prepayments and advances of S\$94,000 at 31 December 2021, increased by S\$11,000 from S\$83,000 at 31 December 2020, mainly due to higher advances to vendors.

Other liabilities increased by S\$0.1 million from S\$2.7 million at 31 December 2020 to S\$2.8 million at 31 December 2021, mainly due to accrual of payroll related cost.

Trade and other payables increased by S\$2.1 million, from S\$13.3 million at 31 December 2020 to S\$15.4 million at 31 December 2021, mainly due to deposit received on the proposed disposal of sales companies from ASTI in FY2021. This deposit was subsequently converted to interest bearing loan after the termination of the sales and purchase agreement.

Total loans and borrowings of S\$2.5 million at 31 December 2021, increased by S\$0.3 million from S\$2.2 million at 31 December 2020, mainly due to borrowings from financial institutions for working capital purposes.

Lease liabilities decreased by S\$0.2 million from S\$0.3 million at 31 December 2020 to S\$0.1 million in 31 December 2021 mainly due to repayments during the year.

As at 31 December 2021, the Group reported net current liabilities of S\$10.7 million and net liabilities of S\$2.3 million.

In view of the above, the Board is of the opinion that the Group will be able to continue as a going concern as there are reasonable grounds to believe that the Company will be able to meet its short-term obligations for the next 12 months.

Cash Flows

Net cash flows generated from operating activities amounted to S\$0.4 million in FY2021. This included an amount of S\$0.5 million utilised for the payment of interests and taxes.

Net cash flows used in investing activities amounted to S\$1.3 million was mainly due to the purchase of PPE of S\$1.4 million and after netting off the cash consideration of S\$0.1 million from disposal of subsidiary.

Net cash flow generated from financing activities amounted to S\$0.9 million and was mainly due to loan from related party of S\$1.0 million.

6. WHERE A FORECAST, OR PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS

Not applicable.

7. A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS

The Company is working on the acquisition of a new business. It will make the necessary announcements in compliance with the Catalist Rules as and when there are material developments.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

8. DIVIDEND

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the immediately preceding financial year

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

None.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for FY2021 as the Group still has accumulated losses as at 31 December 2021.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

9. INTERESTED PERSON TRANSACTIONS

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

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	12 months ended 31 December 2021	12 months ended 31 December 2021
ASTI Holdings Limited ("ASTI") and its subsidiary of companies (the controlling shareholder of the Group)	Interest expense amounting to \$192,000 ⁽¹⁾ Recharge of rental amounting to \$167,000 Recharge of utilities on premises amounting to Nil ⁽⁴⁾	Corporate Support Services fee amounting to \$170,000
Dato' Loh Soon Gnee (controlling shareholder of the Group)	Nil ⁽²⁾	Nil
Yumei Plastic Pte Ltd (A wholly-owned company of Seah Chong Hoe, who is the Chief Executive Officer and controlling shareholder of the Group)	Nil ⁽³⁾	Nil

Note:

- (1) Relates to interest payable on the loan extended by ASTI Group. As at 31 December 2021, ASTI Group had provided an aggregate of S\$7.3 million loan (the "Loan") to the Group. The Loan which bears effective interest rates ranging from 3.00% to 3.03% is unsecured. The Group had obtained a specific IPT mandate from shareholders for the consolidated loan agreement entered into with ASTI Holdings Limited at an extraordinary meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated on 4 February 2021.
- (2) Relates to interest payable to Dato' Loh Soon Gnee on loans extended by Dato' Loh Soon Gnee to the Company for FY2021, amounted to \$40,000, which was below S\$100,000.
- (3) Relates to office facility and storage services expenses for FY2021 amounted to \$96,000 payable to Yumei Plastic Pte Ltd, which was below S\$100,000.
- (4) Relates to recharge of utilities expenses from ASTI Group for FY2021 amounted to \$11,000 payable to a subsidiary of ASA Group, which was below S\$100,000.

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

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

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

Save as announced on 20 January 2021, 27 February 2021 and 25 November 2021, there were no acquisitions or realization of shares in neither any of the Group's subsidiary and associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during FY2021.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

12. IN THE REVIEW OF PERFORMANCE, THE FACTORS LEADING TO ANY MATERIAL CHANGES IN CONTRIBUTIONS TO TURNOVER AND EARNINGS BY THE BUSINESS OR GEOGRAPHICAL SEGMENTS.

Please refer to the notes to the condensed interim financial statements of the Group for the six months and full year ended 31 December 2021 as set out in Note 22.

13. A BREAKDOWN OF SALES

Group	31 Dec 21 S\$'000	31 Dec 20 S\$'000 (restated)	%
Revenue reported for first half year ¹	10,176	6,653	53%
Operating profit/(loss) after tax before deducting minority interests reported in first half year	559	(1,598)	-135%
Revenue reported for second half year	8,814	7,475	18%
Operating loss after tax before deducting minority interests reported second half year	(871)	(2,317)	-62%

¹ Revenue reported for first half year was reclassified from Discontinued Operations to Continuing Operations at the financial year ended 31 December 2021 and 31 December 2020.

14. 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), 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

BY ORDER OF THE BOARD

Dato' Sri Mohd Sopiyan B Mohd Rashdi
Chairman
1 March 2022