



ADVANCED SYSTEMS AUTOMATION LIMITED

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

Results for the Financial Year Ended
31 December 2016

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.*

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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 Financial Year Ended 31 December 2016 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 year ended 31 December 2016.

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			Group		
	Fourth Quarter Ended			Full Year Ended		
	31/12/2016	31/12/2015	Change	31/12/2016	31/12/2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	7,806	6,598	18	26,558	24,066	10
Costs of sales	(6,053)	(6,015)	1	(20,646)	(21,375)	(3)
Gross profit	1,753	583	201	5,912	2,691	120
Selling and marketing costs	(515)	(530)	(3)	(2,031)	(2,419)	(16)
Research and development costs	(182)	(141)	29	(720)	(1,310)	(45)
General and administrative costs	(1,583)	(1,411)	12	(5,714)	(6,469)	(12)
Foreign exchange gain/(loss)	69	(219)	NM	166	(543)	NM
Total operating costs	(2,211)	(2,301)	(4)	(8,299)	(10,741)	(23)
Operating loss before finance costs	(458)	(1,718)	(73)	(2,387)	(8,050)	(70)
Finance costs, net	(121)	(87)	39	(412)	(328)	26
Operating loss before exceptional items	(579)	(1,805)	(68)	(2,799)	(8,378)	(67)
Exceptional items	(23)	(9,815)	(100)	(23)	(9,815)	(100)
Operating loss before taxation	(602)	(11,620)	(95)	(2,822)	(18,193)	(84)
Income tax (expense)/credit	(72)	627	NM	8	231	(97)
Net loss for the period/year	(674)	(10,993)	(94)	(2,814)	(17,962)	(84)
<u>Attributable to:</u>						
Owners of the Company	(639)	(10,300)	(94)	(2,750)	(17,037)	(84)
Non-controlling interests	(35)	(693)	(95)	(64)	(925)	(93)
Net loss for the period/year	(674)	(10,993)	(94)	(2,814)	(17,962)	(84)

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>Fourth Quarter Ended</u>		<u>Full Year Ended</u>	
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Net loss for the period/year is derived after crediting/(charging) the following:				
- Interest income	2	1	11	7
- Interest expense	(118)	(86)	(406)	(317)
- Depreciation of property, plant and equipment	(105)	(569)	(456)	(2,489)
- Amortisation of intangible assets	-	(51)	(15)	(204)
- Impairment loss on club membership	-	-	-	(50)
- Property, plant and equipment written off	(1)	(4)	(2)	(4)
- (Loss)/gain on disposal of property, plant and equipment	(1)	53	411	26
- Allowance for doubtful trade debts, net	(19)	(88)	-	(89)
- Allowance for stock obsolescence, net	(34)	(318)	(195)	(513)
- Inventories (write-off)/write-back directly to income statement	(1)	39	7	(11)
- (Under)/over provision of income tax in respect of prior years	(1)	148	118	122
Exceptional Items:				
- Impairment loss on property, plant and equipment	(23)	(8,110)	(23)	(8,110)
- Impairment loss on goodwill	-	(1,705)	-	(1,705)
	(23)	(9,815)	(23)	(9,815)

Consolidated Statement of Comprehensive Income

	<u>Group</u>			<u>Group</u>		
	<u>Fourth Quarter Ended</u>			<u>Full Year Ended</u>		
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>Change</u>	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>Change</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Net loss for the period/year	(674)	(10,993)	(94)	(2,814)	(17,962)	(84)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	147	651	(77)	(146)	66	NM
Total comprehensive income for the period/year	(527)	(10,342)	(95)	(2,960)	(17,896)	(83)
<u>Attributable to:</u>						
Owners of the Company	(510)	(9,689)	(95)	(2,909)	(17,001)	(83)
Non-controlling interests	(17)	(653)	(97)	(51)	(895)	(94)
Total comprehensive income for the period/year	(527)	(10,342)	(95)	(2,960)	(17,896)	(83)

NM: Not meaningful



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

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Intangible assets	45	60	45	45
Property, plant and equipment	1,851	2,045	-	-
Investments in subsidiaries	-	-	10,522	10,522
Deferred tax assets	81	157	-	-
Total non-current assets	<u>1,977</u>	<u>2,262</u>	<u>10,567</u>	<u>10,567</u>
Current assets				
Inventories	2,505	2,421	-	-
Trade receivables	8,713	6,674	-	-
Prepayments and advances	568	381	6	6
Other receivables	483	274	2	-
Amounts due from subsidiaries	-	-	5,622	11,203
Amounts due from related companies	624	1,281	-	-
Cash and cash equivalents	2,716	3,071	29	57
	<u>15,609</u>	<u>14,102</u>	<u>5,659</u>	<u>11,266</u>
Non-current assets held for sale	-	1,904	-	-
Total current assets	<u>15,609</u>	<u>16,006</u>	<u>5,659</u>	<u>11,266</u>
TOTAL ASSETS	<u>17,586</u>	<u>18,268</u>	<u>16,226</u>	<u>21,833</u>
EQUITY AND LIABILITIES				
Current liabilities				
Payables and accruals	10,246	6,844	286	272
Income tax payable	29	183	-	-
Lease creditors	9	199	-	-
Loans and borrowings	-	230	-	-
Amounts due to subsidiaries	-	-	1,302	881
Amounts due to related companies	242	295	36	22
Amounts due to holding company	5,027	6,027	4,964	5,970
Total current liabilities	<u>15,553</u>	<u>13,778</u>	<u>6,588</u>	<u>7,145</u>
NET CURRENT ASSETS	56	2,228	(929)	4,121
Non-current liabilities				
Deferred tax liabilities	-	239	-	-
Loans and borrowings	-	751	-	-
Amounts due to holding company	2,843	1,350	2,843	1,350
Total non-current liabilities	<u>2,843</u>	<u>2,340</u>	<u>2,843</u>	<u>1,350</u>
TOTAL LIABILITIES	<u>18,396</u>	<u>16,118</u>	<u>9,431</u>	<u>8,495</u>
NET (LIABILITIES)/ASSETS	<u>(810)</u>	<u>2,150</u>	<u>6,795</u>	<u>13,338</u>
Equity attributable to the owners of the Company				
Share capital	130,965	130,965	130,965	130,965
Reserves	(131,111)	(128,202)	(124,170)	(117,627)
	<u>(146)</u>	<u>2,763</u>	<u>6,795</u>	<u>13,338</u>
Non-controlling interests	(664)	(613)	-	-
TOTAL EQUITY	<u>(810)</u>	<u>2,150</u>	<u>6,795</u>	<u>13,338</u>
TOTAL EQUITY AND LIABILITIES	<u>17,586</u>	<u>18,268</u>	<u>16,226</u>	<u>21,833</u>

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 31/12/2016</u>		<u>As at 31/12/2015</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	230	-

Amount repayable after one year

<u>As at 31/12/2016</u>		<u>As at 31/12/2015</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	751	-

Details of any collateral

The Group had no borrowings and debt securities as at 31 December 2016 (31 December 2015: S\$981,000).

The aggregate amount due to financial institutions of S\$981,000 as at 31 December 2015 was secured on a leasehold land and buildings of the Group.



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

	Group	
	Full Year Ended	Full Year Ended
	31/12/2016	31/12/2015
	S\$'000	S\$'000
OPERATING ACTIVITIES		
Operating loss before taxation	(2,822)	(18,193)
Adjustments for:		
Depreciation of property, plant and equipment	456	2,489
Amortisation of intangible assets	15	204
Property, plant and equipment written off	2	4
Gain on disposal of property, plant and equipment	(411)	(26)
Impairment loss on property, plant and equipment	23	8,110
Impairment loss on club membership	-	50
Impairment loss on goodwill	-	1,705
Allowance for doubtful trade debts, net	-	89
Allowance for stock obsolescence, net	195	513
Provision for warranty	53	1
Interest income	(11)	(7)
Interest expense	406	317
Effect of unrealised exchange (gain)/loss	(82)	898
Operating cash flows before changes in working capital	(2,176)	(3,846)
<u>Changes in working capital</u>		
(Increase)/decrease in inventories	(279)	590
(Increase)/decrease in receivables	(2,435)	2,018
Decrease in amounts due from related companies	657	611
Increase/(decrease) in payables	3,349	(1,651)
(Decrease)/increase in amounts due to related companies	(53)	114
Increase in amounts due to holding company	(17)	(327)
Cash flows used in operations	(954)	(2,491)
Interest received	11	7
Interest paid	(382)	(317)
Income taxes paid	(316)	(596)
Net cash flows used in operating activities	(1,641)	(3,397)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(303)	(1,051)
Proceeds from disposal of leasehold land and building	1,934	-
Proceeds from disposal of property, plant and equipment	411	153
Net cash flows generated from/(used in) investing activities	2,042	(898)
FINANCING ACTIVITIES		
Payment to lease creditors	(187)	(411)
Repayment of bank borrowings	(915)	(1,386)
Loan from holding company	486	3,413
Net cash flows (used in)/generated from financing activities	(616)	1,616
Net decrease in cash and cash equivalents	(215)	(2,679)
Cash and cash equivalents at beginning of year	2,990	5,731
Effect of exchange rate changes on cash and cash equivalents	(59)	(62)
Cash and cash equivalents at end of year	2,716	2,990
Cash and cash equivalents comprised of:		
Cash at banks and on hand	2,716	3,071
Less: bank overdraft	-	(81)
	2,716	2,990



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

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			
Balance at 1 January 2016	130,965	(126,494)	1,656	(2,136)	(1,228)	2,763	(613)	2,150
Loss for the year	-	(2,750)	-	-	-	(2,750)	(64)	(2,814)
<u>Other comprehensive income for the year</u> - Foreign currency translation	-	-	(159)	-	-	(159)	13	(146)
Total comprehensive income for the year	-	(2,750)	(159)	-	-	(2,909)	(51)	(2,960)
Balance at 31 December 2016	130,965	(129,244)	1,497	(2,136)	(1,228)	(146)	(664)	(810)



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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			
Balance at 1 January 2015	130,965	(109,457)	1,620	(2,136)	(1,228)	19,764	282	20,046
Loss for the year	-	(17,037)	-	-	-	(17,037)	(925)	(17,962)
<u>Other comprehensive income for the year</u>								
Foreign currency translation	-	-	36	-	-	36	30	66
Total comprehensive income for the year	-	(17,037)	36	-	-	(17,001)	(895)	(17,896)
Balance at 31 December 2015	130,965	(126,494)	1,656	(2,136)	(1,228)	2,763	(613)	2,150

Company	Share Capital	Accumulated Losses	Equity, Total
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	130,965	(117,627)	13,338
Loss for the year	-	(6,543)	(6,543)
Balance at 31 December 2016	130,965	(124,170)	6,795
Balance at 1 January 2015	130,965	(107,981)	22,984
Loss for the year	-	(9,646)	(9,646)
Balance at 31 December 2015	130,965	(117,627)	13,338

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

	<u>Company</u>	
	<u>No. of ordinary shares</u>	<u>Issued and paid-up share capital</u> S\$'000
Balance as at 30 September 2016 and 31 December 2016	2,637,354,343	130,965

The Company did not have any outstanding convertible securities or treasury shares as at 31 December 2015 and 31 December 2016.

- 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 2,637,354,343 as at 31 December 2016 (31 December 2015: 2,637,354,343).

- 1(d)(iv) A statement showing all sales, transfers, disposals, 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.

- 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 2016, the accounting policies and methods of computation applied by the Group in the financial statements for the financial year ended 31 December 2016, are consistent with those of the audited financial statements for the financial year ended 31 December 2015.

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

The 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 year ended 31 December 2016.

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>Group</u>	
	<u>Fourth Quarter Ended</u>	<u>31/12/2015</u>	<u>Full Year Ended</u>	<u>31/12/2015</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)	(0.39)	(0.10)	(0.65)
Weighted average number of ordinary shares	2,637,354,343	2,637,354,343	2,637,354,343	2,637,354,343
(b) On a fully diluted basis (cents)	(0.02)	(0.39)	(0.10)	(0.65)

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 years ended 31 December 2016 and 31 December 2015.

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>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
(0.01)	0.10	0.26	0.51

The net asset value per ordinary share as at 31 December 2016 was calculated based on the total number of issued shares (excluding treasury shares) of 2,637,354,343 (31 December 2015: 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 for the twelve months ended 31 December ("FY") 2016 was 10% higher when compared to FY2015. Revenue of Equipment business and Equipment Contract Manufacturing Services ("ECMS") business increased 9% and 11% respectively.

In the fourth quarter ended 31 December ("4Q") 2016, the Group's revenue was 18% higher when compared to 4Q2015. The Equipment business posted a decline of 25% in revenue in 4Q2016 when compared to 4Q2015 due to lower customers' demands. The ECMS business recorded an increase in revenue of 48% in 4Q2016 when compared to 4Q2015 due to increase in customers' loadings.

Gross profit margin ("GPM") of the Group in FY2016 of 22% was higher by 11 percentage points ("ppt") when compared to FY2015 of 11%. GPM of the Equipment business in FY2016 of 55% was 5ppt higher than FY2015 of 50% due to a change in sales mix. GPM of the ECMS business in FY2016 of 11% was higher when compared to the gross loss margin of 2% in FY2015, mainly due to the lower fixed overhead costs and higher sales in FY2016.

GPM of the Group in 4Q2016 of 22% was 13ppt higher when compared to 4Q2015 of 9%. GPM of the Equipment business in 4Q2016 of 59% was 10ppt higher when compared to 4Q2015 of 49% mainly due to a change in sales mix. GPM of the ECMS business in 4Q2016 of 10% was higher when compared to the gross loss margin of 19% in 4Q2015, mainly due to the lower fixed overhead costs and higher sales in 4Q2016.

Selling and marketing ("S&M") costs in FY2016 and 4Q2016 were 16% and 3% lower when compared to FY2015 and 4Q2015 respectively, mainly due to a cost restructuring exercise undertaken in 2nd half of year 2015 which also affected FY2016. S&M costs incurred by the Equipment business in FY2016 and 4Q2016 were 28% lower and 12% higher when compared to FY2015 and 4Q2015 respectively. S&M costs incurred by the ECMS business in FY2016 and 4Q2016 were 8% and 10% lower when compared to FY2015 and 4Q2015 respectively.

Research and development ("R&D") costs in FY2016 were 45% lower than the amount incurred in FY2015, mainly due to a costs restructuring exercise undertaken in 2nd half of year 2015 by the Equipment business. R&D costs in 4Q2016 were 29% higher than 4Q2015, due to increased R&D activities.

In FY2016, the general and administrative ("G&A") costs decreased 12% when compared to the G&A costs in FY2015. The decrease was mainly to due costs saving exercises in the Group and the recognition of a S\$0.4 million gain from the disposal of machinery as an offset against the G&A costs. G&A costs in 4Q2016 increased 12% when compared to the G&A costs in 4Q2015.

The variances for the exchange gain or loss in 4Q2016 and FY2016 were much lower than 4Q2015 and FY2015 due to lesser volatility of the Malaysia Ringgit.

Finance costs incurred in FY2016 and 4Q2016 were higher by 26% and 39% when compared to FY2015 and 4Q2015 respectively, mainly due to increased borrowings from the holding company, ASTI Holdings Limited.

Depreciation of property, plant and equipment (“PPE”) decreased in 4Q2016 and FY2016 when compared to 4Q2015 and FY2015 respectively. This was due to the impairment of certain PPE of the Group at the end of the previous financial year ended 31 December 2015.

Amortisation of intangible assets decreased in 4Q2016 and FY2016 when compared to 4Q2015 and FY2015 respectively as the intangible assets had been fully amortised during the year.

Allowance for stock obsolescence decreased in 4Q2016 and FY2016 when compared to 4Q2015 and FY2015 respectively. This was due to improved stock turnover arising from higher sales during the year.

Exceptional items in FY2016 and 4Q2016 related to an impairment loss on certain property, plant and equipment of the Group. Exceptional items in FY2015 and 4Q2015 amounted to S\$9.8 million due to impairment losses on property, plant and equipment and goodwill as a result of the weaker business environment.

As a result of the above, the Group reported a lower net loss attributable to owners of the Company of S\$2.8 million in FY2016 when compared to the net loss of S\$17.0 million in FY2015. Net loss attributable to owners of the Company in 4Q2016 was S\$0.6 million when compared to the net loss of S\$10.3 million in 4Q2015.

Balance Sheet

The PPE decreased by S\$0.1 million from S\$2.0 million as at 31 December 2015 to S\$1.9 million as at 31 December 2016 due mainly to the depreciation charges for the year. The decrease was offset by the purchases of machinery during the year.

Trade receivables increased by S\$2.0 million, from S\$6.7 million as at 31 December 2015 to S\$8.7 million as at 31 December 2016 due to higher sales in 4Q2016.

Prepayments and advances increased by S\$0.2 million, from S\$0.4 million as at 31 December 2015 to S\$0.6 million as at 31 December 2016 due to more advances to vendors.

Other receivables increased by S\$0.2 million, from S\$0.3 million as at 31 December 2015 to S\$0.5 million as at 31 December 2016 due to higher deposits placed with vendors.

Amounts due from related companies comprised mainly of receivables from sales to a related company. Amounts due from related companies decreased by S\$0.7 million, from S\$1.3 million as at 31 December 2015 to S\$0.6 million as at 31 December 2016, mainly due to lower sales to that related company.

The Group completed the disposal of its subsidiary’s leasehold land and building at the end of June 2016. This asset was classified as a non-current asset held for sale on 31 December 2015.

Payables and accruals increased by S\$3.4 million, from S\$6.8 million as at 31 December 2015 to S\$10.2 million as at 31 December 2016, in line with the higher sales in 4Q2016, and also due to extended repayment period.

Amount due to lease creditors decreased by S\$0.2 million, from S\$0.2 million as at 31 December 2015 to approximately S\$1,000 as at 31 December 2016, which was attributable to repayment to the lease creditors during the year.

Bank loans and borrowings (current and non-current) were repaid in 2Q2016 with the proceeds from the disposal of the subsidiary’s building.

Amounts due to related companies decreased by S\$0.1 million, from S\$0.3 million as at 31 December 2015 to S\$0.2 million as at 31 December 2016. This was mainly due to the repayment to related companies during the year.

Amounts due to holding company (current and non-current) increased by S\$0.5 million, from S\$7.4 million as at 31 December 2015 to S\$7.9 million as at 31 December 2016 mainly due to an additional loan extended by the holding company to the Group.

As at 31 December 2016, the Group had net current assets of approximately S\$56,000 and net liabilities of S\$0.8 million.

Cash Flows

Cash flows used in operating activities of S\$1.6 million comprised of cash flows used in the Group's operations in FY2016 of S\$0.9 million and amounts paid for interests and taxes of S\$0.7 million. Cash flows generated from investing activities amounted to S\$2.0 million whereby a net amount of S\$2.3 million was received from the disposals of leasehold land and building, and PPE. An amount of S\$0.3 million was utilised to purchase new PPE. Cash flows used in financing activities amounted to S\$0.6 million, mainly due to the repayment of S\$1.1 million to lease creditors and financial institutions which was offset by the \$0.5 million of loan from the holding company.

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

Following the resources realignment in the past, the Group is now a leaner and more efficient organisation. Coupled with the business pickup in FY2016, it has turned in significantly improved performance as operating losses before exceptional items narrowed from \$8 million to \$3 million.

The market demand is showing signs of growing, and as such, the Group will require more working capital to meet its business needs. It is exploring various options to address its working capital needs.

Normally the first quarter is a slow quarter due to the festive seasons in Asia. The Group expects that its performance in the first quarter of FY2017 will also reflect the general market condition.

The Group will continue its efforts to explore new business activities for the purpose of growing the Group's revenue.

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 4Q2016.

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 2016.

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial period under review (excluding transactions below \$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 \$100,000) S\$
ASTI Holdings Limited and its subsidiary companies	Nil	1,433,000*

* Related to trade sales to a subsidiary of ASTI Holdings Limited.

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

14. 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

<u>Business segment</u>	Equipment		ECMS		Adjustment and elimination		Consolidated	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Sales to external customers	6,650	6,118	19,908	17,948	-	-	26,558	24,066
Inter-segment sales ⁽¹⁾	-	-	213	741	(213)	(741)	-	-
Total revenue	6,650	6,118	20,121	18,689	(213)	(741)	26,558	24,066
EBITDA ⁽²⁾	(1,227)	(3,076)	(731)	(12,172)	2	58	(1,956)	(15,190)
Depreciation	(38)	(29)	(418)	(2,460)	-	-	(456)	(2,489)
Amortisation	-	-	(15)	(204)	-	-	(15)	(204)
Interest expense	(303)	(196)	(114)	(131)	11	10	(406)	(317)
Interest income	11	10	11	7	(11)	(10)	11	7
Loss before income tax	(1,557)	(3,291)	(1,267)	(14,960)	2	58	(2,822)	(18,193)
Income tax (expense)/credit	(8)	(6)	16	237	-	-	8	231
Segment results	(1,565)	(3,297)	(1,251)	(14,723)	2	58	(2,814)	(17,962)
<u>Other information:</u>								
Exceptional items	-	-	(23)	(9,815)	-	-	(23)	(9,815)
Segment assets	3,200	3,665	14,386	14,678	-	(75)	17,586	18,268
Segment liabilities	(9,990)	(8,765)	(8,406)	(7,353)	-	-	(18,396)	(16,118)
Additions to non-current assets ⁽³⁾	17	69	286	982	-	-	303	1,051

(1) Inter-segment revenues are eliminated on consolidation.

(2) Elimination of unrealised gains and losses arising from inter-segment transactions.

(3) Additions to non-current assets consist of additions to property, plant and equipment.

The following table presents revenue and non-current assets information regarding the Group's geographical segments for the years ended 31 December 2016 and 31 December 2015.

<u>Geographical segment</u>	Revenues		Non-current assets	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
China	9,128	9,299	525	102
South East Asia	12,100	11,258	1,371	2,003
America	2,341	879	-	-
Europe	2,253	2,109	-	-
Others	736	521	-	-
Total	26,558	24,066	1,896	2,105

Non-current assets information presented above consist of intangibles assets and property, plant and equipment.

15. 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 note 8 above.

16. A breakdown of sales

Group	FY2016 S\$'000 Group	FY2015 S\$'000 Group	Increase/ (decrease) S\$'000 Group
(a) Sales reported for first six months	11,607	12,144	(537)
(b) Sales reported for subsequent six months	14,951	11,922	3,029
(c) Net loss after tax before deducting minority interests reported for first six months	(1,520)	(3,989)	2,469
(d) Net loss after tax before deducting minority interests reported for subsequent six months	(1,294)	(13,973)	12,679

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

Not applicable.

18. 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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Loh Choon Piew	56	Nephew of Executive Chairman, Dato' Loh Soon Gnee	<u>Microfits Pte Ltd</u> Vice President, Operations (since Dec 2014) <u>Duties:</u> Oversees the business operations of the Equipment Contract Manufacturing Services division	No change

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dato' Loh Choon Kiang	54	Nephew of Executive Chairman, Dato' Loh Soon Gnee	Microfits Pte Ltd Vice President, Business Development (since Dec 2014) <u>Duties:</u> In charge of business development of the Equipment Contract Manufacturing Services division	No change

19. Negative Confirmation by the Board pursuant to Rule 705(5)

Not applicable to full year announcement.

20. 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

28 February 2017