



Company No. 198600740M

ADVANCED SYSTEMS AUTOMATION LIMITED AND ITS SUBSIDIARIES

Condensed Interim Consolidated Financial Statements For the Six Months and Full Year Ended 31 December 2023

This announcement has been prepared by Advanced Systems Automation Limited and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

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.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

	Note	Group					
		6 months ended			12 months ended		
		31 Dec 23	31 Dec 22	change	31 Dec 23	31 Dec 22	change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	5	7,103	6,061	17	12,928	15,042	(14)
Cost of sales		(4,635)	(4,273)	8	(8,973)	(10,251)	(12)
Gross profit		2,468	1,788	38	3,955	4,791	(17)
Other income		31	34	(9)	51	80	(36)
Other expenses							
Selling and marketing costs		(369)	(425)	(13)	(730)	(848)	(14)
General and administrative costs		(2,756)	(1,577)	75	(4,654)	(3,496)	33
Other expenses/income, net		(1,919)	128	NM	(1,821)	234	NM
Finance costs, net		(410)	(289)	42	(820)	(477)	72
(Loss)/Profit before tax	6	(2,955)	(341)	>100	(4,019)	284	NM
Income tax (expense)/credit	7	(248)	49	NM	(232)	(261)	(11)
(Loss)/Profit for the period/year		(3,203)	(292)	>100	(4,251)	23	NM
Attributable to:							
Owners of the Company		(3,203)	(292)	>100	(4,251)	23	NM
(Loss)/Profit for the period/year		(3,203)	(292)	>100	(4,251)	23	NM
(Loss)/Earnings per share (cents per share)							
Basic and diluted	8	(0.014)	(0.001)		(0.019)	0.0001	

NM: Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

	Group					
	6 months ended			12 months ended		
	31 Dec 23	31 Dec 22	change	31 Dec 23	31 Dec 22	change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/Profit for the period/year	(3,203)	(292)	>100	(4,251)	23	NM
Other comprehensive income items that may be reclassified subsequently to profit or loss						
Foreign currency translation	<u>(114)</u>	(284)	(60)	<u>(507)</u>	(516)	(2)
Total comprehensive loss for the period/year	<u>(3,317)</u>	<u>(576)</u>	>100	<u>(4,758)</u>	<u>(493)</u>	>100
Attributable to:						
Owners of the Company	<u>(3,317)</u>	(576)	>100	<u>(4,758)</u>	(493)	>100
Total comprehensive loss for the period/year	<u>(3,317)</u>	<u>(576)</u>	>100	<u>(4,758)</u>	<u>(493)</u>	>100

NM: Not meaningful

CONDENSED BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
Non-Current Assets					
Property, plant and equipment	9	6,403	6,936	-	-
Right-of-use assets		425	484	-	-
Intangible assets	10	-	2,131	-	-
Investments in subsidiaries	11	-	-	13,422	13,422
		6,828	9,551	13,422	13,422
Current Assets					
Inventories		751	1,010	-	-
Trade and other receivables		4,386	2,292	2,519	178
Prepayments and advances		260	172	9	13
Cash at bank and on hand		4,251	4,426	34	375
Tax recoverable		135	229	-	-
		9,783	8,129	2,562	566
Current Liabilities					
Other liabilities	12	2,149	1,518	1,008	532
Trade and other payables	13	9,532	6,147	10,267	6,530
Contract liabilities		149	122	-	-
Income tax payable		93	110	-	-
Lease liabilities		187	159	-	-
Bank overdraft	14	682	748	-	-
Loans and borrowings	14	657	839	-	-
		13,449	9,643	11,275	7,062
Net Current Liabilities		(3,666)	(1,514)	(8,713)	(6,496)
Non-Current Liabilities					
Trade and other payables	13	8,905	8,838	8,906	8,838
Lease liabilities		52	159	-	-
Loans and borrowings	14	1,345	1,354	-	-
Deferred tax liabilities		344	412	-	-
		10,646	10,763	8,906	8,838
Net Liabilities		(7,484)	(2,726)	(4,197)	(1,912)
Equity attributable to owners of the Company					
Share capital	16	148,841	148,841	148,841	148,841
Foreign currency translation reserve	17	(1,051)	(544)	-	-
Merger reserve	17	(2,136)	(2,136)	-	-
Accumulated losses		(153,138)	(148,887)	(153,038)	(150,753)
Total Equity		(7,484)	(2,726)	(4,197)	(1,912)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FULL YEAR ENDED 31 DECEMBER 2023

Group	Attributable to equity holders of the Company					
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger reserve	Total reserves	Total equity
	S\$'000	(Distributable) S\$'000	------(Non-distributable)----- S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2023	148,841	(148,887)	(544)	(2,136)	(2,680)	(2,726)
Loss for the year	-	(4,251)	-	-	-	(4,251)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(507)	-	(507)	(507)
Total comprehensive loss for the year	-	(4,251)	(507)	-	(507)	(4,758)
At 31 December 2023	148,841	(153,138)	(1,051)	(2,136)	(3,187)	(7,484)
At 1 January 2022	148,841	(148,910)	(28)	(2,136)	(2,164)	(2,233)
Profit for the year	-	23	-	-	-	23
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(516)	-	(516)	(516)
Total comprehensive loss for the year	-	23	(516)	-	(516)	(493)
At 31 December 2022	148,841	(148,887)	(544)	(2,136)	(2,680)	(2,726)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FULL YEAR ENDED 31 DECEMBER 2023

Company	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2023	148,841	(150,753)	(1,912)
Loss for the year	-	(2,285)	(2,285)
Total comprehensive loss for the year	-	(2,285)	(2,285)
At 31 December 2023	148,841	(153,038)	(4,197)
At 1 January 2022	148,841	(150,661)	(1,820)
Loss for the year	-	(92)	(92)
Total comprehensive loss for the year	-	(92)	(92)
At 31 December 2022	148,841	(150,753)	(1,912)

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

FOR THE FULL YEAR ENDED 31 DECEMBER 2023

	Group	
	12 months ended	
	31 Dec 23	31 Dec 22
	S\$'000	S\$'000
Operating activities		
(Loss)/profit before tax	(4,019)	284
<u>Adjustments for:</u>		
Effect of unrealised exchange gain	(374)	(285)
Depreciation of property, plant and equipment	810	934
Depreciation of right-of-use assets	138	145
Gain on disposal of property, plant and equipment	(28)	(82)
Gain on disposal of intangible assets	-	(10)
Amortisation of intangible assets	230	230
Impairment of intangible assets	1,901	-
Allowance for/(Write-back of) trade receivables net	13	(39)
Write-back of stock obsolescence	(2)	(12)
Interest income	(31)	(6)
Interest expenses	838	464
	<u>(524)</u>	<u>1,623</u>
<u>Changes in working capital</u>		
Decrease/(Increase) in inventories	210	(79)
(Increase)/decrease in trade and other receivables	(2,290)	2,217
Increase/(Decrease) in trade and other payables, contract liabilities and other liabilities	3,528	(1,154)
	<u>924</u>	<u>2,607</u>
Cash flows generated from operations		
Interest received	31	6
Interest paid	(155)	(130)
Income tax paid	(218)	(495)
	<u>582</u>	<u>1,988</u>
Net cash flows generated from operating activities		
	<u>582</u>	<u>1,988</u>
Investing activities		
Purchase of property, plant and equipment	(731)	(521)
Proceeds from disposal of property, plant and equipment	38	89
Proceeds from disposal of other assets	-	130
	<u>(693)</u>	<u>(302)</u>
Net cash flows used in investing activities		
	<u>(693)</u>	<u>(302)</u>
Financing activities		
Payment of principal portion of lease liabilities	(115)	(239)
Repayments of bank borrowings	(1,085)	(1,097)
Proceeds from bank borrowings	936	758
	<u>(264)</u>	<u>(578)</u>
Net cash flows used in financing activities		
	<u>(264)</u>	<u>(578)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(375)</u>	<u>1,108</u>
Effects of exchange rate changes on cash and cash equivalents	266	218
Cash and cash equivalents at beginning of the year	3,678	2,352
	<u>3,569</u>	<u>3,678</u>
Cash and cash equivalents at end of the year		
	<u>3,569</u>	<u>3,678</u>
Consolidated cash and bank balances represented by		
Cash at bank and on hand	4,251	4,426
Bank overdraft	(682)	(748)
	<u>3,569</u>	<u>3,678</u>
Cash and cash equivalents at end of the year		
	<u>3,569</u>	<u>3,678</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

Advanced Systems Automation Limited (the “Company”) was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from 4 January 2010. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last condensed interim consolidated financial statements of the Group for the six months ended 30 June 2023.

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

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

Going concern assumption

As at 31 December 2023, the Group had net current liabilities of S\$3,666,000 (2022: S\$1,514,000) and the Group recorded a net loss of S\$4,251,000 (2022: net profit S\$23,000) for the financial year ended 31 December 2023.

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

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

- (i) On 6 June 2023, the Group entered into a second addendum to loan agreement with its ultimate holding company to revise the loan repayment terms up to 6 years, with the first annual principal instalment due in July 2024. Interest accrued will be payable in the last instalment in July 2029.
- (ii) On 6 June 2023, the Group entered into a second settlement agreement with its shareholder to revise the loan repayment terms to 5 years, with the first annual principal instalment due in July 2024 up to July 2028.
- (iii) Letter of undertaking obtained from a key management personnel and shareholder not to demand repayment for the amount due to him of S\$1,597,000 (2022: S\$1,597,000) and to defer the payment of his salary for the next 12 months from the signing date of the audited financial statements for the financial year ended 31 December 2022 (i.e. 12 June 2023), if the Group’s and the Company’s financial situation does not allow for repayment.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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

2.1 Basis of preparation (Cont'd)

Going concern uncertainty (cont'd)

The Directors have assessed and confirmed there is no breach of any loan covenants that may trigger the banks to demand full repayment of all bank facilities (bank overdraft and loans and borrowings of S\$2,684,000 (2022: S\$2,941,000) respectively within the next 12 months from the date of release of these financial statements.

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

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

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the most recently audited financial year except in the current financial year, the Group has adopted all the new and revised standards which are mandatorily effective for annual financial year beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to SFRS(I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

4. SEASONAL OPERATIONS

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

5. REVENUE

Group	Equipment Contract Manufacturing Services ("ECMS")			
	6 months ended		12 months ended	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets				
Asia	7,070	5,937	12,846	14,666
North America	24	35	62	62
Others	9	89	20	314
	7,103	6,061	12,928	15,042
Timing of transfer of goods or services				
At a point in time	7,103	6,061	12,928	15,042

6. (LOSS)/PROFIT BEFORE TAX

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

	Group			
	6 months ended		12 months ended	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	(408)	(453)	(810)	(934)
Depreciation of right-of-use assets	(69)	(71)	(138)	(145)
Gain on disposal of property, plant and equipment	25	82	28	82
Gain on disposal of intangible assets	-	10	-	10
Impairment of intangible assets	(1,901)	-	(1,901)	-
Amortisation of intangible assets	(115)	(115)	(230)	(230)
Interest expenses	(421)	(286)	(838)	(464)
Interest income	16	5	31	6
(Impairment loss on)/Write-back of trade receivables, net	(13)	39	(13)	39
Write back of stock obsolescence	-	2	2	12

7. INCOME TAX EXPENSE

	Group			
	6 months ended		12 months ended	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax: -				
Current income tax	(274)	(35)	(274)	(373)
(Under)/over provision in respect of prior year	(14)	97	(14)	97
	(288)	62	(288)	(276)
Deferred income tax: -				
Origination and reversal of temporary difference	40	(32)	56	(24)
Over provision in respect of prior year	-	19	-	39
	40	(13)	56	15
Income tax (expense)/credit recognised in profit and loss	(248)	49	(232)	(261)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

8. (LOSS)/EARNINGS PER SHARE

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

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

The following table reflects the income and share data used in the computation of basic and diluted (loss)/earnings per share for the year ended 31 December 2023 and 2022.

Group	31 Dec 23 S\$'000	31 Dec 22 S\$'000
(Loss)/Profit for the year attributable to owners of the Company used in the computation of basic and diluted (loss)/earnings per ordinary share	<u>(4,251)</u>	<u>23</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted (loss)/earnings per ordinary share computation (no. of shares, in '000s)	<u>22,324,126</u>	<u>22,324,126</u>

Diluted loss per share for the year ended 31 December 2023 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive. Diluted earnings per share for the year ended 31 December 2022 is the same as the basic earnings per share because there are no potential ordinary shares to be converted.

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2023, the Group has an addition of property, plant and equipment of approximately S\$731,000 (31 December 2022: S\$605,000) and disposed of property, plant and equipment amounting to S\$408,000 (31 December 2022: S\$321,000).

10. INTANGIBLE ASSETS

Group	Goodwill S\$'000	Club memberships S\$'000	Customer relationships S\$'000	Total S\$'000
Cost				
At 1 January 2022	1,462	197	1,607	3,266
Disposal	-	(197)	-	(197)
At 31 December 2022	<u>1,462</u>	<u>-</u>	<u>1,607</u>	<u>3,069</u>
Impairment	(1,462)	-	(1,607)	(3,069)
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated amortisation and impairment loss				
At 1 January 2022	-	77	708	785
Disposal	-	(77)	-	(77)
Charge for the year	-	-	230	230
At 31 December 2022	-	-	938	938
Charge for the year	-	-	230	230
Impairment	-	-	(1,168)	(1,168)
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net carrying amount				
At 31 December 2022	<u>1,462</u>	<u>-</u>	<u>669</u>	<u>2,131</u>
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

10. INTANGIBLE ASSETS (CONT'D)

Club memberships

Company	Club memberships S\$'000
Cost	
At 1 January 2022	197
Disposal	(197)
At 31 December 2022, 31 December 2023	-
Accumulated amortisation and impairment loss	
At 1 January 2022	77
Disposal	(77)
At 31 December 2022, 31 December 2023	-
Net carrying amount	
At 31 December 2022, 31 December 2023	-

During the year ended 31 December 2023, the Group made an impairment of goodwill of S\$1,462,000 and customer relationships of S\$439,000.

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000
Unquoted shares, at cost	13,422	13,746
Impairment losses	-	(324)
	13,422	13,422

The Group has the following significant investment in subsidiaries: -

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

- ¹ Audited by Mazars LLP, Singapore.
² Audited by Mazars PLT, an overseas member firm of Mazars LLP.

12. OTHER LIABILITIES

	Group		Company	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
Amounts due to directors	330	196	330	196
Accrued operating expenses	1,692	1,195	551	209
Accrued directors' fee	127	127	127	127
	2,149	1,518	1,008	532

Amounts due to directors

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

13. TRADE AND OTHER PAYABLES

	Group		Company	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
<u>Trade and other payables:</u>				
Current:				
Trade payables	665	776	12	50
Other creditors	2,801	57	2,774	-
Deferred cash settlement	1,597	1,597	1,597	1,597
Loan from a shareholder	400	400	400	400
Amounts due to subsidiaries	-	-	1,422	1,166
Amount due to related party	-	298	-	298
Amount due to ultimate holding company	4,069	3,019	4,062	3,019
	9,532	6,147	10,267	6,530
Non-current:				
Loan from a shareholder	1,649	1,560	1,649	1,560
Amount due to related party	317	339	318	339
Amount due to ultimate holding company	6,939	6,939	6,939	6,939
	8,905	8,838	8,906	8,838
Total trade and other payables	18,437	14,985	19,173	15,368
<u>Add:</u>				
- Other liabilities (Note 12)	2,149	1,518	1,008	532
- Loans and borrowings (Note 14)	2,684	2,941	-	-
- Lease liabilities	239	318	-	-
Total financial liabilities carried at amortised cost	23,509	19,762	20,181	15,900

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

13. TRADE AND OTHER PAYABLES(CONT'D)

Trade payables

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

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash except for outstanding balance of S\$400,000 (2022: S\$400,000) which bears floating interest rate ranging from 6.25% to 6.34% (2022: 1.99% to 4.63%) per annum, is repriced on a quarterly basis.

Loan from a shareholder

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

Amount due to a related party

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

Amount due to ultimate holding company

Amount due to ultimate holding company included an amount S\$1,614,000 (2022: S\$1,019,000), which are interest free and unsecured, except for S\$9,394,000 (2022: S\$8,939,000), which bears floating interest rates ranging from 6.25% to 6.34% (2022: 1.99% to 4.63%) per annum, repriced on a quarterly basis. The amount due to ultimate holding company is repayable on yearly instalment and matures in 2029.

Deferred cash settlement

This relates to an amount owing to Mr. Seah Chong Hoe (shareholder, director and Chief Executive Officer of the Company) upon the acquisition of subsidiaries during the financial year ended 31 December 2018. This amount is interest-free, unsecured and repayable on demand.

14. LOANS AND BORROWINGS

	Group		Company	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
Current:				
<u>Amount repayable within one year or on demand</u>				
Bank Overdraft - secured	682	748	-	-
Trust receipts - secured	87	94	-	-
Secured loan	365	445	-	-
Unsecured loan	205	300	-	-
	1,339	1,587	-	-
Non-current:				
<u>Amount repayable after one year</u>				
Secured loan	1,152	506	-	-
Unsecured loan	193	848	-	-
	1,345	1,354	-	-
Total financial liabilities carried at amortised cost	2,684	2,941	-	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

14. LOANS AND BORROWINGS (CONT'D)

Bank overdrafts

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

Trust receipts

Trust receipts are drawn for a period of up to 120 days which are renewable upon maturity and bear floating interest rate at 8.01% (2022: 7.76%) per annum. The loan is secured by a fixed charge over certain properties of the Group.

Secured loan

- (a) The term loan is repayable in monthly instalments, bears fixed interest rate at 4.51% (2022: 4.51%) and matures in 2027. The loan is secured by the following:
- (i) by way of fixed charge over the leasehold land and building of a related company;
 - (ii) by joint and several guarantee of certain directors of a related company; and
 - (iii) by corporate guarantee from a related company.
- (b) The term loan is repayable in monthly instalments, bears fixed interest rate at 3% (2022: 3%) and matures in 2025. The loan includes corporate guarantee by the Company.
- (c) The term loan is repayable in monthly instalments, bears fixed interest rate at 2.1% over banks' Base Financing Rate on monthly rests and matures in 2043. The loan includes corporate guarantee by the Company and charge over freehold land and building of a subsidiary.

Unsecured loan

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

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

15. NET LIABILITIES VALUE

	Group		Company	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Net liabilities value per share (cents)	<u>(0.034)</u>	<u>(0.012)</u>	<u>(0.019)</u>	<u>(0.009)</u>
Based on number of shares (in '000s)	<u>22,324,126</u>	<u>22,324,126</u>	<u>22,324,126</u>	<u>22,324,126</u>

Net liabilities value per share is calculated based on the equity attributable to the owners of the Company divided by the number of issued shares (excluding treasury shares).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

16. SHARE CAPITAL

	Group and Company			
	31 Dec 23 Number of shares ('000)	31 Dec 23 S\$'000	31 Dec 22 Number of shares ('000)	31 Dec 22 S\$'000
At beginning and end of the year	22,324,126	148,841	22,324,126	148,841

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

The Company had in October 2023 entered into a conditional subscription agreement with two subscribers for the proposed issuance of 5.0% redeemable convertible notes convertible into new ordinary shares in the capital of the Company with an aggregate principal amount of up to S\$20 million (“**Proposed RCN Issuance**”). On 31 October 2023, the Company drawdown the first tranche of the 5% redeemable convertible notes amounting to S\$2.5 million. Please refer to the Company’s announcements dated 27 and 31 October 2023 for further information on the Proposed RCN Issuance. Accordingly, the Company has the following outstanding convertibles:

	As at 31 December 2023 ('000)	As at 31 December 2022 ('000)
No. of shares that may be issued upon conversion of all outstanding convertibles	5,581,031	-

Other than the abovementioned, the Company did not hold any outstanding convertibles as at 31 December 2023, and 31 December 2022.

The Company did not hold any treasury shares or subsidiary holdings during and as at the end of 31 December 2023, and 31 December 2022.

17. OTHER RESERVES

(a) Merger reserve

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

(b) Foreign currency translation reserve

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
Financial assets measured at amortised cost				
Trade and other receivables	4,386	2,292	2,519	178
Cash at bank and on hand	4,251	4,426	34	375
	8,637	6,718	2,553	553
Financial liabilities measured at amortised cost				
Trade and other payables	18,437	14,985	19,173	14,932
Other liabilities	2,149	1,518	1,008	532
Lease liabilities	239	318	-	-
Loans and borrowings	2,684	2,941	-	-
	23,509	19,762	20,181	15,464

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Company	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
Transactions with ASTI Group (corporate shareholder of the Company): -				
Corporate support cost	(120)	(170)	(120)	(170)
Interest expenses on loan	(593)	(273)	(593)	(273)
Interest expense on loans from a shareholder of the Company: -				
Interest expenses on loan	(90)	(61)	(90)	(61)
Transactions with a director who is also a shareholder of the Company: -				
Rental expense paid	(96)	(96)	-	-

20. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The only reportable segment is the Equipment Contract Manufacturing Services ("ECMS") segment, which is mainly engaged in precision engineering and fabrication assembly of parts for both semiconductor and non-semiconductor industries.

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

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 2023

20. SEGMENT INFORMATION (CONT'D)

Group	ECMS		Corporate expenses		Adjustment and elimination		Consolidated Total	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
Revenue:								
- External sales	7,103	6,061	-	-	-	-	7,103	6,061
- Inter-segment sales (Note A)	13	86	-	-	(13)	(86)	-	-
	7,116	6,147	-	-	(13)	(86)	7,103	6,061
EBITDA (Note B)	(841)	352	(1,232)	131	-	(19)	(2,073)	464
Depreciation on property, plant & equipment	(408)	(452)	-	-	-	-	(408)	(452)
Depreciation on right-of-use assets	(69)	(72)	-	-	-	-	(69)	(72)
Interest expense	(106)	(97)	(356)	(231)	41	42	(421)	(286)
Interest income	57	28	-	-	(41)	(23)	16	5
Profit/(loss) before tax	(1,367)	(241)	(1,588)	(100)	-	-	(2,955)	(341)
Income tax (expense) / credits	(248)	49	-	-	-	-	(248)	49
Segment results	(1,615)	(192)	(1,588)	(100)	-	-	(3,203)	(292)
Other information:								
Additions to non-current assets	647	139	-	-	-	-	647	139

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

20. SEGMENT INFORMATION (CONT'D)

Group	ECMS		Corporate expenses		Adjustment and elimination		Consolidated Total	
	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000	31 Dec 23 S\$'000	31 Dec 22 S\$'000
12 months ended								
Revenue:								
- External sales	12,928	15,042	-	-	-	-	12,928	15,042
- Inter-segment sales (Note A)	19	69	-	-	(19)	(69)	-	-
	12,947	15,111	-	-	(19)	(69)	12,928	15,042
EBITDA (Note B)	(656)	2,505	(1,608)	(684)	-	-	(2,264)	1,821
Depreciation on property, plant & equipment	(810)	(934)	-	-	-	-	(810)	(934)
Depreciation on right-of-use assets	(138)	(145)	-	-	-	-	(138)	(145)
Interest expense	(212)	(189)	(708)	(346)	82	71	(838)	(464)
Interest income	113	77	-	-	(82)	(71)	31	6
Profit/(loss) before tax	(1,703)	1,314	(2,316)	(1,030)	-	-	(4,019)	284
Income tax expense	(232)	(261)	-	-	-	-	(232)	(261)
Segment results	(1,935)	1,053	(2,316)	(1,030)	-	-	(4,251)	23
Other information:								
Additions to non-current assets	731	605	-	-	-	-	731	605
Segment assets	15,471	18,281	2,562	565	(1,422)	(1,166)	16,611	17,680
Segment liabilities	5,336	5,673	20,181	15,899	(1,422)	(1,166)	24,095	20,406

A. Inter-segment revenues are eliminated on consolidation.

B. Elimination of unrealised gains and losses arising from inter-segment transactions.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

21. EVENTS OCCURRING AFTER THE REPORTING YEAR

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

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

OTHER INFORMATION

1. REVIEW

The condensed consolidated balance sheet of Advanced Systems Automation Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and the explanatory notes have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

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

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

Not applicable. The Group's latest audited consolidated financial statements for the financial year ended 31 December 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

3. CHANGES IN TREASURY SHARES

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

4. CHANGES IN SUBSIDIARY HOLDINGS

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

5. REVIEW OF PERFORMANCE OF THE GROUP

The post-tax loss for the financial year ended 31 December 2023 ("FY2023") from the operations attributable to the Group is presented below:

Income Statement

The Group recorded revenue of S\$7.1 million in the 6 months ended 31 December 2023 ("2H2023"); an increase of S\$1.0 million or 17% from S\$6.1 million in the previous corresponding 6 months ended 31 December 2022 ("2H2022").

Revenue of S\$12.9 million for FY2023 was S\$2.1 million or 14% lower as compared to the previous corresponding financial year ended 31 December 2022 ("FY2022"). The decrease in revenue was mainly due to lower sales demand from customers.

Gross profit margin ("GPM") of the Group in 2H2023 was 35%, which was 5% higher as compared to the GPM of 30% in 2H2022. GPM of the Group in FY2023 was 31%, which was 1% lower as compared to the GPM of 32% in FY2022. This was mainly due to changes in the sales mix in FY2023.

Selling and marketing ("S&M") costs in both 2H2023 and FY2023 decreased by approximately 14% as compared to the S&M costs incurred in 2H2022 and FY2022. The decrease was mainly due to lower sales promotion expenses incurred in FY2023.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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

General and administrative (“G&A”) costs in 2H2023 and FY2023 increased by approximately 75% and 33% respectively as compared to the G&A costs incurred in 2H2022 and FY2022. The increase was mainly due to consultancy fees incurred for the proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. (“**Proposed Acquisition**”) during 2H2023. Please refer to the Company’s announcement dated 27 October 2023 entitled “Proposed Acquisition of 100% of the Issued and Paid-up Share Capital of LSO Organization Holdings Pte. Ltd.” (“**27 Oct 2023 Announcement**”) for further information on the Proposed Acquisition.

Finance costs (net) increased by 72% or S\$0.3 million from S\$0.5 million in FY2022 to S\$0.8 million in FY2023 mainly due to higher interest rates and the conversion of the outstanding amounts due to related parties into new interest-bearing loans in 2H2022.

The Group recorded other expenses (net) of S\$1.8 million in FY2023, as compared to other income (net) of S\$0.2 million in FY2022. Other expenses in FY2023 was attributable mainly to the full impairment of intangible assets (comprising goodwill and customer relationships) of S\$1.9 million due to a shortfall between the carrying amount of net operating assets and value in use for an identified cash-generating unit. Other income in FY2022 was attributable mainly to foreign exchange gain. The Group recorded foreign exchange gain of S\$70,000 in FY2023, as compared to S\$0.1 million in FY2022. The foreign exchange gain was mainly due to the strengthening of the Singapore Dollar against the Malaysian Ringgit.

As a result of the above, the Group reported a net loss attributable to owners of the Company of S\$4.3 million in FY2023, as compared to a net profit of S\$23,000 in FY2022.

Balance Sheet

Property, plant and equipment decreased by S\$0.5 million, from S\$6.9 million as at 31 December 2022 to S\$6.4 million as at 31 December 2023, mainly due to depreciation costs charged during the year and foreign currency movements.

Intangible assets decreased by S\$2.1 million, from S\$2.1 million as at 31 December 2022 to S\$Nil as at 31 December 2023, due to the full impairment of goodwill and customer relationships during the year as a result of a shortfall between the carrying amount of net operating assets and value in use for an identified cash-generating unit.

Right-of-use assets decreased by S\$0.1 million, from S\$0.5 million as at 31 December 2022 to S\$0.4 million as at 31 December 2023, mainly due to depreciation costs charged during the year and foreign currency movements.

Inventories decreased by S\$0.2 million, from S\$1.0 million as at 31 December 2022 to S\$0.8 million as at 31 December 2023, due to lower orders from one of the Group’s subsidiaries.

Trade and other receivables increased by S\$2.1 million, from S\$2.3 million as at 31 December 2022 to S\$4.4 million as at 31 December 2023, due to a bridging loan of S\$2 million advanced to LSO Organization Holdings Pte. Ltd. pursuant to the terms and conditions of the Proposed Acquisition. Please refer to the 27 Oct 2023 Announcement for further information on the Proposed Acquisition.

Prepayments and advances increased by S\$0.1 million, from S\$0.2 million as at 31 December 2022 to S\$0.3 million as at 31 December 2023, due to higher advances to vendors in FY2023.

Other liabilities increased by S\$0.6 million, from S\$1.5 million as at 31 December 2022 to S\$2.1 million as at 31 December 2023, due to accrual of payroll related cost.

Current trade and other payables increased from S\$6.1 million as at 31 December 2022 to S\$9.5 million as at 31 December 2023 mainly due to drawdown of S\$2.5 million redeemable convertible notes as the first tranche of the Proposed RCN Issuance, a fund raising exercise for the Proposed Acquisition, and higher interest costs. Please refer to the Company’s announcements dated 27 and 31 October 2023 for further information on the redeemable convertible notes and the 27 Oct 2023 Announcement for further information on the Proposed Acquisition.

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

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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

Total loans and borrowings and bank overdrafts decreased by S\$0.2 million, from S\$2.9 million as at 31 December 2022 to S\$2.7 million as at 31 December 2023, due to loan repayments during the year.

As at 31 December 2023, the Group reported net current liabilities of S\$3.7 million and net liabilities of S\$7.5 million. Please refer to Note 2.1 under the Notes to the Condensed Financial Statements of this announcement for information on the Directors' assessment of the Group's and the Company's ability to continue as a going concern.

In addition, the Company had in October 2023 entered into a conditional subscription agreement with the subscribers for the proposed issuance of 5.0% redeemable convertible notes convertible into new ordinary shares in the capital of the Company with an aggregate principal amount of up to S\$20 million ("**Proposed RCN Issuance**"). The Proposed RCN Issuance will enable the Company to strengthen its balance sheet, shore up liquidity, and fund the expansion and diversification of its existing core business by way of, amongst others, acquisitions of other profitable business including but not limited to the Proposed Acquisition, which would enable the Company to further improve its financial performance and position in the near future. As at 31 December 2023, the Company had drawdown the first tranche of the 5% redeemable convertible notes amounting to S\$2.5 million. Please refer to the Company's announcements dated 27 and 31 October 2023 for further information on the Proposed RCN Issuance and the 27 Oct 2023 Announcement for further information on the Proposed Acquisition.

Cash Flows

Net cash generated from operating activities amounted to S\$0.6 million in FY2023. The Group recorded operating cash outflows before working capital changes of S\$0.5 million. The main movements of the cash flows from operating activities in FY2023 comprised (i) the decrease in inventories of S\$0.2 million; (ii) the increase in trade and other receivables of S\$2.3 million; and (iii) the increase in trade and other payables, contract liabilities and other liabilities of S\$3.5 million. An amount of S\$0.4 million was also utilised for the payments of interests and taxes in FY2023.

Net cash used in investing activities amounting to S\$0.7 million in FY2023 were for the purchase of property, plant and equipment net of the proceeds from disposal of property, plant and equipment.

A total of S\$0.3 million was used in financing activities in FY2023 mainly for repayments (net) of bank borrowings and lease obligations.

Cash and cash equivalents amounted to S\$3.6 million (31 December 2023) compared to S\$3.7 million reported at 31 December 2022.

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

Not applicable.

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

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

In its search for viable business acquisitions, the Group has entered into a share purchase agreement for the Proposed Acquisition of LSO Organization Holdings Pte. Ltd. for an aggregate consideration of S\$20.0 million through issuance of new shares of the Company and cash consideration. The Group is also undertaking a share consolidation exercise in conjunction with the Proposed Acquisition. To raise funds, the Group is embarking on a few corporate actions such as the Proposed RCN Issuance and the issuance of bonus warrants. Please refer to the various announcements dated 27 October 2023 released by the Company for further information on the aforementioned corporate actions (including the Proposed Acquisition). The work on the aforementioned corporate actions (including the Proposed Acquisition) is progressing and the Company will keep its shareholders updated on the material developments as and when appropriate.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

8. DIVIDEND

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

Any dividend declared for the current financial year reported on?

None.

(b) Corresponding year of the immediately preceding financial year

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

None.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for FY2023 as the Group still has accumulated losses as at 31 December 2023.

9. INTERESTED PERSON TRANSACTIONS

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

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		12 months ended 31 December 2023	12 months ended 31 December 2023
ASTI Holdings Limited (“ASTI”) and its subsidiary of companies (“ASTI Group”)	A controlling shareholder of the Company	Interest expense amounting to S\$593,000 ⁽¹⁾	Corporate Support Services fee amounting to S\$120,000
Dato’ Loh Soon Gnee	A controlling shareholder of the Company	Nil ⁽²⁾	Nil
Yumei Plastic Pte Ltd	A wholly-owned company of Seah Chong Hoe, who is a controlling shareholder, a director and the Chief Executive Officer of the Company	Nil ⁽³⁾	Nil

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

9. INTERESTED PERSON TRANSACTIONS (CONT'D)

Notes:

- (1) Relates to interest payable on the loan extended by ASTI Group. As at 31 December 2023, ASTI Group had provided an aggregate of S\$9.4 million loan (the "Loan") to the Group. The Loan which bears effective interest rates ranging from 6.25% to 6.34% per annum is unsecured, repayable on yearly instalment and matures in 2029. The Group had obtained a specific IPT mandate from shareholders for the consolidated loan agreement entered into with ASTI Group at an extraordinary general meeting of the Company held on 19 February 2021. For details, kindly refer to the Company's announcement dated 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 FY2023, amounting to S\$90,000, which was below S\$100,000.
- (3) Relates to office facility and storage services expenses for FY2023 payable to Yumei Plastic Pte Ltd, amounting to S\$96,000, which was below S\$100,000.

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

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

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

There were no acquisitions or realization of shares in neither any of the Group's subsidiary and associated company as well as no incorporation of any new subsidiary or associated company by the Company or any of the Group's entities since the end of the previous reporting period, up to 31 December 2023.

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

Please refer to the notes to the condensed interim consolidated financial statements of the Group for the six months and full year ended 31 December 2023 as set out in Note 20 and the review of performance of the Group under income statement under paragraph 5 of the section entitled "Other Information".

13. A BREAKDOWN OF SALES

Group	31 Dec 23 S\$'000	31 Dec 22 S\$'000	change %
Revenue reported for first half year	5,825	8,981	-35%
Operating (loss)/profit after tax before deducting non-controlling interests reported for first half year	(1,048)	315	>100%
Revenue reported for second half year	7,103	6,061	17%
Operating loss after tax before deducting non-controlling interests reported for second half year	(3,203)	(292)	996%

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

Not applicable. No dividend has been declared or recommended for FY2023 and FY2022.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

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

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

16. USE OF PROCEEDS

On 31 October 2023, the Company drawdown first tranche of the 5% redeemable convertible notes amounting to S\$2.5 million. As at 31 December 2023, the utilisation of the cash proceeds of approximately S\$2,500,000 were as follows:-

No	Breakdown of usage	S\$'000
1	Professional expenses related to acquisition of LSO Organization Holdings Pte. Ltd.	314
2	Bridging loan advanced to LSO Organization Holdings Pte. Ltd.	2,000
3	Payroll related costs	160
4	Others	26
	Total	2,500

The use of the cash proceeds is in accordance with the intended uses and amount allocation as disclosed in the Company's announcement dated 27 October 2023 on the Proposed RCN Issuance.

BY ORDER OF THE BOARD

Dato' Sri Mohd Sopiyan B Mohd Rashdi
Chairman
29 February 2024