



ADVANCED SYSTEMS AUTOMATION LIMITED

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

Results for the First Quarter Financial Period Ended 31 March 2019

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 Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is Ms Tay Sim Yee (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



The Board of Directors of the Company announces the unaudited financial results of the Group and the Company for the financial period ended 31 March 2019.

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.

Discontinued operations and subsidiary classified as held for sale:

On 28 September 2018, the Company announced that it has entered into a sale and purchase agreement in relation to the Company's proposed disposal of the entire issued and paid-up share capital of Microfits (Beijing) Technology Co., Ltd ("MBT"). 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.

	Group		
	3 months ended		change %
	31-Mar-19 S\$'000	31-Mar-18 S\$'000	
<u>Continuing operations</u>			
Revenue	5,327	4,440	20
Cost of sales	(3,551)	(3,285)	8
Gross profit	<u>1,776</u>	<u>1,155</u>	54
Other income	20	17	18
<u>Other expenses</u>			
Selling and marketing costs	(353)	(479)	(26)
Research and development costs	(217)	(174)	25
General and administrative costs	(1,627)	(1,210)	34
Finance costs, net	(113)	(37)	205
Foreign exchange gain	18	76	(76)
Loss before tax from continuing operations	<u>(496)</u>	<u>(652)</u>	(24)
Income tax expense	(47)	(82)	(43)
Loss from continuing operations, net of tax	<u>(543)</u>	<u>(734)</u>	(26)
<u>Discontinued operations</u>			
Loss from discontinued operations, net of tax	-	(237)	NM
Loss for the period	<u>(543)</u>	<u>(971)</u>	(44)
<u>Attributable to :</u>			
Owners of the Company			
- Continuing operations	(542)	(720)	(25)
- Discontinued operations	-	(237)	NM
	<u>(542)</u>	<u>(957)</u>	(43)
Non-controlling interests			
- Continuing operations	(1)	(14)	(93)
Total	<u>(543)</u>	<u>(971)</u>	(44)

NM: Not meaningful



Statement of Comprehensive Income for the Group for the First Quarter Ended 31 March 2019

	Group	
	3 months ended	
	31-Mar-19	31-Mar-18
	S\$'000	S\$'000
Loss for the period	(543)	(971)
Other comprehensive income items that may be reclassified subsequently to profit or loss		
Foreign currency translation	11	(65)
Total comprehensive loss for the period	<u>(532)</u>	<u>(1,036)</u>
Attributable to :		
Owners of the Company		
- Continuing operations	(523)	(761)
- Discontinued operations	-	(237)
	<u>(523)</u>	<u>(998)</u>
Non-controlling interests		
- Continuing operations	(9)	(38)
Total comprehensive loss for the period	<u>(532)</u>	<u>(1,036)</u>

Additional Information

Loss from continuing operations is determined after crediting/(charging):

	Group		
	3 months ended		
	31-Mar-19	31-Mar-18	%
	S\$'000	S\$'000	
<u>Continuing Operations</u>			
Interest income	11	5	120
Interest expense	(117)	(40)	193
Depreciation of property, plant and equipment	(318)	(96)	231
Allowance for/(write-back of) trade receivables	(3)	7	NM
Allowance for stock obsolescence, net	(48)	(17)	182
Provision for warranty	(19)	(84)	(77)
<u>Discontinued Operations</u>			
Interest income	-	1	NM
Depreciation of property, plant and equipment	-	(3)	NM
Gain on disposal of property, plant and equipment	-	51	NM
Allowance for other receivables	-	(17)	NM
Allowance for stock obsolescence, net	-	(67)	NM

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-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Non-Current Assets				
Property, plant and equipment	6,964	6,886	-	-
Right-of-use assets	713	-	-	-
Intangible assets	4,288	4,288	64	64
Investment in subsidiaries	-	-	14,699	14,699
	<u>11,965</u>	<u>11,174</u>	<u>14,763</u>	<u>14,763</u>
Current Assets				
Inventories	3,013	3,579	-	-
Trade and other receivables	5,751	4,990	838	32
Contract assets	3	109	-	-
Prepayments and advances	158	139	24	7
Cash at bank and on hand	3,059	4,576	66	224
Tax recoverable	64	55	-	-
	<u>12,048</u>	<u>13,448</u>	<u>928</u>	<u>263</u>
Current Liabilities				
Provisions	115	103	-	-
Other liabilities	1,537	2,019	322	296
Trade and other payables	12,495	12,777	9,115	8,469
Contract liabilities	49	97	-	-
Income tax payable	216	208	-	-
Lease creditors	1,007	283	-	-
Bank overdraft	824	740	-	-
Loans and borrowings	474	438	-	-
	<u>16,717</u>	<u>16,665</u>	<u>9,437</u>	<u>8,765</u>
Net Current Liabilities	(4,669)	(3,217)	(8,509)	(8,502)
Non-Current Liabilities				
Trade and other payables	1,735	1,735	2,000	2,000
Lease creditors	225	297	-	-
Loans and borrowings	397	435	-	-
Deferred tax liabilities	172	172	-	-
	<u>2,529</u>	<u>2,639</u>	<u>2,000</u>	<u>2,000</u>
Net Assets	4,767	5,318	4,254	4,261
Equity attributable to owners of the Company				
Share capital	148,841	148,841	148,841	148,841
Other reserves	(3,388)	(3,407)	-	-
Accumulated losses	(139,878)	(139,317)	(144,587)	(144,580)
	<u>5,575</u>	<u>6,117</u>	<u>4,254</u>	<u>4,261</u>
Non-controlling interests	(808)	(799)	-	-
Total Equity	4,767	5,318	4,254	4,261



1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

(S\$'000)

As at 31 Mar 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
968	7,252	831	7,880

Amount repayable after one year

(S\$'000)

As at 31 Mar 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
313	308	322	410

Details of any collateral

The above borrowings are from financial institutions and are secured by the following:

- 1) Approximately S\$10,000 is secured on certain plant and machinery of a subsidiary;
- 2) Joint and several guarantees from Mr Seah Chong Hoe (shareholder and Chief Operating Officer of the Company);
- 3) Trust receipts is secured by a fixed charge over certain properties; and
- 4) Bank overdraft is repayable on demand and is secured over certain properties.



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	
	3 months ended	
	31-Mar-19	31-Mar-18
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before taxation from Continuing Operations	(496)	(652)
Loss before taxation from Discontinued Operations	-	(237)
Adjustments for:		
Effect of unrealised exchange gain	(62)	(197)
Depreciation of property, plant and equipment	318	99
Gain on disposal of property, plant and equipment	(13)	(51)
Allowance for other receivables	-	17
Provisions	19	84
Interest expenses	117	40
Interest income	(11)	(6)
Allowance for/(write-back of allowance) trade receivables	3	(7)
Allowance for stock obsolescence, net	48	84
Operating cash flows before changes in working capital	(77)	(826)
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Inventories	519	143
Receivables	(651)	(1,080)
Due from related parties	-	(219)
Increase/(decrease) in :		
Payables	(954)	(792)
Due to related company	82	-
Due to related parties	30	222
	(1,051)	(2,552)
Income tax paid	(49)	(52)
Interest received	11	6
Interest paid	(117)	-
Net cash flows used in operating activities	(1,206)	(2,598)
Cash flows from investing activities		
Purchase of property, plant and equipment	(226)	(432)
Proceeds from disposal of property, plant and equipment	21	51
Net cash flows used in investing activities	(205)	(381)
Cash flow from financing activities		
Repayment of obligations under finance leases	(199)	-
Repayment of bank borrowings	(2)	-
Net cash flows used in financing activities	(201)	-
Net increase in cash and cash equivalents	(1,612)	(2,979)
Effect of exchange rate changes on cash and cash equivalents	11	71
Cash and cash equivalents at beginning of period	3,836	4,799
Cash and cash equivalents at end of period	2,235	1,891



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

Consolidated Statement of Changes in Equity

Group (All figures in S\$'000)	Attributable to equity holders of the Company						Total	Non- controlling interests	Total equity
	Share capital	Accumulated losses (Distributable)	Foreign currency translation reserve ----- (Non-distributable)	Merger reserve	Other reserve	Total reserves			
Balance at 1 January 2019, as previously reported	148,841	(139,317)	(43)	(2,136)	(1,228)	(142,724)	6,117	(799)	5,318
Effect of adopting SFRS(I) 16 Leases	-	(19)	-	-	-	(19)	(19)	-	(19)
Balance at 1 January 2019, as restated	148,841	(139,336)	(43)	(2,136)	(1,228)	(142,743)	6,098	(799)	5,299
Loss for the period	-	(542)	-	-	-	(542)	(542)	(1)	(543)
<u>Other comprehensive income for the period</u>									
Foreign currency translation	-	-	19	-	-	19	19	(8)	11
Total comprehensive income for the period	-	(542)	19	-	-	(523)	(523)	(9)	(532)
At 31 March 2019	148,841	(139,878)	(24)	(2,136)	(1,228)	(143,266)	5,575	(808)	4,767
Balance at 1 January 2018, as previously reported	142,351	(134,773)	1,392	(2,136)	(1,228)	(136,745)	5,606	(761)	4,845
Effect of transition to SFRS(I)	-	1,497	(1,497)	-	-	-	-	-	-
Balance at 1 January 2018, as restated	142,351	(133,276)	(105)	(2,136)	(1,228)	(136,745)	5,606	(761)	4,845
Loss for the period	-	(957)	-	-	-	(957)	(957)	(14)	(971)
<u>Other comprehensive income for the period</u>									
Foreign currency translation	-	-	(41)	-	-	(41)	(41)	(24)	(65)
Total comprehensive income for the period	-	(957)	(41)	-	-	(998)	(998)	(38)	(1,036)
At 31 March 2018	142,351	(134,233)	(146)	(2,136)	(1,228)	(137,743)	4,608	(799)	3,809



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. (Cont'd)

Company	Share capital	Accumulated losses	Total equity
(All figures in S\$'000)			
At 1 January 2019	148,841	(144,580)	4,261
Loss for the period	-	(7)	(7)
Total comprehensive income for the period	-	(7)	(7)
At 31 March 2019	148,841	(144,587)	4,254
At 1 January 2018	142,351	(139,654)	2,697
Profit for the period	-	160	160
Total comprehensive income for the period	-	160	160
At 31 March 2018	142,351	(139,494)	2,857



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

	<u>Company</u>	
	Number of ordinary shares	Issued and paid-up share capital S\$'000
Balances as at 31 December 2018 and 31 March 2019	22,324,126,058	148,841

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 31 March 2018 and 31 March 2019.

- 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 22,324,126,058 as at 31 March 2019 (31 December 2018: 22,324,126,058).

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

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

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

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

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

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

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

Not applicable.



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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those for the financial year ended 31 December 2018.

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.

On 1 January 2019, the Group adopted SFRS(I) 16 *Leases*, a new accounting standard that became effective for annual periods beginning on or after 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets (where relevant) and interest expense on lease liabilities.

As a lessee, the Group has adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance as at 1 January 2019, with no restatement of comparative information.

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.

	Group	
	3 months ended	
	31-Mar-19	31-Mar-18
<u>Continuing Operations</u>		
Basic loss per share (cents)	(0.002)	(0.005)
Weighted average number of shares	22,324,126,058	15,824,126,058
<u>Discontinued Operations</u>		
Basic loss per share (cents)	-	(0.002)
Weighted average number of shares	22,324,126,058	15,824,126,058

Loss per share are calculated based on the net loss attributable to ordinary shareholders divided by the weighted average number of shares.

The diluted loss per share is the same as the basic loss per share as there were no outstanding convertible securities or other dilutive equity instruments for both financial periods ended 31 March 2019 and 31 March 2018.



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.

	Group		Company	
	31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
Net assets value per share (cents)	0.02	0.03	0.02	0.02
Number of ordinary shares	22,324,126,058	22,324,126,058	22,324,126,058	22,324,126,058

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).

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.

Discontinued operations and subsidiary classified as held for sale:

On 28 September 2018, the Company announced that it has entered into a sale and purchase agreement in relation to the Company's proposed disposal of the entire issued and paid-up share capital of MBT. 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.

The post-tax loss for the corresponding period ended 31 March 2018 from the discontinued operations attributable to the Group is presented below:

	3 months ended 31-Mar-18 S\$'000
Revenue	3,334
Costs of sales	(3,062)
Gross profit	272
Other income	24
Selling and marketing costs	(180)
General and administrative costs	(321)
Foreign exchange loss	(32)
Total operating costs, net	(509)
Operating loss before finance costs and impairment loss	(237)
Finance costs, net	-
Loss before tax from discontinued operations	(237)
Income tax expense	-
Loss from discontinued operations, net of tax	(237)



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. (Cont'd)**

Income Statement

Continuing Operations

In FY2018, the Group completed the acquisition of (i) Yumei Technologies Sdn. Bhd.; (ii) Yumei REIT Sdn. Bhd.; and (iii) Pioneer Venture Pte. Ltd. (collectively known as the "Target Group") on 4 December 2018 (refer to announcement dated on 4 December 2018).

The Group's revenue in the first quarter ended 31 March ("1Q") 2019 was 20% higher when compared to 1Q2018. Equipment business posted a revenue increase of 42% in 1Q2019 when compared to 1Q2018 due to increased customers' demands during the quarter. Equipment Contract Manufacturing Services ("ECMS") business also recorded an increase in revenue of 9% in 1Q2019 when compared to 1Q2018 mainly due to the contribution from the Target Group in 1Q2019.

Gross profit margin ("GPM") of the Group improved by 7 percentage-points ("ppts"), increasing from 26% in 1Q2018 to 33% in 1Q2019. GPM of the Equipment business improved by 15ppts from 24% in 1Q2018 to 39% in 1Q2019, due to a shift in sales mix during the quarter. GPM of the ECMS business in 1Q2019 was 29%, which was comparable to the GPM in 1Q2018 of 27%.

Selling and marketing ("S&M") costs in 1Q2019 decreased by 26% as compared to 1Q2018. S&M costs incurred by the Equipment business in 1Q2019 were 22% lower when compared to 1Q2018. S&M costs incurred by the ECMS business in 1Q2019 were 32% lower than the costs incurred in 1Q2018.

Research and development costs in 1Q2019 were 25% higher when compared to the costs incurred in 1Q2018 and was mainly attributable to research on new equipment design.

General and administrative costs in 1Q2019 were 34% higher when compared to the costs incurred in 1Q2018 mainly due to the newly acquired Target Group.

The Group recorded higher finance costs by about S\$76,000 in 1Q2019 as compared to 1Q2018. The increase was partly due to the borrowings in relation to the acquisition of the Target Group.

The Group reported a foreign exchange gain of about S\$18,000 and S\$76,000 in 1Q2019 and 1Q2018 respectively, mainly due to the fluctuation of Malaysian Ringgit against Singapore Dollars.

As a result of the above, the Group reported a net loss attributable to owners of the Company from continuing operations of S\$0.5 million in 1Q2019 compared to the net loss of S\$0.7 million in 1Q2018.

Balance Sheet

Property, plant and equipment ("PPE") increased by approximately S\$0.1 million, from S\$6.9 million as at 31 December 2018 to S\$7.0 million as at 31 March 2019. The increase was mainly due to additional PPE purchased by the Group, which was offset by the depreciation of PPE and translation changes during the quarter.

Right-of-use assets of S\$0.7 million as at 31 March 2019 were due to the adoption of the new accounting standard that became effective from 1 January 2019.



- 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. (Cont'd)**

Inventories decreased by approximately S\$0.6 million from S\$3.6 million as at 31 December 2018 to S\$3.0 million as at 31 March 2019.

Trade and other receivables increased by approximately S\$0.8 million, from S\$5.0 million as at 31 December 2018 to S\$5.8 million as at 31 March 2019. The increase was mainly due to the sale of equipment during the quarter.

Trade and other payables decreased by approximately S\$0.3 million, from S\$12.8 million as at 31 December 2018 to S\$12.5 million as at 31 March 2019. The decrease was mainly attributable to payment made to payables.

Lease creditors increased by approximately S\$0.6 million from S\$0.6 million as at 31 December 2018 to S\$1.2 million as at 31 March 2019. This was mainly due to the adoption of the new accounting standard that became effective from 1 January 2019.

Interest-bearing loans and borrowings of S\$0.9 million as at 31 March 2019 were due to the loans taken by the Target Group.

As at 31 March 2019, the Group reported net current liabilities of S\$4.7 million and net assets of S\$4.8 million.

In view of this, 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, as the Group has obtained a letter of undertaking from ASTI Holdings Limited that it will not recall the payment of the shareholder's loan when it is due, and the Group is expected to generate sufficient cash flows from its operations by limiting its expenditure on PPE and managing its repayment of payables to improve its working capital position. The Group is also looking at options to raise funds for working capital so as to strengthen its balance sheet and provide additional resources for the projects that the Group is working on.

Cash Flows

Net cash flows used in operating activities amounted to approximately S\$1.3 million in 1Q2019. This was mainly due to changes in working capital of S\$1.1 million, interest paid of S\$0.1 million and income tax paid of approximately S\$49,000 during the period, partially offset by operating cash flows before changes in working capital of S\$0.2 million.

Net cash flows used in investing activities amounted to approximately S\$0.2 million and was mainly due to purchase of property, plant and equipment.

Net cash flow used in financing activities amounted to approximately S\$0.1 million and was mainly due to the repayment of lease obligations and bank borrowings.



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

Not applicable.

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

The ongoing trade tension between China and US is impacting the business environment in Asia. Coupled with weak economic sentiments, market demand is slowing down significantly.

Our operations in Singapore and Malaysia are similarly affected and we expect that demand will remain weak in the next quarter.

The Target Group which the Company had completed the acquisition in December 2018, has contributed positively to the ECMS business segment bottom line. The profit before tax of approximately S\$183,000 contributed by the Target Group has narrowed the loss of the Group for 1Q2019.

Our business is prone to economic uncertainties and the cyclical nature of the semiconductor industry and consumer business. 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 and the reason(s) for the decision.

No dividend has been declared or recommended for 1Q2019 as the Group is in a loss-making position in this quarter.



13. Interested person transactions

The Group does not have an existing general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalist Rules following the expiry of the general mandate obtained from shareholders on 30 April 2018. There is no intention to renew the general mandate for interested person transactions at the next annual general meeting as the trade-related transactions were carried out mainly between the Company and ASTI Holdings Limited ("ASTI"), in particular a subsidiary of ASTI, Semiconductor Technologies & Instruments Pte Ltd ("STI"). With the completion of the disposal of STI by ASTI on 26 September 2018, the Company does not expect any trade-related transactions between ASTI and the Company.

There are no interested person transactions of S\$100,000 or more during the financial period under review.

14. Negative Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules.

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the first quarter financial period ended 31 March 2019 to be false or misleading in any material aspect.

15. 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.

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

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

Not applicable to quarterly announcement.

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

Not applicable to quarterly announcement.

18. A breakdown of sales.

Not applicable to quarterly announcement.

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

Not applicable.



- 20. 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(13) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable to quarterly announcement.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee
Executive Chairman and CEO

14 May 2019