



## **ADVANCED SYSTEMS AUTOMATION LIMITED**

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

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Results for the First Half Year Financial Period  
Ended 30 June 2020

Unaudited Financial Statements and Dividend Announcement

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**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 30 June 2020.**

**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 29 February 2020, the Company announced that it has entered into a letter of intent to explore, with a potential buyer, on the proposed disposal of the entire issued and paid-up share capital of Microfits Pte. Ltd. ("MPL"). For the avoidance of doubt, the current negotiations for the proposed disposal of MPL are still preliminary, and the Company had not, as at the date of this announcement, entered into any definitive agreement for the same, and will make the necessary announcement(s) as and when appropriate.

The Company has on 10 August 2020 entered into a sale and purchase agreement in relation to the Company's proposed disposal of its entire interest in ASA Multiplate (M) Sdn. Bhd. ("ASAM"), representing 90% of the issued and paid-up share capital of ASAM.

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		
	6 months ended		
	30-Jun-20	30-Jun-19	change
	S\$'000	S\$'000	%
	(restated)		
<b><u>Continuing operations</u></b>			
<b>Revenue</b>	6,653	6,464	3
Cost of sales	(4,655)	(4,484)	4
<b>Gross profit</b>	1,998	1,980	1
<b>Other income</b>	69	19	>100
<b><u>Other expenses</u></b>			
Selling and marketing costs	(412)	(250)	65
Research and development costs	-	(20)	NM
General and administrative costs	(2,122)	(2,383)	(11)
Foreign exchange gain/(loss)	24	(86)	<100
Finance costs, net	(186)	(162)	15
<b>Loss before tax from continuing operations</b>	(629)	(902)	(30)
Income tax expense	(256)	(170)	51
<b>Loss from continuing operations, net of tax</b>	(885)	(1,072)	(17)
<b><u>Discontinued operations</u></b>			
Loss from discontinued operations, net of tax	(713)	(773)	(8)
<b>Loss for the period</b>	(1,598)	(1,845)	(13)
<b><u>Attributable to:</u></b>			
Owners of the Company			
- Continuing operations	(863)	(1,027)	(16)
- Discontinued operations	(713)	(773)	(8)
	(1,576)	(1,800)	(12)
Non-controlling interests			
- Continuing operations	(22)	(45)	(51)
<b>Total</b>	(1,598)	(1,845)	(13)

NM: Not meaningful



**Statement of Comprehensive Income for the Group for the First Half Year Ended 30 June 2020**

	Group		
	6 months ended		
	30-Jun-20	30-Jun-19	change
	S\$'000	S\$'000	%
	(restated)		
<b>Loss for the period</b>	(1,598)	(1,845)	(13)
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation	(8)	(3)	>100
<b>Total comprehensive loss for the period</b>	<u>(1,606)</u>	<u>(1,848)</u>	(13)
<b>Attributable to:</b>			
Owners of the Company			
- Continuing operations	(881)	(1,037)	(15)
- Discontinued operations	(713)	(773)	(8)
	<u>(1,594)</u>	<u>(1,810)</u>	(12)
Non-controlling interests			
- Continuing operations	(12)	(38)	(68)
<b>Total comprehensive loss for the period</b>	<u>(1,606)</u>	<u>(1,848)</u>	(13)

**Additional Information**

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

	Group		
	6 months ended		
	30-Jun-20	30-Jun-19	change
	S\$'000	S\$'000	%
	(restated)		
<b><u>Continuing Operations</u></b>			
Interest income	6	17	(65)
Interest expense	(185)	(234)	(21)
Depreciation of property, plant and equipment	(366)	(394)	(7)
Depreciation of right-of-use assets	(101)	(95)	6
Gain on disposal of property, plant and equipment	-	13	NM
Impairment loss on property, plant and equipment	-	(2)	NM
Written back/(allowance for) stock obsolescence, net	7	(28)	<100
Amortisation of intangible assets	(115)	-	NM
<b><u>Discontinued Operations</u></b>			
Interest expense	(14)	(21)	(33)
Depreciation of right-of-use assets	(150)	(144)	4
Provision for warranty	-	(55)	NM
Allowance for stock obsolescence, net	-	(170)	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	
	30-Jun-20 S\$'000	31-Dec-19 S\$'000	30-Jun-20 S\$'000	31-Dec-19 S\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	6,283	5,948	-	-
Right-of-use assets	794	1,239	-	-
Intangible assets	2,769	2,884	64	64
Investment in subsidiaries	-	-	13,422	13,422
	<u>9,846</u>	<u>10,071</u>	<u>13,486</u>	<u>13,486</u>
<b>Current Assets</b>				
Inventories	762	1,052	-	-
Trade and other receivables	4,502	4,195	53	145
Prepayments and advances	170	245	5	20
Cash at bank and on hand	2,287	2,305	136	100
Tax recoverable	74	59	-	-
	<u>7,795</u>	<u>7,856</u>	<u>194</u>	<u>265</u>
<b>Assets held for sale</b>	<u>2,498</u>	<u>2,793</u>	<u>-</u>	<u>-</u>
	<u>10,293</u>	<u>10,649</u>	<u>194</u>	<u>265</u>
<b>Current Liabilities</b>				
Other liabilities	3,123	2,847	2,347	1,682
Trade and other payables	12,596	11,987	14,021	11,021
Contract liabilities	166	106	-	-
Income tax payable	267	128	-	-
Lease creditors	328	468	-	-
Bank overdraft	802	603	-	-
Loans and borrowings	100	202	-	-
	<u>17,382</u>	<u>16,341</u>	<u>16,368</u>	<u>12,703</u>
<b>Liabilities directly associated with assets held for sale</b>	<u>2,918</u>	<u>2,736</u>	<u>-</u>	<u>-</u>
	<u>20,300</u>	<u>19,077</u>	<u>16,368</u>	<u>12,703</u>
<b>Net Current Liabilities</b>	<b>(10,007)</b>	<b>(8,428)</b>	<b>(16,174)</b>	<b>(12,438)</b>
<b>Non-Current Liabilities</b>				
Lease creditors	66	224	-	-
Loans and borrowings	270	293	-	-
Deferred tax liabilities	427	444	-	-
	<u>763</u>	<u>961</u>	<u>-</u>	<u>-</u>
<b>Net (Liabilities)/Assets</b>	<b>(924)</b>	<b>682</b>	<b>(2,688)</b>	<b>1,048</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	148,841	148,841	148,841	148,841
Other reserves	(3,424)	(3,406)	-	-
Accumulated losses	(145,439)	(143,863)	(151,529)	(147,793)
	<u>(22)</u>	<u>1,572</u>	<u>(2,688)</u>	<u>1,048</u>
Non-controlling interests	(902)	(890)	-	-
<b>Total Equity</b>	<b>(924)</b>	<b>682</b>	<b>(2,688)</b>	<b>1,048</b>



**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 30 Jun 2020		As at 31 Dec 2019	
Secured	Unsecured <sup>(1)</sup>	Secured	Unsecured <sup>(1)</sup>
47	6,563	362	7,291

**Amount repayable after one year**

(S\$'000)

As at 30 Jun 2020		As at 31 Dec 2019	
Secured	Unsecured <sup>(1)</sup>	Secured	Unsecured <sup>(1)</sup>
336	-	414	102

**Details of any collateral**

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

- 1) Trust receipts is secured by a fixed charge over certain properties;
- 2) Bank overdraft is repayable on demand and is secured over certain properties; and
- 3) Term loan is secured by joint and several guarantees of certain directors and by corporate guarantee of a subsidiary.

**Note:**

- <sup>(1)</sup> Certain unsecured borrowings include joint and several guarantees from Mr Seah Chong Hoe (shareholder and Chief Operating Officer of the Company).



**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	
	6 months ended	
	30-Jun-20	30-Jun-19
	S\$'000	S\$'000
	(restated)	
<b>Cash flows from operating activities</b>		
Loss before taxation from Continuing Operations	(629)	(902)
Loss before taxation from Discontinued Operations	(712)	(771)
<u>Adjustments for:</u>		
Effect of unrealised exchange (gain)/loss	(8)	23
Depreciation of property, plant and equipment	366	394
Depreciation of right-of-use assets from continuing operations	101	95
Depreciation of right-of-use assets from discontinued operations	150	144
Gain on disposal of property, plant and equipment	-	(13)
Impairment loss on property, plant and equipment	-	2
Provision for warranty	-	55
Amortisation of intangible assets	115	-
Interest expenses from continuing operations	202	234
Interest expenses from discontinued operations	14	21
Interest income from continuing operations	(6)	(17)
(Written back)/allowance for stock obsolescence, net, from continuing operations	(7)	28
Allowance for stock obsolescence, net, from discontinued operations	-	170
<b>Operating cash flows before changes in working capital</b>	<b>(414)</b>	<b>(537)</b>
<u>Changes in working capital</u>		
Decrease/(increase) in :		
Inventories	262	640
Receivables	(747)	(1,258)
(Decrease)/increase in :		
Payables	1,726	(18)
Due to related company	-	26
Due to related parties	-	60
<b>Cash flows generated from/(used in) operations</b>	<b>827</b>	<b>(1,087)</b>
Income tax paid	(148)	(67)
Interest received	6	17
Interest paid	(74)	(111)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>611</b>	<b>(1,248)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(415)	(267)
Proceeds from disposal of property, plant and equipment	-	21
<b>Net cash flows used in investing activities</b>	<b>(415)</b>	<b>(246)</b>
<b>Cash flow from financing activities</b>		
Repayment of obligations under finance leases	(238)	(403)
Repayment of bank borrowings	(120)	(172)
Loan from related parties	-	500
<b>Net cash flows used in financing activities</b>	<b>(358)</b>	<b>(75)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(162)</b>	<b>(1,569)</b>
Effect of exchange rate changes on cash and cash equivalents	(16)	6
<b>Cash and cash equivalents at beginning of period</b>	<b>1,702</b>	<b>3,836</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,524</b>	<b>2,273</b>
Cash at bank and on hand	2,287	3,037
Bank overdraft	(802)	(764)
	1,485	2,273
Disposal group classified as held for sale	39	-
<b>Cash and cash equivalents</b>	<b>1,524</b>	<b>2,273</b>



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

**Consolidated Statement of Changes in Equity**

<b>Group</b> (All figures in S\$'000)	<b>Attributable to equity holders of the Company</b>						<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Accumulated losses</b> (Distributable)	<b>Foreign currency translation reserve</b> ----- (Non-distributable)	<b>Merger reserve</b>	<b>Other reserve</b>	<b>Total reserves</b>			
At 1 January 2020	148,841	(143,863)	(42)	(2,136)	(1,228)	(3,406)	1,572	(890)	682
Loss for the period	-	(1,576)	-	-	-	-	(1,576)	(22)	(1,598)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(18)	-	-	(18)	(18)	10	(8)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,576)</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>(18)</b>	<b>(1,594)</b>	<b>(12)</b>	<b>(1,606)</b>
<b>At 30 June 2020</b>	<b>148,841</b>	<b>(145,439)</b>	<b>(60)</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>(3,424)</b>	<b>(22)</b>	<b>(902)</b>	<b>(924)</b>
At 1 January 2019	148,841	(139,317)	(43)	(2,136)	(1,228)	(3,407)	6,117	(799)	5,318
Loss for the period	-	(1,800)	-	-	-	-	(1,800)	(45)	(1,845)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(10)	-	-	(10)	(10)	7	(3)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,800)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>(10)</b>	<b>(1,810)</b>	<b>(38)</b>	<b>(1,848)</b>
<b>At 30 June 2019</b>	<b>148,841</b>	<b>(141,117)</b>	<b>(53)</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>(3,417)</b>	<b>4,307</b>	<b>(837)</b>	<b>3,470</b>



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

<b>Company</b> (All figures in S\$'000)	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total equity</b>
At 1 January 2020	148,841	(147,793)	1,048
Loss for the period	-	(3,736)	(3,736)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(3,736)</b>	<b>(3,736)</b>
<b>At 30 June 2020</b>	<b>148,841</b>	<b>(151,529)</b>	<b>(2,688)</b>
At 1 January 2019	148,841	(144,580)	4,261
Loss for the period	-	(873)	(873)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(873)</b>	<b>(873)</b>
<b>At 30 June 2019</b>	<b>148,841</b>	<b>(145,453)</b>	<b>3,388</b>





- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for 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 2019 and 30 June 2020	22,324,126,058	148,841

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2020.

- 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 30 June 2020 (31 December 2019: 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.



**3(a) 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.**

Not applicable. The Group's latest audited financial statement for the financial year ended 31 December 2019 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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 2019.

**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.**

In the current financial period, the Group and the Company adopted the Amendments to Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 January 2020.

The adoption of the Amendments to SFRS(I) did not result in any substantial change to the Group and the Company's accounting policies or any material impact on the financial statements of the Group.

**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	
	6 months ended	
	30-Jun-20	30-Jun-19
<b><u>Continuing Operations</u></b>		
Basic loss per share (cents)	(0.004)	(0.005)
Weighted average number of shares	22,324,126,058	22,324,126,058
<b><u>Discontinued Operations</u></b>		
Basic loss per share (cents)	(0.003)	(0.003)
Weighted average number of shares	22,324,126,058	22,324,126,058

Loss per share is calculated based on the net loss attributable to owners of the Company divided by the weighted average number of shares.



**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. (Cont'd)**

The diluted loss per share is the same as the basic loss per share as there were no outstanding convertible securities or other dilutive equity instruments for both financial periods ended 30 June 2020 and 30 June 2019.

**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	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Net assets value per share (cents)	(0.0001)	0.0070	(0.0120)	0.0047
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 29 February 2020, the Company announced that it has entered into a letter of intent to explore, with a potential buyer, on the proposed disposal of the entire issued and paid-up share capital of Microfits Pte. Ltd. ("**MPL**"). For the avoidance of doubt, the current negotiations for the proposed disposal of MPL are still preliminary, and the Company had not, as at the date of this announcement, entered into any definitive agreement for the same, and will make the necessary announcement(s) as and when appropriate.

The Company has on 10 August 2020 entered into a sale and purchase agreement in relation to the Company's proposed disposal of its entire interest in ASA Multiplate (M) Sdn. Bhd. ("**ASAM**"), representing 90% of the issued and paid-up share capital of ASAM.

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.



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)**

Discontinued operations and subsidiary classified as held for sale (Cont'd):

The post-tax loss for the first half year ended 30 June 2020 from the discontinued operations attributable to the Group is presented below:

	6 months ended 30-Jun-20 S\$'000	6 months ended 30-Jun-19 S\$'000
Revenue	1,304	3,127
Costs of sales	(1,037)	(2,165)
Gross profit	267	962
Other income	378	7
Selling and marketing costs	(205)	(444)
Research and development costs	(258)	(416)
General and administrative costs	(904)	(818)
Foreign exchange gain/(loss)	27	(4)
Finance costs, net	(17)	(58)
Total operating costs, net	(979)	(1,733)
Loss before tax from discontinued operations	(712)	(771)
Income tax expense	(1)	(2)
Loss from discontinued operations, net of tax	(713)	(773)

**Income Statement**

Continuing Operations

With the proposed disposal of Microfits Pte Ltd (Singapore), the Group's revenue was only attributable to the Equipment Contract Manufacturing Services ("**ECMS**") segment, where it recorded revenue of S\$6.7 million in the first half year ended 30 June 2020 ("**1H2020**"); an increase of S\$0.2 million or 3% from S\$6.5 million in the previous corresponding period ended 30 June 2019 ("**1H2019**").

Gross profit margin of the Group has dropped by 1 percentage-point; from 31% in 1H2019 to 30% in 1H2020.

Selling and marketing costs in 1H2020 were higher by S\$0.2 million or 65% as compared to 1H2019. Included in 1H2020 was the amortization of intangible assets amounting to S\$115,000.

General and administrative costs in 1H2020 were lower by S\$0.3 million or 11% lower compared to the costs incurred in 1H2019 mainly due to lower payroll costs. Included in 1H2020 was also the corporate support services fee of S\$0.2 million to ASTI Holdings.

Finance costs incurred in 1H2020 was comparable to 1H2019 of S\$0.2 million primarily due to the borrowings from ASTI Holdings and financial institutions.

Total depreciation expenses declined by S\$22,000 or 4% in 1H2020 compared to 1H2019 mainly due to exchange differences between Singapore Dollar and Malaysian Ringgit.



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)**

The Group recorded a foreign exchange gain of S\$24,000 in 1H2020 as compared to a foreign exchange loss of S\$86,000 in 1H2019. This is due to the weakening Malaysian Ringgit.

As a result of the above, the Group reported a net loss attributable to owners of the Company from continuing operations of S\$0.9 million in 1H2020 compared to S\$1.1 million in 1H2019.

### **Balance Sheet**

Property, plant and equipment (“PPE”) increased by S\$0.3 million or 6%, from S\$5.9 million as at 31 December 2019 to S\$6.3 million as at 30 June 2020. This was mainly due to the purchase of PPE and construction-in-progress for an extension of a building, which was offset by depreciation and foreign currency translation during the period.

Inventories decreased by S\$0.3 million or 24% from S\$1.1 million at 31 December 2019 to S\$0.8 million at 30 June 2020 due to lower orders from one of its subsidiaries.

Trade and other receivables increased by S\$0.3 million or 7%, from S\$4.2 million at 31 December 2019 to S\$4.5 million at 30 June 2020 in line with the higher revenue reported.

Trade and other payables increased by S\$0.6 million or 5%, from S\$12.0 million at 31 December 2019 to S\$12.6 million at 30 June 2020, in line with the increase in Group's business and interests accrual on loans from related parties.

Total loans and borrowings of S\$0.4 million at 30 June 2020, dropped by S\$0.1 million or 25% from S\$0.5 million at 31 December 2019 due to the repayment of loans during the period.

As at 30 June 2020, the Group reported net current liabilities of S\$10.0 million and net liabilities of S\$0.8 million.

In view of the above, the Board is of the opinion that the Group will be able to continue as a going concern as there are reasonable grounds to believe that the Company will be able to meet its short-term obligations for the next 12 months, as the Group has obtained letters of undertaking from three key shareholders of the Company that they will not recall the amounts due to themselves for the 12 months commencing 12 June 2020 and 2 key shareholders have agreed to provide financial support of up to S\$5,000,000, if required, thus 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 various working capital funding options.



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)**

**Cash Flows**

Net cash flows generated from operating activities amounted to S\$0.6 million in 1H2020. This included operating cash flows before changes in working capital of S\$0.4 million net of interest paid of S\$58,000 and income tax paid of S\$148,000 during the period.

Net cash flows used in investing activities amounted to S\$0.4 million and was due to purchase of PPE.

Net cash flow used in financing activities amounted to S\$0.4 million and was mainly due to the repayment of finance 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 outlook for the next quarter remains uncertain in the midst of the on-going global pandemic situation. The Management will continue to work on cost cutting measures and will continue to seek ways to reduce losses with plan to divest loss-making entities. The Management is also looking at various ways of optimizing its resources utilization and various working capital funding options to support its business operations.

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 1H2020 as the Group is in a loss-making position in this period.

**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 Catalyst Rules following the expiry of the general mandate obtained from shareholders on 30 April 2018. The Company did not renew the general mandate for interested person transactions at the annual general meeting held on 30 July 2019 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.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	6 months ended 30 June 2020	6 months ended 30 June 2020
<b>ASTI Holdings Limited ("ASTI") and its subsidiary of companies (the controlling shareholder of the Group)</b>	(i) Interest expense amounting to \$122,000 <sup>(1)</sup>  (ii) Corporate Support Services fee amounting to \$200,000  (iii) Rental Income amounting to \$59,000	Nil  Nil  Nil
<b>Dato' Loh Soon Gnee (controlling shareholder of the Group)</b>	Nil <sup>(2)</sup>	Nil
<b>Yumei Plastic Pte Ltd (A wholly-owned company of Seah Chong Hoe, who is the Chief Operating Officer and controlling shareholder of the Group)</b>	Nil <sup>(3)</sup>	Nil

Note:

<sup>(1)</sup> Relates to interest payable on the loan extended by ASTI Group. As at 30 June 2020, ASTI Group had provided an aggregate of S\$6.6 million loan (the "**Loan**") to the Group. The Loan which bears effective interest rates ranging from 2.84% to 3.75% is unsecured.

<sup>(2)</sup> Relates to interest payable to Dato' Loh Soon Gnee on loans extended by Dato' Loh Soon Gnee to the Company for 1H2020, amounted to \$20,000, which was below S\$100,000.

<sup>(3)</sup> Relates to office facility and storage services expenses for 1H2020 amounted to \$48,000 payable to Yumei Plastic Pte Ltd, which was below S\$100,000.

The Company will convene an extraordinary general meeting to seek shareholders' approval for, among others, the ratification of the above interested party transactions with ASTI in due course.



**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 half year financial period ended 30 June 2020 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.

**16. 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 nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during 1H2020.

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

**17. 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.

**18. 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.

**19. A breakdown of sales.**

Not applicable to quarterly announcement.

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

Not applicable to quarterly announcement.

**21. 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' Sri Sopiyan B. Mohd. Rashdi  
Chairman

14 August 2020