



Company No. 198600740M

## **ADVANCED SYSTEM AUTOMATION LIMITED AND ITS SUBSIDIARIES**

### **Condensed Interim Financial Statements For the Six Months Ended 30 June 2021**

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

*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.*

**CONDENSED CONSOLIDATED INCOME STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	Group		change %
		6 months ended		
		30-Jun-21 S\$'000	30-Jun-20 S\$'000	
			(restated)	
<b><u>Continuing operations</u></b>				
<b>Other income</b>		8	17	(53)
<b>Other expenses</b>				
General and administrative costs		(1,268)	(1,136)	12
Other expenses		5	(73)	NM
Finance costs, net		(114)	(137)	(17)
<b>Loss before tax from continuing operations</b>	4	<b>(1,369)</b>	<b>(1,329)</b>	3
Income tax expense	5	-	-	NM
<b>Loss from continuing operations, net of tax</b>		<b>(1,369)</b>	<b>(1,329)</b>	3
<b><u>Discontinued operations</u></b>				
Profit/(loss) from discontinued operations, net of tax		<b>1,928</b>	<b>(269)</b>	NM
<b>Profit/(loss) for the period</b>		<b>559</b>	<b>(1,598)</b>	NM
<b>Attributable to:</b>				
Owners of the Company				
- Continuing operations		(1,369)	(1,329)	3
- Discontinued operations		1,928	(247)	NM
		<b>559</b>	<b>(1,576)</b>	NM
Non-controlling interests				
- Discontinued operations		-	(22)	NM
<b>Profit/(loss) for the period</b>		<b>559</b>	<b>(1,598)</b>	NM
<b>Loss per share from continuing operations attributable to owners of the Company (cents per share)</b>				
Basic and diluted	7	<b>(0.006)</b>	(0.006)	
<b>Earnings/(loss) per share from discontinued operations attributable to owners of the Company (cents per share)</b>				
Basic and diluted	7	<b>0.009</b>	(0.001)	
<b>Earnings/(loss) per share (cents per share)</b>				
Basic and diluted	7	<b>0.003</b>	(0.007)	

NM: Not meaningful

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Group		change %
	6 months ended		
	30-Jun-21 S\$'000	30-Jun-20 S\$'000 (restated)	
<b>Profit/(loss) for the period</b>	<b>559</b>	<b>(1,598)</b>	NM
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation	<u>(99)</u>	<u>(8)</u>	>100
<b>Total comprehensive income/(loss) for the period</b>	<b><u>460</u></b>	<b><u>(1,606)</u></b>	NM
<b>Attributable to:</b>			
Owners of the Company			
- Continuing operations	<b>(1,468)</b>	(1,347)	9
- Discontinued operations	<b>1,928</b>	(247)	NM
	<b>460</b>	(1,594)	NM
Non-controlling interests			
- Discontinued operations	-	(12)	NM
<b>Total comprehensive income/(loss) for the period</b>	<b><u>460</u></b>	<b><u>(1,606)</u></b>	NM

NM: Not meaningful

# CONDENSED BALANCE SHEETS

AS AT 30 JUNE 2021

	Note	Group		Company	
		30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
<b>Non-Current Assets</b>					
Intangible assets	9	64	64	64	64
		<b>64</b>	64	<b>64</b>	64
<b>Current Assets</b>					
Trade and other receivables		105	95	161	95
Prepayments and advances		22	26	22	26
Cash at bank and on hand		126	259	125	258
Tax recoverable		1	2	-	-
		<b>254</b>	382	<b>308</b>	379
<b>Assets held for sale</b>	6	<b>19,895</b>	19,188	<b>13,422</b>	13,522
		<b>20,149</b>	19,570	<b>13,730</b>	13,901
<b>Current Liabilities</b>					
Other liabilities	11	1,487	1,528	1,482	1,528
Trade and other payables	12	13,067	11,885	13,067	11,916
		<b>14,554</b>	13,413	<b>14,549</b>	13,444
<b>Liabilities directly associated with assets held for sale</b>	6	<b>7,101</b>	8,123	-	-
		<b>21,655</b>	21,536	<b>14,549</b>	13,444
<b>Net Current (Liabilities)/Assets</b>		<b>(1,506)</b>	(1,966)	<b>(819)</b>	457
<b>Net (Liabilities)/Assets</b>		<b>(1,442)</b>	(1,902)	<b>(755)</b>	521
<b>Equity attributable to owners of the Company</b>					
Share capital	14	148,841	148,841	148,841	148,841
Foreign currency translation reserves	15	(40)	59	-	-
Merger reserves	15	(2,136)	(2,136)	-	-
Accumulated losses		<b>(148,107)</b>	(148,666)	<b>(149,596)</b>	(148,320)
<b>Total Equity</b>		<b>(1,442)</b>	(1,902)	<b>(755)</b>	521

## CONDENSED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2021

Group	Attributable to equity holders of the Company								
	Share capital	Accumulated losses (Distributable)	Foreign currency translation reserve ------(Non-distributable)-----	Merger reserve	Other reserve	Total reserves	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2021	148,841	(148,666)	59	(2,136)	-	(2,077)	(1,902)	-	(1,902)
Profit for the period	-	559	-	-	-	-	559	-	559
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(99)	-	-	(99)	(99)	-	(99)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>559</b>	<b>(99)</b>	<b>-</b>	<b>-</b>	<b>(99)</b>	<b>460</b>	<b>-</b>	<b>460</b>
<b>At 30 June 2021</b>	<b>148,841</b>	<b>(148,107)</b>	<b>(40)</b>	<b>(2,136)</b>	<b>-</b>	<b>(2,176)</b>	<b>(1,442)</b>	<b>-</b>	<b>(1,442)</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>

**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

FOR THE SIX MONTHS ENDED 30 JUNE 2021

Company	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2021	148,841	(148,320)	521
Loss for the period	-	(1,276)	(1,276)
<b>Total comprehensive income for the period</b>	-	(1,276)	(1,276)
<b>At 30 June 2021</b>	<b>148,841</b>	<b>(149,596)</b>	<b>(755)</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>	-	(3,736)	(3,736)
<b>At 30 June 2020</b>	<b>148,841</b>	<b>(151,529)</b>	<b>(2,688)</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Group	
	30-Jun-21 S\$'000	30-Jun-20 S\$'000 (restated)
<b>Cash flows from operating activities</b>		
Loss before taxation from Continuing Operations	(1,369)	(1,329)
Profit/(loss) before taxation from Discontinued Operations	2,252	(12)
<u>Adjustments for:</u>		
Effect of unrealised exchange loss	(44)	(8)
Depreciation of property, plant and equipment from discontinued operations	415	366
Depreciation of right-of-use assets from discontinued operations	109	251
Gain on disposal of property, plant and equipment from discontinued operations	(17)	-
Amortisation of intangible assets from discontinued operations	115	115
Interest expenses from continuing operations	114	95
Interest expenses from discontinued operations	64	121
Interest income	(1)	(6)
Written back on trade receivables	(24)	-
Gain on disposal of a subsidiary	(575)	-
Allowance for/(write-back of) stock obsolescence, net	5	(7)
<b>Operating cash flows before changes in working capital</b>	<b>1,044</b>	<b>(414)</b>
<u>Changes in working capital</u>		
Decrease/(increase) in :		
Inventories	(47)	262
Receivables	(1,098)	(747)
(Decrease)/increase in :		
Payables	465	1,726
<b>Cash flows generated from operations</b>	<b>364</b>	<b>827</b>
Income tax paid	(61)	(148)
Interest received	1	6
Interest paid	(178)	(74)
<b>Net cash flows generated from operating activities</b>	<b>126</b>	<b>611</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(950)	(415)
Proceeds from disposal of property, plant and equipment	17	-
Prepayment of right-of-use assets	(6)	-
Deposit received on the proposed disposal	1,200	-
Cash and cash equivalent in subsidiaries disposed of	(9)	-
Cash consideration received from disposal of subsidiary	100	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>352</b>	<b>(415)</b>
<b>Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(222)	(238)
Repayment of bank borrowings	(113)	(120)
Proceeds from bank borrowings	57	-
<b>Net cash flows used in financing activities</b>	<b>(278)</b>	<b>(358)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>200</b>	<b>(162)</b>
Effect of exchange rate changes on cash and cash equivalents	25	(16)
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,099</b>	<b>1,702</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,324</b>	<b>1,524</b>
Cash at bank and on hand	126	2,287
Bank overdraft	-	(802)
	126	1,485
Disposal group classified as held for sale	3,198	39
<b>Cash and cash equivalents</b>	<b>3,324</b>	<b>1,524</b>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## 1. CORPORATE INFORMATION

Advanced Systems Automation Limited (the “Company”) was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from on 4 January 2010. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The registered office of the Company and principal place of the business is located at Blk 25 Kallang Avenue #06-01 Kallang Basin Industrial Estate Singapore 339416.

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

The principal activities of the subsidiaries are disclosed in Note 10.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

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

#### Going concern assumption

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

As at 30 June 2021, the Group had net current liabilities of S\$1,506,000 (2020: S\$1,966,000) and the Group had incurred net profit of S\$559,000 (2020: net loss of S\$1,598,000) for the period then ended.

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

- (a) The Group will be able to generate positive cashflows from operations as the Group had completed the disposal of two loss making subsidiaries, Multiplate Sdn Bhd (“Multiplate”) and Microfits Pte Ltd (“MPL”) on 31 December 2020 and 20 January 2021 respectively;
- (b) The Group has unutilised credit facilities of S\$1.4 million as at 30 June 2021;
- (c) Three key shareholders have agreed not to recall the amounts due to themselves for the next twelve months from the date that the 2020 year-end financial statements have been authorized for issue; and
- (d) Two key shareholders have agreed to provide financial support of up to S\$2,500,000 each, if required.

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



# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

### 2.1 Basis of preparation (cont'd)

#### Discontinued operations

In 2020, the Group had announced their plan to dispose of Multiplate and MPL and on 27 February 2021, the Group announced their plan to dispose of Emerald Precision Engineering Sdn. Bhd. ("Emerald"), Yumei Technologies Sdn. Bhd. ("Yumei Tech"), Yumei REIT Sdn. Bhd. ("Yumei REIT") and Pioneer Venture Pte. Ltd. ("Pioneer"). See Note 6 for more details.

As at 30 June 2021, the assets and liabilities of MPL, Emerald, Yumei Tech, Yumei REIT and Pioneer have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as assets held for sale" respectively. For the period then ended, the results of Multiplate, MPL, Emerald, Yumei Tech, Yumei REIT and Pioneer have been presented separately in the consolidated income statement as "Loss from discontinued operations, net of tax".

### 2.2 Adoption of new and amended standards and interpretations

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

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

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## 4. PROFIT/(LOSS) BEFORE TAX

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

	Group	
	6 months ended	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
		(restated)
<b><u>Continuing Operations</u></b>		
Interest expense	(114)	(95)
<b><u>Discontinued Operations</u></b>		
Interest income	1	6
Interest expense	(64)	(121)
Depreciation of property, plant and equipment	(415)	(366)
Depreciation of right-of-use assets	(109)	(251)
Gain on disposal of property, plant and equipment	17	-
Amortisation of intangible assets	(115)	(115)
Gain on disposal of a subsidiary	575	-
Written back on trade receivables	24	-
Write-back of stock obsolescence, net	(5)	7

## 5. INCOME TAX EXPENSE

	Group	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
		(restated)
Current income tax – discontinued operations:-		
Current income tax	(337)	(273)
Under provision in respect of prior period	(1)	-
	<u>(338)</u>	<u>(273)</u>
Deferred income tax – discontinued operations:-		
Origination and reversal of temporary difference	(6)	(4)
Over provision in respect of prior period	20	20
	<u>14</u>	<u>16</u>
Income tax attributable to continuing operations	-	-
Income tax attributable to discontinued operations	(324)	(257)
Income tax expense recognised in profit and loss	<u>(324)</u>	<u>(257)</u>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

- (a) On 29 February 2020, the Company announced that it had entered into a letter of intent to explore, with a potential buyer, on the proposed disposal of the entire issued and paid-up share capital of Microfits Pte. Ltd. (“**MPL**”). Thereafter, on 31 October 2020 the Company entered into a sale and purchase agreement in relation to the proposed disposal. The disposal was completed on 20 January 2021.
- (b) On 11 August 2020, the Company entered into a sale and purchase agreement in relation to the Company’s disposal of its entire interest in ASA Multiplate (M) Sdn. Bhd. (“**ASAM**”), representing 90% of the issued and paid-up share capital of ASAM. The disposal was completed on 31 December 2020.
- (c) On 26 February 2021, the Company 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 each of Emerald Precision Engineering Sdn. Bhd. (“**Emerald**”), Yumei Technologies Sdn. Bhd. (“**Yumei Tech**”), Yumei REIT Sdn. Bhd. (“**Yumei REIT**”) and Pioneer Venture Pte. Ltd. (“**Pioneer**”) (the “**Proposed Disposal**” or “**Sale Companies**”).

### Balance sheet disclosures

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

	30-Jun-21	31-Dec-20
	S\$'000	S\$'000
Intangible assets	2,475	2,590
Property, plant and equipment	7,456	7,008
Right-of-use assets	833	895
Inventories	648	1,060
Trade and other receivables	5,197	4,575
Prepayments and advances	88	220
Cash at bank and on hand	3,198	2,840
<b>Total assets</b>	<b>19,895</b>	<b>19,188</b>
Provisions	-	61
Trade and other payables	1,992	2,420
Bank overdraft	797	797
Lease liabilities	311	491
Other liabilities	4,001	4,354
<b>Total liabilities</b>	<b>7,101</b>	<b>8,123</b>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

### Income statement disclosures

The results of MPL and Sale Companies for the 6 months ended 30 June 2021 and the results of MPL, ASAM and Sale Companies for the 6 months ended 30 June 2020 are presented as follows:

	Group	
	6 months ended	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
	(restated)	
Revenue	10,233	7,959
Cost of sales	(7,113)	(5,694)
Gross profit	3,120	2,265
Other income	81	493
Selling and marketing costs	(512)	(617)
Research and development costs	(16)	(258)
General and administrative costs	(980)	(1,952)
Gain on disposal of subsidiary	575	-
Foreign exchange gain	54	123
Finance costs, net	(70)	(66)
Profit/(loss) before taxation from discontinued operation	2,252	(12)
Income tax expense	(324)	(257)
Profit/(loss) from discontinued operation, net of tax	1,928	(269)

## 7. EARNINGS/(LOSS) PER SHARE

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

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

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

Group	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
Loss for the period attributable to owners of the Company from continuing operations used in the computation of basic and diluted earnings per ordinary share	(1,369)	(1,329)
Profit/(loss) for the period attributable to owners of the Company from discontinued operations used in the computation of basic and diluted earnings per ordinary share	1,928	(247)
Profit/(loss) for the period attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	559	(1,598)
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share computation (no. of shares)	22,324,126,058	22,324,126,058

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

### 8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group has an addition of property, plant and equipment of approximately S\$950,000 (1H2020: S\$415,000).

### 9. INTANGIBLE ASSETS

Group	Goodwill S\$'000	Club memberships S\$'000	Customer relationships S\$'000	Order Backlog S\$'000	Total S\$'000
<b>Cost</b>					
At 1 January 2020	3,167	197	2,066	4	5,434
Attributable to discontinued operations (Note 6)	(3,167)	-	(2,066)	(4)	(5,237)
At 31 December 2020, 1 January 2021 and 30 June 2021	-	<b>197</b>	-	-	<b>197</b>
<b>Accumulated amortisation and impairment loss</b>					
At 1 January 2020	1,705	133	708	4	2,550
Charge for the period	-	-	230	-	230
Attributable to discontinued operations (Note 6)	(1,705)	-	(938)	(4)	(2,647)
At 31 December 2020, 1 January 2021 and 30 June 2021	-	<b>133</b>	-	-	<b>133</b>
<b>Net carrying amount</b>					
At 31 December 2020	-	64	-	-	64
<b>At 30 June 2021</b>	-	<b>64</b>	-	-	<b>64</b>

#### *Club memberships*

Company	Club memberships S\$'000
<b>Cost</b>	
At 1 January 2020, 31 December 2020, 1 January 2021 and 30 June 2021	197
<b>Accumulated impairment loss</b>	
At 1 January 2020, 31 December 2020, 1 January 2021 and 30 June 2021	133
Net carrying amount	
At 31 December 2020 and 30 June 2021	64

#### *Customer relationships*

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## 10. INVESTMENTS IN SUBSIDIARIES

	Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Unquoted shares, at cost	-	22,113
Issuance of shares for acquisition of subsidiaries	-	-
Impairment losses	-	(2,224)
Disposals	-	(6,368)
Attributable to discontinued operations *	-	(13,521)
	<u>-</u>	<u>-</u>

\* These relate to the classification of MPL and the Sale Companies as assets held for sale as disclosed in Note 6 to the financial statements.

The Group has the following significant investment in subsidiaries:-

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

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

- 1 Audited by Ernst & Young LLP, Singapore.  
 2 Audited by member firms of Ernst & Young Global.  
 3 Audited by KCK Associates, Penang, Malaysia.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## 11. OTHER LIABILITIES

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Amounts due to shareholders and directors	1,138	1,145	1,138	1,145
Accrued operating expenses	349	383	344	383
	<b>1,487</b>	<b>1,528</b>	<b>1,482</b>	<b>1,528</b>

### Amounts due to shareholders and directors

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

## 12. TRADE AND OTHER PAYABLES

	Group		Company	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
<b>Trade and other payables:</b>				
Trade payables	73	66	73	66
Other creditors	-	3	-	3
Customer deposits	1,200	50	1,200	50
Deferred cash settlement	2,327	2,327	2,327	2,327
Loan due to a shareholder	881	861	881	861
Amounts due to subsidiaries (Non-trade)	-	-	-	31
Amounts due to related parties (Non-trade)	8,586	8,578	8,586	8,578
<b>Total trade and other payables</b>	<b>13,067</b>	<b>11,885</b>	<b>13,067</b>	<b>11,916</b>
<i>Add:</i>				
- Other liabilities	1,487	1,528	1,482	1,528
Total financial liabilities carried at amortised cost	<b>14,554</b>	<b>13,413</b>	<b>14,549</b>	<b>13,444</b>

### Trade payables

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

### Loan due to a shareholder

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

### Amounts due to related parties

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

### 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.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## 13. NET ASSET/(LIABILITIES) VALUE

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net assets value per share (cents)	<u>(0.006)</u>	<u>(0.009)</u>	<u>(0.003)</u>	<u>0.002</u>
Number of ordinary shares	<u>22,324,126,058</u>	<u>22,324,126,058</u>	<u>22,324,126,058</u>	<u>22,324,126,058</u>

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

## 14. SHARE CAPITAL

Group and Company	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
	Number of shares		S\$'000	S\$'000
Balance at beginning and at end	<u>22,324,126,058</u>	<u>22,324,126,058</u>	<u>148,841</u>	<u>148,841</u>

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

## 15. 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.

## 16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets:</b>				
Trade and other receivables	105	95	161	95
Cash and cash equivalents	126	259	125	258
	<u>231</u>	<u>354</u>	<u>286</u>	<u>353</u>
<b>Financial liabilities:</b>				
Trade and other payables	13,067	11,885	13,067	11,916
Other liabilities	1,487	1,528	1,482	1,528
	<u>14,554</u>	<u>13,413</u>	<u>14,549</u>	<u>13,444</u>



# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## 17. 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	
	30-Jun-21 S\$'000	30-Jun-20 S\$'000	30-Jun-21 S\$'000	30-Jun-20 S\$'000

Transactions with ASTI Group (corporate shareholder of the Company) :-

Corporate support cost	(100)	(200)	(100)	(200)
Interest expense on loans	(94)	(122)	(94)	(122)

Interest expense on loan from a shareholder of the Company:-

Interest expense on loans	(20)	(20)	(20)	(20)
---------------------------	------	------	------	------

Transactions with a director who is also a shareholder of the Company:-

Rental expense paid	(48)	(48)	-	-
---------------------	------	------	---	---

## 18. SEGMENT INFORMATION

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

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

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

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

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

### 18. SEGMENT INFORMATION (CONT'D)

Group	Equipment		Discontinued Operation		Adjustments and Elimination		Note	Consolidated Total	
	30-Jun-21 S\$'000	30-Jun-20 S\$'000 (restated)	30-Jun-21 S\$'000	30-Jun-20 S\$'000 (restated)	30-Jun-21 S\$'000	30-Jun-20 S\$'000 (restated)		30-Jun-21 S\$'000	30-Jun-20 S\$'000 (restated)
<b>Revenue:</b>									
- External sales	-	-	10,233	7,959	(10,233)	(7,959)	A	-	-
- Inter-segment sales	-	-	80	62	(80)	(62)	B	-	-
	-	-	10,313	8,021	(10,313)	(8,021)		-	-
EBITDA (Note C)	(1,255)	(1,192)	2,839	496	(2,839)	(496)	A	(1,255)	(1,192)
Depreciation on property, plant & equipment	-	-	(415)	(366)	415	366	A	-	-
Depreciation on right-of-use assets	-	-	(109)	(101)	109	101	A	-	-
Interest expense	(114)	(137)	(83)	(84)	83	84	A	(114)	(137)
Interest income	-	-	20	43	(20)	(43)	A	-	-
(Loss)/profit before tax	(1,369)	(1,329)	2,252	(12)	(2,252)	12		(1,369)	(1,329)
Income tax expense	-	-	(324)	(257)	324	257	A	-	-
Segment results	(1,369)	(1,329)	1,928	(269)	(1,928)	269	A	(1,369)	(1,329)

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## 19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

# OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2021

## OTHER INFORMATION

### 1. REVIEW

The condensed consolidated balance sheet of Advanced System Automation Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and certain explanatory notes have not been audited and reviewed.

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

Not applicable.

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

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

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

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

### 3. CHANGES IN TREASURY SHARES

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

### 4. CHANGES IN SUBSIDIARY HOLDINGS

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

### 5. REVIEW OF PERFORMANCE OF THE GROUP

Discontinued operations and subsidiary classified as held for sale:

- i) On 29 February 2020, the Company announced that it has entered into a letter of intent to explore, with a potential buyer, on the proposed disposal of the entire issued and paid-up share capital of Microfits Pte. Ltd. ("MPL"). Thereafter, on 31 October 2020 the Company entered into a sale and purchase agreement in relation to the proposed disposal. The proposed disposal was completed on 20 January 2021.
- ii) The Company has on 10 August 2020 entered into a sale and purchase agreement in relation to the Company's proposed disposal of its entire interest in ASA Multiplate (M) Sdn. Bhd. ("ASAM"), representing 90% of the issued and paid-up share capital of ASAM. The proposed disposal was completed on 31 December 2020.
- iii) On 27 February 2021, the Company announced that it has entered into a sale and purchase agreement in relation to the Company's proposed disposal of the entire issued and paid-up share capital of each of Emerald Precision Engineering Sdn. Bhd. ("Emerald"), Yumei Technologies Sdn. Bhd. ("Yumei Tech"), Yumei REIT Sdn. Bhd. ("Yumei REIT") and Pioneer Venture Pte. Ltd. ("Pioneer") (the "Proposed Disposal" or "Sale Companies").

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

**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C**

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

The post-tax profit/(loss) for the financial period ended 30 June 2021 from the discontinued operations attributable to the Group is presented below:

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-21</b>	30-Jun-20
	<b>S\$'000</b>	S\$'000
		(restated)
Revenue	<b>10,233</b>	7,959
Cost of sales	<b>(7,113)</b>	(5,694)
Gross profit	<b>3,120</b>	2,265
Other income	<b>81</b>	493
Selling and marketing costs	<b>(512)</b>	(617)
Research and development costs	<b>(16)</b>	(258)
General and administrative costs	<b>(980)</b>	(1,952)
Gain on disposal of subsidiary	<b>575</b>	-
Foreign exchange gain	<b>54</b>	123
Finance costs, net	<b>(70)</b>	(66)
Profit/(loss) before taxation from discontinued operation	<b>2,252</b>	(12)
Income tax expense	<b>(324)</b>	(257)
Profit/(loss) from discontinued operation, net of tax	<b>1,928</b>	(269)

**Income Statement**Continuing Operations

General and administrative costs increased from S\$1.1 million in 1H2020 to S\$1.3 million in 1H2021 mainly due to higher consultancy fees in relation to a potential acquisition, which was mitigated by lower corporate support services charged by ASTI Holdings Limited ("ASTI") after the disposal of MPL.

Finance costs dropped from S\$137,000 in 1H2020 to S\$114,000 in 1H2021 mainly due to lower interest rate charged by ASTI on the outstanding loan.

As a result of the above, the Group reported a net loss attributable to owners of the Company from continuing operations of S\$1.4 million in 1H2021 compared to S\$1.3 million in 1H2020.

A one-off gain from disposal of MPL and better sales performance from the Sale Companies results from discontinued operations give rise to a profit of S\$1.9 million in 1H2021 compared to a loss of S\$0.3 million in 1H2020.

**Balance Sheet**

Compared to 30 June 2021, cash at bank and on hand dropped by S\$0.2 million from S\$0.3 million at 31 December 2020 to S\$0.1 million at 30 June 2021. This was mainly due to the utilisation of cash and cash equivalents for operational working capital on a new project.

Trade and other payables have increased S\$1.2 million or 10% from S\$11.9 million at 31 December 2020 to S\$13.1 million at 30 June 2021 mainly due to the deposit of S\$1.2 million received on the Proposed Disposal.

As at 30 June 2021, the Group reported net current liabilities of S\$1.5 million and net liabilities of S\$1.4 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 is planning to dispose of its key subsidiaries to one of the key shareholders as announced on 27 February 2021. The proceeds from the disposal are expected to generate sufficient cash flows for its operations while exploring potential acquisition of a new business.

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

#### Cash Flows

Net cash flows generated from operating activities amounted to S\$0.1 million in 1H2021. This included operating cash flows before changes in working capital of S\$1.0 million net of interest paid of S\$0.2 million and income tax paid of S\$61,000 during the period.

Net cash flows generated from investing activities amounted to S\$0.4 million was mainly due to the deposit received in relation to the Proposed Disposal and after netting off the purchase of property, plant and equipment.

Net cash flow used in financing activities amounted to S\$0.3 million and was mainly due to the payment of principal portion of lease liabilities and repayment of bank borrowings.

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

Not applicable.

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

The Company is in the midst of exploring a potential acquisition of a new business and will make the necessary announcements in compliance with the Catalyst Rules as and when there are material developments in relation to such a potential acquisition.

### 8. DIVIDEND

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

Any dividend declared for the current financial period reported on?

None

#### (b) Corresponding Period of the immediately preceding financial year

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

None

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

Not applicable.

#### (d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for 1H2021 as the Group is still has accumulated losses as at 30 June 2021.

**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C**

FOR THE SIX MONTHS ENDED 30 JUNE 2021

**9. INTERESTED PERSON TRANSACTIONS**

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

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	6 months ended 30 June 2021	6 months ended 30 June 2021
<b>ASTI Holdings Limited ("ASTI") and its subsidiary of companies (the controlling shareholder of the Group)</b>	Interest expense amounting to \$94,000 <sup>(1)</sup>	Corporate Support Services fee amounting to \$100,000
<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 Executive 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 2021, 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 3.00% to 3.03% 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 1H2021, amounted to \$20,000, which was below S\$100,000.
- <sup>(3)</sup> Relates to office facility and storage services expenses for 1H2021 amounted to \$48,000 payable to Yumei Plastic Pte Ltd, which was below S\$100,000.

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

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

**11. 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 six months financial period ended 30 June 2021 to be false or misleading in any material aspect.

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

Save as announced on 20 January 2021 and 27 February 2021, there were no acquisitions or realization of shares in neither any of the Group's subsidiary and associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during 1H2021

## **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C**

FOR THE SIX MONTHS ENDED 30 JUNE 2021

### **BY ORDER OF THE BOARD**

Dato' Sri Mohd Sopiyan B Mohd Rashdi  
Chairman  
11 August 2021