



## **ADVANCED SYSTEMS AUTOMATION LIMITED**

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

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### Results for the Third Quarter Financial Period Ended 30 September 2018

### Unaudited Financial Statements and Dividend Announcement

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*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.*

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## ADVANCED SYSTEMS AUTOMATION LIMITED

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

### Results for the Third Quarter Financial Period Ended 30 September 2018 Unaudited Financial Statements and Dividend Announcement

The Board of Directors of the Company announces the unaudited financial results of the Group and the Company for the financial period ended 30 September 2018.

**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*, the assets and liabilities of MBT are classified as assets in subsidiary held for sale and liabilities in subsidiary held for sale respectively on the consolidated balance sheet. Its results for the current financial period reported on and 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.

	<b>Group</b>			<b>Group</b>		
	<b>Third Quarter Ended</b>			<b>Nine Months Ended</b>		
	<b>30/09/18</b>	<b>30/09/17</b>	<b>Change</b>	<b>30/09/18</b>	<b>30/09/17</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
	<b>(restated)</b>			<b>(restated)</b>		
<b><u>Continuing Operations</u></b>						
Revenue	4,356	7,307	(40)	12,533	13,591	(8)
Costs of sales	(2,662)	(4,593)	(42)	(8,649)	(8,753)	(1)
<b>Gross profit</b>	<b>1,694</b>	<b>2,714</b>	<b>(38)</b>	<b>3,884</b>	<b>4,838</b>	<b>(20)</b>
Selling and marketing costs	(370)	(535)	(31)	(1,257)	(1,324)	(5)
Research and development costs	(241)	(179)	35	(609)	(550)	11
General and administrative costs	(738)	(1,375)	(46)	(2,918)	(3,864)	(24)
Foreign exchange (loss)/gain	(66)	(35)	89	69	(149)	NM
Total operating costs	(1,415)	(2,124)	(33)	(4,715)	(5,887)	(20)
<b>Operating gain/(loss) before finance costs</b>	<b>279</b>	<b>590</b>	<b>(53)</b>	<b>(831)</b>	<b>(1,049)</b>	<b>(21)</b>
Finance costs, net	(53)	(38)	39	(136)	(351)	(61)
<b>Profit/(loss) before tax from Continuing Operations</b>	<b>226</b>	<b>552</b>	<b>(59)</b>	<b>(967)</b>	<b>(1,400)</b>	<b>(31)</b>
Income tax expense	(148)	(127)	17	(371)	(273)	36
<b>Profit/(loss) for the period from Continuing Operations, net of tax</b>	<b>78</b>	<b>425</b>	<b>(82)</b>	<b>(1,338)</b>	<b>(1,673)</b>	<b>(20)</b>
<b><u>Discontinued Operations</u></b>						
<b>Loss for the period from Discontinued Operations, net of tax</b>	<b>(2,629)</b>	<b>(282)</b>	<b>&gt; 100</b>	<b>(3,129)</b>	<b>(1,092)</b>	<b>&gt; 100</b>
<b>Net (loss)/profit for the period</b>	<b>(2,551)</b>	<b>143</b>	<b>NM</b>	<b>(4,467)</b>	<b>(2,765)</b>	<b>62</b>
<b><u>Attributable to:</u></b>						
Owners of the Company	(2,571)	156	NM	(4,450)	(2,693)	65
Non-controlling interests	20	(13)	NM	(17)	(72)	(76)
<b>Net (loss)/profit for the period</b>	<b>(2,551)</b>	<b>143</b>	<b>NM</b>	<b>(4,467)</b>	<b>(2,765)</b>	<b>62</b>

NM: Not meaningful



**Consolidated Statement of Comprehensive Income**

	<u>Group</u>			<u>Group</u>		
	<u>Third Quarter Ended</u>			<u>Nine Months Ended</u>		
	<u>30/09/18</u>	<u>30/09/17</u>	<u>Change</u>	<u>30/09/18</u>	<u>30/09/17</u>	<u>Change</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b>Net (loss)/profit for the period</b>	(2,551)	143	NM	(4,467)	(2,765)	62
<b>Other comprehensive loss:</b>						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	(48)	1	NM	(98)	(71)	38
<b>Total comprehensive (loss)/income for the period</b>	(2,599)	144	NM	(4,565)	(2,836)	61
<u>Attributable to:</u>						
Owners of the Company	(2,640)	158	NM	(4,546)	(2,764)	64
Non-controlling interests	41	(14)	NM	(19)	(72)	(74)
<b>Total comprehensive (loss)/income for the period</b>	(2,599)	144	NM	(4,565)	(2,836)	61
<u>Attributable to Owners of the Company:</u>						
Continuing Operations	79	473	(83)	(1,334)	(1,566)	(15)
Discontinued Operations	(2,719)	(315)	> 100	(3,212)	(1,198)	> 100
	(2,640)	158	NM	(4,546)	(2,764)	64

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year**

	<u>Group</u>			<u>Group</u>		
	<u>Third Quarter Ended</u>			<u>Nine Months Ended</u>		
	<u>30/09/18</u>	<u>30/09/2017</u>	<u>Change</u>	<u>30/09/18</u>	<u>30/09/2017</u>	<u>Change</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b>Net profit/loss for the period is derived after crediting/(charging) the following:</b>						
<b><u>Continuing Operations</u></b>						
- Interest income	4	5	(20)	10	13	(23)
- Interest expense	(54)	(39)	38	(138)	(354)	(61)
- Depreciation of property, plant and equipment	(94)	(74)	27	(295)	(225)	31
- Property, plant and equipment written off	-	(1)	NM	-	(1)	NM
- Gain on disposal of property, plant and equipment	142	10	> 100	163	60	> 100
- Write-back of allowance for trade receivables	-	-	NM	324	-	NM
- Write-back of/(allowance for) stock obsolescence, net	1	211	(100)	(215)	173	NM
- Reversal of write-down of inventories	10	6	67	10	6	67
- Provision for warranty	(14)	(128)	(89)	(113)	(189)	(40)
- Over provision of income tax in respect of prior years	14	-	NM	14	-	NM
<b><u>Discontinued Operations</u></b>						
- Interest income	-	-	NM	2	2	-
- Depreciation of property, plant and equipment	(5)	(94)	(95)	(13)	(216)	(94)
- (Loss)/gain on disposal of property, plant and equipment	(1)	-	NM	53	66	(20)
- Write-back of/(allowance for) other receivables	1	-	NM	(16)	(65)	(75)
- Allowance for for stock obsolescence, net	(98)	-	NM	(278)	(40)	> 100
- Impairment loss of Discontinued Operations	(2,432)	-	NM	(2,432)	-	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**

	<u>Group</u>		<u>Company</u>	
	<u>30/09/18</u> <u>S\$'000</u>	<u>31/12/17</u> <u>S\$'000</u> (restated)	<u>30/09/18</u> <u>S\$'000</u>	<u>31/12/17</u> <u>S\$'000</u>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	64	64	64	64
Property, plant and equipment	2,385	2,014	-	-
Investments in subsidiaries	-	-	4,699	4,699
Deferred tax assets	53	53	-	-
<b>Total non-current assets</b>	<b>2,502</b>	<b>2,131</b>	<b>4,763</b>	<b>4,763</b>
<b>Current assets</b>				
Inventories	1,792	3,486	-	-
Trade receivables	5,045	8,953	-	-
Prepayments and advances	189	357	36	7
Other receivables	267	493	7	1
Amounts due from subsidiaries	-	-	871	3,484
Amounts due from related parties	326	537	43	1
Cash and cash equivalents	1,787	4,799	105	61
Assets in subsidiary classified as held for sale	6,665	-	-	-
<b>Total current assets</b>	<b>16,071</b>	<b>18,625</b>	<b>1,062</b>	<b>3,554</b>
<b>TOTAL ASSETS</b>	<b>18,573</b>	<b>20,756</b>	<b>5,825</b>	<b>8,317</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals	5,791	10,999	336	324
Income tax payable	263	64	-	-
Lease creditors	9	9	-	-
Amounts due to subsidiaries	-	-	960	1,364
Amounts due to related parties	5,565	4,839	4,890	3,932
Liabilities in subsidiary classified as held for sale	6,665	-	-	-
<b>Total current liabilities</b>	<b>18,293</b>	<b>15,911</b>	<b>6,186</b>	<b>5,620</b>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<b>(2,222)</b>	<b>2,714</b>	<b>(5,124)</b>	<b>(2,066)</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>280</b>	<b>4,845</b>	<b>(361)</b>	<b>2,697</b>
<b>Equity attributable to the owners of the Company</b>				
Share capital	142,351	142,351	142,351	142,351
Reserves	(141,143)	(136,745)	(142,712)	(139,654)
Reserve in subsidiary classified as held for sale	(148)	-	-	-
	1,060	5,606	(361)	2,697
Non-controlling interests	(780)	(761)	-	-
<b>TOTAL EQUITY</b>	<b>280</b>	<b>4,845</b>	<b>(361)</b>	<b>2,697</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,573</b>	<b>20,756</b>	<b>5,825</b>	<b>8,317</b>



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

**Amount repayable in one year or less, or on demand**

<u>As at 30/9/2018</u>		<u>As at 31/12/2017</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
9	5,780	9	5,208

**Amount repayable after one year**

<u>As at 30/9/2018</u>		<u>As at 31/12/2017</u>	
<u>S\$'000</u>		<u>S\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	-	-

**Details of any collateral**

The amount due to financial institutions of approximately S\$9,000 (31 December 2017: approximately S\$9,000) is secured on certain plant and machinery of a subsidiary.



**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**

	<u>Group</u>	
	<u>30/09/18</u>	<u>30/09/17</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<b>OPERATING ACTIVITIES</b>		
Loss before taxation from Continuing Operations	(967)	(1,400)
Loss before taxation from Discontinued Operations	(3,129)	(1,092)
Total loss before taxation	(4,096)	(2,492)
Adjustments for:		
Depreciation of property, plant and equipment	308	441
Property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	(216)	(126)
Impairment loss of Discontinued Operations	2,432	-
Write-back of allowance for trade receivables	(324)	-
Allowance for other receivables	16	65
Allowance/(write-back of allowance) for stock obsolescence, net	493	(133)
Provision for warranty	182	189
Interest income	(12)	(15)
Interest expense	138	354
Effect of unrealised exchange gain	(69)	(47)
<b>Operating cash flows before changes in working capital</b>	<b>(1,148)</b>	<b>(1,763)</b>
<u>Changes in working capital</u>		
Increase in inventories	(1,303)	(1,527)
Increase in receivables	(1,687)	(2,305)
Decrease in amounts due from related parties	211	-
Increase in amounts due from related companies	-	(5)
Increase in payables	696	1,769
Increase in amounts due to related parties	367	-
Increase in amounts due to related companies	-	315
Increase in amounts due to holding company	-	139
<b>Cash flows used in operations</b>	<b>(2,864)</b>	<b>(3,377)</b>
Interest received	12	15
Interest paid	-	(168)
Income taxes paid	(169)	(137)
<b>Net cash flows used in operating activities</b>	<b>(3,021)</b>	<b>(3,667)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(769)	(1,550)
Extension of club membership	-	(19)
Proceeds from disposal of property, plant and equipment	216	200
<b>Net cash flows used in investing activities</b>	<b>(553)</b>	<b>(1,369)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of other borrowings	-	(559)
Loan from related party	800	-
Proceeds from Company's rights issue exercise	-	7,517
Right issue expenses	-	(482)
<b>Net cash flows generated from financing activities</b>	<b>800</b>	<b>6,476</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,774)</b>	<b>1,440</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,799</b>	<b>2,716</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(28)</b>	<b>(14)</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,997</b>	<b>4,142</b>
Cash and cash equivalents comprise the following at the end of the reporting period:		
Continuing operations	1,787	4,142
Assets in subsidiary classified as held for sale	210	-
	<b>1,997</b>	<b>4,142</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**

Group	Attributable to owners of the Company						Equity attributable to owners of the Company, Total	Non-controlling Interests	Equity Total
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger reserve	Premium paid on acquisition of non-controlling interests	Reserve in subsidiary classified as held for sale			
	Distributable	Non-distributable							
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Balance at 1 January 2018, as previously reported</b>	142,351	(134,773)	1,392	(2,136)	(1,228)	-	5,606	(761)	4,845
Effect of transition to SFRS(I)	-	1,497	(1,497)	-	-	-	-	-	-
<b>Balance at 1 January 2018, as adjusted under SFRS(I)</b>	142,351	(133,276)	(105)	(2,136)	(1,228)	-	5,606	(761)	4,845
Loss for the period	-	(4,450)	-	-	-	-	(4,450)	(17)	(4,467)
<u>Other comprehensive income for the period</u>									
- Foreign currency translation	-	-	(96)	-	-	-	(96)	(2)	(98)
Total comprehensive income for the period	-	(4,450)	(96)	-	-	-	(4,546)	(19)	(4,565)
<u>Others</u>									
Reserve attributable to subsidiary classified as held for sale	-	-	148	-	-	(148)	-	-	-
Total Others	-	-	148	-	-	(148)	-	-	-
<b>Balance at 30 September 2018</b>	142,351	(137,726)	(53)	(2,136)	(1,228)	(148)	1,060	(780)	280



**ADVANCED SYSTEMS AUTOMATION LIMITED**  
Results for the Third Quarter Financial Period Ended 30 September 2018  
Unaudited Financial Statements and Dividend Announcement

Group	Attributable to owners of the Company						Equity attributable to owners of the Company, Total	Non-controlling Interests	Equity Total
	Share capital	Accumulated losses	Foreign currency translation reserve	Merger reserve	Premium paid on acquisition of non-controlling interests	Reserve in subsidiary classified as held for sale			
		Distributable							
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
<b>Balance at 1 January 2017 as previously reported</b>	<b>130,965</b>	<b>(129,244)</b>	<b>1,497</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>-</b>	<b>(146)</b>	<b>(664)</b>	<b>(810)</b>
Effect of transition to SFRS(I)	-	1,497	(1,497)	-	-	-	-	-	-
<b>Balance at 1 January 2017, as adjusted under SFRS(I)</b>	<b>130,965</b>	<b>(127,747)</b>	<b>-</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>-</b>	<b>(146)</b>	<b>(664)</b>	<b>(810)</b>
Loss for the period	-	(2,693)	-	-	-	-	(2,693)	(72)	(2,765)
<u>Other comprehensive income for the period</u>									
Foreign currency translation	-	-	(71)	-	-	-	(71)	-	(71)
Total comprehensive income for the period	-	(2,693)	(71)	-	-	-	(2,764)	(72)	(2,836)
<u>Contributions by and distributions to equity holders</u>									
- Issuance of shares pursuant to Rights Issue	11,868	-	-	-	-	-	11,868	-	11,868
- Share issuance expenses	(482)	-	-	-	-	-	(482)	-	(482)
Total transactions with equity holders in their capacity as equity holders	11,386	-	-	-	-	-	11,386	-	11,386
<b>Balance at 30 September 2017, as restated</b>	<b>142,351</b>	<b>(130,440)</b>	<b>(71)</b>	<b>(2,136)</b>	<b>(1,228)</b>	<b>-</b>	<b>8,476</b>	<b>(736)</b>	<b>7,740</b>





Company	Share Capital	Accumulated Losses	Equity, Total
	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2018</b>	<b>142,351</b>	<b>(139,654)</b>	<b>2,697</b>
Loss for the period	-	(3,058)	(3,058)
<b>Balance at 30 September 2018</b>	<b>142,351</b>	<b>(142,712)</b>	<b>(361)</b>
<b>Balance at 1 January 2017</b>	<b>130,965</b>	<b>(124,170)</b>	<b>6,795</b>
Loss for the period	-	(1,436)	(1,436)
<u>Contributions by and distributions to equity holders</u>			
- Issuance of shares pursuant to Rights Issue	11,868	-	11,868
- Share issuance expenses	(482)	-	(482)
Total transactions with equity holders in their capacity as equity holders	11,386	-	11,386
<b>Balance at 30 September 2017</b>	<b>142,351</b>	<b>(125,606)</b>	<b>16,745</b>

**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.**

	Company	
	<u>Number of ordinary shares</u>	<u>Issued and paid-up share capital</u>
		S\$'000
Balances as at 30 September 2018 and 30 June 2018	15,824,126,058	142,351

The Company did not have any outstanding convertible securities or treasury shares or subsidiary holdings as at 30 September 2017 and 30 September 2018.

**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 15,824,126,058 as at 30 September 2018 (31 December 2017: 15,824,126,058).



**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**

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 December 2017 except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) and new or revised SFRS(I) and INT SFRS(I) that are mandatory for financial years beginning on or after 1 January 2018. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group's consolidated financial statements, except as disclosed in item 5 below.

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

The Group has adopted the new SFRS(I) framework in 2018 and concurrently applied the following SFRS(I), INT SFRS(I) and requirements of SFRS(I) which are mandatorily effective on or after 1 January 2018. The application of the new and revised standards and interpretations has no material effect on the financial statements, except as described below:

Application of SFRS(I) 1

The Group elected the optional exemption from retrospective application of SFRS(I), to reset its cumulative currency translation reserve which arose from the translation differences for all foreign operations and transferred them to retained earnings upon adoption of SFRS(I) (i.e. 1 January 2017).



**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**

Loss/profit per ordinary share for the period based on net loss/profit attributable to owners of the Company:	<u>Continuing Operations</u>		<u>Discontinued Operations</u>		<u>Total</u>	
	<u>Third Quarter ended</u>		<u>Third Quarter ended</u>		<u>Third Quarter ended</u>	
	<u>30/09/18</u>	<u>30/09/17</u>	<u>30/09/18</u>	<u>30/09/17</u>	<u>30/06/18</u>	<u>30/06/17</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>00/01/00</u>	<u>S\$'000</u>
(a) Based on weighted average number of ordinary shares in issue (cents)	0.00	0.00	(0.02)	0.00	(0.02)	0.00
(b) On a fully diluted basis (cents)	0.00	0.00	(0.02)	0.00	(0.02)	0.00
	<u>Continuing Operations</u>		<u>Discontinued Operations</u>		<u>Total</u>	
	<u>Nine Months ended</u>		<u>Nine Months ended</u>		<u>Nine Months ended</u>	
	<u>30/09/18</u>	<u>30/09/17</u>	<u>30/09/18</u>	<u>30/09/17</u>	<u>30/06/18</u>	<u>30/06/17</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>00/01/00</u>	<u>S\$'000</u>
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.01)	(0.02)	(0.02)	(0.01)	(0.03)	(0.03)
(b) On a fully diluted basis (cents)	(0.01)	(0.02)	(0.02)	(0.01)	(0.03)	(0.03)

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 September 2018 and 30 September 2017.

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30/9/2018</u>	<u>30/9/2017</u>	<u>30/9/2018</u>	<u>30/9/2017</u>
Weighted average number of ordinary shares #	15,824,126,058	15,824,126,058	15,824,126,058	9,202,872,974

# Weighted average number of ordinary shares for both the current and prior periods had been restated for the effects of the rights issue that was completed on 14 June 2017.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net asset value per ordinary share (cents)

	<u>Group</u>		<u>Company</u>	
	<u>30/09/2018</u>	<u>31/12/2017</u>	<u>30/09/2018</u>	<u>31/12/2017</u>
		0.01	0.04	0.00

The net asset value per ordinary share as at 30 September 2018 was calculated based on the total number of issued shares (excluding treasury shares) of 15,824,126,058 (31 December 2017: 15,824,126,058).



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*, the assets and liabilities of MBT are classified as assets in subsidiary held for sale and liabilities in subsidiary held for sale respectively on the consolidated balance sheet. Its results for the current financial period reported on and 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 nine months ended 30 September ("9M") 2018 from the discontinued operations attributable to the Group is presented below:

	<b>Nine Months Ended</b>	
	<b><u>30/09/18</u></b>	<b><u>30/09/17</u></b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
Revenue	10,691	9,102
Costs of sales	(9,891)	(8,547)
Gross profit	800	555
Selling and marketing costs	(517)	(552)
General and administrative costs	(989)	(1,023)
Foreign exchange gain/(loss)	10	(71)
Total operating costs	(1,496)	(1,646)
Operating loss before finance costs and impairment loss	(696)	(1,091)
Finance costs, net	(1)	(1)
Impairment loss #	(2,432)	-
Loss before tax from Discontinued Operations	(3,129)	(1,092)
Income tax expense	-	-
Loss from Discontinued Operations, net of tax	(3,129)	(1,092)

# Impairment loss relate to write-down of assets to net realisable values.



The major classes of assets and liabilities of the subsidiary held for sale as at 30 September 2018 are stated at the lower of cost and recoverable amount and were as follows:

	<u>As at</u> <u>30/09/18</u> <u>S\$'000</u>
Assets in subsidiary classified as held for sale	9,097
Less: Impairment loss	<u>(2,432)</u>
Assets in subsidiaries classified as held for sale, net of impairment	6,665
Liabilities in subsidiary classified as held for sale	6,665
Net assets in subsidiary classified as held for sale	<u><u>-</u></u>
Reserve in subsidiary classified as held for sale	(148)

### Income Statement

#### Continuing Operations

The Group's revenue in the third quarter ended 30 September ("3Q") 2018 was 40% lower when compared to 3Q2017. Equipment business reported a revenue decline of 83% in 3Q2018 when compared to 3Q2017 due to decreased customers' demands during the quarter. Equipment Contract Manufacturing Services ("ECMS") business recorded an increase in revenue of 39% in 3Q2018 when compared to 3Q2017 due to increased customers' demands during the quarter.

The Group's revenue for 9M2018 was 8% lower when compared to 9M2017. Equipment business reported a revenue decline of 55% in 9M2018 when compared to 9M2017 due to lower customers' demands during the period. ECMS business recorded an increase in revenue of 35% in 9M2018 when compared to 9M2017 due to increased customers' demands during the period.

Gross profit margin ("GPM") of the Group in 3Q2018 was 39%, which was 2 percentage-points ("ppt") increase from the GPM in 3Q2017 of 37%. GPM of the Equipment business in 3Q2018 was 56%, representing an increase of 16ppt from the GPM in 3Q2017 of 40% due to a shift in sales mix during the quarter. GPM of the ECMS business in 3Q2018 was 35%, representing an increase of 3ppt compared to the 32% GPM in 3Q2017, mainly due to the revenue increase in 3Q2018.

GPM of the Group in 9M2018 was 31%, which was a 5ppt decrease from the GPM in 9M2017 of 36%. GPM of the Equipment business in 9M2018 was 37%, representing a decrease of 7ppt from the GPM in 9M2017 of 44% due to a shift in sales mix during the period. GPM of the ECMS business in 9M2018 was 29%, which was comparable to the GPM in 9M2017.

Selling and marketing ("S&M") costs in 3Q2018 were 31% lower than the costs incurred in 3Q2017. S&M costs incurred by Equipment business in 3Q2018 were 41% lower when compared to 3Q2017, which was in line with the lower sales in 3Q2018. S&M costs incurred by ECMS business in 3Q2018 were 12% lower than the costs incurred in 3Q2017. S&M costs in 9M2018 were 5% lower when compared to 9M2017. S&M costs incurred by Equipment business in 9M2018 were 10% lower when compared to 9M2017, which was in line with the lower sales in 9M2018. S&M costs incurred by ECMS business in 9M2018 were comparable to the costs in 9M2017.

Research and development ("R&D") costs in 3Q2018 were 35% higher when compared to the costs incurred in 3Q2017. R&D costs in 9M2018 were 11% higher when compared to the costs incurred in 9M2017. The increased costs incurred in 3Q2018 and 9M2018 were due to some new projects undertaken that have yet to be completed.



General and administrative costs in 3Q2018 and 9M2018 were 46% and 24% lower when compared to the costs incurred in 3Q2017 and 9M2017 respectively. The decrease was mainly due to a one-time allowance write back of S\$0.3 million from trade receivables and also gains recorded on the disposal of property, plant and equipment (“PPE”) of S\$0.2 million.

The Group reported foreign exchange losses of about S\$66,000 and S\$35,000 in 3Q2018 and 3Q2017 respectively. Foreign exchange gain of about S\$69,000 in 9M2018 and foreign exchange loss of about S\$149,000 in 9M2017 were also reported accordingly. The exchange gain or losses were mainly due to the fluctuation of the US Dollars against the Singapore Dollar.

Finance costs incurred in 3Q2018 were higher by 39% when compared to 3Q2017 due to higher interest payments. Finance costs incurred in 9M2018 were lower by 61% when compared to 9M2017, mainly due to reduced interest payments resulting from loan repayment pursuant to its rights issue in FY2017.

Depreciation of PPE was higher by 27% and 31% in 3Q2018 and 9M2018 when compared to 3Q2017 and 9M2017 due to additional PPE purchased.

The Group made an allowance for stock obsolescence of S\$0.2 million for aged inventories in 9M2018.

As a result of the above, the Group reported a lower net profit attributable to owners of the Company of S\$0.1 million in 3Q2018 when compared to the net profit of S\$0.4 million in 3Q2017. Net loss attributable to owners of the Company was S\$1.3 million in 9M2018 as compared to the net loss of S\$1.6 million in 9M2017.

### **Balance Sheet**

The PPE increased by S\$0.4 million from S\$2.0 million as at 31 December 2017 to S\$2.4 million as at 30 September 2018. The purchases of machineries were offset by the depreciation during the period.

Inventories decreased by S\$1.7 million, from S\$3.5 million as at 31 December 2017 to S\$1.8 million as at 30 September 2018. The decrease was mainly due to the transfer of the inventories to “Assets in subsidiary classified as held for sale” belonging to the discontinued operations.

Trade receivables decreased by S\$3.9 million, from S\$8.9 million as at 31 December 2017 to S\$5.0 million as at 30 September 2018. The decrease was mainly due to the transfer of the trade receivables to “Assets in subsidiary classified as held for sale” belonging to the discontinued operations.

Prepayments and advances decreased by about S\$168,000, from about S\$357,000 as at 31 December 2017 to about S\$189,000 as at 30 September 2018. The decrease was mainly due to the transfer of the prepayments and advances relating to “Assets in subsidiary classified as held for sale” belonging to the discontinued operations.

Other receivables decreased by about S\$226,000, from about S\$493,000 as at 31 December 2017 to about S\$267,000 as at 30 September 2018. The decrease was mainly due to the transfer of the other receivables relating to “Assets in subsidiary classified as held for sale” belonging to the discontinued operations.

Amounts due from related parties decreased by \$0.2 million, from S\$0.5 million as at 31 December 2017 to S\$0.3 million as at 30 September 2018. The decrease was mainly due to the reclassification of amounts due from a certain related party which was no longer a related party as at 30 September 2018. Thereafter, the amounts were transferred to trade receivables.

Payables and accruals decreased by S\$5.2 million, from S\$11.0 million as at 31 December 2017 to S\$5.8 million as at 30 September 2018. The decrease was mainly due to the transfer of the payables and accruals relating to “Liabilities in subsidiary classified as held for sale” belonging to the discontinued operations.



Amounts due to related parties increased by \$0.7 million, from S\$4.8 million as at 31 December 2017 to S\$5.5 million as at 30 September 2018, mainly due to loans and non-trade payables to a related party.

As at 30 September 2018, the Group had net current liabilities of S\$2.2 million and net assets of S\$0.3 million. The Group will limit its expenditure on PPE and will manage its repayment of payables to improve its working capital position. It is currently looking at other options to raise funds for working capital as and when needed.

### **Cash Flows**

Cash flows used in operating activities of S\$3.0 million comprised of cash flows used in the Group's operations in 9M2018 of S\$2.8 million and net amounts paid for interests and taxes of S\$0.2 million. Cash flows used in investing activities amounted to S\$0.5 million, which was mainly utilised for the net purchase of new PPE. There was a S\$0.8 million loan from a related party.

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

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

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

Subsequent to the signing of sale and purchase agreement with Gao Xi Guo in relation to the Company's proposed disposal of MBT as announced on 28 September 2018, the proposed disposal of MBT was completed on 10 October 2018 upon the receipt of the consideration for the disposal.

The proposed acquisition of the Yumei Group of companies is nearing completion. We will make the necessary announcement in due course.

Having undertaken the above reorganization, we are optimistic about our prospects for the next quarter, notwithstanding the looming trade disputes which may affect the performance of the Asian economies.

*Our business is prone to economic uncertainties and the cyclical nature of the semiconductor industry. Other unforeseeable factors including but not limited to foreign exchange fluctuations, intellectual property litigations, product and technology obsolescence, and inventory adjustments continue to be challenges that we may encounter. In view of these factors, we will remain prudent and cautious in the management of our business.*





**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for 3Q2018.

**13. Interested person transactions**

The Group has an existing general mandate from shareholders for interested person transactions which was last renewed at the annual general meeting of the Company on 30 April 2018. During the 9M2018, the interested person transactions in aggregate under review are as follows:

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial period under review (excluding transactions below S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) S\$	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S\$100,000) S\$
<b>ASTI Holdings Limited ("ASTI") and its subsidiary companies</b>  Trade related transactions  Interest payment	-   138,000 <sup>(2)</sup>	427,000 <sup>(1)</sup>   -

*Notes:*

1. Related to trade sales to a subsidiary of ASTI.
2. Related to interest payable on the loans extended by ASTI.





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

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

Not applicable to quarterly announcement.

- 15. 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.

- 16. A breakdown of sales**

Not applicable to quarterly announcement.

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

Not applicable.

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Not applicable to quarterly announcement.

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

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 third quarter financial period ended 30 September 2018 to be false or misleading in any material aspect.

- 20. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

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

**BY ORDER OF THE BOARD**

Dato' Michael Loh Soon Gnee  
Executive Chairman and CEO

14 November 2018