

ADVANCED SYSTEMS AUTOMATION LIMITED

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



Results For the Financial Period Ended 31 March 2007 Unaudited Financial Statements and Dividend Announcement

The Board of Directors announces the results of the Group and Company for the financial period ended 31 March 2007.

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		% Change
	First Quarter Ended		
	S\$ '000		
	31/03/2007	31/03/2006	
Revenue			
Sales	5,008	6,258	(20)
Other revenue	-	464	(100)
Total revenue	5,008	6,722	(25)
Cost of sales	(4,516)	(5,686)	(21)
Gross profit	492	1,036	(53)
Selling and marketing costs	(947)	(810)	17
Research and development costs	(89)	(166)	(46)
General and administrative costs	(1,236)	(909)	36
Foreign exchange (loss)/gain	(17)	240	(107)
	(1,797)	(609)	195
Finance costs, net	(297)	(448)	(34)
Operating loss before taxation	(2,094)	(1,057)	98
Share of results of an associated company	-	(182)	NM
Loss before taxation	(2,094)	(1,239)	69
Taxation	-	(14)	NM
Net loss for the period	(2,094)	(1,253)	67
Attributable to:			
Members of the Company	(2,095)	(1,252)	67
Minority interest	1	(1)	NM
	(2,094)	(1,253)	

NM: Not meaningful

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.

	Group	
	First Quarter Ended	
	S\$ '000	
	31-03-2007	31-03-2006
1. Loss before income tax is stated after (charging)/crediting:-		
- Interest income	1	1
- Interest on borrowings	(298)	(449)
- Depreciation	(441)	(266)
- Write back of doubtful debts (trade)	53	443
- Allowance for doubtful debts (non-trade)	(1)	-
- Allowance for doubtful debts for an associated company	-	(59)
- Allowance for stock obsolescence	(358)	(761)
- Write back of/(allowance for) foreseeable losses	30	(72)
- Inventories written (off)/back directly to profit and loss account	(18)	53
- Fixed assets written off	(21)	(30)
- Gain on disposal of fixed assets	-	90
- Write back of impairment in value of club membership	-	32
	<u> </u>	<u> </u>
2. Income tax		
- Share of associated company's tax	-	(14)
	<u> </u>	<u> </u>

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	S\$ '000		S\$ '000	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006
Non-current assets				
Fixed assets	8,962	9,484	1,086	1,266
Subsidiary companies	-	-	13,349	13,025
Club membership, net	95	95	95	95
Total non-current assets	9,057	9,579	14,530	14,386
Current assets				
Investment held for sale	2,182	2,182	2,182	2,182
Inventories	9,971	7,413	5,973	4,326
Trade receivables, net	12,133	12,586	8,404	9,237
Sundry debtors and prepayments, net	1,211	1,590	435	953
Amounts due from subsidiary companies	-	-	7,580	6,534
Amount due from a related company	150	3	150	-
Cash and cash equivalents	3,017	2,074	2,167	941
Total current assets	28,664	25,848	26,891	24,173
Current liabilities				
Trade payables and accruals	11,680	12,264	6,597	6,608
Other payables	2,451	1,958	2,162	1,951
Provision for tax	103	103	-	-
Amounts due to subsidiary companies	-	-	2,066	2,546
Amounts due to related companies	1,092	2,068	973	1,999
Amount due to ultimate holding company	6,609	5	6,609	5
Amounts due to financial institutions	9,424	10,020	8,003	8,446
Total current liabilities	31,359	26,418	26,410	21,555
Net current (liabilities)/assets	(2,695)	(570)	481	2,618

	Group		Company	
	S\$ '000		S\$ '000	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006
Non-current liabilities				
Trade and other payables	2,140	2,417	2,140	2,417
Hire purchase creditors	2,220	2,266	2,220	2,266
Amounts due to subsidiary companies	-	-	7,746	7,545
Amounts due to financial institutions, secured	7,228	7,410	5,697	5,697
Total non-current liabilities	11,588	12,093	17,803	17,925
	(5,226)	(3,084)	(2,792)	(921)
Equity				
Share capital	83,499	83,499	83,499	83,499
Reserves	(88,947)	(86,807)	(86,291)	(84,420)
	(5,448)	(3,308)	(2,792)	(921)
Minority interests	222	224	-	-
	(5,226)	(3,084)	(2,792)	(921)

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

Amount repayable in one year or less, or on demand

As at 31-3-2007		As at 31-12-2006	
S\$ '000		S\$ '000	
Secured	Unsecured	Secured	Unsecured
4,699	4,725	4,890	5,130

Amount repayable after one year

As at 31-3-2007		As at 31-12-2006	
S\$ '000		S\$ '000	
Secured	Unsecured	Secured	Unsecured
7,228	-	7,410	-

Details of any collateral

Total borrowings were secured by a fixed and floating charge over all the assets of the Company and Intellectual Property Rights.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	S\$ '000	
	31/03/2007	31/03/2006
Cash flows from operating activities:-		
Operating loss before taxation	(2,094)	(1,239)
Adjustments for:		
Depreciation on fixed assets	441	266
Fixed assets written off	21	30
Gain on disposal of fixed assets	-	(90)
Interest income	(1)	(1)
Interest expense	298	449
Currency realignment	(24)	(139)
Write back of impairment in value of club membership	-	(32)
Share of results of an associated company	-	182
Operating loss before changes in working capital	(1,359)	(574)
(Increase)/decrease in inventories	(2,559)	365
Decrease/(increase) in receivables	833	(3,001)
(Decrease)/increase in payables	(737)	1,001
Decrease in amount due to related companies, trade	(104)	-
Cash used in operations	(3,926)	(2,209)
Interest paid	(279)	(101)
Interest received	1	1
Tax paid	-	(5)
Net cash used in operating activities	(4,204)	(2,314)
Cash flows from investing activities:-		
Purchase of fixed assets	(114)	(802)
Proceeds from sale of fixed assets	150	109
Net cash provided by/(used in) investing activities	36	(693)
Cash flows from financing activities:-		
Repayment of hire purchase creditors	(444)	(63)
Proceeds from hire purchase loan	767	-
Repayment of loans and borrowings	(348)	-
Repayment of factoring of trade receivables	(404)	-
Repayment of advances from a related company	(1,020)	-
Advance from ultimate holding company	6,560	3,000
Net cash provided by financing activities	5,111	2,937
Net increase/(decrease) in cash and cash equivalents	943	(70)
Cash and cash equivalents at beginning of period	2,074	2,213
Cash and cash equivalents at end of period	3,017	2,143

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

Group

	Issued capital	Share premium	Accumulated losses	Foreign currency translation reserves	Minority interest	Total
Balance at 1 January 2006	13,438	59,740	(87,130)	1,511	226	(12,215)
Transfer of share premium reserve to share capital account	59,740	(59,740)	-	-	-	-
Currency exchange translation difference	-	-	-	(329)	(6)	(335)
Loss for the period	-	-	(1,252)	-	(1)	(1,253)
Balance at 31 March 2006	<u>73,178</u>	<u>-</u>	<u>(88,382)</u>	<u>1,182</u>	<u>219</u>	<u>(13,803)</u>
Balance at 1 January 2007	83,499	-	(87,621)	814	224	(3,084)
Currency exchange translation difference	-	-	-	(45)	(3)	(48)
Loss for the period	-	-	(2,095)	-	1	(2,094)
Balance at 31 March 2007	<u>83,499</u>	<u>-</u>	<u>(89,716)</u>	<u>769</u>	<u>222</u>	<u>(5,226)</u>

Company

	Issued capital	Share premium	Accumulated losses	Total
Balance at 1 January 2006	13,438	59,740	(79,334)	(6,156)
Transfer of share premium reserve to share capital account	59,740	(59,740)	-	-
Loss for the period	-	-	(5,020)	(5,020)
Balance at 31 March 2006	<u>73,178</u>	<u>-</u>	<u>(84,354)</u>	<u>(11,176)</u>
Balance at 1 January 2007	83,499	-	(84,420)	(921)
Loss for the period	-	-	(1,871)	(1,871)
Balance at 31 March 2007	<u>83,499</u>	<u>-</u>	<u>(86,291)</u>	<u>(2,792)</u>

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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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

As at 31 March 2007, options to take up unissued shares in the Company are as follows:

ASA Employees' Share Option Scheme ("the Scheme")

Date of grant	Balance as at 1.1.2007	Transferred in/(out)	Cancelled/ Expired	Balance as at 31.3.2007	Subscription price	Date of expiry
02.09.2003	4,172,475	-	(78,264)	4,094,211	\$0.093	02.09.2010
02.09.2003	12,253,371	-	-	12,253,371	\$0.093	02.09.2008
22.11.2003	1,716,938	-	-	1,716,938	\$0.118	22.11.2010
08.01.2004	122,289	-	-	122,289	\$0.146	08.01.2009
	18,265,073	-	(78,264)	18,186,809		

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

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 accounting policies and methods of computation in the financial statements for the period ended 31 March 2007 consistent with those of the audited financial statement as at 31 December 2006.

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

Please refer to paragraph 4.

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	
	31-3-2007	31-3-2006
Loss per ordinary share for the period based on net loss attributable to shareholders:-		
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.17)	(0.60)
Weighted average number of shares	1,234,425,306	*209,033,470
(b) On a fully diluted basis (cents)	(0.17)	(0.60)

The diluted earnings per share are the same as basic earnings per share as the share options are anti-dilutive for both financial period ended 31 March 2007 and 31 March 2006.

*For purpose of comparison:

Earnings per ordinary share for the period ended 31 March 2006 is calculated based on the adjusted number of ordinary shares of 209,033,470 after taking into consideration of the 5 for 2 rights issue.

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

Net liabilities per ordinary share (cents)

Group		Company	
31-3-2007	31-3-2006	31-3-2007	31-3-2006
(0.44)	(10.43)	(0.23)	(8.32)

The net liabilities per ordinary share as at 31 March 2007 was calculated based on the number of shares in issue of 1,234,425,306 (31 March 2006: 134,378,659) ordinary 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

Profit and Loss

The Group's revenue decreased from S\$6.7 million in 1Q'06 to S\$5.0 million in 1Q'07 mainly attributable to a slow down in semiconductor industry. As a result, the Group posted a lower gross profit margin of 10% in 1Q'07 compared to 15% in 1Q'06.

Selling and marketing costs increased from \$0.8 million in 1Q'06 to \$0.9 million in 1Q'07 mainly due to an increase in warranty cost by S\$0.1 million in 1Q'07.

General and administrative costs increased from \$0.9 million in 1Q'06 to \$1.2 million in 1Q'07 mainly attributable to a decrease in write back of allowance for doubtful debts by S\$0.4 million and gain on disposal of fixed assets of S\$0.1 million in 1Q'06.

Finance costs reduced from \$0.4 million in 1Q'06 to \$0.3 million in 1Q'07 as a result of lower interest rates applied on restructured bank loans following the Debts Restructuring Agreement which came into effect in 3Q'06.

Balance Sheet

As at 31 March 2007, the Group recorded a capital deficiency of S\$5.4 million in shareholders funds.

The increase in inventories was mainly due to work-in-progress in anticipation of sales in 2Q'07.

The increase in amount due to ultimate holding company was a result of continuous working capital funding from holding company.

Cash Flow

During 1Q'07, additional hire purchase loans of approximately S\$0.8 million were taken up to finance the fixed assets purchased in last financial period.

The repayment of hire purchase loan in 1Q'07 was substantially higher than 1Q'06 due to additional hire purchase loan taken up in 4Q'06 of approximately S\$4.2 million.

The Group received advances of approximately S\$6.6 million from its holding company to fund the working capital requirement as well as repayments of loans and advances from a related company.

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

The actual results were in line with the prospect statement stated in the previous announcement.

10. A commentary at the date of the announcement of the 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 semiconductor equipment industry continues to be weak in 1Q'07. As result, the Equipment business was adversely affected. However, the industry is expected to recover in 2H'07. Hence, the Equipment business is likely to improve accordingly.

The Group's Equipment Contract Manufacturing Services business is expected to provide a steady growth to the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend for the period ended 31 March 2007 is recommended.

(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/recommendeded, a statement to that effect

Refer to note 11(a)

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical 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.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable to quarterly announcement.

15. A breakdown of sales

Not applicable to quarterly announcement.

16. 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.

17. Negative assurance confirmation

The Board of Directors have confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results for the financial period ended 31 March 2007 to be false or misleading.

BY ORDER OF THE BOARD

DOROTHY HO
Company Secretary
8 May 2007