

ADVANCED SYSTEMS AUTOMATION LIMITED

(Company Registration No. 198600740M)

(Incorporated in the Republic of Singapore)

THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM ERNST & YOUNG LLP TO UHY LEE SENG CHAN & CO.

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Advanced Systems Automation Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), wishes to announce the Company's intention to change its external auditors ("**Auditors**") from Ernst & Young LLP ("**EY**") to UHY Lee Seng Chan & Co. ("**UHY**") (the "**Proposed Change of Auditors**") for the current financial year ending 31 December 2022 ("**FY2022**").
- 1.2 The Company will be seeking approval of the shareholders of the Company ("**Shareholders**") for the Proposed Change of Auditors at an extraordinary general meeting to be convened in due course (the "**EGM**").

2. PROPOSED CHANGE OF AUDITORS

- 2.1 EY has served as Auditors of the Company since the financial year ended 31 December 1996 and was re-appointed as Auditors of the Company at the last annual general meeting of the Company ("**AGM**") held on 29 June 2022, to hold office until the conclusion of the next AGM.
- 2.2 As part of the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board conducted a cost rationalisation exercise and is of the view that it would be timely to effect a change of Auditors subject to Shareholders' approval.
- 2.3 Following the evaluation of the proposals from several audit firms which have experience in auditing public listed companies in Singapore, after due deliberation, taking into consideration the requirements under Rules 712 and 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Board, at the recommendation of the Audit Committee of the Company ("**Audit Committee**"), has determined that UHY is best suited to meet the existing needs and audit requirements of the Group.
- 2.4 In arriving at its recommendation to appoint UHY, the Audit Committee had taken into consideration the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), and various factors such as the adequacy of resources and experience of the audit firm to be selected, the audit engagement partner to be assigned to the audit, the audit firm's other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned to the audit. The proposed appointment of UHY is expected to result in cost savings for the Group of approximately S\$0.1 million. The Proposed Change of Auditors is not expected to affect the quality of the audit and there will be no change in the scope of audit services to be undertaken by UHY. Crowe Malaysia PLT, a member firm of Crowe Global, will be appointed as the component auditors for the Company's Malaysia-incorporated subsidiaries, as part of a business arrangement and local statutory purposes.
- 2.5 The Board has taken into account the Audit Committee's recommendation and the factors considered in their evaluation (including the Audit Quality Indicators Disclosure Framework issued by ACRA), and are satisfied that UHY will be able to meet the audit requirements of the Group.
- 2.6 In connection with the above:
- (a) EY had on 7 October 2022, applied to the ACRA to seek ACRA's consent to resign as Auditors of the Company ("**Resignation Application**") pursuant to Section 205AB of the Companies Act 1967 ("**Companies Act**"). ACRA had on 28 October 2022 approved the Resignation Application.

- (b) UHY had on 31 October 2022 given its written consent to act as Auditors of the Company, subject to the approval from Shareholders at an EGM to be convened.
- (c) EY had on 1 November 2022 provided its notice of resignation as Auditors to the Company.
- (d) Pursuant to Section 205AB(5) of the Companies Act, the resignation of EY will take effect upon the later of (a) the day (if any) specified for the purpose in the notice of resignation of EY; (b) the day on which ACRA notifies EY and the Company of its consent to the resignation; or (c) the day (if any) fixed by ACRA. Further, pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the Proposed Change of Auditor must be specifically approved by Shareholders in a general meeting. Accordingly, the Board is convening an EGM to be held by way of electronic means to seek Shareholders' approval for the Proposed Change of Auditors as an ordinary resolution. The appointment of UHY as Auditor of the Company will therefore take effect upon the date of approval of the Proposed Change of Auditors by Shareholders at the EGM, and if so appointed, UHY will hold office until the conclusion of the next AGM of the Company.

2.7 In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) EY has confirmed by way of a letter dated 28 October 2022 to UHY, that it is not aware of any professional reasons why UHY should not accept appointment as Auditors of the Company;
- (b) the Company confirms that there were no disagreements with EY on accounting treatments within the last 12 months prior to the date of their resignation;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders;
- (d) the Board confirms that there are no other specific reasons for the Proposed Change of Auditors that ought to be brought to the attention of the Shareholders, save for those already disclosed in this announcement. The Proposed Change of Auditors is neither due to the dismissal of EY nor EY declining to stand for election at the next AGM of the Company; and
- (e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of UHY as the Auditors of the Company.

2.8 The Board wishes to express their appreciation for the past services rendered by EY.

3. CIRCULAR TO SHAREHOLDERS

A circular containing further details of the Proposed Change of Auditors, together with the notice of the EGM, will be issued to Shareholders in due course.

BY ORDER OF THE BOARD

Advanced Systems Automation Limited

Dato' Sri Mohd Sopiyan B. Mohd Rashdi
Chairman
2 November 2022

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

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