



ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198600740M)

RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The board of directors (the “**Board**”) of Advanced Systems Automation Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement dated 9 June 2022 (the “**Announcement**”) in relation to the termination of the proposed acquisition of Excelgames Interactive Asia Holdings Pte. Ltd. (the “**Proposed Acquisition**”).

The Company sets out below its responses to queries from the SGX-ST on the Proposed Acquisition (the “**Responses**”).

Unless otherwise defined herein, capitalized terms used in the Responses shall bear the same meaning ascribed to them in the Announcement.

SGX Queries

*On 27 February 2021, ASA had announced a proposal disposal of the Company’s wholly-owned subsidiaries Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd., Yumei REIT Sdn. Bhd. and Pioneer Venture Pte. Ltd. (the “**Sale Companies**”) to ASTI Holdings Limited (the “**Proposed Disposal**”). It was announced that upon completion of the Proposed Disposal, ASA will become a cash company under Catalist Rule 1017.*

However, the Proposed Disposal was terminated on 25 Nov 2021, after the Company announced the Proposed RTO on 9 June 2021.

The Group has been incurring losses from continuing operations since FY2016, with the latest being S\$312,000 loss for FY2021 and the Group had reported nil revenue for FY2019 and FY2020 when the Sale Companies were classified as discontinued operations as a result of the Proposed Disposal.

1. *In view of the termination of the Proposed RTO, please provide an update on the Company’s current business operations and whether there is any revenue-generating business.*

Company’s Response

Subsequent to the disposal of Microfits Pte Ltd announced on 20 January 2021, Equipment Contract Manufacturing Services (“**ECMS**”) will be the only core business segment remaining within the Group. The revenue from this business segment are contributed by Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd. and Pioneer Venture Pte. Ltd.

With the termination of the Proposed Disposal as announced on 25 November 2021, Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd., Yumei REIT Sdn. Bhd. and Pioneer Venture Pte. Ltd remains in the Group as continuing operations and continues to generate revenue for the Group. As disclosed in our Annual Report for the financial year ended 31 December 2021 (“**FY2021**”), the Group reported a revenue of S\$18,990,000 from its continuing operations in FY2021.

2. *What are the Company's plans for its current business and is the Company looking at other RTO Targets? Otherwise, what are the Company's plans to turn around its loss-making business?*

Company's Response

The Company disposed of its loss-making subsidiaries in late FY2020 and early FY2021. With the disposals completed, the Group is able to prevent future losses incurred by these loss-making subsidiaries and able to streamline its existing business to focus more on the ECMS business segment. The Company will continue to work towards growing its current business.

However, as organic growth can be quite slow and raising further capital from the market for expansion will result in further dilution, the Company continues its search for the acquisition of a new business and will make necessary announcements in compliance with the Catalist Rules as and when there are material developments.

3. *Please provide the Board's and Sponsor's assessment with supporting justifications on whether ASA is a "cash company" under Catalist Rule 1017.*

Company's Response

As announced on 25 November 2021, the proposed disposal of Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd., Yumei REIT Sdn. Bhd. and Pioneer Venture Pte. Ltd. to ASTI Holdings Limited had been terminated. As such, the Board is of the view that the Company will not become a cash company under Catalist Rule 1017 and the Group continues to generate revenue from its ECMS unit.

As disclosed in our FY2021 Annual Report, the Group reported a revenue of S\$18,990,000 from its continuing operations.

Sponsor's Response

The Sponsor noted that with the termination of the Proposed Disposal on 25 November 2021, the following entities, Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd., Yumei REIT Sdn. Bhd. and Pioneer Venture Pte. Ltd. remain within the Group. Accordingly, the ECMS business segment generated a revenue of S\$18,990,000 for FY2021.

Based on the foregoing, the Sponsor is of the view that the Group is not deemed a cash company under Catalist Rule 1017, as the Group has a sizeable business as evidenced by the revenue recorded in FY2021 and the assets of the Group does not consist wholly or substantially of cash or short-dated securities.

4. *Please provide the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views."*

Company's Response

Please refer to the Company's FY2021 Annual Report which was announced on 14 June 2022 for the necessary financial information to all current and prospective shareholders. The Company has also released announcements on SGXNet in compliance with the Catalist Rules.

The Board confirms that sufficient and timely material information had been disclosed to enable the Company's shares to continue to be traded in an orderly manner.

By Order of the Board

Dato' Sri Mohd Sopiyan B. Mohd Rashdi
Chairman
Advanced Systems Automation Limited
14 June 2022

*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 SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

The contact person for the Sponsor is Ms Tay Sim Yee (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.