



ADVANCED SYSTEMS AUTOMATION LIMITED
(Company Registration Number: 198600740M)
(Incorporated in the Republic of Singapore on 10 April 1986)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) EXISTING SHARES IN THE CAPITAL OF THE COMPANY HELD BY THE ENTITLED SHAREHOLDERS AS AT A RECORD DATE TO BE DETERMINED, AND TWO (2) WARRANTS FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

1.1 The board of directors (the "**Board**" or "**Directors**") of Advanced Systems Automation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue (the "**Rights Cum Warrants Issue**") of up to 1,093,521,189¹ new ordinary shares (the "**Shares**") in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.005 for each Rights Share (the "**Issue Price**"), with up to 729,014,126² free detachable warrants (the "**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary Share (the "**Warrant Share**") at the exercise price of S\$0.003 for each Warrant Share (the "**Exercise Price**"), on the basis of three (3) Rights Shares for every two (2) existing Shares held by the Entitled Shareholders (as defined herein) and two (2) Warrants for every three (3) Rights Shares validly subscribed as at the record date to be determined by the Directors (the "**Record Date**").

In accordance with Rule 821 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Record Date shall only be determined after the listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares, Warrants and Warrant Shares on the Catalist board of the SGX-ST (the "**Catalist**") (the "**LQN**") has been issued by the SGX-ST.

1.2 The principal terms of the Rights Cum Warrants Issue are summarised as follows:

Price	The Issue Price of S\$0.005 for each Rights Share. The Exercise Price of S\$0.003 for each Warrant Share.
Discount	The Issue Price of S\$0.005 for each Rights Share represents a discount of: (a) approximately 73.7% to the closing price of S\$0.019 per Share for trades done on Catalist on 16 September 2024 (being the last trading day where there were Shares traded immediately preceding this announcement) (" Last Traded Price "); and (b) approximately 52.8% to the theoretical ex-rights price of S\$0.0106 per Share ⁽¹⁾ (" TERP ").

¹ Assuming that the remaining 74,972,617 Maximum Conversion Shares (as defined in paragraph 6.1 of this announcement) arising from conversion of the Notes (as defined in paragraph 6.1 of this announcement) are issued on or prior to the Record Date.

² Ibid.

	<p>The Exercise Price of S\$0.003 for each Warrant Share represents a discount of:</p> <p>(a) approximately 84.2% to the Last Traded Price; and (b) approximately 71.7% to the TERP⁽¹⁾.</p> <p><u>Note:</u></p> <p>(1) The TERP is the theoretical market price of each Share assuming the completion of the Rights Cum Warrants Issue, computed based on the Last Traded Price of S\$0.019. For the avoidance of doubt, the TERP computation does not include the Warrant Shares to be issued from the exercise of the Warrants.</p> <p>The Issue Price, Exercise Price and such discount to the Last Traded Price and TERP have been determined after taking into account the size of the Rights Cum Warrants Issue, the Group's fundraising needs and timeline, and the Company's share price performance and volume in the past 12 months.</p> <p>Please refer to paragraph 3 of this announcement for further details.</p>
Allotment Ratio	<p>The Rights Cum Warrants Issue will be offered on a renounceable basis to the Entitled Shareholders on the following bases:</p> <p>(a) three (3) Rights Shares for every two (2) existing Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded; and (b) two (2) Warrants for every three (3) Rights Shares validly subscribed, fractional entitlements to be disregarded.</p>
Purpose of Issue	<p>The Company is proposing to undertake the Rights Cum Warrants Issue to raise funds towards partial payment of professional expenses and cash consideration for the LSO Acquisition (as defined below), as well as improving the Company's working capital position, and strengthening the Group's financial position and cash position.</p> <p>Please refer to paragraph 5 of this announcement for further details.</p>
Use of Proceeds	<p>The Company is proposing the Rights Cum Warrants Issue to raise proceeds for:</p> <p>(a) the partial payment of the outstanding professional expenses incurred in cash pursuant to the acquisition by the Company of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. which was completed on 2 August 2024 ("LSO Acquisition"); (b) the partial payment of cash consideration payable to the vendors pursuant to the LSO Acquisition ("Vendors"); and (c) general corporate and working capital purposes, to further strengthen the financial position and cash position of the Group in view of the existing working capital requirements of the Company.</p> <p>Please refer to paragraph 5 of this announcement for further details.</p>

<p>Number of Rights Shares with Warrants</p>	<p>Based on the issued and paid-up share capital of the Company of up to 729,014,126 Shares (assuming that the remaining 74,972,617 Maximum Conversion Shares (as defined in paragraph 6.1 of this announcement) arising from conversion of the Notes (as defined in paragraph 6.1 of this announcement) are issued on or prior to the Record Date) and the assumption that all Entitled Shareholders subscribe in full for their <i>pro-rata</i> entitlement under the Rights Cum Warrants Issue, 1,093,521,189 Rights Shares with 729,014,126 Warrants will be issued under the Rights Cum Warrants Issue.</p> <p>Please refer to paragraph 3 of this announcement for further details.</p>
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The terms and conditions of the Rights Cum Warrants Issue are subject to such changes and such other terms and conditions as the Directors may deem fit. The final terms and conditions of the Rights Cum Warrants Issue, including the procedures for acceptances and applications for the Rights Shares, will be contained in the offer information statement (the “**Offer Information Statement**”) (including the accompanying application forms) to be lodged with the SGX-ST, acting as an agent on behalf of the Monetary Authority of Singapore (“**MAS**”) and to be despatched or disseminated by the Company to the Entitled Shareholders in due course after, amongst others, the receipt of the LQN from the SGX-ST.

The Rights Cum Warrants Issue cannot be withdrawn after the commencement of ex-rights trading.

Further details on the principal terms and conditions of the Rights Cum Warrants Issue are set out in paragraph 3 of this announcement.

2. **SPECIFIC SHAREHOLDER APPROVAL FOR THE RIGHTS CUM WARRANTS ISSUE**

The Company will be seeking approval from the shareholders of the Company (“**Shareholders**”) for, among others, the allotment and issue of the Rights Shares, Warrants and Warrant Shares, at an extraordinary general meeting (“**EGM**”) to be convened. A circular to Shareholders setting out, amongst other things, the details of, and other relevant information pertaining to the Rights Cum Warrants Issue (the “**Circular**”), together with the notice of the EGM, will be despatched to the Shareholders in due course.

3. **PRINCIPAL TERMS OF THE RIGHTS CUM WARRANTS ISSUE**

3.1 **Basis of the Provisional Allotment**

The Rights Cum Warrants Issue will be made on a renounceable non-underwritten basis to Entitled Shareholders on the basis of three (3) Rights Shares for every two (2) existing Shares held by the Entitled Shareholders as at the Record Date, with two (2) Warrants for every three (3) Rights Shares validly subscribed, fractional entitlements to be disregarded.

3.2 **Size of the Rights Cum Warrants Issue**

As at the date of this announcement, the Company has an issued and paid-up share capital of 654,041,509 Shares, and assuming that the remaining 74,972,617 Maximum Conversion Shares (as defined in paragraph 6.1 of this announcement) arising from conversion of the Notes (as defined in paragraph 6.1 of this announcement) are issued on or prior to the Record Date, and that save for the aforementioned, (i) no new Shares are issued on or prior to the Record Date; and (ii) all Entitled Shareholders subscribe for their Rights Shares under the Rights Cum Warrants Issue, the Company will issue up to 1,093,521,189 Rights Shares with up to 729,014,126 Warrants, fractional entitlements to be disregarded, and the issued and paid-up share capital of the Company will increase (i) from 654,041,509 to 1,822,535,315 Shares following the issuance of all the Rights Shares but excluding the issuance of the Warrant Shares (if fully exercised); and (ii) from 654,041,509 to 2,551,549,441 Shares following the issuance of all the Rights Shares and Warrant Shares (if fully exercised).

The Company does not hold any subsidiary holdings or treasury shares as at the date of this announcement. Save for the Notes (further details of which are set out in paragraph 6 of this announcement), the Company has no existing warrants or other convertible securities as at the date of this announcement. Please refer to paragraph 8 of this announcement on the details relating to the adjustments to the conversion price of the remaining Conversion Shares.

3.3 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce (in part or in whole in favour of a third party at the option of the Entitled Shareholders) or, in the case of Entitled Depositors (as defined below), trade their provisional allotments of Rights Shares with Warrants on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights Cum Warrants Issue (the “**Excess Rights Shares with Warrants**”).

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholders’ provisional allotments of the Rights Shares with Warrants and will, together with the provisional allotments of Rights Shares with Warrants which are not validly taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Excess Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company, subject to the applicable laws, the Catalist Rules and any other requirements and directions of the SGX-ST from time to time.

In the allotment of Excess Rights Shares with Warrants, preference will be given to the Entitled Shareholders for the rounding of odd lots. Directors and substantial Entitled Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Cum Warrants Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants.

The Company will also not make any allotments or issuance of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares with Warrants and for the applications for Excess Rights Shares with Warrants, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

3.4 Terms of the Warrants Issue

The Warrants will be issued free with the Rights Shares on the basis of two (2) Warrants for every three (3) Rights Shares validly subscribed for. No consideration shall be receivable by the Company in respect of the Warrants issued to the Entitled Shareholders. The following is a summary of principal terms of the Warrants:

- (a) Form : The Warrants will be immediately detachable from the Rights Shares upon issue and will be issued in registered form and constituted by a deed poll (the “**Deed Poll**”) to be executed by the Company.

The Deed Poll will set out, among others, the terms and conditions of the Warrants (the “**Terms and Conditions of the Warrants**”) and which may from time to time be amended, supplemented or modified in accordance with its terms.

- (b) Exercise Period : Each holder of a Warrant (the “**Warrantholder**”) will have the right, by way of exercise of each Warrant, to subscribe for one (1) Warrant Share at the Exercise Price during the period commencing on (and including) the date the Warrants are first issued, listed and quoted on the Catalist and expiring at 5.00 p.m. on the date immediately preceding 24 months from the date of the issue, listing and quotation of the Warrants (the “**Exercise Period**”), unless such date is a date on which the Register of Members, the Share Transfer Books, the register of Warrantholders of the Company (the “**Register of Warrantholders**”) and/or the depository register (the “**Depository Register**”) (as the case may be) is closed, and/or is not a day of which the SGX-ST is open for trading in securities (“**Market Day**”), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register of Warrantholders and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the Terms and Conditions of the Warrants.

At the expiry of the Exercise Period, any Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

- (c) Listing : An application will be made by the Company to obtain the SGX-ST’s approval for the dealing in, listing of, and quotation for the Warrants and the Warrant Shares on Catalist.

In the event that there are adjustments to the number of Warrants which would require additional Warrants and/or Warrant Shares (as the case may be) to be issued, the Company will seek the approval of the SGX-ST for the dealing in, listing of, and quotation for, such additional Warrants and/or Warrant Shares on the Catalist at the relevant time.

- (d) Trading : Each board lot of Warrants will consist of 100 Warrants. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Catalist.

Upon the listing of and quotation for the Warrants and the Warrant Shares on the Catalist, the Warrants and the Warrant Shares, when issued, will be traded on Catalist under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Warrants and the Warrant Shares effected through the SGX-ST and/or The Central Depository (Pte) Limited (“**CDP**”) shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” and (in the case of the Warrants) the “Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Warrants”, as the same may be amended from time to time.

- (e) Adjustments : The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the Terms and Conditions of the Warrants. Subject to the Terms and Conditions of the Warrants, such circumstances customarily include:

- (a) any consolidation or subdivision of the Shares;
- (b) capitalisation of profits or reserves;

- (c) capital distribution;
- (d) rights issues of Shares or options over Shares at less than 95% of the current market price; and/or
- (e) an issue of Shares (other than a rights issue or an issue of shares to members of the Company who elect to receive shares in lieu of cash as dividends) if the total effective consideration for each Share is less than 90% of the current market price.

Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company via an announcement on SGXNet in compliance with the Catalist Rules. The announcement will state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the Company. Any such adjustment will be made by the Company in consultation with an approved bank (being any reputable bank, merchant bank, financial institution or holder of a capital markets services licence in Singapore that is regulated, licensed or approved by the MAS as may be selected by the Directors) and certified by the auditors for the time being of the Company to determine whether the adjustment (or modification or variation, if any) is fair and reasonable.

- (f) Winding-up : In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as soon or soon after it despatches such notice to its members give notice thereof to the Warranholders and thereupon, each Warranholder shall be entitled to exercise all or any of his Warrants at any time not later than two (2) Market Days prior to the proposed general meeting in accordance with the Terms and Conditions of the Warrants whereupon the Company shall, no later than the Market Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrant Shares to the Warranholder credited as fully paid.

If a resolution is passed for a members' voluntary winding-up of the Company, then if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designed by them for such purpose by extraordinary resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders.

Subject to the foregoing, if the Company is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

- (g) Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, (a) give notice to the Warranholders of the expiry of the Exercise Period in accordance with the Terms and Conditions of the Warrants and make an announcement of the same to the SGX-ST; and (b) take reasonable steps to despatch to the Warranholders notices in writing to their addresses recorded in the Register of Warranholders or the Depository Register, as the case may be, of the expiry of the Exercise Period.

- (h) Alteration to Terms : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantholders and prejudicial to the Shareholders shall be made unless the alterations are made pursuant to the Terms and Conditions of the Warrants or the prior approval of Shareholders at a general meeting has been obtained.
- (i) Governing law : The terms of the Warrants are governed by the laws of Singapore.
- (j) Fractional Entitlements : All fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders (as defined below) and will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Shareholders should note that subject to the requirement of SGX-ST, the Warrants are quoted on Catalist in board lot sizes of 100 Warrants. Following the Rights Cum Warrants Issue, Shareholders who hold odd lots of the Warrants (i.e. less than 100 Warrants) and who wish to trade in odd lots on Catalist should note (where applicable) the setting up of the Unit Share Market of the SGX-ST to allow for trading of odd lots.

3.5 Issue Price and Exercise Price

The Issue Price and Exercise Price have been set out in the table as summarized in paragraph 1.2 above.

In determining the Issue Price, Exercise Price and such discount to the Last Traded Price and TERP, the Directors have taken into account, *inter alia*, the historical performance of the Group, historical prices and trading volume of the Company's Shares in the past 12 months, the size of the Rights Cum Warrants Issue and the Group's fundraising needs and timeline.

3.6 Ranking of the Rights Shares and Warrant Shares

The Rights Shares with Warrants will be payable in full upon acceptance and/or application. The Rights Shares, when allotted and issued, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of allotment and issue of the Rights Shares with Warrants.

The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions the record date of which falls on or after the date of issue of the Warrant Shares, save as may be otherwise provided in the Deed Poll.

For the purpose of this paragraph 3.6, a "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3.7 Non-underwritten basis of the Rights Cum Warrants Issue

The Rights Cum Warrants Issue will not be underwritten. The Directors are of the opinion that there is no minimum amount that must be raised from the Rights Cum Warrants Issue. In the reasonable opinion of the Directors, having regard to the underwriting costs, the Directors have decided that it is, on balance, not cost effective for the Rights Cum Warrants Issue to be underwritten by a financial institution.

4. SCALING DOWN THE SUBSCRIPTIONS

- 4.1 The Singapore Code on Take-overs and Mergers (the “Code”) regulates the acquisition of ordinary shares of, among others, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0% of the voting rights in the Company in any six (6)-month period, must extend a mandatory general offer for the remaining Shares in the Company in accordance with the provisions of the Code.
- 4.2 Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares with Warrants by any of the Shareholders (if such Shareholder chooses to subscribe for its *pro-rata* Rights Shares entitlement and/or apply for Excess Rights Shares with Warrants) to (i) avoid placing the relevant Shareholder and parties acting in concert with such Shareholder (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares with Warrants; and/or (ii) avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.

5. RATIONALE FOR THE RIGHTS CUM WARRANTS ISSUE AND USE OF PROCEEDS

- 5.1 The Rights Cum Warrants Issue has been proposed by the Company to raise funds for (a) the partial payment of the outstanding professional expenses incurred in cash pursuant to the LSO Acquisition; (b) the partial payment of the cash consideration payable to the Vendors pursuant to the LSO Acquisition; and (c) general corporate and working capital purposes, to further strengthen the financial position and cash position of the Group in light of the existing working capital requirements of the Company.
- 5.2 In addition to the proceeds to be received from the completion of the Rights Cum Warrants Issue, the Company will receive further proceeds as and when the Warrants are exercised, particularly in the event the market price of the Shares approaches or exceeds the Exercise Price.
- 5.3 The Rights Cum Warrants Issue equitably provides the Entitled Shareholders who are confident of the future prospects of the Company with an opportunity on a *pro rata* basis to subscribe for additional Shares in the Company.
- 5.4 Based on the scenario that none of the Warrants is exercised and none of the Warrant Shares is issued and all Entitled Shareholders subscribe for their Rights Shares under the Rights Cum Warrants Issue, the estimated net proceeds from the Rights Cum Warrants Issue (the “**Net Proceeds**”), assuming that the remaining 74,972,617 Maximum Conversion Shares (as defined in paragraph 6.1 of this announcement) arising from the conversion of the Notes (as defined in paragraph 6.1 of this announcement) are issued on or prior to the Record Date and after deducting estimated expenses in connection with the Rights Cum Warrants Issue of approximately S\$0.3 million, is approximately S\$5.1 million. The entire Net Proceeds from the Rights Cum Warrants Issue is intended to be utilised for the following purposes³:

Use of Net Proceeds	Amount (S\$'million)	Percentage Allocation (%)
Payment of partially outstanding professional fees for the LSO Acquisition	0.6	11.8

³ The use of Net Proceeds is based on the amount raised under the assumption set out in paragraph 3.2 of this announcement i.e. that the remaining 74,972,617 Maximum Conversion Shares would have been issued by the Record Date. In the event that the remaining 74,972,617 Maximum Conversion Shares have not been issued and allotted by the Record Date, the Net Proceeds will be reduced by approximately S\$0.6 million.

Use of Net Proceeds	Amount (S\$'million)	Percentage Allocation (%)
Partial payment of cash consideration payable to the Vendors for the LSO Acquisition	4.4	86.3
General corporate and working capital	0.1	1.9
Total	5.1	100.0

In the event the Company does not raise the full Net Proceeds, the Company will make the necessary announcements on the allocations once the final Net Proceeds have been determined.

- 5.5 Assuming the full issuance of the 729,014,126 Warrants and all the 729,014,126 Warrants issued are exercised, the Company will raise gross proceeds of approximately S\$2.2 million ("**Warrants Proceeds**"). The Company intends to utilise the Warrants Proceeds for its general corporate and working capital requirements and/or such other purposes as the Directors may in their absolute discretion deem fit.
- 5.6 Pending the deployment of the Net Proceeds and the Warrants Proceeds for general corporate and working capital purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group. The Company will make periodic announcements on the utilisation of the Net Proceeds and the Warrants Proceeds as and when the such proceeds are materially disbursed and whether such disbursements are in accordance with the use of the Net Proceeds and the Warrants Proceeds as stated in the Offer Information Statement, and provide a status report on the use of the Net Proceeds and the Warrants Proceeds in the Company's interim and full year financial results announcement(s) and annual report(s) until such time the Net Proceeds and the Warrants Proceeds have been fully utilised. Where the Net Proceeds and the Warrants Proceeds have been used for general corporate and working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds and the Warrants Proceeds for general corporate and working capital in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds and the Warrants Proceeds, the Company will announce the reasons for such deviation.
- 5.7 As at the date of this announcement, and barring unforeseen circumstances, the Directors are of the opinion that:
- after taking into consideration the Group's present bank facilities, loan agreements, internal resources and operating cash flows, the letter of financial undertaking dated 5 April 2024 provided by Mr. Seah Chong Hoe (Executive Director and Chief Executive Officer, as well as a previous substantial Shareholder⁴) to the Company, the letter of financial support dated 28 March 2024 provided by the Subscribers to the Notes issued by the Company (as set out in paragraph 6.1 of this announcement), and the future drawdown of the balance T2 Notes worth S\$0.5 million, as well as the potential new revenue stream to the Group from the completion of the LSO Acquisition, the working capital available to the Group is sufficient to meet its present requirements, and the Rights Cum Warrants Issue is being undertaken for the aforesaid reasons; and
 - after taking into consideration the factors stated in paragraph 5.7(a) above and the Net Proceeds arising from the Rights Cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements for the next twelve (12) months.

⁴ As at the date of this announcement, Mr. Seah holds 2.74% Shares of the existing issued and paid-up share capital of the Company and has ceased to be a substantial Shareholder. Mr. Seah remains as CEO and Executive Director of the Company.

The Directors are further of the opinion that, after taking into consideration the rationale for the Rights Cum Warrants Issue as set out above and the factors considered in arriving at the Issue Price and the Exercise Price as set out in paragraph 1.2 of this announcement, the Rights Cum Warrants Issue is in the interest of the Company and the Group.

6. FUND RAISINGS IN THE LAST 12 MONTHS

6.1 The Company had, on 24 October 2023, entered into a conditional subscription agreement (as amended, modified and supplemented on 14 June 2024 and 2 July 2024) (“**Subscription Agreement**”) with AOF I and AOF VCC (collectively, the “**Subscribers**”) for the issuance of 5.0% redeemable convertible notes (“**Notes**”), which are convertible into new Shares (“**Conversion Shares**”) capped at a maximum of 171,722,656 Conversion Shares (“**Maximum Conversion Shares**”), subject to terms and conditions set out in the Subscription Agreement (“**RCN Issuance**”).

The issuance of Notes was structured in two (2) sequential tranches (each a “**Tranche**”), namely Tranche 1 (“**T1 Notes**”) of S\$2.5 million and Tranche 2 (“**T2 Notes**”) of S\$2.5 million.

As at the date of this announcement, the Company has raised an aggregate of S\$4.5 million from the RCN Issuance (“**RCN Net Proceeds**”), comprising S\$2.5 million on 31 October 2023 via the issuance of T1 Notes and S\$2.0 million on 30 July 2024 and 1 August 2024 via the issuance of T2 Notes, with a remaining balance of S\$0.5 million of Notes yet to be subscribed by the Subscribers under the remaining portion of the T2 Notes. As at the date of this announcement, the Company has on 25 July 2024, 26 July 2024 and 5 August 2024⁵ completed the allotment and issuance of an aggregate of 96,750,039 Conversion Shares following the conversion of the T1 Notes by the Subscribers, with an aggregate principal value of S\$2.2 million, pursuant to the terms of the Subscription Agreement. Accordingly, of the Maximum Conversion Shares, the remaining Conversion Shares available for issue as at the date of this announcement is 74,972,617 Conversion Shares.

All the RCN Net Proceeds have been fully utilised in accordance with the intended use as stated in the Company’s announcement dated 2 August 2024⁶ as follows:

Use of RCN Net Proceeds	Allocation (S\$’million)	Drawdown and utilised as at 2 August 2024 (S\$’million)	Balance (not drawdown) (S\$’million)
Bridging Loan ⁽¹⁾	2.0	2.0	-
General working capital ⁽²⁾	3.0	2.5	0.5
Total	5.0	4.5	0.5

Notes:

(1) The Bridging Loan has been utilized as part of the consideration in cash payable to the Vendors pursuant to the LSO Acquisition.

(2) Breakdown	(S\$)
(a) Repayment of 1 st instalment to ASTI Holdings Limited (“ ASTI ”)	1.00 million
(b) Partial repayment of the debt to ASTI pursuant to the statutory demand letter issued by ASTI	0.67 million
(c) Payment for administrative fees amounting to 6% of the sum of S\$4.5 million drawdown pursuant to the RCN Issuance	0.28 million
(d) Professional expenses related to LSO Acquisition	0.36 million
(e) Payroll related costs	0.16 million
(f) Others	0.03 million
Total	2.50 million

⁵ Please refer to the Company’s announcements dated 26 July 2024 and 5 August 2024 respectively as announced on SGXNET.

⁶ Please refer to the Company’s announcement dated 2 August 2024 as announced on SGXNET.

7. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE

7.1 Entitled Shareholders

The Company proposes to provisionally allot the Rights Shares with Warrants to all Shareholders who are eligible to participate in the Rights Cum Warrants Issue on the basis of their shareholdings in the Company as at the Record Date (“**Entitled Shareholders**”), comprising Entitled Depositors and Entitled Scripholders (both as defined below).

Entitled Shareholders will be entitled to participate in the Rights Cum Warrants Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Transfer Agent (as defined below), as the case may be.

7.2 Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days on which the SGX-ST is open for securities trading prior to the Record Date, provided the CDP with addresses in Singapore for the service of notices and documents (“**Entitled Depositors**”).

Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Record Date.

Entitled Depositors must have registered addresses in Singapore with CDP as at the Record Date, or if they have registered addresses outside Singapore, they must provide CDP, with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Record Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

Shareholders who have previously purchased Shares using their Central Provident Fund (“**CPF**”) account savings (the “**CPF Funds**”) under the Central Provident Fund Investment Scheme (“**CPFIS**”) may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of nil-paid Rights Shares and (if applicable) to apply for Excess Rights Shares with Warrants, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares with Warrants using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares with Warrants on their behalf in accordance with the terms and conditions in the Offer Information Statement. CPF Funds may not be used to purchase provisional allotments of nil-paid Rights Shares directly from the market.

Shareholders who hold Shares under the Supplementary Retirement Scheme (“**SRS**”) or through a finance company and/or Depository Agent can only accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants through their relevant approved banks with which they hold their SRS accounts, or the respective finance companies and/or Depository Agents through which such Shareholders hold Shares. **ANY APPLICATION MADE BY THE ABOVE-MENTIONED SHAREHOLDERS DIRECTLY TO CDP OR THROUGH AUTOMATED TELLER MACHINES WILL BE REJECTED.** Such Shareholders should refer to the Offer Information Statement (which will be released in due course) for the details relating to the offer procedure in connection with the Rights Cum Warrants Issue.

7.3 Entitled Scripholders

Entitled Scripholders are Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Company's share transfer agent, Boardroom Corporate & Advisory Services Pte Ltd ("**Share Transfer Agent**"), valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Share Transfer Agent are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Transfer Agent with addresses in Singapore for the services of notices and documents ("**Entitled Scripholders**").

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Transfer Agent, in order to be registered to determine the transferee's provisional allotments of Rights Shares with Warrants entitlements.

Entitled Scripholders must have registered addresses in Singapore with the Company as at the Record Date, or if they have registered addresses outside Singapore, must provide the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632, with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Record Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

7.4 Foreign Shareholders

For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Record Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE SHOULD PROVIDE CDP OR THE SHARE TRANSFER AGENT, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.

8. **ADJUSTMENT TO CONVERTIBLE SECURITIES**

As at the date of this announcement, there remain issued and unissued Notes (as applicable) of S\$2.8 million⁷ ("**Outstanding Notes**"), which if and when converted by the Subscribers, will require the issuance of Conversion Shares.

Pursuant to the Conditions of the Notes set out in the Subscription Agreement, the Rights Cum Warrants Issue will likely require a downward adjustment to the conversion price of the Conversion Share for the Outstanding Notes, which will likely result in the issuance of more Conversion Shares on conversion of the Outstanding Notes.

⁷ With respect to issued Notes, an aggregate amount of S\$2.3 million in Notes have not been converted into Conversion Shares by the Subscribers. An aggregate of S\$0.5 million Notes remains unissued.

Notwithstanding, given the Maximum Conversion Shares have been capped at the remaining 74,972,617 Maximum Conversion Shares, no additional Conversion Shares will be issued in excess of the remaining 74,972,617 Maximum Conversion Shares. In the event the Maximum Conversion Shares have been reached, the Outstanding Notes that are not capable of being converted shall be redeemed by the Company in accordance with the terms and conditions of the Note Conditions set out in the Subscription Agreement.

9. APPROVALS AND OTHER CONDITIONS TO THE RIGHTS CUM WARRANTS ISSUE

9.1 The Rights Cum Warrants Issue is subject to, *among others*, the following:

- (a) the receipt of the LQN from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, Warrants and Warrant Shares on Catalist;
- (b) the Rights Cum Warrants Issue and the issue of the Rights Shares, Warrants and Warrant Shares being approved by Shareholders at an EGM;
- (c) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) with the SGX-ST, acting as an agent on behalf of the MAS; and
- (d) there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants.

9.2 The Company will be making an application to the SGX-ST, through its Sponsor, for the LQN the Rights Shares, Warrants and Warrant Shares on Catalist. An appropriate announcement will be made in due course when the Company receives the LQN from the SGX-ST.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Rights Cum Warrants Issue (other than in his capacity as Director or Shareholder of the Company).

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Cum Warrants Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in trading in the Company's Shares as there is no certainty or assurance that the Rights Cum Warrants Issue will materialise. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

13. FURTHER ANNOUNCEMENTS

The Company will make further announcements relating to the Rights Cum Warrants Issue as may be necessary or appropriate from time to time.

**BY ORDER OF THE BOARD
ADVANCED SYSTEMS AUTOMATION LIMITED**

Dato' Sri Mohd Sopiyan B Mohd Rashdi
Director
16 September 2024

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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 Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.