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

RESPONSE TO QUERIES FROM SGX REGCO

INTRODUCTION

The board of directors (the "**Board**") of Advanced Systems Automation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the following announcements of the Company:

(i) announcement on 28 October 2023, in relation to the proposed issuance of 5.0% redeemable convertible notes in aggregate principal amount of up to S$20.0 million ("**RCN 1.0 Issuance**");

(ii) announcement on 2 August 2024, in relation to the drawdown of redeemable convertible notes amounting to S$1.0 million, the re-allocation and update on use of net proceeds from RCN 1.0 Issuance and the repayment of debt to ASTI Holdings Limited ("**ASTI**") ("**2 August 2024 Announcement**");

(iii) announcement on 15 October 2025, in relation to the entry into the amended and restated subscription agreement ("**A&R Subscription Agreement**") for the proposed issuance of 5.0% redeemable convertible notes of up to S$7.5 million ("**RCN 2.0**" or "**Proposed RCN Issuance**"), and the entry into a debt settlement agreement ("**Debt Settlement Agreement**") in relation to the outstanding redeemable convertible notes of S$2.3 million ("**Debt**") pursuant to the RCN 1.0 Issuance ("**15 October 2025 Announcement**" or "**Corporate Action**"); and

(iv) announcement on 16 October 2025, in relation to the receipt of originating claim (HC/OC 839/2025) and a statement of claim from ASTI,

(collectively, the "**Previous Announcements**").

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the 15 October 2025 Announcement.

The Board wishes to inform shareholders that Singapore Exchange Regulation ("**SGX RegCo**") has raised certain queries in respect of the Previous Announcements. The Company's responses to the queries from the SGX RegCo are set out below.

QUERIES FROM SGX REGCO

1. Will there be a transfer of controlling interest under Catalist Rule 803 pursuant to the Corporate Action?

Company's Response

As disclosed under Section 3 – Salient Terms of the Notes (Transfer Restriction) of the 15 October 2025 Announcement, and based on the A&R Subscription Agreement, the Subscribers shall not be entitled to convert any Notes into Conversion Shares if, as a result of such conversion:

(a) the aggregate shareholding interest of the Subscriber(s) in the Company after the allotment and issuance of Conversion Shares represents 15% or more of the enlarged share capital of the Company; or

(b) the aggregate shareholding interest of the Subscriber(s) and their concert parties (as defined under The Singapore Code on Take-overs and Mergers) in the Company after the allotment and issuance of the Conversion Shares will require the Subscriber(s) and their concert parties to make a mandatory general offer for all the issued Shares in the Company.

Accordingly, the Proposed RCN Issuance will not result in a transfer of controlling interest under Catalist Rule 803.

2. How were the maximum number of conversion shares for each of the T1, T2 and T3 Notes arrived at?

Company's Response

The Maximum Conversion Shares of 1,635,103,772 represents the aggregate limit on the total number of Conversion Shares that may be issued upon conversion of all the Notes, not separate caps per tranche. This limit was determined through arm's length negotiations between the Company and the Subscribers.

3. We note that the issuance of T3 Notes is at the discretion of the Company, but not T1 Notes and T2 Notes. Please explain the rationale for this approach and how this is in the best interest of the Company and its shareholders.

Company's Response

The structure of the Notes was determined through arm's length negotiations between the Company and the Subscribers, having regard to the following considerations:

(a) The T1 Notes are primarily intended for the settlement of the Debt of S$2.3 million, and therefore the issuance and subscription of the T1 Notes cannot be at the discretion of the Company.

(b) The T2 Notes represent the minimum commitment required by the Subscribers to participate in the Corporate Action.

(c) The T3 Notes are structured to provide the Company with the discretion to issue additional Note(s) only when funding is required, thereby allowing the Company to better manage its capital needs.

Accordingly, the Board is of the view that the structure adopted is considered to be commercially reasonable in view of the working capital needs of the Company, and is accordingly structured to be in the best interests of the Company and its shareholders.

4. Please explain how the interest rate of 5.0% per annum for the Notes was determined.

Company's Response

The interest rate of 5.0% per annum reflects the general economic conditions and is competitive with the prevailing market rates for similar debt instruments. This rate is a balance between the risk assumed by the Subscribers and the potential return for the Company.

5. Is there a "floor" or minimum conversion price set for the Notes? If so, please provide such price.

Company's Response

While no explicit floor price is stipulated under the terms of the Notes, the number of Maximum Conversion Shares effectively imply a floor conversion price of approximately S$0.0046 per share, derived from dividing the total principal amount of S$7.5 million by the 1,635,103,772 Maximum Conversion Shares.

6. Please set out all fundraising activities undertaken in the past 2 years, including a breakdown of the use of proceeds for each.

Company's Response

The fundraising activities undertaken by the Company in the past two (2) years are as follows:

(i) **Issuance of 5.0% redeemable convertible notes in aggregate principal amount of up to S$5.0 million ("RCN 1.0")**

As announced by the Company on 14 June 2024, the Company and AOF I and AOF VCC (the subscribers of RCN 1.0) mutually agreed and acknowledged that the Company would not proceed with the proposed issuance of tranche 3 notes, with a principal amount of S$15.0 million, under the RCN 1.0 Issuance, as certain conditions precedent for such issuance have not been met. Accordingly, the Company subsequently proceeded with the issuance of tranche 1 and tranche 2 notes only, under the RCN 1.0 Issuance, for an aggregate nominal value of up to S$5.0 million on a standalone basis.

Pursuant to the RCN 1.0 SA, the Company raised an aggregate of S$4.5 million from the RCN 1.0 ("**RCN 1.0 Proceeds**"), comprising:

(a) S$2.5 million raised on 31 October 2023 via the issuance of tranche 1 of RCN 1.0, and

(b) S$2.0 million raised on 30 July 2024 and 1 August 2024 via the issuance of tranche 2 of RCN 1.0.

A balance of S$0.5 million of notes remained unsubscribed by AOF I and AOF VCC under the RCN 1.0. On 8 April 2025, the Company announced that it had entered into the Deed of Termination to terminate the RCN 1.0 SA. Following the entry into the Deed of Termination, there is no longer an obligation for the Company to issue, and AOF I and AOF VCC to subscribe for, the remaining S$0.5 million notes under the RCN 1.0 SA.

As at the date of the Deed of Termination, there remained RCN 1.0 Outstanding Notes with a face value of S$2.3 million that had been subscribed for and unconverted by AOF I. The maturity date of the RCN 1.0 Outstanding Notes has lapsed on 31 October 2024, and the RCN 1.0 Outstanding Notes have not been redeemed by the Company. Accordingly, a Debt amounting to S$2.3 million remains due and owing by the Company to AOF I.

The Company and AOF I had on 15 October 2025 entered into the Debt Settlement Agreement, pursuant to which the Company and AOF I have agreed that, in full satisfaction of the Debt owing by the Company to AOF I pursuant to the RCN 1.0 Outstanding Notes, the Company shall set off the entire Debt against the issuance of the Settlement Notes in aggregate principal amount of S$2.3 million from RCN 2.0. The Company and AOF I have also agreed that all interest, accrued or accruing on the principal amount of the Debt shall be settled in cash.

The Company has also completed the allotment and issuance of an aggregate of 96,750,039 conversion shares following the conversion of the RCN 1.0 Notes by AOF I and AOF VCC respectively, with an aggregate principal value of S$2.2 million, pursuant to the terms of RCN 1.0 SA, as announced by the Company on 26 July 2024 and 5 August 2024.

As at the date of this announcement, the RCN 1.0 Proceeds (which have been drawdown) have been fully utilised in accordance with the intended use as stated in the 2 August 2024 Announcement as follows:

Use of RCN 1.0 Proceeds	**Allocation (S$' million)**	**Drawdown and utilised as at 2 August 2024 (S$' million)**	**Balance (not drawn down) (S$' million)**
Bridging Loan[(1)]	2.0	2.0	-
General working capital[(2)]	3.0	2.5	0.5

Use of RCN 1.0 Proceeds	Allocation (S$' million)	Drawdown and utilised as at 2 August 2024 (S$' million)	Balance (not drawn down) (S$' million)
Total	**5.0**	**4.5**	**0.5**

Notes:

(1) Refers to a bridging loan of S$2.0 million advanced to the vendors of the Company's acquisition of 100% of the issued and paid-up share capital of LSO Organisation Holdings Pte. Ltd., which was completed on 2 August 2024 ("**LSO Acquisition**");

(2) Breakdown of S$2.5 million utilised for general working capital:

	Purpose	Amount (S$' million)
(a)	Repayment of 1st instalment to ASTI Holdings Limited	1.00
(b)	Partial repayment of the debt to ASTI Holdings Limited pursuant to the statutory demand letter issued to ASTI Holdings Limited	0.67
(c)	Payment for administrative fees amounting to 6% of the sum of S$4.5 million drawdown pursuant to the issuance of RCN 1.0 Notes	0.28
(d)	Professional expenses related to LSO Acquisition	0.36
(e)	Payroll related costs	0.16
(f)	Others	0.03
Total		2.50

(ii) **Rights Cum Warrants Issue**

On 19 December 2024, the Company completed a renounceable non-underwritten rights cum warrants issue exercise ("**Rights Cum Warrants Issue**") and raised net proceeds of approximately S$4.605 million ("**RCW Net Proceeds**") (excluding proceeds to be raised from the exercise of the warrants). As at the date of this announcement, there are 654,041,115 outstanding warrants ("**Outstanding Warrants**").

Pursuant to Condition 3.2(d) of the terms and conditions of the Outstanding Warrants which are set out in the Deed Poll dated 26 November 2024 governing the Outstanding Warrants and announced by the Company in its offer information statement dated 27 November 2024 in relation to the Rights cum Warrants Issue, no adjustments are required to be made to the exercise price and the number of Outstanding Warrants held by each warrant holder following the issuance of the Notes or the subsequent issuance of the Conversion Shares upon the conversion of the Notes pursuant to RCN 2.0. Accordingly, no adjustments will be made to the Outstanding Warrants.

As at the date of this announcement, the Company only has records of the utilisation of the RCW Net Proceeds up to 28 February 2025, as announced in the Company's announcement dated 1 March 2025 ("**1 March 2025 Announcement**"), and as set out in the table below.

Use of RCW Net Proceeds	Amount of RCW Net Proceed raised (S$' million)	Balance as at 6 January 2025 (S$' million)	Revised balance as announced on 1 March 2025 (S$' million)	Amount utilised from the period of 7 January 2025 up until 28 February 2025 (S$' million)	Balance of RCW Net Proceeds as at 28 February 2025 (S$' million)
Partial payment of the cash consideration payable to the vendors for the acquisition of 100% of LSO Organization Holdings Pte. Ltd. ("**LSO Acquisition**")	3.497	2.112[(1)]	0.450[(2)]	0.450	-
Partial payment of the indebtedness owing to Seah Chong Hoe	0.135	-	-	-	-
Partial payment of professional fees owing to Insights Law LLC ("**ILAW**") and ZICO Capital Pte. Ltd. ("**ZICAP**") in respect of the LSO Acquisition	0.367	-	-	-	-
General corporate and working capital purposes[(1)]	0.606	0.006	1.668[(2)]	1.066[(3)]	0.602
Total	**4.605**	**2.118**	**2.118**	**1.516**	**0.602**

Notes:

(1) The Company has on 6 January 2025 announced that there has been a deviation of the use of RCW Net Proceeds of S$0.098 million, originally allocated for "partial payment of the cash consideration payable to the vendors of the LSO Acquisition" has been utilised for "partial payment of professional fees owing to ILAW and ZICAP" instead.

(2) The Company has on 1 March 2025 announced that there has been a further deviation of the use of RCW Net Proceeds of S$1.662 million, originally allocated for "partial payment of the cash consideration payable to the vendors of the LSO Acquisition" has been utilised for "general corporate and working capital purposes", for the purposes of partial payment of the indebtedness owing to a shareholder of the Company, payment of professional fees and for payroll and other expenses.

(3) Breakdown of the S$1.066 million utilised for general working capital:

	Purpose	Amount (S$'million)
(a)	Partial payment of the indebtedness owing to a shareholder	0.513
(b)	Professional fees	0.322
(c)	Payroll related costs	0.138
(d)	Others	0.093
	Total	1.066

As at the date of this announcement and based on the Company's bank account records, it appears that the remaining balance of RCW Net Proceeds of approximately S$0.602 million,

which was unutilised as of 28 February 2025, has since been fully utilised. As announced by the Company on 5 August 2025, the Company is currently reviewing and investigating the Group's financial records to ascertain the utilisation of the balance of RCW Net Proceeds of approximately S$0.602 million, to ascertain whether the utilisation is in accordance with the intended uses as disclosed in the 1 March 2025 Announcement.

7. Regarding the use of net proceeds in relation to funds raised from the Corporate Action, please provide:

(a) a breakdown of the outstanding loans and obligations, and their respective due dates; and

(b) a breakdown of the intended use of working capital and the period over which it is expected to be utilised

Company's Response

(a) The Company wishes to clarify that it has no outstanding loans as at the date of this announcement.

Breakdown of the Company's outstanding obligations (as at date of this announcement):

Description	Amount (S$' million)
Outstanding professional fees	1.66
Contingent professional fees	0.34
	2.00

The outstanding professional fees relate to fees incurred, which are due, and payable to lawyers, sponsor, company secretary, external auditor, internal auditor, and financial advisor.

(b) The Company expects to utilise the working capital portion of the net proceeds (estimated at S$2.20 million) over a period of three (3) years from the date of receipt. The working capital portion of the net proceeds will generally be used to meet short-term financial obligations, funding of day-to-day operations, and supporting the Group's growth opportunities. As at the date of this announcement, the Company is unable to provide a detailed breakdown, as these amounts relate to expenses that have yet to be incurred. The Company will provide a breakdown with specific details in its announcements on the Group's interim and full-year financial results as required under the Catalist Rules, and in the Company's annual report.

8. Regarding the S$0.54 million net proceeds earmarked for strategic business expansion and asset acquisition(s):

(a) Have any target(s) been identified?

(b) Did the Company consider using shares instead of cash for the acquisition(s)? Please elaborate.

Company's Response

As at the date of this announcement, the Company has not identified any specific assets or businesses for acquisition using cash. The Company will evaluate the suitability of using cash, shares, or a combination of both as consideration at the relevant time, depending on factors such as the nature of the target, valuation, and prevailing market conditions. The Company will make the necessary announcements and disclosures upon entering into definitive agreements for the acquisition of such assets or businesses intended to be funded using the net proceeds from the RCN 2.0.

9. In the earlier RCN 1.0 Issuance, the Company had allocated S$1.0 million for future expansion plans and investments. However, this was subsequently reallocated to the Group's general working capital due to the Company's repayment obligations to its creditors.

(a) Please explain why the Company was unable to carry out its commitments and intentions communicated at the time of the RCN 1.0 Issuance.

(b) Notwithstanding this, were there any acquisitions that had been identified by the Company? If so, apart from the fact that the Company wanted to repay its creditors, why did the Company decide not to proceed?

Company's Response

As at the date of the 2 August 2024 Announcement, the Company had not identified any specific assets or businesses for acquisition. In view of this, and considering the Group's repayment obligations to its creditors, the Company determined that the originally allocated S$1.0 million for future expansion and investments would be better utilised for the Group's general working capital.

10. We note that the Company had previously announced a share consolidation after the RCN 1.0 issuance of T1. As of 24 October 2025, the Company's share price is S$0.006. Does the Company intend to undertake any further share consolidation or other corporate actions following the Proposed RCN Issuance? If so, please provide details.

Company's Response

As at the date of this announcement, the Company has no intentions to undertake any further share consolidation or other corporate actions (excluding potential acquisitions) following the Proposed RCN Issuance.

11. Please address the risks to the Company and its shareholders associated with the issuance of the shares under the Corporate Action, particularly the dilutive effect and whether the issuance may cause a downward spiral of the Company's share price.

(a) With reference to SGX's article on "Impact and risks of "death spiral" convertibles" ("SGX Article") at https://www.sgxgroup.com/zh-hans/sgxgroup/media-centre/20160825-impact-and-risks-death-spiral-convertibles, please disclose the Board's view and the supporting bases whether the Corporate Action constitute a death spiral?

(b) Please set out the Sponsor's view and basis on (a).

Company's Response

(a) With reference to the SGX Article, the Board notes that SGX's key concern relates to convertible instruments that may result in unlimited or excessive dilution to existing shareholders, typically where the conversion price is determined by a floating mechanism with no cap on the number of shares to be issued.

The Board is of the view that the Proposed RCN Issuance does not constitute a "death spiral", as:

(i) the total number of Conversion Shares to be issued is expressly capped at 1,635,103,772 ordinary shares, representing a maximum dilution of approximately 50% of the enlarged share capital of the Company; and

(ii) the conversion mechanism does not permit unlimited issuances of shares in view of the fixed cap on the maximum number of Conversion Shares to be issued.

Movements in the Company's share price are ultimately determined by market forces and vagaries, as well as evolving investor sentiment, and the Board is therefore unable to confirm or predict whether the Proposed RCN Issuance may cause a downward spiral in the Company's share price. Nonetheless, the Board believes that the fixed and capped structure of the Proposed RCN Issuance serves to mitigate excessive dilution and potential market volatility, whilst at the same providing a maximum dilutive scenario for shareholders' consideration.

The Company will provide further details and address the risks associated with the dilutive effect of the Proposed RCN Issuance in the shareholders' circular to be issued in due course.

(b) Based on the fixed cap on the maximum number of Conversion Shares to be issued, which quantifies the dilution upfront and limits the number of Conversion Shares to be issued, the Sponsor concurs with the Board's view set out above that the Proposed RCN Issuance does not constitute a "death spiral" as described in the SGX Article.

12. We note that the Company recorded an unaudited net loss of S$6.15m and has yet to issue its Annual Report and hold its AGM for the financial year ended 2024 ("FY2024") and announce the Group's unaudited consolidated financial results for the half-year ended 30 June 2025 ("HY2025 Results"). When does the Company intend to hold its AGM for FY2024 and announce the Group's HY2025 Results? Please provide the targeted timeline and milestones.

Company Response

The Company intends to hold its AGM for FY2024 by 12 December 2025 and announce the Group's HY2025 Results by 15 December 2025.

The indicative timeline is as follows:

Key Milestones	**Proposed Timeline**
Finalisation and approval of the Group's audited consolidated financial statements for FY2024 by the Board	By 18 November 2025
Release of Annual Report and Notice of AGM for FY2024 on SGXNet	By 27 November 2025
AGM for FY2024	**By 12 December 2025**
Release of HY2025 Results announcement	**By 15 December 2025**

13. We note that as at 31 December 2024, the Group's NTA is negative S$34.5m. Further, the Company had been served with an Originating Claim (HC/OC 839/2025) ("OC839") and a Statement of Claim on 14 October 2025. In view of this, please provide the Audit Committee's and Board's opinion, with supporting bases, on whether the Company and the Group can continue as a going concern?

Company's Response

The Board and the Audit Committee have carefully assessed the Group's financial position and ability to continue as a going concern, based on the Group's unaudited financial results for FY2024. After due consideration of the matters set out below, both the Board and the Audit Committee are of the opinion that the Group remains a going concern.

(a) **Negative NTA Position**

The Group's negative NTA of S$34.5 million as at 31 December 2024 is primarily attributed to goodwill of approximately S$42.6 million arising from the completion of the LSO Acquisition in August 2024. This goodwill is classified as an intangible asset rather than a tangible asset.

As at 31 December 2024, the Group had total assets of S$62.7 million. After deducting goodwill of S$42.6 million, the Group had total tangible assets of S$20.1 million, against total liabilities of S$29.7 million. This results in net liabilities of S$9.6 million, as compared to net liabilities of S$7.2 million as at 31 December 2023.

The variance is mainly due to an increase in current trade and other payables by S$6.6 million, from S$5.2 million to S$11.8 million, which includes S$4.6 million owing to the vendors of LSO Organization Holdings Pte. Ltd., being the outstanding cash consideration payable for the LSO Acquisition.

The Company has obtained a letter of undertaking from the vendors, namely Mr Lim Chen Chong, Ms Victoria Lim Yu and Structured Capital Solutions Inc., confirming that they will not demand repayment for the next 12 months from 31 December 2024 if financial conditions do not permit.

(b) **Positive Net Asset Position**

Notwithstanding the negative NTA, the Group maintained a positive net asset position of S$33.0 million as at 31 December 2024, representing a significant improvement from net liabilities of S$7.2 million as at 31 December 2023. This improvement was driven by:

(i) completion of the LSO Acquisition, contributing approximately S$24.9 million in non-controlling interests and S$1.2 million in revenue during the second half of FY2024;

(ii) net proceeds raised from the Rights Cum Warrants Issue of approximately S$4.9 million; and

(iii) the draw down of S$4.5 million from the RCN 1.0.

(c) **Profitability of ECMS Segment**

The Group's Equipment Contract Manufacturing Services ("**ECMS**") segment continues to be profitable and growing, having reported revenue of S$16.1 million (FY2023: S$12.9 million) and profit before tax of S$1.2 million (FY2023: loss before tax of S$2.0 million) for FY2024. Based on the latest management accounts, the ECMS segment continues to be profitable. Further details will be announced when the Group releases the HY2025 Results announcement.

(d) **Working Capital Management**

The Group has implemented several measures to address its net current liabilities position of S$5.4 million as at 31 December 2024, which include obtaining a letter of undertaking from the vendors of LSO Organization Holdings Pte. Ltd. not to demand repayment for the next 12 months starting from 31 December 2024 if financial conditions do not permit, continuing to explore capital-raising initiative through the Proposed RCN Issuance, and also exploring the bank loan facilities of the profitable subsidiaries to support a healthy working cash flow.

(e) **Originating Claims**

Regarding OC839 and the Statement of Claim received on 14 October 2025, the Board, based on legal advice, believes the Company has meritorious defences to the claims and will mount vigorous defences to them. Accordingly, the potential liabilities arising from these claims, based on the Board's current assessment, do not fundamentally undermine the going concern basis. The Company will make appropriate announcements as and when there are material developments.

14. Please provide the Sponsor's opinion, with supporting bases, on whether the Company and the Group can continue as a going concern?

The Sponsor has considered the Board's and Audit Committee's assessment of the Group's ability to continue as a going concern, including the bases and considerations set out in the Company's response to Query 13.

Based on the information made available to the Sponsor, and barring unforeseen circumstances, the Sponsor concurs with the Board's and Audit Committee's view that the Group is able to continue as a going concern, subject to the timely implementation and completion of the intended capital-raising through the Proposed RCN Issuance. In forming this view, the Sponsor has also taken into account the following:

(a) the Group's positive net asset position as at 31 December 2024; and

(b) the measures implemented by the Group to improve working capital and liquidity.

Notwithstanding the above, the Sponsor notes that the Group is currently involved in legal proceedings in relation to OC839 and the Statement of Claim received on 14 October 2025. While the Board, based on legal advice, believes it has meritorious defences, the Sponsor cautions that any material adverse outcome from these proceedings could have an impact on the Group's financial position and going concern assessment.

The Sponsor will continue to monitor the developments and engage with the Company as appropriate.

15. Please provide an update on the business performance and revenue contribution of LSO Organization Holdings Pte. Ltd. following the Company's acquisition.

Company's Response

Please refer to Appendix 1 of this announcement for information.

16. It is stated that "Prior to entering into the A&R Subscription Agreement, AOF has entered into similar convertible instrument transactions with other listed companies listed in the Asia-Pacific region". Please identify these companies.

Company's Response

Please refer to Appendix 2 of this announcement for the list of issuers that have issued similar convertible instruments subscribed by AOF and its affiliates. The information set out in Appendix 2 has been provided by the Subscribers and has not been independently verified by the Company.

17. Please highlight the key differences in terms between the current Subscription Agreement and the earlier agreement dated 24 October 2023, given that both involve the same subscribers. Please explain the rationale for the changes.

Company's Response

The principal terms of the current subscription agreement (being the A&R Subscription Agreement) and the earlier agreement dated 24 October 2023 (being the RCN 1.0 SA) are substantially similar. We set out below the differences between RCN 1.0 and RCN 2.0 (pre and post amendments):

Feature	**RCN 1.0** (Subscription agreement dated 24 October 2023, as supplemented via supplemental letters dated 14 June 2024 and 1 July 2024)	**RCN 2.0** (Subscription agreement dated 8 April 2025)	**RCN 2.0** (Amended and restated subscription agreement dated 15 October 2025)
Total Principal Amount	Up to S$20.0 million[(1)]	Up to S$20.0 million	Up to S$7.5 million
Concurrent Subscription	Sequential only and must subscribe in order	Sequential only and must subscribe in order	Concurrent permitted for T2/T3 Can subscribe multiple sub-tranches even if prior not converted
Debt Settlement Component	None	None	S$2.3 million of RCN 1.0 outstanding debt settled via Settlement Notes
Minimum Conversion Price Floor	Conversion Price subject to a floor price of S$0.10 (This creates a price floor below which conversions cannot occur)	No conversion floor price (Conversion Price purely market-based using the 80% formula)	No conversion price floor (Conversion Price purely market-based using the 80% formula)
Conversion Price Formula *(No changes, included for reference only)*	80% of average Closing Price over any 3 consecutive Business Days (Noteholder selects) during 45 Business Days before Conversion Date	80% of average Closing Price over any 3 consecutive Business Days (Noteholder selects) during 45 Business Days before Conversion Date	80% of average Closing Price over any 3 consecutive Business Days (Noteholder selects) during 45 Business Days before Conversion Date
Maximum Conversion Shares Cap	171,722,656 shares	20,000,000,000 shares	1,635,103,772 shares
Conditions Precedent	T2/T3 linked to LSO Acquisition	Decoupled from LSO Acquisition T2/T3 subject only to ongoing corporate/regulatory approvals	Decoupled from LSO Acquisition T2/T3 subject only to ongoing corporate/regulatory approvals

Note:

(1) The principal amount of S$20.0 million under the RCN 1.0 was based on the subscription agreement dated 24 October 2023. The tranches under this programme comprised T1 Notes of S$2.5 million, T2 Notes of S$2.5 million, and T3 Notes of S$15.0 million. Subsequently, the Company and the Subscribers entered into a supplemental letter pursuant to which all parties agreed that the Company would not proceed with the issuance of the T3 Notes of S$15.0 million. Please refer to the Company's circular to shareholders dated 5 July 2024 for further details.

The amendments to the RCN 2.0 reduce the principal amount to S$7.5 million (including S$2.3 million for debt settlement) to better align with the Company's immediate funding needs, while removing the conversion price floor and increasing the share cap ensure certainty of conversion based on prevailing market prices.

18. Please confirm that the RCN ranks ahead of ordinary shares when the Company is repaying its creditors.

Company's Response

The Company confirms that the Notes to be issued under the RCN 2.0 rank ahead of ordinary shares of the Company in the event of liquidation, winding up, or bankruptcy of the Company.

19. Please provide the Board's 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

The Board confirms that sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner as all material information relating to the Group has been disclosed by the Company.

By Order of the Board
ADVANCED SYSTEMS AUTOMATION LIMITED

LING CHUNG YEE
Non-Executive Chairman
1 November 2025

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*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**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 announcement.*

The contact person for the Sponsor is Ms. Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

APPENDIX 1

Company's response in relation to Query 15

As set out in the Company's circular dated 5 July 2024 to shareholders of the Company ("**Circular**"), LSO Organization Holdings Pte. Ltd ("LOH") and Lim Shrimp Organization Limited ("**LSO BVI**") manage aquaculture farms in Sumbawa Regency, Nusa Tenggara Barat Province and have further entered into:

(i) An operational management agreement dated 15 April 2024 between LSO BVI and LTCP Agriculture Sdn. Bhd. ("**LTCP**") to establish and operate an aquaculture facility in the State of Selangor, Malaysia; and

(ii) An operational management agreement dated 12 January 2024 between LSO BVI and Palau Agriculture & Aquatic Resources, Inc. ("**PAAR**"), whereby LSO BVI will assist PAAR to establish and manage a facility in the Republic of Palau for the operation of an aquaculture business.

As at Latest Practicable Date of the Circular or 1 July 2024, LSO BVI holds a shareholding interest of approximately 6.7% in LTCP, acquired as the consideration pursuant to a licensing agreement entered into between LSO BVI and LTCP dated 17 November 2023, granting LTCP a non-exclusive license to use, apply or implement LSO BVI's proprietary system of processes, procedures, methods, technology and/or know-how for commencing and operating commercial aquatic farming and aquaculture development

To date, LTCP has yet to meaningfully commence operation due to unforeseen challenges such as poorer than expected market conditions to raise project financing and administrative challenges such as obtaining approval for the use of the proposed site for aquaculture purpose. Due to these reasons, LSO BVI has been unable to commence material work on this project and there is no material revenue from LTCP since completion of acquisition to date. This lack of progress will impact the Group's carrying value of LSO BVI's 6.7% shareholding interest in LTCP as at 31 December 2024 in its audited financial statements for FY2024.

In relation to the operational management agreement dated 12 January 2024 between LSO BVI and PAAR, there has been no material progress specific to this agreement due to a change in strategy to collaborate directly with the local government. Following negotiations, LSO BVI has entered into an agreement with the State of Melekeok, Republic of Palau on 11 July 2024 to establish an aquaculture facility in the Republic of Palau for a period of 49 years commencing from 1 September 2024, instead of January 2024 as originally set out in the operational management agreement dated 12 January 2024 between LSO BVI and PAAR.

This agreement with the State of Melekeok, Republic of Palau is commercially more advantageous to LSO BVI as LSO BVI has been granted exclusive rights to develop and operate a sea cucumber mariculture area with related facilities such as processing plant, cold storage and feed mills within the State of Melekeok. Under this agreement, LSO BVI is also entitled to free larvae from the Palau Community College, Marine Research Centre subject to application. A pilot study was conducted between July and September 2025 by external technicians, where two cages were set up for the breeding of sea cucumber at different sites. Experimental results have been obtained and this project is now commencing into Phase 1 construction of cages for breeding of sea cucumber over an initial site area of 1 hectare, with first stocking expected in late 2025 or early 2026, after the completion of cage construction. Hence, this project is not expected to contribute materially to the financial performance of LOH until 2026.

The Company announced in September 2024 that LSO BVI has partnered with Hewlett Packard Enterprise to co-develop, demonstrate and test a proof of concept for a shrimp farming intelligence center. The beta version of the mobile application has been completed, and LSO BVI is in the midst of marketing this system to prospective customers.

As for farms managed by LSO BVI as of 1 July 2024, a group of customers have stopped making payments due to various reasons, including poor business conditions. These customers have requested to vary the terms of their contracts with LSO BVI. The amounts owing to LSO BVI amounted to approximately US$1.3 million as at 31 December 2024. As there has been no recovery since 31 December 2024, this will have an impact on LSO BVI's financial performance and situation for 2024 and 2025. The Group is finalizing its audit for the financial statements of FY2024 and will provide further updates in due course.

APPENDIX 2

Company's response in relation to Query 16

The Subscribers have participated in similar convertible instruments transactions with the following listed entities in the Asia-Pacific region:

Malaysia

Tremendous Entertainment Holdings Berhad

Thailand

Cho Thavee Public Company Limited ("**PCL**")

JCK Hospitality PCL

PP Prime PCL

CMO PCL

X Bioscience PCL

East Coast Furnitech PCL

Australia

Osteopore Limited

Indonesia

PT Widodo Makmur Perkasa Tbk

PT Techno9 Indonesia Tbk

PT Sumber Mas Konstruksi Tbk

Singapore

Advanced Systems Automation Ltd

ASTI Holdings Limited

H2G Green Limited

Hong Kong

China Kingstone Mining Holdings Ltd