



ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198600740M)

THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM ERNST & YOUNG LLP TO MAZARS LLP

Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Company's earlier announcement dated 2 November 2022 (the "Announcement").

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**") of Advanced Systems Automation Limited ("**Company**") and together with its subsidiaries, the "**Group**") refers to the Announcement and wishes to announce that upon further deliberation and following consideration of feedback received from certain of the Company's stakeholders, the Board has decided not to proceed with the proposed change of Auditors to UHY from FY2022.
- 1.2 In place of UHY, the Board wishes to announce that the Company intends to change its Auditors from EY to Mazars LLP ("**Mazars**") (the "**Proposed Change of Auditors**") for FY2022.

2. PROPOSED CHANGE OF AUDITORS

- 2.1 In light of the foregoing, the Company's management had sought proposals from reputable audit firms in Singapore. Following the evaluation of the proposals from several audit firms which have experience in auditing public listed companies in Singapore, the Board, in consultation with the audit committee of the Company (the "**Audit Committee**"), after due deliberation and taking into consideration the requirements under Rule 712 and 715 of the Catalist Rules, has determined that Mazars is best suited to meet the existing needs and audit requirements of the Group.
- 2.2 In arriving at its recommendation to appoint Mazars, the Audit Committee had taken into consideration the Audit Quality Indicators Disclosure Framework issued by 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 Mazars is expected to result in cost savings of approximately 14% for the Group. 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 Mazars. The Company's Malaysia-incorporated subsidiaries will be audited by Mazars Malaysia.

2.3 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 Mazars will be able to meet the audit requirements of the Group.

2.4 In connection with the above:

- (a) EY had on 28 October 2022 obtained consent from the ACRA to resign as Auditors of the Company ("**Resignation Application**").
- (b) EY had on 1 November 2022 provided its notice of resignation as Auditors to the Company.
- (c) Mazars had on 24 November 2022 given its written consent to act as Auditors of the Company, subject to the approval from Shareholders at an EGM to be convened.
- (d) Pursuant to Section 205AB(5) of the Companies Act, the resignation of EY took effect on 1 November 2022. Further, pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the Proposed Change of Auditors 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 Mazars as Auditors 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, Mazars will hold office until the conclusion of the next AGM of the Company.

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

- (a) EY has confirmed by way of a letter dated 22 November 2022 to Mazars, that it is not aware of any professional reasons why Mazars 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 Mazars as the Auditors of the Company.

3. CIRCULAR TO SHAREHOLDERS

- 3.1 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

25 November 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.*

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