



**ADVANCED SYSTEMS AUTOMATION LIMITED**

(Incorporated in the Republic of Singapore)

Company Registration Number: 198600740M

---

**PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF  
LSO ORGANIZATION HOLDINGS PTE. LTD.**

---

**1. INTRODUCTION**

- 1.1 **Proposed Acquisition.** 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 it has on 24 October 2023 entered into a share purchase agreement (“**SPA**”) with Lim Chen Chong, Victoria Lim Yu and Structured Capital Solutions Inc. (“**SCS**”) (collectively the “**Vendors**”, and each a “**Vendor**”), pursuant to which the Company will acquire from the Vendors, 100% of the shares (the “**Target Shares**”) in the issued and paid-up share capital of Singapore-incorporated LSO Organization Holdings Pte. Ltd. (the “**Target**”) for an aggregate consideration of S\$20.0 million (“**Proposed Acquisition**”).
- 1.2 The Proposed Acquisition (i) constitutes a “Major Transaction” as defined under Chapter 10 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”); and (ii) will result in the diversification and expansion of core business by the Company into aquaculture, food processing, sale of food and other ancillary businesses (“**Proposed Diversification**”). The Proposed Acquisition and Proposed Diversification are subject to, *inter alia*, approval of the SGX-ST and the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting to be convened (“**EGM**”).

**2. INFORMATION RELATING TO THE TARGET GROUP AND THE VENDORS**

- 2.1 The Target is a company incorporated under the laws of Singapore, having its registered office at 16 Kallang Place, #03-02, Singapore 339156. The Target has an issued and paid-up capital of S\$300 divided into 300 shares.
- 2.2 As at the date of this announcement, the Target is 100% owned by the Vendors, who each holds approximately 33.3% of the Target Shares. The Target holds 50% of the total issued and paid-up share capital of British Virgin Islands-incorporated Lim Shrimp Organization Ltd. (“**LSO BVI**”). Collectively, the Target and its subsidiary shall be referred as the “**Target Group**” and each a “**Target Group Company**”.
- 2.3 The Vendors, the shareholders and directors of SCS and the directors of the Target are not related to the Company, the Group, the Directors or substantial shareholders of the Company and their respective associates. As at the date of this announcement, the Vendors and the shareholders of SCS do not have any interest in the shares of the Company (“**Shares**”).

## 2.4 Principal Business

*Shareholders should note that information relating to the Target Group in this paragraph and elsewhere in this announcement was provided by the Vendors. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

The Target Group is engaged in the business of aquaculture, food processing, sale of food and such ancillary businesses as the Vendors may in their reasonable discretion determine in the future. As at the date of this announcement, the Target Group is principally involved in the management and operations of, and the technology licensing of operational know-how and expertise to, shrimp farms located in Sumbawa Island, West Nusa Tenggara, Indonesia, China, Malaysia and Oman.

## 2.5 Financial Information. Based on the unaudited financial statements of the Target Group for the most recently completed financial year ended 31 December 2022<sup>(1)(2)(3)</sup>:

- (a) the book value of the Target Group was approximately US\$0.4 million (equivalent to approximately S\$0.6 million) as at 31 December 2022;
- (b) the net tangible asset value (“NTA”) of the Target Group was approximately US\$0.4 million (equivalent to approximately S\$0.6 million) as at 31 December 2022; and
- (c) the net profits after tax of the Target Group was approximately US\$0.2 million (equivalent to approximately S\$0.3 million) for the financial year ended 31 December 2022.

## 2.6 Based on the unaudited financial statements of the Target Group for the six (6)-month financial period ended 30 June 2023<sup>(1)(2)(4)</sup>:

---

<sup>(1)</sup> All financial information of the Target Group referred to in this announcement is based on its unaudited management accounts provided to the Company and has not been independently verified and will be subject to due diligence to be carried out by the Company and its professional advisers in due course.

<sup>(2)</sup> As the Target was only incorporated on 22 August 2023, the financial statements of the Target Group will comprise solely that of LSO BVI, after accounting for the Target’s 50% shareholding interest in LSO BVI.

<sup>(3)</sup> United States Dollars (“US\$”) have been translated into Singapore Dollars (“S\$”) based on the following exchange rates as quoted by the Monetary Authority of Singapore:

- (a) US\$1 : S\$1.3446 for items in the statement of financial position for the Target Group as at 31 December 2022; and
- (b) US\$1 : S\$1.3789 for items in the statement of comprehensive income for the Target Group for the financial year ended 31 December 2022.

<sup>(4)</sup> Unless otherwise indicated, United States Dollars (“US\$”) in this announcement have been translated into Singapore Dollars (“S\$”) based on the following exchange rates as quoted by the Monetary Authority of Singapore:

- (a) US\$1 : S\$1.3557 for items in the statement of financial position for the Target Group as at 30 June 2023; and
- (b) US\$1 : S\$1.3361 for items in the statement of comprehensive income for the Target Group for the six (6)-month financial period ended 30 June 2023.

- (a) the book value of the Target Group was approximately US\$0.6 million (equivalent to approximately S\$0.8 million) as at 30 June 2023;
- (b) the NTA of the Target Group was approximately US\$0.6 million (equivalent to approximately S\$0.8 million) as at 30 June 2023; and
- (c) the net profits after tax of the Target Group was approximately US\$0.1 million (equivalent to approximately S\$0.2 million) for the six (6)-month financial period ended 30 June 2023.

As at the date of this announcement, there is no available open market valuation of the assets of the Target Group. Pursuant to the terms of the SPA, the Company will be appointing a valuer to prepare an independent valuation report on the Target Group. The valuation report which will be prepared in compliance with all applicable requirements of the Catalist Rules, will be set out in the Circular (as defined below).

### 3. RATIONALE

The Board believes that the Proposed Acquisition would be in the interests of the Company for the following reasons:

(a) **Entry into the shrimp/fish/sea cucumber/clams farming industry with steady revenue stream**

The Proposed Acquisition will present the Company with an investment opportunity to enter into the shrimp/fish/sea cucumber/clams farming industry in countries such as, but not limited to Indonesia, Oman, Malaysia, Palau and China, in which the Target Group already has a considerable presence, and position itself within a highly developed and active market for shrimp farming and consumption, particularly in light of the growing consumer demand for healthy, clean and sustainable aquaculture seafood in USA, EU, UK, Australia, ASEAN, and China.

Furthermore, the Target Group is well-positioned to extend its service offerings to an expanding client base, by leveraging on and capturing the following growth trends and opportunities specific to the aquaculture industry:

- (i) Increased demand for food security during and arising from the COVID-19 pandemic, from many countries and government agencies. These agencies are urgently strengthening their food supply chain resiliency and security, through multipronged efforts including the development of sustainable aquaculture.
- (ii) According to the United Nations' projections, in 2050, the world population will reach 9.7 billion and the food shortage will be alarming.<sup>(5)</sup> This has led to growing interest in many nations on expanding their aquaculture footprint, which will avail the Target Group with additional growth opportunities.
- (iii) With the current and ongoing release of treated waste water from a nuclear plant by Japan, many countries have also sought alternate seafood sources from aquaculture instead of wild catch.

The Board is of the view that there is synergistic value in the Proposed Acquisition as the Company, as a listed entity, can support, enhance and derive value from the Target Group's growth and expansion plans.

---

<sup>(5)</sup> United Nations, [Population, food security, nutrition and sustainable development. Report of the Secretary-General](#), 1 February 2021.

(b) **Enhance investment profile of the Shares**

The Proposed Acquisition will allow the Company to turn around its loss-making position. This, together with the positive business outlook for the Target Group, may allow the potential for growth in the market capitalisation of the Company, an overall increase in investor interest and, consequently, improvement in trading liquidity of the Shares.

**4. KEY TERMS OF THE PROPOSED ACQUISITION**

4.1 **The Proposed Acquisition.** Subject to the terms and conditions of the SPA, the Vendors shall sell to the Company, and the Company shall acquire from the Vendors, their respective Target Shares.

4.2 **Terms of Sale.** The Target Shares shall be sold and transferred free from all encumbrances and with all rights attached thereto as at the date of completion ("**Completion Date**") including the right to receive all dividends and other distributions declared, paid or made thereon thereafter.

4.3 **Consideration.** Subject to the terms and conditions of the SPA, the aggregate consideration for the Proposed Acquisition shall be S\$20.0 million ("**Consideration**") payable in the following manner:

- (a) S\$12.0 million by way of the allotment and issuance of 184,615,385 new ordinary shares in the capital of the Company ("**Consideration Shares**") at an issue price of S\$0.065 per Consideration Share on a post-consolidation basis after completion of the Proposed Share Consolidation (as defined below) ("**Issue Price**"); and
- (b) S\$8.0 million in cash, comprising a S\$2.0 million Bridging Loan (as defined below) and S\$6.0 million balance cash payment within six (6) months from the Completion Date ("**Cash Consideration**"). The Company shall have the sole discretion to pay the Cash Consideration in any number of instalments of any amount so long as the full Cash Consideration is paid in full within six (6) months from the Completion Date.

Please refer to paragraph 4.8 below for further details on the Bridging Loan.

The Consideration Shares shall:

- (a) be free and clear of all encumbrances and together with all rights, benefits, entitlements, title and interest attaching and accruing thereto as at the date of allotment and issuance (including, without limitation, the rights to any dividends or other distributions declared or payable thereon);
- (b) not subject to any rights of pre-emption, moratorium on disposal by contractual undertaking or otherwise, or under any restrictions by any relevant authority restricting the sale and transfer of the Consideration Shares other than as described in SPA;
- (c) rank *pari passu* in all respects with the then existing Shares; and
- (d) be listed and quoted on the Catalist board of the SGX-ST.

4.4 **Acquisition Bases.** The Consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration, *inter alia*, the following factors:

- (a) the share price of at least S\$0.001 per Share (on a pre-consolidation basis prior to completion of the Proposed Share Consolidation) and S\$0.065 per Share (on a post-consolidation basis after completion of the Proposed Share Consolidation);
- (b) following the completion of the Proposed Share Consolidation but prior to the completion of the Proposed Acquisition, the issuance by the Company of three (3) free warrants for every 10 Shares ("**Proposed Warrants Issue**") held by its then existing Shareholders. Each warrant shall entitle the holder to purchase one (1) new Share ("**Warrant Share**") at an exercise price of S\$0.045 per Warrant Share (on a post-consolidation basis after completion of the Proposed Share Consolidation), and shall be exercisable for a period of two (2) years from the date of issuance and shall be subject to such other terms and conditions to be set out in the deed poll and offer information statement of the Company;
- (c) the Target Shares represent effectively the entire issued and paid-up share capital of the Target on completion of the Proposed Acquisition;
- (d) the business valuation of the Target Group for the purposes of the Proposed Acquisition according to a valuation report from an internationally recognised and SGX-ST approved independent valuer (reasonably approved by the Company) is in excess of S\$20.0 million;
- (e) the Consideration Shares shall constitute not less than 20% (or such other percentage as the parties may mutually agree in writing) of the fully-diluted Enlarged Share Capital where "**Enlarged Share Capital**" means the enlarged share capital of the Company on Completion (as defined below) comprising (i) 343,488,093 Shares (on a post-consolidation basis), (ii) the Consideration Shares, (iii) the Introducer Shares (as defined below), (iv) the ZICAP Success Shares (as defined below), (v) the T1 Maximum Conversion Shares, T2 Maximum Conversion Shares and T3 Maximum Conversion Shares as defined in the subscription agreement for the issue and subscription of the Notes (as defined below), (vi) the Warrant Shares (assuming full exercise of the warrants pursuant to the Proposed Warrants Issue), and (vii) the ILAW Success Shares (as defined below); and
- (f) save as otherwise agreed in writing by the Vendors, the Company shall, between at the date of the SPA and Completion (both dates inclusive) continue to operate as a going concern.

4.5 **Introducer Shares.** The Company shall on the Completion Date issue and allot to Advance Capital Partners Pte. Ltd. (UEN: 200506044H) (the "**Introducer**") (and/or its nominees) 15,384,615 new Shares at the Issue Price equivalent to an aggregate value of S\$1.0 million (computed based on 5.0% of the Consideration) in consideration for its introductory services rendered to the Company in connection with the Proposed Acquisition.

The Introducer is a company incorporated in Singapore and carries on the business of providing advisory services. The Introducer's sole director and shareholder is Mr Tan Choon Wee. As at the date of this announcement, Mr Tan Choon Wee does not hold any Shares in the Company.

The Company had entered into an agreement with the Introducer whereby the Company had appointed the Introducer to, and the Introducer had agreed to introduce potential businesses for the Company to acquire, and pursuant thereto, the Introducer had identified the Target which the Vendors were interested to sell to the Company. In consideration of the services provided by the Introducer to the Company as aforesaid, the Company had agreed to pay the Introducer in the Introducer Shares.

The Introducer has confirmed that it and Mr Tan Choon Wee:

- (a) have no connections (including business relationships) with the Group, the Company, its Directors and substantial shareholders and their respective associates, and it is not a person to whom the Company is prohibited from issuing Shares to, as provided by Rule 812 of the Catalist Rules; and
- (b) are not acting in concert with, in collaboration with or co-operating, pursuant to an agreement or undertaking or otherwise, with any Director or substantial shareholder of the Company to obtain or consolidate effective control of the Company through the issue of the Introducer Shares (including as contemplated in the Singapore Code on Take-Overs and Mergers).

4.6 **ZICAP Success Shares.** The Company has appointed ZICO Capital Pte. Ltd. (UEN: 201613589E) as its financial adviser for the Proposed Acquisition. The Company shall on the Completion Date issue and allot to ZICO Capital Pte. Ltd. (and/or its nominees) 7,692,308 new Shares at the Issue Price equivalent to an aggregate value of S\$500,000 as part satisfaction of its professional fee for its financial advisory services rendered to the Company in connection with the Proposed Acquisition.

4.7 **ILAW Success Shares.** The Company has appointed Insights Law LLC (UEN: 201536995N) as its legal adviser for the Proposed Acquisition. The Company shall on the Completion Date issue and allot to Insights Law LLC (and/or its nominees) 6,153,846 new Shares at the Issue Price for an aggregate value of S\$400,000 as part satisfaction of its professional fee for its legal services rendered to the Company in connection with the Proposed Acquisition.

4.8 **Bridging Loan.** On 24 October 2023, the same day the SPA was entered into, the Vendors and the Company have entered into a bridging loan agreement ("**Bridging Loan Agreement**") pursuant to which the Company shall advance to the Vendors a bridging loan of S\$2.0 million in clear and immediately available funds net of any deductions or bank charges ("**Bridging Loan**") within five (5) business days from the closing date of the initial tranche of the Proposed Round 1 Notes Issue and the Proposed Round 2 Notes Issue (each as defined below). The Bridging Loan will bear interest of 5.0% per annum which will accrue from the date of disbursement until repayment, and shall be paid by the Vendors on the Completion Date or the date the SPA is terminated, whichever earlier. The Vendors jointly and severally undertake that the Bridging Loan shall be used exclusively for the working capital requirements of the Target Group. Subject to Completion, the principal amount of the Bridging Loan, being S\$2.0 million, shall be set-off from the Cash Consideration payable by the Company to the Vendors. In the event Completion does not take place on the Long-Stop Date (as defined below) and/or the SPA is terminated by either party or an event of default occurs, the Vendors jointly and severally undertake to immediately (and in any case within 14 calendar days from demand) return the Bridging Loan and all accrued interest to the Company in full without set-off or counterclaim in clear and immediately available funds. In the event the Bridging Loan and accrued interest is not repaid within the aforementioned prescribed period, default interest of 8.0% per annum shall accrue on the Bridging Loan and outstanding accrued interest, until the Company receives in full the Bridging Loan, outstanding accrued interest and all accrued default interest.

4.9 **Proposed Share Consolidation.** It is a condition precedent for the Company to undertake a share consolidation of 65 existing Shares, held by the Shareholders as at a record date to be determined by the Directors into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded (the "**Proposed Share Consolidation**").

Further details on the Proposed Share Consolidation have been separately announced by the Company. The Company will obtain Shareholders' approval for the Proposed Share Consolidation at a separate EGM and an approval-in-principle from the SGX-ST for the listing and quotation of the Shares (on a post-consolidation basis).

4.10 **Conditions Precedent.** Completion will be conditional upon the satisfaction or waiver (in accordance with the terms and conditions of the SPA) of, conditions precedent set out in the SPA ("**Conditions Precedent**"), including but not limited to:

- (a) the Company being satisfied with its due diligence investigations into the financial (in particular, the absence of any off-balance sheet liabilities and release from all forms of financial guarantees given by any Target Group Company in favour of any party), legal and business of the Target Group;
- (b) the entry into the Subscription Agreement (as defined below);
- (c) the entry into the Bridging Loan Agreement and the disbursement of the Bridging Loan by the Company to the Vendors (and ultimately the Target) in accordance with the terms of the Bridging Loan Agreement;
- (d) the approvals of the Shareholders having been obtained respectively for the entry into, implementation and completion of, the transactions contemplated in the SPA, and all other transactions in connection therewith and incidental thereto;
- (e) the approvals of the Board having been obtained respectively for the entry into, implementation and completion of, the transactions contemplated in the SPA, and all other transactions in connection therewith and incidental thereto;
- (f) all necessary consents, approvals, confirmations and waivers of the relevant authorities or any other person required in connection with the transactions contemplated in the SPA or the entry into and completion of the SPA having been obtained by the Vendors or the Company, as the case may be, such requisite regulatory approvals not having been amended or revoked before the Completion Date, and to the extent that such requisite regulatory approvals are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled;
- (g) the execution and delivery by Ms Lena Lee, Mr Seah Chong Hoe and Dato' Michael Loh (each a substantial Shareholder of the Company) of an irrevocable letter of undertaking in favour of the Vendors pursuant to which they shall undertake to exercise or procure the exercise at the EGM, all voting rights attached to the Shares that they hold, in favour of the implementation and completion of, the transactions contemplated in the SPA, and all other transactions in connection therewith and incidental thereto;
- (h) the completion of the Proposed Warrants Issue;
- (i) the Acquisition Bases being satisfied; and
- (j) the completion of the Proposed Share Consolidation.

4.11 **Completion.** Completion will take place within 14 business days after the date of the satisfaction or waiver of the Conditions Precedent ("**Completion**"), as the case may be (or at such other later date as the Company and the Vendors may agree in writing), but in any event such date being no later than the Long-Stop Date.

- 4.12 **Long-Stop Date.** Subject to the terms of the SPA, the SPA shall automatically terminate as between the Company and the Vendors at any time on or prior to 12 months from the date of the SPA ("**Long-Stop Date**"), in the event, *inter alia*, any of the Conditions Precedent is or is reasonably likely to become incapable of satisfaction or is not fulfilled and such Condition Precedent has not been waived (as the case may be) or such other date as may be agreed by the parties in writing.
- 4.13 **Undertakings and Warranties.** Each of the Vendors and the Company have provided such undertakings and warranties as are customary for transactions of this nature or other similar transactions.
- 4.14 **Indemnity.** The Vendors undertake that they shall collectively and jointly fully indemnify the Company against, *inter alia*, all losses which may be incurred by the Company as a result of or in connection with any breach of the warranties and undertakings given by the Vendors.

## 5. SOURCE OF FUNDS

- 5.1 The Proposed Acquisition will be funded by the Company's issue of redeemable convertible notes to Advance Opportunities Fund I and Advance Opportunities Fund VCC (acting for and on behalf of and for the account of AOF Singapore Opportunities Fund VCC) ("**Notes**") for an aggregate principal amount of S\$20.0 million in accordance with the terms of the subscription agreement entered into between the parties on or about the date of the SPA ("**Subscription Agreement**").
- 5.2 Pursuant to the Subscription Agreement, the Notes will be issued and subscribed for in three (3) rounds:
- (a) the "**Proposed Round 1 Notes Issue**" of S\$2.5 million of Notes, the shares upon conversion of which shall be issued using the Company's general mandate obtained at its annual general meeting of 28 June 2023;
  - (b) the "**Proposed Round 2 Notes Issue**" of S\$2.5 million of Notes, the shares upon conversion of which shall be issued using the Company's general mandate obtained at its annual general meeting of 28 June 2023; and
  - (c) the "**Proposed Round 3 Notes Issue**" of S\$15.0 million of Notes, the shares upon conversion of which shall be issued using a fresh authority from Shareholders to be obtained at the EGM.

Please refer to the separate announcement released by the Company dated 27 October 2023 for further information on the Subscription Agreement and the Notes.

## 6. DIRECTORS' SERVICE AGREEMENTS

On the Completion Date, such new directors nominated by the Vendors in their discretion shall be appointed and the board of directors and board of committees of the Company shall be reconstituted as approved by the Shareholders at the EGM.

The directors nominated by the Vendors shall enter into a service agreement with the Company, on terms acceptable by the Company, of which will take effect on Completion Date. As such arrangements have not been firmed up as at the date of this announcement, the details of such arrangements will be disclosed in the Circular.



## 7. CATALIST RULES COMPUTATIONS AND PROPOSED ACQUISITION AS A MAJOR TRANSACTION

7.1 **Relative Figures.** Based on the latest announced unaudited consolidated financial statements of the Group for the six (6)-month financial period ended 30 June 2023, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Base	Relative Figure
<u>Rule 1006(a):</u> Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable <sup>(1)</sup>
<u>Rule 1006(b):</u> Net profits attributable to the assets acquired, compared with the Group's net profits	(8.7%) <sup>(2)</sup>
<u>Rule 1006(c):</u> Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	89.6% <sup>(3)</sup>
<u>Rule 1006(d):</u> Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	53.8% <sup>(4)</sup>
<u>Rule 1006(e):</u> Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable <sup>(1)</sup>

### Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) The net profit of the Target Group of approximately US\$67,000 (equivalent to approximately S\$91,000) for the six (6)-month financial period ended 30 June 2023 will comprise solely that of its operating subsidiary, LSO BVI, after accounting for the Target's 50% shareholding interest in LSO BVI, as the Target was only incorporated on 22 August 2023 as a holding company. Under Rule 1002(3) of the Catalist Rules, net profits means "profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests".
- The Group recorded net losses of S\$1,048,000 for the six (6)-month financial period ended 30 June 2023, as announced on 14 August 2023.
- (3) Based on the Consideration for the Proposed Acquisition and the Company's market capitalisation as at 18 October 2023, being the last trading date of the Shares preceding the date of the SPA. The market capitalisation of the Company is derived by multiplying 22,324,126,058 Shares in issue by the volume-weighted average traded price of S\$0.001 on 18 October 2023, being the last trading date of the Shares preceding the date of the SPA.
- (4) Computed on a post-share consolidation basis, based on the 184,615,385 new Shares to be issued to the Vendors at the Issue Price in satisfaction of S\$12.0 million of the Consideration, and the 343,448,093 Shares in issue assuming completion of the Proposed Share Consolidation.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

7.2 **Major Transaction.** As the relative figure computed under Rule 1006(c) of the Catalist Rules exceeds 75% but is less than 100%, the Proposed Acquisition therefore constitutes a "Major Transaction" as defined under Chapter 10 of the Catalist Rules and is subject to the approval of Shareholders at the EGM.

## 8 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

### 8.1 Bases and Assumptions

For illustration purposes only, the following is an illustration of the *pro forma* financial effects of the Proposed Acquisition on the Group, based on (i) the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2022 and (ii) the latest unaudited financial statements of the Target Group for the most recently completed financial year ended 31 December 2022.

The *pro forma* financial effects as set out herein do not reflect the actual financial results or the future financial performance and condition of the Group, the Target Group and, following Completion, the group comprising the Group and the Target Group (“**Enlarged Group**”).

For the purposes of illustrating the *pro forma* financial effects of the Proposed Acquisition, the financial effects of the Proposed Acquisition were computed based on the following assumptions:

- (a) no adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group and the Target Group;
- (b) as the Target was only incorporated on 22 August 2023 as a holding company, the financial statements of the Target Group will comprise solely that of LSO BVI, after accounting for the Target’s 50% shareholding interest in LSO BVI;
- (c) the financial effects on the Group’s earnings and earnings per Share (“**EPS**”) are computed assuming that the Proposed Acquisition was completed on 1 January 2022;
- (d) the financial effects on the Group’s NTA, NTA per Share and gearing are computed assuming the Proposed Acquisition was completed on 31 December 2022;
- (e) the financial effects do not take into account any dividend or distributions out of profits that may be declared by the Target Group in respect of the financial year ended 31 December 2022;
- (f) the financial effects take into account the full conversion (and no cash redemption by the Company) of Notes amounting to an aggregate principal amount of S\$20.0 million into new Shares, based on the maximum number of new Shares that may be issued arising from such conversion. Please refer to the separate announcement released by the Company dated 27 October 2023 for further information on the Notes;
- (g) the financial effects do not take into account any accrued interest arising from the Bridging Loan and the Notes;
- (h) the financial effects do not take into account any potential impact on the profit or loss or net assets of the Enlarged Group arising from fair value adjustments as a result of acquisition accounting; and
- (i) unless otherwise specified in the relevant notes, expenses in connection with the Proposed Acquisition, including but not limited to professional fees, have been disregarded for the purposes of calculating the financial effects.

## 8.2 Earnings per Share

For the financial year ended 31 December 2022	Before the Proposed Acquisition	After the Proposed Acquisition
Profit after tax attributable to Shareholders (S\$,000)	23	179 <sup>(1)</sup>
Weighted average number of shares in the Company ('000)	22,324,126	1,293,591 <sup>(2)</sup>
EPS (Singapore cents)	0.0001	0.0138

### Notes:

- (1) Based on the net profit of the Target Group for the financial year ended 31 December 2022, which comprises solely that of its operating subsidiary, LSO BVI, after accounting for the Target's 50% shareholding interest in LSO BVI amounting to US\$112,973, and based on the exchange rate of US\$1 : S\$1.3789, being the simple average daily closing exchange rate for the financial year.
- (2) After accounting for (i) the Proposed Share Consolidation, (ii) the maximum number of new Shares to be issued arising from the full conversion of Notes amounting to an aggregate principal amount of S\$20.0 million, (iii) full exercise of the warrants pursuant to the Proposed Warrants Issue, and (iv) the issuance of the Consideration Shares, Introducer Shares, ZICAP Success Shares and ILAW Success Shares.

## 8.3 NTA per Share

As at 31 December 2022	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to the owners of the Company (S\$'000)	(4,857) <sup>(1)</sup>	29,645 <sup>(2)</sup>
Number of issued shares in the Company ('000)	22,324,126	1,293,591 <sup>(3)</sup>
NTA per Share (Singapore cents)	(0.0239)	0.023

### Notes:

- (1) NTA is based on the net assets attributable to owners of the Company less intangible assets of the Company.
- (2) Based on (i) the carrying value of the Target Group as at 31 December 2022, which comprises solely that of its operating subsidiary, LSO BVI, after accounting for the Target's 50% shareholding interest in LSO BVI amounting to US\$213,918, and based on the exchange rate of US\$1 : S\$1.3446, being the closing exchange rate as at 31 December 2022, (ii) proceeds from the full exercise of the warrants pursuant to the Proposed Warrants Issue, and (iii) estimated net proceeds from the issuance of the Notes and after deducting the Cash Consideration and the estimated professional fees and expenses arising from the Proposed Acquisition and the issuance of the Notes.
- (3) After accounting for (i) the Proposed Share Consolidation, (ii) the maximum number of new Shares to be issued arising from the full conversion of Notes amounting to an aggregate principal amount of S\$20.0 million, (iii) full exercise of the warrants pursuant to the Proposed Warrants Issue, and (iv) the issuance of the Consideration Shares, Introducer Shares, ZICAP Success Shares and ILAW Success Shares.

## 8.4 Gearing

As at 31 December 2022	Before the Proposed Acquisition	After the Proposed Acquisition
Net debt (S\$'000)	16,455	16,667 <sup>(2)</sup>
Shareholders' equity (S\$'000)	(2,726)	31,776 <sup>(3)</sup>
Gearing (times) <sup>(1)</sup>	(1.20)	0.344

### Notes:

- (1) Gearing is computed based on net debt divided by shareholders' equity. The Company's gearing as at 31 December 2022 is negative as it recorded negative shareholders' equity.
- (2) After accounting for the Target's 50% shareholding interest in LSO BVI, and based on the exchange rate of US\$1 : S\$1.3446, being the closing exchange rate as at 31 December 2022.
- (3) Based on shareholders' equity of the Company as at 31 December 2022, and the estimated increase in shareholders' equity pursuant to (i) the full conversion of Notes amounting to an aggregate principal amount of S\$20.0 million, (ii) the full exercise of the warrants pursuant to the Proposed Warrants Issue, and (iii) the issuance of the Consideration Shares, Introducer Shares, ZICAP Success Shares and ILAW Success Shares, as well as the related share issuance expenses which are accounted for as a reduction from equity or retained earnings.

## 9 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, to the best of the knowledge of the Board: (i) none of the Directors (other than in his capacity as Director or Shareholder of the Company, as the case may be) of the Company has any interest, direct or indirect in the Proposed Acquisition; and (ii) there are no substantial shareholders in the Company who have any interest, direct or indirect, in the Proposed Acquisition.

## 10 FURTHER INFORMATION

- 10.1 **Circular.** The Proposed Acquisition and the Proposed Diversification are subject to Shareholders' approval. As such, a circular ("**Circular**") containing further information on the Proposed Acquisition and the Proposed Diversification, together with a notice of the EGM, will be despatched by the Company to Shareholders in due course.
- 10.2 **Independent Valuation Report.** Details of the independent valuation report will be contained in the Circular. The independent valuation report will also be made available for inspection by Shareholders upon despatch of the Circular.
- 10.3 **Approvals for listing and quotation of shares.** The Company will be applying to the SGX-ST for listing and quotation of the Consideration Shares, Introducer Shares, ZICAP Success Shares and ILAW Success Shares on the Catalist board of the SGX-ST (and subject to the approval of the Shareholders on the Proposed Acquisition) and will make the necessary announcements once the approval has been obtained from the SGX-ST.
- 10.4 **Documents for Inspection.** A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

## 11 TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition, and all other transactions in connection therewith and incidental thereto, are subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition, and all other transactions in connection therewith and incidental thereto, will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

## 12 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 Proposed Acquisition 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.

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

**DATO' SRI MOHD SOPIYAN B. MOHD RASHDI  
CHAIRMAN**

**27 OCTOBER 2023**

*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 (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

*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.*