Independent Auditor's Report to the Members of
Advanced Systems Automation Limited

Report on the Audit of Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Advanced Systems Automation Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and of the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

Inability to obtain sufficient information for the consolidated financial statements of the Group

As at the date of this report, management was unable to provide sufficient supporting information and documentation to substantiate the consolidation adjustments in the consolidated financial statements of the Group and we were unable to conduct a full review of the consolidated financial statements of the Group in their entirety.

Consequently, we were unable to ascertain the appropriateness of the carrying amounts of assets, liabilities, income, and expenses, as well as the adequacy of disclosures, in the consolidated financial statements of the Group for the financial year ended 31 December 2024.

Acquisition of LSO Group

On 2 August 2024, the Company completed the acquisition of 100% equity interest in LSO Organization Holdings Pte. Ltd. ("LSO OHPL"), which in turn holds Lim Shrimp Organization Ltd. ("LSO BVI") and LSO BVI held Lim Shrimp Org Sdn. Bhd ("LSOSB") as its subsidiary corporations (collectively, the "LSO Group"). The financial results of the LSO Group from the acquisition date have been included in the consolidated financial statements of the Group. As at acquisition date, goodwill amounting to S$19,407,000 has been recognised as disclosed in Note 12 to the financial statements.

Report on the Audit of Financial Statements (cont'd)

Bases for Disclaimer of Opinion (cont'd)

Acquisition of LSO Group (cont'd)

The Company has appointed an independent third-party valuer to perform the purchase price allocation ("PPA") exercise in respect of the acquisition. As at the date of our report, management has not provided the PPA report to us. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the fair value of the identifiable assets acquired, liabilities assumed, and any goodwill or bargain purchase arising from the acquisition.

In addition, goodwill must be tested for impairment at least annually, or where there are indicators of impairment. Where such indicators exist, the Group is required to estimate the recoverable amount of the asset or the cash-generating unit ("CGU") to which the asset belongs. As at reporting date, no impairment test was performed to estimate the recoverable amount of these assets. We were unable to obtain sufficient appropriate audit evidence to determine whether any impairment losses were required to be recognised for the financial year then ended.

Contributions of LSO Group

On 1 February 2024, the LSO Group and a related party, Lim Shrimp Aquapolis Pte Ltd ("LSA"), entered into a Letter of Transferring of Rights, under which the assets, liabilities, income and expenses relating to a non-related entity, previously transferred to LSA under a Letter of Understanding dated 23 January 2024 ("Letter of Understanding"), were reassigned to the LSO Group. As consideration, the advanced working capital funds provided by LSA to these non-related parties were to be returned to LSA upon completion of four crop cycles.

A Letter of Understanding dated 23 January 2024 established the framework for the arrangement between LSA and the above mentioned non-related parties. Under this letter of understanding, LSA advanced working capital funds to the non-related parties, which operate shrimp farms in Sumbawa, Indonesia. In return, the non-related parties assigned to LSA the economic benefits and risks of the business, including exclusive rights to operate the farms and control over the associated bank accounts.

Following the Letter of Transferring of Rights, the Group recognised the assets, liabilities, income and expenses arising from both agreements in the respective line items of the consolidated financial statements. As at 31 December 2024, the net liabilities and net loss amounted to approximately S$1,355,000 and S$59,000 respectively.

However, due to the limitation of scope imposed by the non-related entity, management was unable to obtain sufficient supporting information and documentation to substantiate the underlying financial information of the LSO Group at the acquisition date and for consolidation purposes for the financial year ended 31 December 2024.

Report on the Audit of Financial Statements (cont'd)

Bases for Disclaimer of Opinion (cont'd)

Contributions of LSO Group (cont'd)

As a result, we were unable to obtain sufficient appropriate audit evidence to determine whether the assets and liabilities of the LSO Group were appropriately measured and recognised at the acquisition date. In addition, we were unable to ascertain the accuracy, classification and completeness of the carrying amounts of the LSO Group recorded in the consolidated financial statements for the financial year ended 31 December 2024.

Valuation of redeemable convertible notes

As disclosed in Note 20 to the financial statements, the Company had redeemable convertible notes amounting to S$2,300,000 as at 31 December 2024.

The Company engaged a professional valuer to assess the fair value of these redeemable convertible notes as at 31 December 2024. However, the fair value assessment has not been completed as at the date of this report. As a result, we were unable to determine whether any adjustments to the carrying amounts or disclosures in the Group's consolidated financial statements for the financial year ended at 31 December 2024 would have been necessary.

Going concern

As disclosed in Note 2.1 to the financial statements, the Group incurred a net loss of S$7,389,000 and generated a net operating cash outflow of S$1,701,000 for the financial year ended 31 December 2024. As at that date, the Group and the Company were in net current liabilities positions of S$17,129,000 and S$19,880,000, respectively.

On 21 March 2025, the Company received a letter of demand ("1st Letter of Demand") from the lawyers of its former holding company, ASTI Holdings Limited ("ASTI"), requesting full repayment of the amounts allegedly owed by the Company for outstanding management fees and loans (the "Outstanding Amount"). On 4 August 2025, the Company filed a court application, HC/OA 801/2025 ("OA 801"), seeking to restrain ASTI from presenting a winding-up application in respect of the claims in the 1st Letter of Demand. The Company disputes that the Outstanding Amount is due and takes the position that the claims arose from sham transactions and agreements with ASTI. Following the filing of OA 801, ASTI offered to withdraw the 1st Letter of Demand on 25 August 2025, and the Company obtained Singapore Court's permission to withdraw and discontinue OA 801 on 3 September 2025.

Report on the Audit of Financial Statements (cont'd)

Bases for Disclaimer of Opinion (cont'd)

Going concern (cont'd)

Subsequently, on 17 September 2025, the Company received a second letter of demand ("2nd Letter of Demand") from ASTI's lawyers, requesting full repayment of the Outstanding Amount, amounting to approximately S$9,873,000 as at 31 July 2025, together with accrued and/or accruing interest up to the date of full settlement, to be paid within seven days from the date of the Second Letter of Demand. Accordingly, the Group and the Company have reclassified the related non-current liabilities as current liabilities as at 31 December 2024.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2024 remains appropriate after considering the following assumptions and measures:

(a) The deferment of the purchase consideration of approximately S$4,600,000 relating to the acquisition of the LSO Group. The original repayment deadline was 6 months from the completion date of 2 August 2024, which would have fallen on 1 February 2025. Management has obtained an extension that allows the repayment of the consideration to be deferred to a date beyond the next 12 months.

(b) The Company is contesting the alleged claims in the 2nd Letter of Demand. Accordingly, no cash outflow has been forecast for the full outstanding amount stated in the letter;

(c) The subsidiary corporation, Emerald Precision Engineering Sdn. Bhd., is able to obtain bank facilities of up to approximately S$1,417,000 (equivalent to MYR4,500,000); and

(d) The Company has redeemable convertible notes amounting to S$2,300,000 (the "Debt") which has matured on 31 October 2024. As disclosed in Note 33(d) to the financial statements, on 14 November 2025, management has obtained a debt settlement agreement from the notes holder that the notes holder agreed not to demand for the immediate payment of the Debt from the Company. The notes holder further agreed to stay and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the Debt, until the next round of proposed note issuance, on or before the extended fulfilment date on 3 February 2026.

Report on the Audit of Financial Statements (cont'd)

Bases for Disclaimer of Opinion (cont'd)

Going concern (cont'd)

In our evaluation of the assumptions and measures underlying the cashflow forecast, these events and conditions collectively indicate the existence of material uncertainties that may cast significant doubt on the Group's and Company's ability to continue as going concerns.

As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the likelihood of the outcome of the assumptions. Accordingly, we were unable to form an opinion as to whether the use of the going concern basis of accounting in the preparation of the accompanying financial statements is appropriate.

In the event that the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to realise other than in the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Independent Auditor's Report to the Members of
Advanced Systems Automation Limited
(con'td)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Bases for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Hock Xiu Min, Sandy.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

28 November 2025

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Advanced Systems Automation Limited (the "Company") was incorporated and domiciled in Singapore on 10 April 1986. The Company was admitted to the Official List of Stock Exchange of Singapore Dealing and Automated Quotation System on 22 July 1996 and was transited to a listing on Catalist with effect from on 4 January 2010.

The registered office of the Company and principal place of the business is located at 16 Kallang Place, #03-01/02, Singapore 339156.

The principal activities of the subsidiaries are disclosed in Note 13.

The consolidated financial statements of the Group for the financial year ended 31 December 2024 and the statement of financial position and changes in equity of the Company as at 31 December 2024 were authorised for issue by the Board of Directors at the date of the Directors' Statement.

2. Material Accounting Policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern basis

The Group's and the Company's net assets were S$6,477,000 (2023: S$7,249,000) and S$12,328,000 (2023: S$6,864,000) respectively. However, the Group and Company's current liabilities exceeded its current assets by S$17,129,000,000 (2023: S$1,464,000) and S$19,880,000 (2023: S$6,593,000) respectively. In addition, the Group incurred a net loss of

S$7,389,000 (2023: net loss S$4,017,000) and generated a net operating cash outflow of S$1,701,000,000 (2023: inflow of S$246,000) for the financial year ended 31 December 2024. These conditions cast doubt on the appropriateness of the going concern assumption used by the Group and the Company.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the board of directors are confident that the Group will generate positive cash flow based on a cash flow projection of twenty-four months from the end of the financial year prepared by management.

In preparing the cash flow projection, the Group has taken the following into consideration:

(i) The deferment of the purchase consideration of approximately S$4,600,000 in relation to the acquisition of LSO Group. The agreed repayment of the full consideration was within six months from the completion date of 2 August 2024, which would have fallen on 1 February 2025. Management has obtained an extension, allowing the consideration payment being deferred to a date beyond the next 12 months.

(ii) The Company is contesting the alleged claims in the second Letter of Demand. Accordingly, no cash outflow has been forecast for the full outstanding amount stated in the Letter of Demand; and

(iii) The subsidiary corporation, Emerald Precision Engineering Sdn Bhd, is able to obtain bank facilities of up to approximately S$1,417,000 (equivalent to MYR4,500,000).

(iv) The Company has redeemable convertible notes amounting to S$2,300,000 (the “Debt”) which has matured on 31 October 2024. As disclosed in Note 33(d) to the financial statements, on 14 November 2025, management has obtained a debt settlement agreement from the notes holder that the notes holder agreed not to demand for the immediate payment of the Debt from the Company. The notes holder further agreed to stay and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the Debt, until the next round of proposed note issuance, on or before the extended fulfilment date on 3 February 2026.

Based on the above, the board of directors has assessed and are of the view that it is appropriate that the financial statements of the Group and Company be prepared on a going concern basis.

If the Group and the Company were unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

2.2 Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

12. Intangible assets

Group	Goodwill S$'000	Customer relationships S$'000	Total S$'000
Cost			
At 1 January 2023	1,462	1,607	3,069
Impairment	(1,462)	(1,607)	(3,069)
At 31 December 2023	-	-	-
Acquisition of a subsidiary	19,407	-	19,407
At 31 December 2024	19,407	-	19,407
Accumulated amortisation and impairment			
At 1 January 2023	-	938	938
Charge for the year	-	230	230
Impairment	-	(1,168)	(1,168)
At 31 December 2023	-	-	-
Charge for the year	-	-	-
At 31 December 2024	-	-	-
Net book value			
At 31 December 2024	19,407	-	19,407
At 31 December 2023	-	-	-

Impairment testing of goodwill

The Group recognized a goodwill of S$19,407,000 following the acquisition of new subsidiary LSO Organization Holdings Pte. Ltd. on 2 August 2024.

The Group tests whether goodwill has suffered any impairment on an annual basis. For 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units ("CGU") is determined based on value-in-use calculations which require the use of assumptions. The recoverable amount of LSO Organization Holdings Pte. Ltd. CGU had been determined based on the value-in-use calculation using a cash flow projection from financial budget approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows.

	2024 %	2023 %
Revenue growth rate	23.6 - 81.8	5.2 - 60.0
Gross profit margin	46.3 - 59.9	8.2 - 24.2
Pre-tax discount rate	12.18 - 13.84	12.05 - 13.71
Terminal growth rates	1.5 2.5	1.5 - 2.5

Key assumptions used in the value-in-use calculations

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:

(a) Budgeted gross margins is based on past performance and management's expectation of market developments.

(b) Budgeted sales growth and terminal growth rate is based on industry growth forecasts and not exceeding the average long-term growth rate of the business segment which the CGU operates in.

(c) Pre-tax discount rate is based on the discounted rates were pre-tax and reflected specific risks relating to the business segments which the CGU operates in.

13. Investments in subsidiaries

	Company	
	2024	**2023**
	S$'000	**S$'000**
Unquoted shares, at cost	33,422	13,422
Impairment losses	-	(2,928)
	33,422	10,494

Movement in allowance for impairment of investments

	Company	
	2024	**2023**
	S$'000	**S$'000**
At 1 January	-	324
Impairment losses	-	2,928
Written off	-	(324)
At 31 December	-	2,928

During the year, management had performed impairment assessment on certain subsidiaries which had been loss-making. The recoverable amount of Yumei Group CGU had been determined based on the value-in-use calculations using a cash flow projection from financial budget approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period is as stated in Note 12. Based on the assessment of the subsidiaries' historical and current performances, the estimated values and probability of future cash flows, management had made an impairment charge of S$NIL (2023: S$2,928,000) in the current financial year.

The management had written off the investment in Advanced Systems Automation, Inc. which had been previously fully impaired as it has been struck off on 24 April 2023.

The Group has the following significant investments in subsidiaries:

Loans due to a shareholder

Loans due to a shareholder of the Company, is unsecured and interest-free, except for the amount of S$800,000 (2023: S$800,000), which bears a fixed interest rate of 5% (2023: 5%) per annum and S$825,000 (2023: S$997,000), which bears a fixed interest rate of 5% (2023: 5%) per annum. The loans are repayable on yearly instalment and mature in 2028.

Amount due to a related party

Amount due to a related party is unsecured, interest-free, repayable on demand and is to be settled in cash.

Amount due to an external party

Amount due to an external party included an amount S$1,192,000 (2023: S$1,614,000) which is interest free and unsecured and S$8,394,000 (2023: S$9,395,000), which bears floating interest rates ranging from 5.69% to 5.90 % (2023: 6.25% to 6.34%) per annum, repriced on a quarterly basis. The amount due to an external party is repayable on yearly instalment and matures in 2029.

Deferred cash settlement

This relates to an amount owing to Mr. Seah Chong Hoe (shareholder, director and Chief Executive Officer of the Company) upon the acquisition of subsidiaries during the financial year ended 31 December 2018. This amount is interest free, unsecured and repayable on demand.

Trade and other payables denominated in foreign currencies as at 31 December 2024 and 2023 are as follows:

	Group		Company	
	2024 S$'000	2023 S$'000	2024 S$'000	2023 S$'000
United Stated Dollars		5	-	-
Ringgit Malaysia	754	666	754	-

20. Convertible notes

On 24 October 2023, the Company entered into a subscription agreement of the 5% redeemable convertible notes with an aggregate nominal value of up to S$20,000,000 comprising three tranches, wherein the first tranche ("T1") and second tranche ("T2") comprise of a principal amount of S$2,500,000 each and third tranche ("T3") comprise of a principal amount of S$15,000,000, subjected to the approval by shareholders.

On 18 June 2024, the Company and the investor had mutually agreed to cancel T3 due to the conditions precedent for issuance of T3 had not been met.

On 31 October 2023, the Company drew down the T1 of the 5% redeemable convertible note amounting to S$2.5 million. The T1 were unsecured, interest bearing at 5% per annum on the outstanding nominal value of the T1 and shall cease to bear interest on (a) conversion into shares; (b) the date of redemption of such notes; or (c) on maturity date, and are payable quarterly in arrears.

The T1 entitle the notes holder to convert them into ordinary shares of the Company at any time between the date of issue of the T1 and up to the close of business on the day falling seven days prior to the maturity date. The conversion price shall be 90% of the average volume-weighted average price per share for the preceding 5 Business Days to the relevant Conversion Date of T1 on which shares were traded on the Stock Exchange of Singapore.

The Company may at any time and from time to time, redeem the issued T1 at 115% of the principal amount of the outstanding Notes, together with all accrued interest, or such other amount as may be agreed between the Company and the noteholder.

T1 must be converted by the noteholder on the date falling 12 months from the closing date of T1 with the maximum number of shares that T1 can be converted are 5,581,031,514 shares on a pre-consolidated basis prior to completion of the Proposed Share Consolidation pursuant to the General Mandate.

The T1 contain two components, debt component and embedded derivative (including conversion and early redemption options) component. The Group designated the T1 as financial liabilities as FVTPL as a whole.

On 8 April 2025, the Company announced that it had entered into a Deed of Termination to terminate the subscription agreement dated 24 October 2023 ("RCN 1.0 Notes") entered into between the Company, Advance Opportunities Fund 1 ("AOF 1") and Advance Opportunities Fund VCC in relation to the issuance of up to S$5.0 million redeemable convertible notes. As at the date of the Deed of Termination, there remained outstanding RCN 1.0 Notes with a face value of S$2.3 million that had been subscribed for and unconverted by AOF 1.

The Company subsequently entered into a debt settlement agreement with AOF 1 on 15 October 2025 for the settlement of the outstanding debt amounting to S$2.3 million arising from the outstanding redeemable convertible notes. Further on, the Company, had also received a letter agreement from AOF 1 on 14 November 2025, wherein AOF 1 had in good faith, agreed not to demand for the immediate payment of the debt from the Company, and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the debt, pending the Company's satisfaction of the conditions precedents under an amended and restated subscription agreement with an extended fulfilment date on or before 3 February 2026.

The movement of the redeemable convertible loan notes for the year is set out as below:

	Group and Company	
	2024	2023
	S$'000	S$'000
At 1 January	2,587	-
Issue of redeemable convertible notes	(2,200)	2,500
Drawdown of redeemable convertible notes	2,000	-
Fair value loss	98	87
At 31 December	2,485	2,587

32. Business combination

On 2 August 2024 ("Completion Date"), the Company completed the acquisition from Mr Lim Chen Chong, Ms Lim Yu, Victoria and Structured Capital Solutions Inc. (collectively, the “Vendors”) of 100% equity interest of LSO Organization Holdings Pte. Ltd. (“LSO OHPL”), which holds Lim Shrimp Organization Ltd. (“LSO BVI”) and LSO BVI held Lim Shrimp Org Sdn. Bhd (“LSOSB”) as its subsidiary corporations (collectively, the “LSO Group”). The total purchase consideration amounted to S$20,000,000, comprising S$12,000,000 to be satisfied through the issuance of the Company’s ordinary shares and S$8,000,000 payable in cash, of which S$2,000,000 will be offset against the principal of a bridging loan previously advanced by the Company to the Vendors.

As at Completion Date, the Company has allotted and issued 184,615,385 at the issue price of S$0.065 per Consideration Share, amounting to S$12,0000,000 to the Vendors, and the principal of the bridging loan of S$2,000,000 has already been offset. As at the reporting date, cash consideration of S$1,400,000 has been settled and the outstanding remaining balance of S$4,600,000 has been deferred as disclosed in Note 33 (d) to the financial statements.

The principal activity of LSO Group is that of aquaculture management. As a result of the acquisition, the Group is expected to benefit from opportunities within the aquaculture industry, enabling it to capture growth trends and support efforts to turn around the Group’s loss-making position. Combined with a positive business outlook, the acquisition may contribute to potential growth in the Company’s market capitalisation, increased investor interest, and, consequently, an improvement in the trading liquidity of the Company’s shares.

The Company had engaged an independent third-party valuer to perform the purchase price allocation ("PPA") of the acquisition. As at the reporting date, the PPA has not been completed due to unexpected delays and unforeseen circumstances arising from the changes in the management during the financial year.

As disclosed in Note 12 to the financial statements, the Group had recognised a provisional goodwill of S$19,407,000 from the acquisition. The goodwill is provisionally determined as the Group is still in the midst of assessing the fair value of identified net assets acquired and liabilities assumed, hence the goodwill has been provisionally allocated to the CGU. If new information obtained within one year from the acquisition date about the facts and circumstances that existed at the acquisition date identifies adjustment to the above amount, or any additional provision and allowances that existed at the acquisition date, the accounting for the acquisition will be adjusted retrospectively.

33. Events subsequent to the reporting date

(a) The Company had on 21 March 2025 received a Letter of Demand from the lawyers of ASTI Holdings Limited (“ASTI”) for the sum of S$9,116,380.42 in relation to loans and corporate services provided by ASTI to the Company. The Company vigorously defended the alleged claims and on 4 August 2025 filed a court application, HC/OA 801/2025 ("OA 801"), against ASTI to restrain ASTI from presenting a winding-up application against the Company in respect of the claims in the Letter of Demand. The Company also filed an urgent summons for an interim injunction (HC/SUM 2134/2025 ("SUM 2134") to restrain

ASTI from presenting a winding-up application against the Company until the hearing and final determination of OA 801.

OA 801 was filed and an interim injunction sought because the Company disputed that the alleged outstanding amounts were due to ASTI, and also that the Company had, in its affidavit filed in the OA 801, cross-claims against ASTI in damages arising from the allegations. These disclosures to the Singapore Court led to ASTI withdrawing their Statutory Demand and paying the Company costs as announced by the Company on 5 September 2025.

On 17 September 2025, the Company received a Letter of Demand from the lawyers of ASTI demanding for the full repayment of the outstanding amounts allegedly owed by the Company to ASTI amounting to an aggregate of S$9,873,139.26 as at 31 July 2025. The Company subsequently filed its defence and counterclaim to the suit on 10 November 2025. The Company will be relying on the same facts as stated in OA 801 in contesting the alleged claims in the Letter of Demand dated 17 September 2025 and will continue to take all necessary steps to protect the interests of the Company and its shareholders.

(b) On 19 June 2025, the Company received a notice of demand dated 19 June 2025 from Mr Seah Chong Hoe ("Mr Seah"), in relation to a claim for payment of six months' salary in lieu of notice amounting to S$300,000.00. The claim arose from the Company's immediate termination of Mr Seah's employment as Chief Executive Officer of the Company. The Company is contesting the claims and lodged a police report on 22 July 2025 with regards to the unauthorised withdrawals of sums amounting to S$1.01M by Mr Seah from the Company.

(c) On 18 July 2025, the Company lodged a police report with the Singapore Police Force in relation to potential offences committed by Mr Seah and Dato' Sopiyan, including the following:

(i) Mr Seah and Dato' Sopiyan effected changes to the authorised bank signatories of the Company's bank account ("Maybank Account") maintained with Maybank Singapore Limited ("Maybank"), without approval from the Board. Through these changes, Mr Seah and Dato' Sopiyan were appointed as authorised persons and authorised signatories of the Maybank Account. However, management noted that no Board resolutions had been passed to approve these changes.

(ii) Following the unauthorised change of bank signatories, cheques amounting to approximately S$1,011,000 were issued from the Maybank Account to Mr Seah without the knowledge or authorisation of the Board. Prior to these cheque issuances, a sum of approximately S$904,000 had been transferred from a bank account belonging to the Company's wholly-owned subsidiary, Emerald Precision Engineering Sdn. Bhd., into the Maybank Account on or around 12 June 2025 at the instruction of Mr Seah.

(iii) During his tenure as Chief Executive Officer of the Company, Mr Seah had access to and control over the Company's financial, commercial, and other corporate records and documents. As of 22 July 2025, Mr Seah had yet to return these documents to the Company.

(d) On 8 April 2025, the Company announced that it had entered into a Deed of Termination to terminate the subscription agreement dated 24 October 2023 ("RCN 1.0 Notes") entered into between the Company, Advance Opportunities Fund 1 ("AOF 1") and Advance Opportunities Fund VCC in relation to the issuance of up to S$5.0 million redeemable convertible notes. As at the date of the Deed of Termination, there remained outstanding RCN 1.0 Notes with a face value of S$2.3 million that had been subscribed for and unconverted by AOF 1.

The Company subsequently entered into a debt settlement agreement with AOF 1 on 15 October 2025 for the settlement of the outstanding debt amounting to S$2.3 million arising from the outstanding redeemable convertible notes. Further on, the Company, had also received a letter agreement from AOF 1 on 14 November 2025, wherein AOF 1 had in good faith, agreed not to demand for the immediate payment of the debt from the Company, and refrain from instituting, pursuing or enforcing any legal proceedings or demands in relation to the debt, pending the Company's satisfaction of the conditions precedents under an amended and restated subscription agreement with an extended fulfilment date on or before 3 February 2026.

(e) On 27 November 2025, the Company announced that 30,022,580 new ordinary shares in the capital of the Company were allotted and issued by the Company pursuant to the exercise of the Rights Cum Warrants Issue completed on 19 December 2024. Following the allotment and issuance of the New Shares, the total number of issued and paid-up ordinary share capital of the Company will be increased to 1,665,144,341 shares.

34. Changes in accounting policies

As a result of the adoption of the amendments to SFRS(I) 1-1, the Group changed its accounting policy for the classification of borrowings as disclosed in note 2.21 to the financial statements.

This new policy did not result in a change in the classification of Advanced Systems Automation Limited's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to SFRS(I) 1-1.

35. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

(a) **Amendments to SFRS(I) 1-21 - Lack of Exchangeability** (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

(b) **Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments** (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;