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$7,481,000 and generated a net operating cash inflow of S$378,000 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