



Advanced Systems Automation Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 198600740M)

RESPONSE TO SGX QUERIES

The board of directors (the "**Board**") of Advanced Systems Automation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements on 2 July 2024 ("**Announcements**") in relation to (i) receipt of letter of demand from ASTI Holdings Limited ("**ASTI**"), and (ii) further update on the letter of demand from Telford Service Sdn Bhd ("**Telford**") (collectively, the "**Letters of Demand**").

The Board wishes to inform that Singapore Exchange Regulation Pte Ltd ("**SGX**") had raised some queries following the Announcements, and the Company would like to announce its responses below. Unless otherwise defined, all capitalised terms in the Company's response shall have the same meaning as ascribed to them in the Announcements.

SGX Query 1

Please disclose the financial impact of the Letters of Demand on the Group's financial position, financial performance and cash flow position.

Company's Response

The Letters of Demand are expected to reduce the Group's cash and cash equivalents by approximately S\$1.2 million but not expected to affect the Group's financial performance for the current financial year ending 31 December 2024 as all related expenses and invoices have been recorded in the prior financial year ended 31 December 2023.

SGX Query 2

What are the Audit Committee's and Board's opinion, with supporting bases, on whether the Company and Group can still continue as a going concern.

Company's Response

1. On 31 May 2024, at an extraordinary general meeting convened by the Company ("**May 2024 EGM**"), the resolutions proposing, *inter alia*, the proposed acquisition of LSO Organization Holdings Pte Ltd ("**LSO**") (the "**Proposed Acquisition**"), were put to vote by way of poll and were not passed by the shareholders of the Company ("**Shareholders**"). Subsequent to the May 2024 EGM, Shareholders collectively representing a higher percentage of shareholdings compared to Shareholders who voted against the Proposed Acquisition during the May 2024 EGM (in respect of their 48.58% of the voting rights of the Company in aggregate) ("**Undertaking Shareholders**") have provided undertakings to the vendors of LSO, pursuant to which the Undertaking Shareholders have undertaken that, at an upcoming extraordinary general meeting ("**EGM**") of the Company to be held, they will vote in favour of the Proposed Acquisition and all other transactions in connection therewith and incidental thereto ("**Undertakings**").

Following the receipt of the Undertakings, the Company and the vendors of LSO have mutually agreed to reconvene an EGM (to be held on 20 July 2024) to allow all Shareholders to re-consider and vote on the Proposed Acquisition, and entered into a supplemental agreement on 1 July 2024 (“**Supplemental SPA**”) to take into consideration the developments following the signing of the sale and purchase agreement for the Proposed Acquisition on 24 October 2023. Please refer to the Company’s circular to Shareholders dated 5 July 2024 for more information on the Supplemental SPA.

2. On 28 October 2023, the Company entered into a subscription agreement with Advance Opportunities Fund I and Advance Opportunities Fund VCC (acting for and on behalf of and for the account of AOF Singapore Opportunities Fund) (collectively, the “**Investors**”) for the proposed issuance of 5.0% redeemable convertible notes of up to S\$20 million to the Investors by the Company (“**Proposed RCN**”). The Company had on 31 October 2023, drawdown the first tranche of the notes in an aggregate nominal amount of S\$2.5 million.

On 14 June 2024 and 1 July 2024, the Company entered into the first supplemental letter and the second supplemental letter with the Investors respectively, whereby the Company and the Investors mutually agreed that the Company will undertake the issuance of notes for an aggregate nominal value of up to S\$5.0 million in two tranches instead, and will be obtaining Shareholders’ approval for the Proposed RCN at the EGM to be held on 20 July 2024.

3. The Audit Committee and the Board have assessed and are of the view that the Company and the Group can continue as a going concern for the next 12 months from 1 July 2024 due to the following reasons:
 - (i) the Proposed Acquisition (when approved by Shareholders at the EGM to be held on 20 July 2024, and completed) will provide a new revenue stream to the Group and may allow the Group to reduce its losses or turn around its loss-making position;
 - (ii) the Proposed RCN (when approved by Shareholders at the EGM to be held on 20 July 2024, and the Company draws down the second tranche of an aggregate of up to S\$2.5 million) will allow the Company access to additional funds for working capital, which may include repayment of outstanding debts;
 - (iii) pending on the Company’s successful acquisition of LSO, the Company is in discussion with certain parties on providing financial support to the Company; and
 - (iv) post-completion of the Proposed Acquisition, the Company will look into other fund raising options to reduce outstanding debts and thus strengthening the financial position of the Group.

SGX Query 3

What is the Sponsor’s opinion, with supporting bases, on whether the Company and Group can still continue as a going concern.

Sponsor’s Response

Having considered the abovementioned reasons provided by the Audit Committee and the Board in the Company’s response to SGX Query 2, the Sponsor concurs with the Board’s view that the Company and the Group are able to continue to operate as a going concern for the next 12 months from 1 July 2024.

SGX Query 4

Please provide the Board's confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner, and the bases for its views.

Company's Response

The Company had and will continue to make immediate announcements on all material disclosures to the Shareholders. Accordingly, the Board confirms that sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner.

By Order of the Board

ADVANCED SYSTEMS AUTOMATION LIMITED

Dato' Sri Mohd Sopiyan B. Mohd Rashdi

Chairman

11 July 2024

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 ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

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.