

Circular dated 7 September 2018

IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the capital of Advanced Systems Automation Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of Advanced Systems Automation Limited represented by physical share certificate(s), you should forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Company has made an application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Consideration Shares (as defined herein) on the Catalist (as defined herein). An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by the SGX-ST for the listing of and quotation for the Consideration Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares (as defined herein), the Proposed Issuance (as defined herein) or the Consideration Shares (as defined herein).

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Tay Sim Yee (Tel: (65) 6532 3829) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198600740M)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) PROPOSED ISSUANCE AND ALLOTMENT OF 6,500,000,000 NEW ORDINARY SHARES TO MR SEAH CHONG HOE AS CONSIDERATION SHARES (AS DEFINED HEREIN) PURSUANT TO THE PROPOSED ACQUISITION (AS DEFINED HEREIN);**
- (2) PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR SEAH CHONG HOE PURSUANT TO THE PROPOSED ISSUANCE AND ALLOTMENT OF CONSIDERATION SHARES**

IMPORTANT DATES AND TIMES

- | | | |
|--|---|--|
| Last date and time for lodgement of Proxy Form | : | 22 September 2018 at 3.00 p.m. |
| Date and time of Extraordinary General Meeting | : | 24 September 2018 at 3.00 p.m. |
| Place of Extraordinary General Meeting | : | ASTI Conference Room,
25 Kallang Avenue #06-01,
Kallang Basin Industrial Estate,
Singapore 339416 |

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DEFINITIONS

For the purpose of this Circular, the following definitions have, where appropriate, been used:

Companies within the Group

“ASTI”	:	ASTI Holdings Limited
“Company”	:	Advanced Systems Automation Limited
“Group”	:	The Company and its subsidiaries collectively

Other Corporations and Agencies

“CDP”	:	The Central Depository (Pte) Limited
“Pioneer Venture”	:	Pioneer Venture Pte. Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sponsor”	:	SAC Capital Private Limited, the sponsor to the Company
“Yumei REIT”	:	Yumei REIT Sdn. Bhd.
“Yumei Tech”	:	Yumei Technologies Sdn. Bhd.

General

“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
“Actual Profit”	:	The aggregated amount of profits of the Target Companies (before payment of taxes) as provided under Section 2.3.2 of this Circular
“Actual NAV”	:	The total consolidated NAV of the Target Companies as at 28 February 2018
“Balance Payment”	:	The payment as provided under Section 2.1.2(c) of this Circular
“Board”	:	The board of Directors of the Company as at the date of this Circular unless the context otherwise requires
“Business Day”	:	Means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“Circular”	:	This circular dated 7 September 2018 relating to the Proposed Issuance and the Proposed Transfer of Controlling Interest

<i>“Completion”</i>	:	The completion of the Proposed Acquisition in accordance with the SPA
<i>“Consideration”</i>	:	The aggregate consideration for the Proposed Acquisition as provided under Sections 2.1.2 and 2.3.1 of this Circular
<i>“Consideration Shares”</i>	:	The 6,500,000,000 new ordinary Shares of the Company to be issued to the Vendor as part of the consideration for the Proposed Acquisition
<i>“Controlling Interest”</i>	:	The interest of the Controlling Shareholder(s)
<i>“Controlling Shareholder”</i>	:	A person who (a) holds directly or indirectly 15% or more of the issued share capital of a company; or (b) in fact exercises control over a company
<i>“Directors”</i>	:	Directors of the Company as at the date of this Circular
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be convened on 24 September 2018, notice of which is set out on pages 23 to 24 of this Circular
<i>“First Payment”</i>	:	The payment as provided under Section 2.1.2(b) of this Circular
<i>“FY2017”</i>	:	For the financial year ended 31 December 2017
<i>“FY2017 Financial Statements”</i>	:	The financial statements of the Group for FY2017 as provided under Section 2.5 of this Circular
<i>“Guarantee Period”</i>	:	The period of the Profit Guarantee as provided under Section 2.3.2 of this Circular
<i>“Guaranteed Profit”</i>	:	The guarantee provided by the Vendor on the aggregated amount of profits (before payment of taxes) of the Target Companies as provided under Section 2.3.2 of this Circular
<i>“Independent Valuation”</i>	:	The independent valuation of the Property as detailed under Section 2.3.4 of this Circular
<i>“Independent Valuer”</i>	:	Means IVPS Property Consultant Sdn. Bhd.
<i>“Issue Price”</i>	:	The price at which the Consideration Shares shall be issued will be S\$0.001 for each Consideration Share
<i>“Latest Practicable Date”</i>	:	21 August 2018, being the latest practicable date prior to the printing of this Circular
<i>“Long Stop Date”</i>	:	7 October 2018 (or such further date as the Company and the Vendor may agree in writing)
<i>“LPS”</i>	:	Loss per share

<i>“Market Day”</i>	:	A day on which the SGX-ST is opened for trading in securities
<i>“Minimum NAV”</i>	:	The minimum NAV of the Target Companies as provided under Section 2.3.4 of this Circular
<i>“Month”</i>	:	Calendar month
<i>“Notice of EGM”</i>	:	The notice of the EGM set out on pages 23 to 24 of this Circular
<i>“NAV”</i>	:	Net asset value
<i>“NTA”</i>	:	Net tangible assets
<i>“Property”</i>	:	Has the meaning as provided under Section 2.3.4 of this Circular
<i>“Proposed Acquisition”</i>	:	The proposed acquisition of the entire issued and paid-up share capital of the Target Companies pursuant to the terms of the SPA as defined in Section 2.1.1 of this Circular
<i>“Proposed Issuance”</i>	:	The proposed issuance and allotment of the Consideration Shares to the Vendor as part of the Consideration for the Proposed Acquisition
<i>“Proposed Resolution(s)”</i>	:	The ordinary resolution(s) relating to the Proposed Issuance and the Proposed Transfer of Controlling Interest in the Notice of EGM
<i>“Proposed Transfer of Controlling Interest”</i>	:	The proposed transfer of a Controlling Interest in the Company to the Vendor resulting from the Proposed Issuance
<i>“Profit Guarantee”</i>	:	The profit guarantee provided by the Vendor as provided under Section 2.3.2 of this Circular
<i>“Restricted Shares”</i>	:	The Consideration Shares that the Vendor is restricted from assigning, transferring, creating an encumbrance over (or otherwise agreeing to any of the foregoing) as provided under Section 2.3.2 of this Circular
<i>“Sale Shares”</i>	:	The shares in the capital of the Target Companies amounting to the entire issued and paid-up share capital of the Target Companies
<i>“Securities and Futures Act”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
<i>“Shareholders”</i>	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose securities accounts with CDP are credited with the Shares
<i>“Shares”</i>	:	Shares in the capital of the Company

<i>“Shortfall”</i>	:	Has the meaning as provided under Section 2.3.2(b) of this Circular
<i>“SPA”</i>	:	The share purchase agreement dated 8 April 2018 entered into between the Company and the Vendor in relation to the Sale Shares pursuant to the Proposed Acquisition
<i>“Substantial Shareholder”</i>	:	A person who has an interest of five per cent. (5%) or more of the total issued share capital of the Company, and “Substantial Shareholding” shall be construed accordingly
<i>“Takeover Code”</i>	:	The Singapore Code on Take-overs and Mergers
<i>“Target Companies” and each a “Target Company”</i>	:	Yumei Tech, Yumei REIT and Pioneer Venture, details of which are set out in Section 2.2 of this Circular
<i>“Vendor”</i>	:	Mr Seah Chong Hoe

Currencies

<i>“S\$” and “cents”</i>	:	Singapore dollars and cents
<i>“MYR”</i>	:	Ringgits and sens
<i>“%” or “per cent”</i>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, by Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations where applicable.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the Companies Act, the Takeover Code or the Catalist Rules or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the Companies Act, the Takeover Code or the Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to “we”, “us” and “our” in this Circular is a reference to the Group or any member of the Group as the context requires.

ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198600740M)

Directors :

Dato' Michael Loh Soon Gnee
(Executive Chairman & Chief Executive Officer)

Dato' Khor Gark Kim
(Lead Independent Director)

Dr. Kenneth Yu Keung Yum
(Independent Director)

Mr Mohd Sopiyan Bin Mohd Rashdi
(Independent Director)

Dr. Tan Jok Tin
(Independent Director)

Registered Office :

25 Kallang Avenue #06-01
Kallang Basin Industrial
Estate, Singapore 339416

7 September 2018

To: The Shareholders of Advanced Systems Automation Limited

Dear Sir / Madam

- (1) **PROPOSED ISSUANCE AND ALLOTMENT OF 6,500,000,000 NEW ORDINARY SHARES TO MR SEAH CHONG HOE AS CONSIDERATION SHARES PURSUANT TO THE PROPOSED ACQUISITION (AS DEFINED HEREIN); AND**
- (2) **PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR SEAH CHONG HOE PURSUANT TO THE PROPOSED ISSUANCE AND ALLOTMENT OF CONSIDERATION SHARES**

1. INTRODUCTION

- 1.1 The Board is proposing to convene an EGM to seek approval from Shareholders for the Proposed Resolutions.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to, and the rationale for the Proposed Resolutions and to seek Shareholders' approval for the same at the EGM to be held on 24 September 2018, 3.00 p.m. at ASTI Conference Room, 25 Kallang Avenue #06-01, Kallang Basin Industrial Estate, Singapore 339416.
- 1.3 Shareholders should note that the approval of Proposed Resolutions 1 and 2 are inter-conditional. As such, if either of Proposed Resolution 1 or 2 are not carried, both Proposed Resolutions 1 and 2 will not be carried.

2. PROPOSED ACQUISITION

2.1 Background

2.1.1 The Board refers to the Company's announcement dated 9 April 2018, where it was announced that the Company had on 8 April 2018 entered into a sale and purchase agreement (the "**SPA**") with Mr Seah Chong Hoe (the "**Vendor**") for the sale and purchase of the entire issued and paid-up share capital of each of Yumei Technologies Sdn. Bhd. ("**Yumei Tech**"), Yumei REIT Sdn. Bhd. ("**Yumei REIT**") and Pioneer Venture Pte. Ltd. ("**Pioneer Venture**") (the "**Proposed Acquisition**").

2.1.2 The aggregate purchase consideration for the purchase of the Sale Shares is S\$10 million (the "**Consideration**") to be satisfied by the Company as follows:

- (a) on completion of the Proposed Acquisition ("**Completion**"), the Company shall allot and issue to the Vendor such number of new ordinary shares in the capital of the Company (the "**Consideration Shares**") at an issue price of S\$0.001 per Consideration Share (the "**Issue Price**"), having an aggregate value of S\$6,500,000, without issuing fractions of a Consideration Share (the "**Proposed Issuance**");
- (b) the Company shall pay the sum of S\$1,500,000 in cash to the Vendor within the first year following Completion (the "**First Payment**"); and
- (c) the Company shall pay the sum of S\$2,000,000 to the Vendor within the second year following Completion (the "**Balance Payment**").

2.1.3 The Issue Price is based on the volume weighted average price for trades done on the Company's shares on the SGX-ST for the full Market Day on 6 April 2018 (being the Market Day preceding the date of the SPA).

2.2 Details of the Target Companies and the Vendor

2.2.1 Yumei Tech

Yumei Tech is a company incorporated in Malaysia on 6 December 2005 and is principally engaged in the provision of (i) die-casting, (ii) plastic injection moulding components, and (iii) other finishing operations incorporating: precision machining, surface finishing and leakage treatment and sub-assembly of mechanical components.

Yumei Tech has an issued and paid-up share capital of MYR500,002 comprising 500,002 issued and paid-up ordinary shares.

2.2.2 Yumei REIT

Yumei REIT is a company incorporated in Malaysia on 7 May 2006 and is the asset management company for Yumei Tech.

Yumei REIT has an issued and paid-up share capital of MYR500,000 comprising 500,000 issued and paid-up ordinary shares.

2.2.3 Pioneer Venture

Pioneer Venture is a company incorporated in Singapore on 1 April 2005 and is principally engaged in the manufacturing of fabricated metal products except machinery and equipment. It has over ten years of experience in metal moulding technologies, manufacturing processes and integrated manufacturing solutions.

Pioneer Venture has an issued and paid-up share capital of S\$1,100,000 comprising 1,000,000 issued and paid-up ordinary shares.

2.2.4 The Vendor

The Vendor is an individual and is a director and shareholder of each of the Target Companies.

As of the date of the announcement made on 9 April 2018, the Vendor holds approximately 51% of the issued and paid-up share capital of Yumei Tech, 51% of the issued and paid-up share capital of Yumei REIT and 85% of the issued and paid-up share capital of Pioneer Venture. His spouse, Tan Hwee Kiang, holds the remaining shares in the Target Companies (i.e. approximately 49% in Yumei Tech, 49% in Yumei REIT and 15% in Pioneer Venture.)

As a condition to Completion, the Vendor shall procure that all the remaining shareholdings in the Target Companies not held by him will be transferred to him, such that prior to Completion, the Vendor will be the sole legal and beneficial owner of the Target Companies.

2.3 **Principal Terms of the SPA**

2.3.1 Consideration

The Consideration for the purchase of the Sale Shares is S\$10 million to be satisfied by the Company in the manner as described in Section 2.1.2 of this Circular.

Each of the Consideration Shares shall be allotted and issued to the Vendor and credited as fully paid and shall rank *pari passu* in all respects with the ordinary shares in the capital of the Company in issue at the date of its issuance, except that no Consideration Shares will rank for any dividend or other distribution declared, paid or made in respect of FY2017.

The Consideration was arrived at on an arm's length and on a 'willing buyer willing seller' basis, and after taking into account, among other factors, the Profit Guarantee (as defined in Section 2.3.2 of this Circular) provided by the Vendor and the NAV of the assets of the Target Companies as at 28 February 2018, in relation to which the Vendor has provided an undertaking for, as detailed in Section 2.3.4.

2.3.2 Profit Guarantee

Pursuant to the SPA, the Vendor undertakes that the aggregated amount of profits (before payment of taxes) of the Target Companies (the "**Actual Profit**") for 2018 and 2019 is not less than S\$3,000,000 (the "**Guaranteed Profit**") based on the consolidated audited financial statements of the Target Companies for (i) the financial year commencing 1 March 2018 and ending 28 February 2019 and (ii) the financial year commencing 1 March 2019 and ending 29 February 2020 (the "**Profit Guarantee**").

During the period of the Profit Guarantee (the "**Guarantee Period**"), the Vendor is restricted under the SPA from assigning, transferring, creating an encumbrance over (or otherwise agreeing to any of the foregoing) such number of Consideration Shares as at the Issue Price, having a value of S\$3,000,000 (the "**Restricted Shares**").

In connection with the Profit Guarantee, save as otherwise provided in this Section 2.3:

- (a) in the event that the Actual Profit in 2018 is not less than S\$1,500,000, half of the Restricted Shares amounting to S\$1,500,000 shall be released from the restrictions described above;

- (b) in the event that the Actual Profit is less than the Guaranteed Profit (the “**Shortfall**”), the Vendor shall be deemed to have appointed the Company as its attorney or any substitute or any delegate (with full power of substitution), on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit, to do all acts and things and to execute any document or complete any sale and transfer of the Restricted Shares which the Company may require to recover the Shortfall, and the Vendor agrees to ratify and confirm any deed, document, act or thing and all transactions which the attorney or any substitute or any delegate may lawfully do or execute under or has done or executed under this Section 2.3.2(b);
- (c) in the event the Company is unable to recover the Shortfall from the sale of all the Consideration Shares, as detailed in Section 2.3.2(b) above, the Vendor shall pay in cash an amount equal to the difference between the Shortfall and the amounts received by the Company pursuant to the sale of Consideration Shares referred to in Section 2.3.2(b) to the bank account of the Company within ten (10) Business Days upon written notice by the Company; and
- (d) at the end of the Guarantee Period (and for the avoidance of doubt, after all payments are made by the Vendor to the Company as detailed in Section 2.3.2(c) above), the remaining Restricted Shares not otherwise dealt with as detailed in Section 2.3.2(b), shall vest and be released from the restrictions as detailed above.

2.3.3 Disclosure under Rule 1013 of the Catalist Rules

In consideration of the Profit Guarantee set out above, the Company provides the following information in accordance with Rule 1013(1) of the Catalist Rules.

- (a) *Rule 1013(1)(a) - Views of the Board in accepting the Profit Guarantee or the profit forecast and the factors taken into consideration and basis for such a view*

The Board is of the view that the Profit Guarantee is reasonable and helps to safeguard the interests of the Company and the Shareholders, having taken into account, *inter alia*, the following factors:

- (i) the track record of the Target Companies and the potential of the business of the Target Companies;
- (ii) the terms and rationale of the Proposed Acquisition, the mechanisms for recovery of the Shortfall by the Company which are agreed by the Vendor and the Company in the event that the Profit Guarantee is not satisfied (as set out above); and
- (iii) the value of the potential synergy of the Target Companies’ businesses with the business of the Group and the widening of the Group’s customer base as a result of such synergy.

- (b) *Rule 1013(1)(b) - Principal assumptions including commercial bases and assumptions upon which the quantum of the Profit Guarantee is based*

The principal assumptions, including commercial bases upon which the quantum of the Profit Guarantee is based, would include, *inter alia*, the following:

- (i) operating expenses will either remain constant or that there will be a corresponding increase in revenue when operating expenses increase;
- (ii) there will be no material changes in the existing political, legal (including changes in legislation or regulations or rules), fiscal, market or economic conditions in Malaysia and Singapore where the Target Companies operate;

- (iii) there will be no material changes in the bases or rates of taxation or duties applicable to the Target Companies in the jurisdiction of Malaysia or Singapore;
 - (iv) there will be no material loss of major customers, major suppliers, strategic partners which are essential for the operations of the Companies;
 - (v) there will be no material capital expenditure during the period of the Profit Guarantee;
 - (vi) there will be no interruption of the operations that will adversely affect the Target Companies as a result of a shortage in supply of raw materials or any other circumstances such as natural disasters, or changes in the regulatory regime in Malaysia or Singapore which are beyond management control;
 - (vii) there will be no material changes in the borrowings of the Target Companies and the prevailing interest rates; and
 - (viii) there will be no material changes in the key personnel of the Target Companies.
- (c) *Rule 1013(1)(c) and Rule 1013(1)(d) - Manner and amount of compensation to be paid by the Vendor and safeguards put in place in the event that the Profit Guarantee or the profit forecast is not met*

As mentioned in Section 2.3.2 above, in the event the Actual Profit is less than the Guaranteed Profit, the Company shall be entitled to sell such number of Restricted Shares to make up the Shortfall, failing which the Vendor shall be required to pay in cash any amounts that the Company is unable to recover from the sale of the Restricted Shares.

The Company will make the necessary announcements as required under Rule 1013(3) of the Catalist Rules in relation to whether the Profit Guarantee has been or has not been met, as well as any material variation or amendment to the terms of the SPA.

2.3.4 Minimum Net Asset Value

Pursuant to the SPA, the Vendor has undertaken to the Company that the Actual NAV shall be no less than S\$4 million (the “**Minimum NAV**”). For this purpose, prior to Completion, the Vendor shall procure an independent valuation of the assets of the Target Companies at the cost of the Vendor by an independent valuer to be approved by the Company. In the event the Actual NAV is less than the Minimum NAV, the Consideration shall be reduced by the amount of the Shortfall by way of offset against the First Payment, the Balance Payment or a reduction of the number of Consideration Shares to be issued on Completion. If the Shortfall is more than the Consideration, the Vendor shall pay the difference in cash to the Company.

The Vendor has procured an independent valuation of the property owned by Yumei REIT at LOT 73-77, Alor Gajah Industrial Estate, 78000 Alor Gajah, Melaka, Malaysia (the “**Property**”) at his own cost, by IVPS Property Consultant Sdn. Bhd. (the “**Independent Valuer**”), an independent valuer approved by the Company (the “**Independent Valuation**”). According to the valuation report prepared by the Independent Valuer adopting cost method, the valuation of the Property as at 26 February 2018 was approximately RM7.5 million (equivalent to approximately S\$2.5 million based on an exchange rate of S\$1 to RM2.96 as at 28 February 2018). Cost method involves the valuation of the land by comparison with evidence of values of comparable land and adding to it the current replacement cost of the building less depreciation. The Independent Valuer conducted its valuation in accordance with the Malaysia’s Manual of Valuation Standards published by the Board of Valuers, Appraisers and Estate agents.

Based on the financial due diligence on the Target Companies conducted by the Company and its advisors, the consolidated balance sheet of the Target Companies shows an adjusted Actual NAV of approximately S\$4.01 million as at 28 February 2018. The principal assets of the Target Companies which constitute its NAV as at 28 February 2018 were accounted for in the following manner:

- (a) the Property (comprising of the leasehold land and factory building) with a total value of S\$2.54 million, which are accounted for at market value with an upward adjustment of S\$167,000 from about S\$2.37 million to S\$2.54 million;
- (b) plant and equipment with a total net book value of S\$1.63 million;
- (c) inventories with a total value of S\$1.15 million; and
- (d) cash and cash equivalents with a total value of S\$343,000.

In this regard, the Company is satisfied that the Minimum NAV has been met and there will be no reduction to the Consideration. An extract of the valuation report issued by the Independent Valuer can be found at Appendix A.

2.3.5 Conditions Precedent

Completion is conditional upon certain conditions precedent having been satisfied (or waived by the Company), including but not limited to the following:

- (a) the results of legal, financial and technical due diligence investigations on the Target Companies conducted by the Company and its advisors being satisfactory to the Company, and all necessary rectification steps being completed on terms satisfactory to the Company, in respect of issues identified in the course of due diligence;
- (b) approval of the directors and/or shareholders of the Target Companies (as may be required) being obtained;
- (c) approval of the Board and Shareholders of the Company being obtained at an extraordinary general meeting to be convened;
- (d) the transfer of all the remaining shareholdings in the Target Companies not held by the Vendor such that the Vendor is the legal and beneficial owner of all the shares in the issued and paid-up share capital of the Target Companies;
- (e) no event, change or effect having occurred which has resulted or is likely to result in a material adverse change or material adverse deterioration in the position or prospects of any Target Company or its businesses (or no material contingent liability having arisen which if incurred would result in such a material adverse change or deterioration); and
- (f) the receipt of approval in-principle from the SGX-ST for the listing and quotation of the Consideration Shares on the SGX-ST upon the issuance and allotment thereof, such approval not having been withdrawn prior to Completion, and all conditions set out in such approval being acceptable to the Company.

2.3.6 The Company has made an application to the SGX-ST for the listing of and quotation for the Consideration Shares, on the Catalist. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by the SGX-ST for the listing of and quotation for the Consideration Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Proposed Issuance or the Consideration Shares. The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness and accuracy of any of the statements or opinions made or reports contained in this Circular.

2.3.7 Personal Guarantees in relation to liabilities of the Target Companies

There are personal guarantees provided by the Vendor, Foo Sert Chiow (a director of Yumei Tech and Yumei REIT), and Tan Hwee Kiang (the Vendor's spouse), in relation to liabilities of the Target Companies. These liabilities were largely incurred pursuant to loan facilities, credit facilities and hire purchase facilities granted by banks and finance companies for working capital for the Target Companies (the "Facilities"). For reference purposes, the table below sets out a summary of the amounts granted to the Target Companies and which remain outstanding under the Facilities in relation to which personal guarantees were granted, as well as the limits of the amounts granted by the relevant personal guarantors in relation to such Facilities:

Borrower	Aggregate amount granted to the borrower pursuant to the Facilities	Amount owing by the borrower as at the Latest Practicable Date	Limit of Personal Guarantee provided by Guarantor
Yumei Tech	MYR4,902,550	MYR4,007,477	Joint and several personal guarantees by the Vendor and Foo Sert Chiow of up to MYR4,902,550
Pioneer Venture	(a) S\$2,286,608 in term loans; and (b) S\$700,000 in credit facilities	(a) S\$1,144,821 in respect of term loans; and (b) S\$8,858 in respect of credit facilities	(a) in respect of term loans, joint and several personal guarantees by the Vendor and Tan Hwee Kiang for all outstanding liabilities of Pioneer Venture*; and (b) in respect of credit facilities, personal guarantee by the Vendor of up to S\$720,000. * <i>Note: some of Facilities are guaranteed by the Vendor and Tan Hwee Kiang on a joint and several basis, and some of the Facilities are solely guaranteed by the Vendor.</i>

As no fees are payable by the Target Companies or the Group for the provision of these guarantees, there is no amount at risk to the Group.

These personal guarantees will not be discharged and will continue to be in place after Completion, as the facilities they relate to are required for the Target Companies' operations. The Vendor has unconditionally and irrevocably undertaken to the Company from the date of the deed of undertaking entered into by the Vendor dated 20 August 2018 until 29 February 2020, that he shall continue to provide, and he shall procure that all subsisting personal guarantees shall not be discharged and will continue to be in force after Completion (i) for as long as the liabilities of the Target Companies in relation to which such personal guarantees have been granted remain outstanding or (ii) in relation to the credit facilities, for as long as the relevant credit facilities have not been terminated.

2.3.8 Long Stop Date

If any of the conditions is not fulfilled and not waived by mutual consent of the Vendor and the Company by 7 October 2018 (or such further date as the Vendor and the Company may agree in writing) (“**Long Stop Date**”), the SPA shall cease and terminate (other than those provisions of the SPA which are expressed to survive termination of this SPA) with immediate effect.

2.4 **Rationale for the Proposed Acquisition**

The Proposed Acquisition allows the Group to improve its financial performance and achieve profitability through the acquisition of the profitable Target Companies. The Proposed Acquisition also results in the contribution of new skill sets in die-casting and plastic injection moulding for the Group, enabling it to offer a more comprehensive value proposition to a broader customer base across a wider region.

The Company wishes to tap on the strong customer base of the Target Companies, resulting in synergy of the Target Companies’ businesses with the business of the Group. In addition, the Target Company has a business presence in Malacca, which is complementary to the locations in which the Group conducts its business.

2.5 **Relative Figures Under Chapter 10 of the Catalist Rules in Relation to the Proposed Acquisition**

Based on the latest announced and audited consolidated financial statements of the Group for FY2017 (the “**FY2017 Financial Statements**”), the relative figures computed in respect of the Proposed Acquisition on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule	Bases of computation	Size of relative figure (%)
1006(a)	The NAV of the assets to be disposed of, compared with the Group’s NAV. This basis is not applicable to an acquisition of assets.	Not Applicable ⁽¹⁾
1006(b)	The net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group’s net profits.	(5.5) ⁽³⁾
1006(c)	The 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.	63.2 ⁽⁴⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	41.1 ⁽⁵⁾
1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.	Not applicable ⁽⁶⁾

Notes:

- (1) Not applicable as this is not a disposal.
- (2) Net profits refer to profit before income tax, minority interests and exceptional items.
- (3) Based on the 12-month aggregated unaudited net profits attributable to the Target Companies as at 28 February 2018 of S\$296,000, divided by the Group's audited net loss for the financial year ended 31 December 2017 of S\$5,343,000.
- (4) Market capitalisation of the Company as at 6 April 2018 (based on the volume weighted average price of S\$0.001 per share of the Company on such date), being the last Market Day on which shares of the Company were traded on the SGX-ST prior to the date of signing of the SPA, is approximately S\$15,824,000.
- (5) Total number of Consideration Shares to be issued to the Vendor is 6,500,000,000, as compared to the total number of shares in Company's share capital of 15,824,126,058. The shareholding of the Vendor in the Company after Completion is approximately 29.12%.
- (6) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the basis set out in Rule(s) 1006 and (c) and (d) exceed 5% but is less than 75%, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

2.6 Financial Information and Financial Effects of the Proposed Acquisition

- 2.6.1 Based on the unaudited financial statements of each of the Target Companies, the aggregate NAV and NTA values of the Target Companies and after taking into account the Independent Valuation as at 28 February 2018 are the same as there are no intangible assets and is approximately S\$4.01 million.
- 2.6.2 The amount of S\$3.5 million, being the amount of the Consideration payable by the Company in cash to the Vendor, will be funded by the Company's internal resources. Part of the Consideration will be satisfied by way of issuing of Consideration Shares to the Vendor.
- 2.6.3 For illustration purposes only and based on the FY2017 Financial Statements, the financial effects of the Proposed Acquisition on the NTA per Share and LPS of the Company and the Group, as the case may be, are set out below. The *pro forma* financial effects analysis of the Proposed Acquisition have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the actual financial position of the Company and the Group immediately after completion of the Proposed Acquisition, and have been prepared based on the following key assumptions:
 - (a) for the purposes of computing the NTA per Share of the Company, assuming that the Proposed Acquisition had been completed on 31 December 2017, being the end of FY2017;
 - (b) for the purposes of computing the LPS of the Company, assuming that the Proposed Acquisition had been completed on 1 January 2017, being the beginning of FY2017; and
 - (c) the computation does not take into account any expenses that may be incurred in relation to the Proposed Acquisition.

2.6.4 NTA per Share

The illustrative financial effects of the Proposed Acquisition on the NTA per Share of the Group for FY2017 are as follows:-

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$'000) ⁽¹⁾	4,781	11,281
Number of issued Shares ⁽²⁾	15,824,126,058	22,324,126,058
NTA per Share (Singapore cents)	0.03	0.05

Notes:

- (1) NTA is derived from total tangible assets minus total liabilities.
- (2) Based on the existing share capital of the Company comprising 15,824,126,058 Shares as at 31 December 2017.

2.6.5 LPS

The illustrative financial effects of the Proposed Acquisition on the LPS of the Group for FY2017 are as follows:-

	Before the Proposed Acquisition	After the Proposed Acquisition
(Loss) attributable to Shareholders (S\$'000)	(5,529)	(5,314)
Weighted average number of Shares#	10,871,791,559	16,399,110,822
(Loss) per Share (cents)	(0.05)	(0.03)

The weighted average number of ordinary shares had been restated for the effects of the rights issue that was completed on 14 June 2017.

2.7 **Authority for Proposed Allotment and Issuance of Consideration Shares to the Vendor, Mr Seah Chong Hoe**

2.7.1 Pursuant to the SPA and subject to the terms and conditions stated therein, part of the Consideration of S\$6,500,000 will be satisfied by the allotment and issuance of Consideration Shares to the Vendor at an issue price of S\$0.001 for each Consideration Share.

2.7.2 Section 161 of the Companies Act requires the prior approval of the shareholders in general meeting to be obtained before the Directors may exercise any power of the company to issue shares and Rule 805(1) of the Catalist Rules stipulates that an issuer must obtain the prior approval of its Shareholders in general meeting for an issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer, except where the shares are issued pursuant to a general mandate obtained from Shareholders in general meeting. The Consideration Shares will not be issued to the Vendor pursuant to any general share issue mandate granted by Shareholders. Hence, the Company will be seeking separate specific approval of Shareholders for the allotment and issuance of the Consideration Shares, for purposes of Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules.

The Proposed Resolution to seek Shareholders' approval for the Proposed Issuance is set out in Resolution 1 in the Notice of EGM.

2.8 Proposed Transfer of Controlling Interest to the Vendor, Mr Seah Chong Hoe

2.8.1 Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a Controlling Interest without the prior approval of its shareholders in general meeting. Based on the Issue Price, the number of Consideration Shares to be issued to the Vendor on Completion is 6,500,000,000 ordinary Shares in the Company, representing approximately 41.08% of the existing issued and paid-up share capital of the Company of 15,824,126,058 Shares and will represent 29.12% of the enlarged issued and paid-up share capital of the Company of 22,324,126,058 Shares following Completion. Upon Completion and subsequent to the issuance of the Consideration Shares, assuming the Company does not otherwise issue any new Shares from the Latest Practicable Date up to Completion, the Vendor will become a Controlling Shareholder of the Company.

2.8.2 As the Proposed Issuance constitutes a transfer of a Controlling Interest in the Company to the Vendor, pursuant to Rule 803 of the Catalist Rules, the Company will be seeking the approval of Shareholders at the EGM for the Proposed Transfer of Controlling Interest.

The Proposed Resolution to seek Shareholders' approval for the Proposed Transfer of Controlling Interest is set out in Resolution 2 in the Notice of EGM.

2.8.3 Assuming the Company does not otherwise issue any new Shares from the Latest Practicable Date up to Completion, changes to the Substantial Shareholding of the Company would be as follows:

	<u>Before Completion</u>				<u>After Completion</u>			
	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Shares</u>	<u>%⁽¹⁾</u>	<u>No. of Shares</u>	<u>%⁽¹⁾</u>	<u>No. of Shares</u>	<u>%⁽²⁾</u>	<u>No. of Shares</u>	<u>%⁽²⁾</u>
ASTI	5,800,791,930	36.66	-	-	5,800,791,930	25.98	-	-
Dato' Michael Loh Soon Gnee	4,444,444,444	28.09	-	-	4,444,444,444	19.91	-	-
Seah Chong Hoe	-	-	-	-	6,500,000,000	29.12	-	-

Notes:

(1) The percentage shareholding is based on the total issued share capital of the Company of 15,824,126,058 Shares as at the Latest Practicable Date.

(2) The percentage shareholding is based on the enlarged share capital of the Company of 22,324,126,058 Shares on Completion, assuming the Company does not otherwise issue any new Shares from the Latest Practicable Date up to completion of the Proposed Acquisition.

Notwithstanding that the Vendor will hold a Controlling Interest in the Company after the Proposed Acquisition, the Proposed Acquisition will not result in a change in control of the Company, as the Vendor will not have the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company. Further, there will be no change to the Company's Board or management as a result of the Proposed Acquisition. Hence, the Proposed Acquisition does not amount to a reverse takeover under Chapter 10 of the Catalist Rules.

Prior to the Proposed Issuance of the Consideration Shares and the Proposed Transfer of Controlling Interest to the Vendor, the public float of the Company is approximately 35.25%. Following the Proposed Issuance of Consideration Share and the Proposed Transfer of Controlling Interest, the public float of the Company will be approximately 24.99%.

2.9 Interest of Directors and Substantial Shareholders

As at the Latest Practicable Date, save for:

- (a) the fact that Dato' Michael Loh Soon Gnee, who is a Director, Chief Executive Officer and Executive Chairman of the Company, is a Controlling Shareholder, director and executive chairman of ASTI;
- (b) the fact that Mr Mohd Sopiyan Bin Rashdi, an Independent Director, is also an independent director of ASTI; and
- (c) the shareholdings of the Directors and Substantial Shareholders as disclosed under Section 3.1 of this Circular,

none of the Directors or Substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, Proposed Issuance and Proposed Transfer of Controlling Interest.

2.10 Director's Service Contract

No director will be appointed to the Company in connection with the Proposed Acquisition.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 3.1 The details of the Directors' and Substantial Shareholders' interests in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	%	Number of Shares	% ⁽¹⁾
Directors						
Dato' Michael Loh Soon Gnee	4,444,444,444	28.09	-	-	4,444,444,444	28.09
Dato' Khor Gark Kim	-	-	-	-	-	-
Dr. Kenneth Yu Keung Yum	-	-	-	-	-	-
Mr Mohd Sopiyan Bin Mohd Rashdi	-	-	-	-	-	-
Dr. Tan Jok Tin	-	-	-	-	-	-
Substantial Shareholders						
ASTI	5,800,791,930	36.66	-	-	5,800,791,930	36.66
Dato' Michael Loh Soon Gnee ⁽²⁾	4,444,444,444	28.09	-	-	4,444,444,444	28.09

Notes:

- (1) The percentage shareholding is based on the total issued share capital of the Company of 15,824,126,058 Shares as at the Latest Practicable Date.
- (2) Notwithstanding that Dato' Michael Loh Soon Gnee holds 19.8% in ASTI, which in turn holds 36.66% in the Company, Dato' Michael Loh Soon Gnee is not deemed to be interested in the Shares through his shareholding interest in ASTI within the meaning of Section 7 of the Companies Act.

4. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, the terms, rationale and benefits of the Proposed Acquisition, the Directors believe that the Proposed Acquisition is in the interest of the Company and recommend unanimously that Shareholders vote in favour of the ordinary resolutions relating to the Proposed Resolutions as set out in the Notice of EGM. Shareholders are advised to read this Circular in its entirety, in particular the rationale for and the financial effects of the Proposed Resolution and for those who may require advice in the context of their specific investment, to consult their stockbroker, bank manager, solicitor, accountant or other professional adviser.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM are requested to complete and sign the proxy form attached to this Circular in accordance with the instructions printed thereon and return it to the Company's registered office at 25 Kallang Avenue #06-01 Kallang Basin Industrial Estate, Singapore 339416 as soon as possible and in any event so as to arrive at the Company's registered office not less than 48 hours before the time fixed for the holding of the EGM. The completion and return of the proxy form by a Shareholder will not preclude him from attending the EGM and voting in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 23 to 25 of this Circular, will be held at ASTI Conference Room, 25 Kallang Avenue #06-01 Kallang Basin Industrial Estate, Singapore 339416 on 24 September 2018 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the resolution(s) (with or without modifications) as set in the Notice Of EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 25 Kallang Avenue #06-01 Kallang Basin Industrial Estate, Singapore 339416 during normal business hours for three (3) Months from the date hereof:

- (i) the SPA;
- (ii) the annual report of the Company for FY2017; and
- (iii) the valuation report issued by the Independent Valuer in relation to the Property.

Yours faithfully

For and behalf of the Board of Directors of
ADVANCED SYSTEMS AUTOMATION LIMITED

Dato' Khor Gark Kim
Lead Independent Director

APPENDIX A

EXTRACT OF THE VALUATION REPORT ISSUED BY THE INDEPENDENT VALUER



Associate Member of CUSHMAN & WAKEFIELD

IVPS PROPERTY CONSULTANT SDN. BHD. (822703-M)
Level 13-3, Tower B, Jaya 99,
99, Jalan Tun Sri Lanang,
75100 Melaka, Malaysia.

Our Ref: VM/18142/OCBC/ss/cyy

26th February 2018

Tel : 606-226 8899
Fax : 606-226 1889
Email : valuationmk@ivpsmalaysia.com
Website : www.ivpsmalaysia.com

Yumei Technologies Sdn. Bhd.
KM 1181, Plot 73 – 77, Jalan Industri 21,
Kawasan Perindustrian Alor Gajah, Kelemak,
78000 Alor Gajah, Melaka.

(Attention: Ms. Serena Teo)

PRIVATE & CONFIDENTIAL

Dear Sirs,

CERTIFICATE OF VALUATION

CLIENT	Yumei Technologies Sdn. Bhd.	
PURPOSE	Internal Management	
PROPERTY TYPE	A single storey detached factory annexed with a single storey office building	
PROPERTY ADDRESS	No. KM 1181, Plot 73 – 77, Jalan Industri 21, Kawasan Perindustrian Alor Gajah, Kelemak, 78000 Alor Gajah, Melaka	
LEGAL DESCRIPTION	Title Nos. PM 2859, PM 2858, PM 2857, PM 2856 & PM 2855, Lot Nos. 7687, 7688, 7689, 7690 & 7691 respectively, all located within Mukim of Kelemak, District of Alor Gajah, State of Melaka	
TENURE	99-year leasehold interest expiring on 12 th August 2089	
CATEGORY OF LAND USE	Industrial	
EXPRESS CONDITION	'Untuk kegunaan perusahaan sahaja.'	
RESTRICTION-IN-INTEREST	'Tanah ini tidak boleh di pindahtanah, disewa atau dipajak kecuali dengan kebenaran Pihak Berkuasa Negeri. Sekatan kepentingan ini dikecualikan kepada Pembeli pertama.'	
REGISTERED PROPRIETOR	Yumei Reit Sdn Bhd	
SURVEYED LAND AREA	Lot Nos.	Surveyed Land Area
	Lot 7687	4,547 sq. metres (about 48,943 sq. feet)
	Lot 7688	2,547 sq. metres (about 27,416 sq. feet)
	Lot 7689	3,186 sq. metres (about 34,294 sq. feet)
	Lot 7690	3,233 sq. metres (about 34,800 sq. feet)
	Lot 7691	4,128 sq. metres (about 44,433 sq. feet)
	Total	17,641 sq. metres (about 189,886 sq. feet)

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• International Property Consultants • Registered Valuers • Real Estate Agents • Property & Facilities Managers

Kuala Lumpur (HQ) : Lot 3-2, Level 3, Wisma WIM, 7 Jalan Abang Haji Openg, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia.
Tel : 603-7728 4117 Fax : 603-7727 1448
Johor Branch : 34B, Jalan Indah 15/1, Taman Bukit Indah, 81200 Johor Bahru, Malaysia.
Tel : 607-239 5696 Fax : 607-239 5697

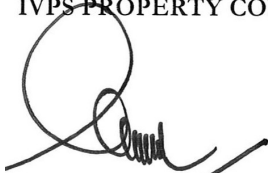
Board Reg. No. V(1)0044/2

Our Ref: VM/18142/OCBC/ss/cyy

26th February 2018

DATE OF INSPECTION	26 th February 2018
DATE OF VALUATION	26 th February 2018
LAND ZONING	Industrial
METHOD OF VALUATION	Cost Method In arriving at our opinion of value of the subject property, we have adopted the Cost Method of Valuation. This method involves the valuation of land by comparison with evidence of values of comparable land and adding to it the current replacement cost of the building less depreciation, if necessary. The current replacement cost involves the construction cost, financing charges, advertising charges, professional fees, other incidental expenses and developer's profit.
MARKET VALUE	RM7,500,000/- (Ringgit Malaysia: Seven Million and Five Hundred Thousand Only)
FORCED SALE VALUE	RM6,000,000/- (Ringgit Malaysia: Six Million Only)
RECOMMENDED FIRE INSURANCE VALUE FOR BUILDING	RM6,400,000/- (Ringgit Malaysia: Six Million and Four Hundred Thousand Only)

For and on behalf of
IVPS PROPERTY CONSULTANT SDN BHD



CHAH YAU YEE MRISM, MRICS
Chartered Valuation Surveyor
Registered Valuer V-779



ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198600740M)
(the “Company”)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “EGM”) of the Company will be held at ASTI Conference Room, 25 Kallang Avenue #06-01 Kallang Basin Industrial Estate, Singapore 339416 on 24 September 2018 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolutions:

RESOLUTION 1 - THE PROPOSED ISSUANCE AND ALLOTMENT OF 6,500,000,000 NEW ORDINARY SHARES TO THE VENDOR (AS DEFINED HEREIN) AS CONSIDERATION SHARES (AS DEFINED HEREIN) PURSUANT TO THE PROPOSED ACQUISITION (AS DEFINED HEREIN)

THAT:-

- (a) approval be and is hereby given to the issuance and allotment by the Company of up to 6,500,000,000 new ordinary shares in the Company to Mr Seah Chong Hoe (the “Vendor”), at the issue price of S\$0.001 for each Ordinary Share as part of the consideration (the “**Consideration Shares**”) for the proposed acquisition of the entire issued and paid-up share capital of (i) Yumei Technologies Sdn. Bhd., (ii) Yumei REIT Sdn. Bhd. and (iii) Pioneer Venture Pte. Ltd. by the Company from the Vendor (the “**Proposed Acquisition**”) pursuant to Section 161 of the Companies Act and Rule 805 of the Catalist Rules (the “**Proposed Issuance**”); and
- (b) the Company and any Director of the Company be and are hereby authorised and empowered to take all necessary steps, to do all such acts and things and sign all agreements, undertakings, documents and deeds as they may consider necessary, desirable or expedient to give effect to or carry into effect this resolution, and where the Company seal is required to be affixed to any agreement, undertaking, document and/or deed in connection therewith, the same shall be signed and the Company seal shall (where applicable) be affixed thereon in accordance with the articles of the Company.

RESOLUTION 2 – THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE VENDOR PURSUANT TO THE PROPOSED ISSUANCE OF CONSIDERATION SHARES

THAT: -

- (a) approval be and is hereby given to the transfer of controlling interest in the Company to the Vendor under Rule 803 of the Catalist Rules pursuant to the Proposed Issuance and allotment of Consideration Shares; and
- (b) the Company and any Director of the Company be and are hereby authorised and empowered to take all necessary steps, to do all such acts and things and sign all agreements, undertakings, documents and deeds as they may consider necessary, desirable or expedient to give effect to or carry into effect this resolution, and where the Company seal is required to be affixed to any agreement, undertaking, document and/or deed in connection therewith, the same shall be signed and the Company seal shall (where applicable) be affixed thereon in accordance with the articles of the Company.

By Order of the Board

Dato’ Michael Loh Soon Gnee
Executive Chairman & Chief Executive Officer
7 September 2018

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint no more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
3. If the member is a corporation, the instrument appointing a proxy or proxies must be under its common seal or the hand of its attorney or a duly authorised officer.
4. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM. A relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund (“CPF”) Board established by the Central Provident Fund Act, Chapter 36 of Singapore (“CPF Act”), in respect of shares purchased under the subsidiary legislation made under that CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. The instrument appointing a proxy or proxies must be deposited at 25 Kallang Avenue #06-01, Kallang Basin Industrial Estate, Singapore 339416, not less than forty-eight (48) hours before the time appointed for holding the EGM.
6. A Depositor shall not be regarded as a member entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register seventy-two (72) hours before the time appointed for holding the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited “SGX-ST”). The Sponsor has not independently verified the contents of this notice.

This notice has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Tay Sim Yee (Tel: (65) 6532 3829) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198600740M)

EXTRAORDINARY GENERAL MEETING PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy Advanced Systems Automation Limited's shares, the Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We _____ (name)

of _____ (address)

being a member/members of Advanced Systems Automation Limited (the "Company"), hereby appoint:

Name	NRIC / Passport No:	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC / Passport No:	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll at the EGM of the Company to be held at ASTI Conference Room, 25 Kallang Avenue #06-01, Kallang Basin Industrial Estate, Singapore 339416 on 24 September 2018 at 3.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the ordinary resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies may vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Ordinary Resolution	For	Against
1	To approve the Proposed Issuance		
2	To approve the Proposed Transfer of Controlling Interest		

Dated this _____ day of September 2018.



Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
4. The instrument appointing a proxy or proxies, together with the power of attorney, or other authority (if any) which is signed, or notarially certified copy thereof, **must be deposited at the registered office of the Company at 25 Kallang Avenue #06-01 Kallang Basin Industrial Estate, Singapore 339416** not less than 48 hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.