



ADVANCED SYSTEMS AUTOMATION LIMITED

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

AGREEMENT BETWEEN YUMEI TECHNOLOGY SDN BHD AND NAKAREG INTERNATIONAL COMPANY LIMITED

1. The Board of Directors (the “**Board**”) of Advanced Systems Automation Limited (“**Company**”, and together with its subsidiaries, collectively the “**Group**”) is pleased to announce that Yumei Technology Sdn Bhd (“**Yumei Technology**”), a wholly-owned subsidiary of the Company, has entered into an agreement with Nakareg International Company Limited (“**Nakareg**”) whereby Yumei Technology is appointed as the business partner of Nakareg to manufacture steel trailer wheels. (the “**Project**”).
2. The Project will be divided into 3 phases as follows:
 - a) Phase 1 : Powder coating process
 - b) Phase 2 : Pressing and Welding to powder coating process
 - c) Phase 3 : Full turnkey manufacturing (from raw material to powder coating process)

The total investment cost for the Project (“**Investment Cost**”) (including capital expenditure and working capital requirements) is expected to be RM 6.16 million (equivalent to approximately S\$2.04M based on an exchange rate of S\$1= RM3.02), which will be funded mainly through bank loans. The Project is expected to improve Yumei Technology’s overall manufacturing capabilities and allow it to offer a more comprehensive value proposition to a broader customer base across a wider region.

3. The full Project will require Yumei Technology to acquire metal stamping and welding capabilities, whilst the rest of the Project is part of Yumei Technology’s expertise and ordinary course of business. The Project is not expected to change the risk profile of the Group, due to the following:
 - a) the Project will not result in a change in control of the Company and no shares in the issued and paid-up capital of the Company will be issued for the Project;
 - b) the Project is expected to have a positive impact to Yumei Technology’s earnings, and the Investment Cost will be funded mainly through bank loans; and
 - c) the Project does not result in an expansion of the company’s business to a new business sector.
4. The Project is not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the current financial year ending 31 December 2019.
5. None of the Company’s directors, controlling shareholders and/or their respective associates has any interest, direct or indirect, in the Project.
6. Further details on the Project will be announced, as and when appropriate, in due course.

By Order of the Board

Dato' Michael Loh Soon Gnee
Executive Chairman & Chief Executive Officer
Advanced Systems Automation Limited
28 July 2019

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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 Tay Sim Yee (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542