ADVANCED SYSTEMS AUTOMATION LIMITED
(Company Registration Number: 198600740M)
(Incorporated in the Republic of Singapore on 10 April 1986)

PROPOSED DEBT-TO-EQUITY SWAP VIA ISSUANCE OF 555,555,555 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S$0.0036 PER SHARE

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1. INTRODUCTION

1.1 The board of directors (the "**Board**" or "**Directors**") of Advanced Systems Automation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the following announcements of the Company:

(a) announcement on 28 October 2023, in relation to the proposed issuance of 5.0% redeemable convertible notes in aggregate principal amount of up to S$2.0 million ("**RCN 1.0 Issuance**");

(b) announcement on 15 October 2025, in relation to the entry into the amended and restated subscription agreement ("**A&R Subscription Agreement**") for the proposed issuance of 5.0% redeemable convertible notes in aggregate principal amount of up to S$7.5 million, and the entry into a debt settlement agreement ("**Debt Settlement Agreement**") in relation to the outstanding redeemable convertible notes of S$2.3 million ("**Aggregate Debt**") pursuant to the RCN 1.0 Issuance ("**15 October 2025 Announcement**"); and

(c) announcement on 14 November 2025 in relation to (i) outcome of the listing and quotation notice application for the conversion shares to be issued upon conversion of the redeemable convertible notes pursuant to the A&R Subscription Agreement; (ii) entry into supplemental letter in relation to the A&R Subscription Agreement; and (iii) receipt of the letter agreement from Advance Opportunities Fund I ("**AOF I**") in relation to the Debt Settlement Agreement,

(collectively, the "**Previous Announcements**").

1.2 Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Previous Announcements.

1.3 The Board wishes to announce that the Company has, on 31 December 2025, entered into a conditional debt-to-equity swap agreement ("**Debt-Equity Swap Agreement**") with AOF I, pursuant to which AOF I agreed to subscribe for, and the Company agreed to allot and issue to AOF I, an aggregate of 555,555,555 new ordinary shares in the capital of the Company ("**Settlement Shares**") at an issue price of S$0.0036 ("**Effective Date**")[1] for each Settlement Share ("**Issue Price**") in full and final satisfaction of a debt of S$2.0 million owed by the Company to AOF I ("**Debt**"), on the terms and subject to the conditions of the Debt-Equity Swap Agreement ("**Proposed Debt-to-Equity Swap**").

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[1] The parties to the Debt-Equity Swap Agreement, being the Company and AOF I, (each a "**Party**" and collectively, the "**Parties**") have agreed that the Debt-Equity Swap Agreement and all the transactions contemplated therein shall be deemed to have taken effect on the Effective Date, being 19 December 2025.

1.4 The Settlement Shares represent approximately 33.36% of the Company's Existing Share Capital[2] as at the date of this announcement. Following the successful allotment and issuance of the Settlement Shares (and assuming no further allotment and issuance of new ordinary shares of the Company ("**Shares**")), the Settlement Shares will represent approximately 25.02% of the Company's Enlarged Share Capital[3].

1.5 As at the date of this announcement, AOF I holds 65 Shares[4] in the Company. Upon completion of the Proposed Debt-to-Equity Swap ("**Completion**"), AOF I will hold an aggregate of 555,555,620 Shares, representing approximately 25.02% of the Company's Enlarged Share Capital, thereby becoming a controlling shareholder (as defined in the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") of the Company.

1.6 The Settlement Shares will be issued under Section 272B of the Securities and Futures Act 2001 of Singapore. Accordingly, no prospectus, offer documents, or offer information statement will be issued by the Company in connection with the Proposed Debt-to-Equity Swap.

1.7 As at the date of this announcement, the Company owes AOF I the Aggregate Debt of S$2.3 million in principal amount pursuant to the Debt Settlement Agreement, as announced in the 15 October 2025 Announcement. Pursuant to the Debt-Equity Swap Agreement, the Company and AOF I have agreed that out of the Aggregate Debt, the Debt of S$2.0 million shall be settled by way of the Proposed Debt-to-Equity Swap as set out in this announcement.

1.8 No placement agent was appointed or is to be appointed for the Proposed Debt-to-Equity Swap and for the allotment and issuance of the Settlement Shares.

1.9 There are no share borrowing arrangements entered into to facilitate the Proposed Debt-to-Equity Swap.

2. THE PROPOSED DEBT-TO-EQUITY SWAP

2.1. Settlement Shares

2.1.1. In connection with the Proposed Debt-to-Equity Swap, the Company will seek specific approval from shareholders of the Company ("**Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") to be convened for the following:

(a) the allotment and issuance of the Settlement Shares pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**"), and Rule 805(1) of the Catalist Rules;

(b) the allotment and issuance of the Settlement Shares at the Issue Price (pursuant to Rule 811(3) of the Catalist Rules) to AOF I for the settlement of the Debt; and

(c) the transfer of controlling interest to AOF I arising from the Proposed Debt-to-Equity Swap pursuant to Rule 803 of the Catalist Rules ("**Transfer of Controlling Interest**").

Please refer to paragraph 7 below for more details on the Shareholders' approval to be sought at the EGM.

2.1.2. The Settlement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, including without limitation, any dividend, right, allotment

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[2] "**Existing Share Capital**" means the existing issued and paid-up share capital of the Company of 1,665,144,341 Shares as at the date of this announcement. The Company has no treasury shares or subsidiary holdings and 624,000,546 outstanding warrants. Save as disclosed, the Company has no other outstanding convertibles.

[3] "**Enlarged Share Capital**" means the enlarged issued and paid-up share capital of the Company of 2,220,699,896 Shares immediately after Completion, comprising the Existing Share Capital and the Settlement Shares.

[4] Representing approximately 0.0000039% of the Existing Share Capital.

or other distributions, the record date for which falls on or before the Settlement Date (as defined below).

2.1.3. There is no moratorium imposed on the Settlement Shares.

2.1.4. Further information on the Proposed Debt-to-Equity Swap will be provided in a circular to Shareholders ("**Circular**") to be issued by the Company in due course.

2.2. Issue Price

The Issue Price of S$0.0036 per Settlement Share represents:

(a) a discount of approximately 16.28% to the volume weighted average price ("**VWAP**") of the Company's Shares of S$0.0043 for trades done on the SGX-ST on 16 December 2025[5], being the last preceding full market day on which the Shares were traded before the Effective Date of the Debt-Equity Swap Agreement on 19 December 2025; and

(b) a discount of approximately 32.08% to the VWAP of the Company's Shares of S$0.0053 for trades done on the SGX-ST from 30 December 2025[6], being the preceding full market day on which the Debt-Equity Swap Agreement was signed, and up to 31 December 2025, being the last half-day market day on which the Debt-Equity Swap Agreement was signed and on which the Shares were traded.

The Issue Price was commercially agreed between the Company and AOF I on a willing-buyer, willing-seller basis after arm's length negotiations, and taking into account historical trading performance of the Company and prevailing market conditions. The discounts to the VWAP of the Company's Shares were negotiated and mutually agreed as part of the commercial terms of the Proposed Debt-to-Equity Swap.

2.3. Conditions Precedent

The completion of the Proposed Debt-to-Equity Swap is conditional upon:

(a) as of the Settlement Date, the trading of the Shares on the Catalist Board of the SGX-ST not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company), there being no notice or proposal for the delisting of the Company and the Shares not having been delisted from the Catalist Board of the SGX-ST;

(b) the receipt of an approval-in-principle from the SGX-ST for the admission to, listing of and quotation for and dealing of the Settlement Shares on the Catalist Board of the SGX-ST, and where such approval-in-principle is subject to conditions, such conditions being acceptable to the Company and AOF I; and to the extent that any such conditions are required to be fulfilled on or before the Settlement Date, they are so fulfilled, and such approvals remaining in full force and effect on the Settlement Date;

(c) the Company having obtained all Board approvals and specific Shareholders' approvals in respect of the allotment, issuance and subscription of the Settlement Shares, the Transfer of Controlling Interest in the Company and such approvals remaining in full force and effect on the Settlement Date;

(d) the Proposed Debt-to-Equity Swap and the allotment, issuance and placement of the Settlement Shares not being prohibited by any statute, order, rule, regulation or directive or request (whether or not having the force of law) promulgated or issued after the date of the Debt-Equity Swap Agreement by any legislative, executive or regulatory body or authority in Singapore, including the SGX-ST;

[5] Based on Bloomberg trading data. 16 December 2025 was the last trading day on which the Shares were traded before the Effective Date, as there was no trading of the Shares on 17, 18 and 19 December 2025.
[6] Based on Bloomberg trading data. The weighted average of the VWAPs for 30 December 2025 and 31 December 2025 is S$0.0053.

(e) all the representations and warranties of each Party under the Debt-Equity Swap Agreement being true and accurate in all material respects as of the date of the Debt-Equity Swap Agreement and as at the Settlement Date;

(f) each Party not being in breach of any undertakings in the Debt-Equity Swap Agreement as at the Settlement Date; and

(g) no prescribed occurrence of the following events in relation to the Company occurs: (i) any party resolving that the Company be wound up; (ii) the making of an order by a court of competent jurisdiction for the winding up of the Company; (iii) any legal proceedings or claims against the Company; (iv) the appointment of any assignee, receiver or liquidator for substantially all or part of the Company's assets; (v) the attachment, sequestration, execution or seizure of substantially all or part of its assets; and (vi) any material adverse change in the affairs of the Company.

2.4. Completion

2.4.1. Subject to the terms and conditions of the Debt-Equity Swap Agreement and in particular, the fulfilment of the conditions stipulated in paragraph 2.3 above, Completion shall take place within three (3) market days from the date on which the last condition precedent is satisfied, or such other date as the Parties may agree in writing ("**Settlement Date**").

2.4.2. Upon allotment and issuance of the Settlement Shares to AOF I, the aggregate Issue Price of the Settlement Shares shall be offset against the Debt, and the Debt shall be deemed fully extinguished on the Settlement Date.

2.4.3. If any of the conditions precedent set forth in paragraph 2.3 above is not satisfied by the long stop date of 31 March 2026, the Debt-Equity Swap Agreement shall *ipso facto* cease and determine thereafter and none of the Parties shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

2.5. Treatment of the Outstanding Debt

2.5.1. Following the Completion of the Proposed Debt-to-Equity Swap, the Company will continue to owe AOF I:

(a) the remaining principal amount of S$0.3 million of the Aggregate Debt ("**Balance Aggregate Debt**");

(b) accrued interest at the rate of 5% per annum ("**Interest Rate**") on the Aggregate Debt up to and including 31 December 2025, amounting to S$307,109.27 ("**Aggregate Debt Outstanding Interest**"); and

(c) interest at the Interest Rate shall accrue from 1 January 2026 onwards on both:

(i) the Balance Aggregate Debt; and

(ii) the Aggregate Debt Outstanding Interest.

(the "**Accruing Interest**"),

(collectively, the "**Outstanding Debt**").

2.5.2. Pursuant to the Debt-Equity Swap Agreement, the Parties have agreed that:

(a) the accrued interest on the Aggregate Debt shall continue to accrue up to and including 31 December 2025 and shall cease to accrue thereafter; and

(b) the Accruing Interest shall be payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December in each year and shall continue to accrue until the date of full settlement of the Outstanding Debt. Where any part of the Outstanding Debt is paid or satisfied, the Accruing Interest shall thereafter accrue only on the remaining portion of the Outstanding Debt.

2.5.3. The Outstanding Debt shall be settled in full by the Company, either in cash or in such form or manner (including the issuance of Shares) as may be agreed by AOF I. AOF I reserves the right, at its sole discretion, to demand payment of the Outstanding Debt at any time.

2.6. Additional Listing Application

The Company will be applying to the SGX-ST (through its sponsor) for the dealing in, listing of and quotation for the Settlement Shares on the Catalist Board of the SGX-ST and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

3. DETAILS OF AOF I

3.1. AOF I, being one of the subscribers of the RCN 1.0 Issuance and an existing Shareholder, is an open-ended fund incorporated as an exempted company with limited liability in the Cayman Islands. AOF I is structured as a regulated mutual fund for the purposes of the mutual funds law of the Cayman Islands and is registered with the Cayman Islands Monetary Authority. As AOF I is a collective investment scheme which offers its participating shares to accredited investors in Singapore, AOF I is registered as a restricted foreign scheme with the Monetary Authority of Singapore ("**MAS**").

3.2. The directors of AOF I are Mr. Tan Choon Wee ("**Mr. Tan**") and Mr. Lin Kuan Liang, Nicolas ("**Mr. Lin**"). Mr. Tan is also the sole management shareholder of AOF I.

3.3. AOF I has appointed SideEquity Capital Management Sdn. Bhd. ("**SCM**") to serve as the discretionary investment manager for all its investments. SCM is a holder of Capital Market Services Licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act of Malaysia to conduct regulated activity of fund management in relation to portfolio management (boutique).

3.4. AOF I is undertaking the Proposed Debt-to-Equity Swap to extinguish the Debt via the allotment and issuance of the Settlement Shares and for investment purposes. AOF I will not be holding the Settlement Shares in trust or as a nominee.

3.5. The Company confirms that none of its Directors has, to the best of their knowledge, any relationships/connections (including business relationships) with AOF I or AOF I's directors or AOF I's substantial shareholders, save for AOF I's shareholding interests in the Company. The Company confirms that, to the best of its knowledge, none of its substantial Shareholders has any relationships/connections (including business relationships) with AOF I or AOF I's directors or AOF I's substantial shareholders, save for AOF I's shareholding interests in the Company.

4. RATIONALE FOR THE PROPOSED DEBT-TO-EQUITY SWAP AND USE OF PROCEEDS

4.1. Rationale for the Proposed Debt-to-Equity Swap

The purpose of the Proposed Debt-to-Equity Swap is to enable the Company to settle the S$2.0 million of the Aggregate Debt owing to AOF I, thereby reducing the Company's liabilities by S$2.0 million and strengthening its balance sheet. This will improve the Group's financial position (particularly, its cash flow) and provide the Company with greater financial flexibility to pursue its business operations and growth strategies.

4.2. Use of Proceeds

As the Proposed Debt-to-Equity Swap is a non-cash transaction for the settlement of the Debt, there will be no cash proceeds arising from the Proposed Debt-to-Equity Swap.

5. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that, as of the date of this announcement, after taking into consideration the Group's present bank facilities, internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Debt-to-Equity Swap is being undertaken for purposes set out in paragraph 4.1 above.

6. FINANCIAL EFFECTS OF THE PROPOSED DEBT-TO-EQUITY SWAP

6.1. Illustrative Nature of Financial Effects

6.1.1. The financial effects of the Proposed Debt-to-Equity Swap on the Company's share capital, net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") of the Group have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2024.

6.1.2. The financial effects of the Proposed Debt-to-Equity Swap are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after Completion. The financial effects are prepared on the assumption that the expenses to be incurred in connection with the Proposed Debt-to-Equity Swap are not material and have been disregarded.

6.2. Share Capital

The table below illustrates the share capital of the Company as at the date of this Announcement and the effects of the Proposed Debt-to-Equity Swap on the share capital following the issuance of the Settlement Shares:

	Before the Proposed Debt-to-Equity Swap	**After the Proposed Debt-to-Equity Swap**
Number of Shares (excluding treasury shares)	1,665,144,341	2,220,699,896
Share capital (S$'000)	169,936	171,936

6.3. NTA per Share

Assuming that the Proposed Debt-to-Equity Swap had been effected on 31 December 2024 (being the end of the most recently completed financial year), the effects of the Proposed Debt-to-Equity Swap on the NTA per Share of the Group would be as follows:

As at 31 December 2024	**Before the Proposed Debt-to-Equity Swap**	**After the Proposed Debt-to-Equity Swap**
NTA attributable to Shareholders (S$'000)	(13,160)	(11,160)
Number of Shares ('000)	1,635,104	2,190,659
NTA per Share (Singapore cents)	(0.80)	(0.51)

6.4. LPS

Assuming that the Proposed Debt-to-Equity Swap had been effected on 1 January 2024 (being the beginning of the most recently completed financial year), the effects of the Proposed Debt-to-Equity Swap on the LPS of the Group would be as follows:

Financial year of 31 December 2024	Before the Proposed Debt-to-Equity Swap	After the Proposed Debt-to-Equity Swap
Loss attributable to Shareholders (S$'000)	(7,481)	(7,481)
Weighted average number of Shares ('000)	561,515	1,117,070
LPS (Singapore cents)	(1.33)	(0.67)

7. SHAREHOLDERS' APPROVAL UNDER CHAPTER 8 OF THE CATALIST RULES

7.1. Authority to issue the Settlement Share

(a) Issuance without general mandate

The allotment and issuance of the Settlement Shares to AOF I requires the approval of Shareholders under Rule 805(1) of the Catalist Rules as the Settlement Shares will not be issued under the Company's general share issue mandate pursuant to Rule 806 of the Catalist Rules.

(b) Transfer of Controlling Interest

The allotment and issuance of the Settlement Shares to AOF I requires the approval of the Shareholders under Rule 803 of the Catalist Rules as the Proposed Debt-to-Equity Swap will result in the Transfer of Controlling Interest to AOF I. Under the Catalist Rules, a controlling shareholder is a person who directly or indirectly holds 15% or more of the nominal amount of all voting shares in the Company, or a person who in fact exercises control over the Company.

As at the date of this announcement, the Proposed Debt-to-Equity Swap would increase AOF I's shareholding ownership in the Company to approximately 25.02% upon Completion. Accordingly, the Proposed Debt-to-Equity Swap would constitute a Transfer of Controlling Interest in the Company and is subject to the approval of the Shareholders for the purposes of Rule 803 of the Catalist Rules.

(c) Discount to Volume Weighted Average Price

The allotment and issuance of the Settlement Shares to AOF I requires the approval of the Shareholders under Rule 811(3) of the Catalist Rules as the Issue Price of the Settlement Shares under the Proposed Debt-to-Equity Swap is priced at more than 10% discount to the VWAP for trades done on the SGX-ST for the preceding market day up to the time the placement or subscription agreement is signed, if trading in the issuer's shares is not available for a full market day.

Accordingly, the Proposed Debt-to-Equity Swap is subject to approval from the Shareholders pursuant to Section 161 of the Companies Act, Rules 803, 805(1) and Rule 811(3) (to the extent applicable) of the Catalist Rules.

The Company will convene an EGM in due course to seek specific approval from the Shareholders for the (i) allotment and issuance of the Settlement Shares under Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules; (ii) allotment and issuance of the Settlement Shares at the Issue Price under Rule 811(3) of the Catalist Rules; and (iii) Transfer of Controlling Interest in the Company under Rule 803 of the Catalist Rules.

7.2. Abstention from Voting

AOF I and its associates shall abstain from exercising their voting rights in respect of all Shares owned by them and shall not accept appointments as proxies unless specific instructions as to

voting are given, in respect of the resolutions to approve the Proposed Debt-to-Equity Swap and the allotment and issuance of the Settlement Shares to AOF I.

7.3. Issue of Circular

The Circular containing, *inter alia*, further information on the Proposed Debt-to-Equity Swap and the notice to convene the EGM will be issued to Shareholders in due course.

8. NO ADJUSTMENTS TO THE OUTSTANDING WARRANTS ISSUED BY THE COMPANY

As announced by the Company on 19 December 2024, the Company completed a renounceable non-underwritten rights cum warrants issue exercise ("**Rights Cum Warrants Issue**"). As at the date of this announcement, there are 624,000,546 outstanding warrants ("**Outstanding Warrants**").

Pursuant to Condition 3.2(d) of the terms and conditions of the Outstanding Warrants which are set out in the Deed Poll dated 26 November 2024 governing the Outstanding Warrants and announced by the Company in its offer information statement dated 27 November 2024 in relation to the Rights Cum Warrants Issue, no adjustments are required to be made to the exercise price and the number of Outstanding Warrants held by each warrant holder following the issuance of the Settlement Shares under the Proposed Debt-to-Equity Swap.

Accordingly, no adjustments will be made to the existing Outstanding Warrants as a result of the issuance of the Settlement Shares pursuant to the Proposed Debt-Equity Swap.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this announcement, none of the Directors or, as far as the Directors are aware, the substantial Shareholders of the Company or their respective associates, have any interest, direct or indirect, in the Proposed Debt-to-Equity Swap.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Debt-Equity Swap Agreement is available for inspection during normal business hours at the registered office of the Company at 16 Kallang Place, #03-01/02, Singapore 339156, for a period of three (3) months commencing from the date of this announcement.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

12. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution in trading their Shares. The Proposed Debt-to-Equity Swap contemplated under and in connection with the Debt-Equity Swap Agreement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Debt-to-Equity Swap will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors of the Company are advised to read this announcement and any further

announcements by the Company carefully. Where in any doubt as to the action they should take, Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, financial, tax, legal or other professional advisers.

BY ORDER OF THE BOARD OF

ADVANCED SYSTEMS AUTOMATION LIMITED

NG FOONG HAN
Executive Director
8 January 2026

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*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.