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

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The board of directors (the "**Board**") of Advanced Systems Automation Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement on the unaudited condensed consolidated financial statements of the Group for the interim six months and full financial year ended 31 December 2024 ("**FY2024**") dated 1 March 2025 ("**Unaudited Financial Statements**"). Further reference is made to the audited consolidated financial statements of the Group for FY2024 ("**Audited Financial Statements**") and the report thereon by the Company's independent auditor ("**Independent Auditor's Report**") included in the Company's annual report for FY2024 ("**2024 Annual Report**") which was released separately on the SGXNet.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board wishes to highlight that subsequent to the release of the Unaudited Financial Statements, the Company has adopted certain adjustments in respect of the consolidated statements of financial position, consolidated statement of comprehensive income and consolidated cash flow statement in the Audited Financial Statements.

The material variances between the Audited Financial Statements and the Unaudited Financial Statements, and the explanations thereon, are set out as follows:

Consolidated Statement of Comprehensive Income for FY2024

	Audited Financial Statements S$'000	Unaudited Financial Statements S$'000	Variance S$'000	Notes
Revenue	17,094	17,365	(271)	1
Cost of sales	(12,407)	(12,606)	199	1
Gross profit	**4,687**	**4,759**	**(72)**	1
Other income	144	106	38	2
Selling and marketing costs	(476)	(476)	0	-
General and administrative costs	(8,725)	(8,944)	219	3
Other expenses, net	(1,712)	(254)	(1,458)	4
Finance costs, net	(965)	(906)	(59)	5
Loss before tax	**(7,047)**	**(5,715)**	**(1,332)**	
Income tax expense	(342)	(434)	92	6
Loss for the year	**(7,389)**	**(6,149)**	**(1,240)**	8

Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(120)	488	(608)	7
Total comprehensive loss for the year, attributable to owners of the Company	**(7,509)**	**(5,661)**	**(1,848)**	8
Loss per share (cents per share)				
Basic and diluted	(1.33)	(1.10)	(0.24)	8

Consolidated Statement of Financial Position for FY2024

	Audited Financial Statements S$'000	Unaudited Financial Statements S$'000	Variance S$'000	Notes
Assets				
Non-current assets				
Property, plant and equipment	6,495	6,810	(315)	9
Intangible assets	19,407	42,613	(23,206)	10
Right-of-use assets	853	535	318	9
	26,755	**49,958**	**(23,203)**	
Current assets				
Inventories	538	538	0	-
Trade and other receivables	3,925	7,242	(3,317)	11
Prepayments and advances	76	67	9	12
Cash and bank balances	4,737	4,737	0	-
Tax recoverable	123	123	0	-
	9,399	**12,707**	**(3,308)**	
LIABILITIES				
Current liabilities				
Other liabilities	2,009	2,029	(20)	13
Trade and other payables	20,614	11,829	8,785	14
Convertible notes	2,300	2,485	(185)	15
Contract liabilities	68	68	0	-
Income tax payable	135	135	0	-
Lease liabilities	36	152	(116)	16
Bank overdraft	745	745	0	-
Loans and borrowings	621	621	0	-
	26,528	**18,064**	**8,464**	
Net current liabilities	**(17,129)**	**(5,357)**	**(11,772)**	

	Audited Financial Statements S$'000	Unaudited Financial Statements S$'000	Variance S$'000	Notes
Non-current liabilities				
Trade and other payables	1,225	9,811	(8,586)	15
Lease liabilities	333	217	116	16
Loans and borrowings	1,046	1,046	0	-
Deferred tax liabilities	545	545	0	-
	3,149	**11,619**	**(8,470)**	
Net assets/ (liabilities)	**6,477**	**32,982**	**(26,505)**	
EQUITY				
Share capital	169,846	169,846	0	-
Foreign currency translation reserve	(1,170)	(562)	(608)	7
Other reserves	(2,136)	(2,136)	0	-
Accumulated losses	(160,293)	(159,053)	(1,240)	8
	6,247	**8,095**	(1,848)	
Non-controlling interests	230	24,887	(24,657)	17
Total equity	**6,477**	**32,982**	(26,505)	

Consolidated Statement of Cash Flows for FY2024

	Audited Financial Statements S$'000	Unaudited Financial Statements S$'000	Variance S$'000	Notes
Operating activities				
(Loss)/profit before income tax	(7,047)	(5,715)	(1,332)	
Adjustments for:				
Depreciation of property, plant and equipment	877	877	0	-
Depreciation of right-of-use assets	132	132	0	-
Gain on disposal of property, plant and equipment	(47)	(47)	0	-
Fair value (gain) / loss on convertible notes	(287)	98	(385)	15
Allowance for/(write-back of) trade receivables, net	1,701	(21)	1,722	4
Write-back of stock obsolescence	(4)	(4)	0	-
Interest income	(38)	(38)	0	-
Interest expense	982	848	134	5
Effect of unrealised exchange gain	470	470	0	-
Operating cash flows before changes in working capital	**(3,261)**	**(3,400)**	**139**	

	Audited Financial Statements S$'000	Unaudited Financial Statements S$'000	Variance S$'000	Notes
Changes in working capital:				
- Trade and other receivables and prepayment and advances	(6,466)	(6,341)	(125)	18
- Inventories	312	312	0	-
- Trade and other payables, contract liabilities and other liabilities	7,980	7,980	0	-
Cash flows generated from operations	**(1,435)**	**(1,449)**	14	
Interest received	38	38	0	-
Income tax paid	(304)	(304)	0	-
Net cash flows generated from operating activities	**(1,701)**	**(1,715)**	14	

Notes:

1. The decrease in revenue is due to the derecognition of sales booked immediately prior to the completion of the acquisition of LSO Organization Holdings Pte. Ltd. This in turn led to the variances for cost of sales and gross profit.

2. Other income increased due to reclassification of income items from expenses.

3. General and administrative expenses decreased due to derecognition of expenses of LSO Organization Holdings Pte. Ltd. and its subsidiaries ("**LSO Group**") incurred prior to the completion of the Company's acquisition of LSO Group.

4. Other expenses increased due to higher loss allowance on trade receivables due to lack of payment from certain customers experiencing poor business performance as disclosed in the Company's Response to SGX Queries dated 1 November 2025.

5. Finance costs increased due to reversal of prior inter-company elimination.

6. Income tax expense fell due to adjustments made to expenses not deductible for tax purposes.

7. Exchange differences on translating foreign operations decreased due to lower foreign currency assets from the LSO Group on balance sheet, following further assessment after the completion of the Company's acquisition of the LSO Group. Please refer to Note 18 on purchase price allocation.

8. As a result of the above variances, the Company's audited consolidated loss for the year, total comprehensive loss and loss per share increased.

9. Property, plant and equipment fell while right-of-use assets increased mainly due to reclassification between both balance sheet line items.

10. Intangible assets decreased due to lower goodwill recorded, which arose from the lower fair value of the share consideration paid for the acquisition of the LSO Group. As at the completion date of the acquisition, the share price of the Company was below the issue price of the shares issued as consideration for the acquisition of the LSO Group. Please refer to Note 17 for more information.

11. Trade and other receivables decreased due to higher loss allowance as explained in Note 4 above, and due to the elimination of S$2.0 million of bridging loan to the LSO Group following the completion of the Company's acquisition of the LSO Group.

12. Prepayments and advances increased due to prepayments made under the LSO Group, previously

classified under trade and other receivables.

13. Other liabilities decreased due to reclassification of expense claims to trade and other payables.

14. Trade and other payables increased mainly due to reclassification of amounts owing to ASTI Holdings Limited ("**ASTI**") from non-current to current liabilities following receipt of demand for repayment from ASTI.

15. Convertible notes decreased due to adjustments made to the fair value of the convertible notes.

16. Current lease liabilities decreased while non-current lease liabilities increased due to reclassification adjustments made between the current and non-current lease liabilities following a review.

17. As a result of the above variances, the net asset value and total equity of the Company, on a consolidated basis, decreased by S$26,505,000. The variance is in part due to the recognition of S$42,613,000 of goodwill in the Unaudited Financial Statements when the purchase price allocation ("**PPA**") exercise in respect of the acquisition of the LSO Group had not been completed as at the date of the announcement of the Unaudited Financial Results. The Company is currently reviewing the draft PPA report provided by the independent valuer and will provide further update once the PPA report is finalized.

18. Cash outflows from changes in working capital – trade and other receivables and prepayment and advances increased mainly due to adjustment to inter-company balances following review.

19. No material variance were noted between the Unaudited Financial Statements and the Audited Financial Statements for net cash flows used in investing activities and net cash flows generated from financing activities

Shareholders and potential investors of the Company are advised to read this announcement in conjunction with the Independent Auditor's Report and the Audited Financial Statements which will form part of the 2024 Annual Report, which is released separately on the SGXNet.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are advised to read this announcement and any further announcements by the Company carefully. When in doubt, shareholders and potential investors of the Company are advised to seek independent advice from their professional advisors before trading or making any investment decision in the Company's securities.

By Order of the Board
ADVANCED SYSTEMS AUTOMATION LIMITED

LING CHUNG YEE
Non-Executive Chairman
1 December 2025

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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 ("**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.