ADVANCED SYSTEMS AUTOMATION LIMITED

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

RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The board of directors (the "**Board**" or the "**Directors**") of Advanced Systems Automation Limited (the "**Company**") refers to the Company's announcement dated 9 June 2021 (the "**Announcement**") in relation to the proposed acquisition by the Company of 100% of the issued and paid-up share capital of Excelgames Interactive Asia Holdings Pte. Ltd. (the "**Target**") (the "**Proposed Acquisition**").

The Company sets out below its responses to queries from the SGX-ST on the Proposed Acquisition (the "**Responses**").

Unless otherwise defined herein, capitalized terms used in the Responses shall bear the same meaning ascribed to them in the Announcement.

<u>SGX Queries</u>

1. Please update on the status of the disposal of Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd., Yumei REIT Sdn. Bhd. and Pioneer Venture Pte. Ltd ("Existing Subsidiaries"). When is the disposal expected to complete?

Company's Response:

There is a slight delay to the completion of the Proposed Business Disposal due to some variations to one of the key terms of the sale and purchase agreement with respect to the Proposed Business Disposal. The Company will release further information upon confirmation of such variation. Barring any other unforeseen circumstances and subject to SGX-ST's approval, the Company is targeting to complete the Proposed Business Disposal by the third quarter for the financial year ending 31 December 2021.

2. The Target has a paid up capital of S$700K. The Target Group has a NAV of S$12.9m as at 31 Mar 2020. How was the Base Consideration of S$120 million determined if no valuation has been conducted yet?

Company's Response:

The Base Consideration was derived taking into consideration the average EV/EBITDA ratio of approximately 53.46 times for companies that are broadly engaged in a similar business as that of the Target Group. Reference was made to stock market information and results announced by such companies listed in United States, Japan and Hong Kong.

The Base Consideration of S$120 million has an implied EV/EBITDA ratio of not more than 18.5 times based on the EBITDA target of at least S$6.5 million for FY2021. Further, it is a condition precedent to completion of the RTO for the Target Group's valuation to be in excess of S$150 million based on an independent valuation to be performed by an independent valuer to be appointed in due course.

3. **One of the condition precedent states that (i) The Target Group must record an EBITDA of at least S$6.5 million for FY2021; and (ii) the Target Group valuation being in excess of S$150 million.**

   (a) **Does this mean that in the event the EBITDA of the Target Group falls below S$6.5 million for FY2021, and the valuation falls below S$150m, the RTO will not proceed?**

   Company's Response:

   In the event the condition precedent relating to the Target Valuation is not met, the Company and the Vendors (collectively, the "**Parties**") may consult in good faith for a period of 14 calendar days to find a solution acceptable to all Parties. In such a situation, one of the options available is for the Parties to accept a lower Target Valuation and adjust the Consideration accordingly. If no agreement is reached between the Parties, the SPA will automatically terminate.

   (b) **How were the EBITDA of S$6.5m and valuation of S$150m arrived at?**

   Company's Response:

   Please refer to the response in Question 2 above.

   (c) **Has the independent valuer been identified? If so, please name the valuer and provide the Board's assessment on experience and track record of the valuer. If not, please provide updates to shareholders upon such appointment.**

   Company's Response:

   The Company is currently in the midst of selecting an appropriate independent valuer to undertake the valuation of 100% equity interest in the Target Group. As requested, the Company will release an announcement upon appointment of the independent valuer.

4. **It is disclosed that the Target Group has NAV of S$12.9m as at 31 March 2020. Please provide details of the key assets and liabilities.**

   Company's Response:

   The key assets and liabilities of the Target Group as at 31 March 2020 are as follows:

Non-current assets	**S$**
Investment properties	2,123,010
Investment in associates	2,602,080
Current assets	
Inventories	10,962,909
Trade and other receivables	25,209,297
Prepayments and advances	2,721,860
Cash and cash equivalents	4,006,037
Current Liabilities	
Trade payables and accruals	20,469,002
Loans and borrowings	7,408,678
Amount due to director	5,688,765

5. **With reference to the Target Group's income statement, it is noted that the Target Group's revenue increased 200% (from S$38.9m in FY2019 to S$116.7m in FY2020).**

(a) **Please provide details on the Target Group's sources of revenue.**

Company's Response:

The Target Group's income is derived from the distribution of video gaming related products, physical and digital game product distribution, pokemon arcade hardware operator and game and toy offline and online reseller.

(b) **Please provide details on the Target Group's revenue recognition.**

Company's Response:

Revenue is recognized when the Target Group satisfies a performance obligation by transferring a promised good or service to the customer which is when the customer obtains control of the good or service.

(c) **What caused the significant increase in the Target Group's revenue by 200% in FY2020?**

Company's Response:

The increase was mainly due to the revenue contribution derived from its new investment in one of its Hong Kong entities which makes up 48% of the Target Group's revenue in FY2020.

(d) **Is the Target Group's financial statements for FY2021 (ended 31 Mar 2021) available?**

Company's Response:

The Target Group's financial statements (management accounts or audited financial statements) for FY2021 are currently not available.

(e) **Are audited financial statements of the Target Group available?**

Company's Response:

The Target Group's audited financial statements are currently not available. The Target Group's auditors RSM Chio Lim LLP is currently in the process of re-auditing the financial results for the past 3 years for the purposes of the Proposed Acquisition as the entities within the Target Group were previously audited by smaller audit firms.

6. **What is the Target Group's current EBITDA? What is the basis in arriving at the 3 tiers of Profit Targets (ie, EBITDA of S$8m or S$9m or S$10m for FY2022) for the purpose of determining Additional Consideration? How does this tie in with the EBITDA target of S$6.5 million for FY2021?**

Company's Response:

The Target Group's EBITDA for FY2020 is S$3,865,444. It is a condition precedent to Completion that the Target Group records an EBITDA of at least S$6.5 million for FY2021. The Additional Consideration based on the profit targets is an earn-out arrangement agreed between the Parties primarily to (1) balance the expectations of the Company and the Vendors in relation to the performance and valuation of the Target Group; (2) incentivise the Vendors to remain in the Target Group to grow the business; and (3) motivate the Vendors to achieve higher profits, which will benefit the Shareholders through a higher share price.

Each tier of the profit target is higher than S$6.5 million, as this is the minimum EBITDA for FY2021. The 3 tiers of profit targets were agreed between the Company and the Vendors having considered (1) the need for each profit target to be higher than S$6.5 million, and (2) that the profit targets and Additional Consideration should be scaled to motivate and incentivise the Vendors to spur the growth of the Target Group.

7. **The Implied Share Price to be used in determining the number of Consideration Shares and Additional Consideration Shares is computed based on the following formula, where A represents the Based Consideration and Introducer Fee; B means 76.32%; and C represents the number of shares in the enlarged share capital.**

   (a) Please explain the basis for adopting the above formula?

   Company's Response:

   The Parties have agreed that the Base Consideration of the Target Group shall be S$120 million, which will be satisfied by a cash consideration of S$6 million and the issuance of consideration shares where Vendors shall hold 72.5% of the Enlarged Share Capital of the Company immediately after Completion of the Proposed Acquisition. The Introducer Fee of S$6 million will accordingly translate to 3.82% of the Enlarged Share Capital, since S$114 million represents 72.5% of the Enlarged Share Capital. Accordingly, the aggregate Base Consideration Shares of S$114 million and Introducer Shares of S$6 million represents 76.32% of the Enlarged Share Capital. This Implied Issue Price formula is thus formulated to achieve the commercial agreement between the Parties where shareholding of the Vendors shall be 72.5% of the Enlarged Share Capital which will be supported by an independent Target Valuation in excess of S$150 million.

(b) The Implied Issue Price seems to be derived based on the agreement between the Company and the Vendor that the Base Consideration of S$120m shall represent 72.5% of the Enlarged Share Capital, instead of considering the valuation of assets over total number of shares just before completion (with a view to meeting the issue price of at least S$0.20 under Catalist Rule 429 / S$0.50 under Mainboard Rule 241). What is the financial advisor's (CEL Impetus) view on whether the approach taken by the Company is common / normal market practice.

Company's Response:

The common practice of considering asset value over the total number of existing shares is not feasible in this transaction as the Company needs to undertake Purchaser Fundraising to raise up to S$16.85 million no later than 45 Business Days after the date of the SPA (please see paragraph 4.8 of the Announcement), which is expected to cause the existing number of Shares to change significantly. The formula thus allows the Company to complete the Purchaser Fundraising and then calculate the Implied Issue Price by taking into consideration the enlarged number of shares after the Purchaser Fundraising, which reflects the commercial agreement between the Parties that the Vendors will control 72.5% of the Enlarged Share Capital of the Company immediately after the Completion of the Proposed Acquisition.

The Financial Advisor has noted that the approach taken by the Company is uncommon. The Financial Advisor has accordingly highlighted this observation and was given to understand that the Implied Issue Price can only be crystallized after the Purchaser Fundraising. The Company also indicated that upon the completion of the Purchaser Fundraising and when the issue price can be determined, it will make the relevant announcement(s). Under the circumstances, the arrangement appears to be the best option available in order for the Company to raise necessary funds. The Financial Advisor also noted that the formula gives the Company an implied valuation of S$37.23 million (on the basis of post-disposal of existing business and with cash to satisfy the Minimum Cash Requirement), which is significantly higher than its market capitalization of S$22.3 million prior to the Announcement, which comprises its existing core business to be disposed. In other words, the formula gives the Company a valuation of S$37.23 million on a post-disposal of existing business basis and with cash to satisfy the Minimum Cash Requirement prior to the Completion of the Proposed Acquisition. The Financial Advisor further noted the Vendors' shareholding of 72.5% of the Enlarged Share Capital will be safeguarded by the Condition Precedent in the SPA which requires the Target Valuation to be in excess of S$150 million.

(c) Is this a widely-used benchmark for such deals?

Company's Response:

As noted in the response to Question 7(b) above, the approach is uncommon. However, considering the valuation of the Company (on a post-disposal of core business basis) is significantly higher than the Company's market capitalization prior to the Announcement, Parties have commercially agreed to proceed with the transaction.

8. (a) **What is the basis for structuring the total number of Base Consideration Shares to be issued to the Vendors to be at least 72.5% of the Enlarged Share Capital?**

Company's Response:

The Parties had commercially agreed that the valuation of the Company (on the basis that disposal of its existing business has taken place and with cash to meet the Minimum Cash Requirement) shall be S$37.23 million, which translates to the Vendors controlling 72.5% of the Enlarged Share Capital of the Company after the Purchaser Fundraising.

(b) **Does this imply that post-RTO, the Vendors will hold at least 72.5% interest in the Enlarged Group?**

Company's Response:

Immediately after the Proposed Acquisition, the Vendors will in aggregate hold 72.5% interest of the Enlarged Share Capital of the Company. However, they will be further diluted depending on the size of the Post-Completion Placement and the Proposed Bonus Warrants Issue (if any) to be undertaken by the Company.

(c) **Please provide a table of the shareholding interest of the existing substantial shareholders, the Vendors, the Introducer and the public before and after each milestone: First Share Consolidation / Bonus Warrant Share Consolidation, Issue of redeemable convertible notes, RTO share consolidation, issue of vendor and introducer shares.**

Company's Response:

To avoid confusing Shareholders with hypothetical issue price and consolidation ratios at this stage, the Company will provide the requested shareholding distribution table when it announces the finalised issue price and RTO Share Consolidation ratio upon the completion of the Purchaser Fundraising.

9. **What is the rationale for the "Minimum Cash Requirement" condition, which requires the Company to have a cash balance of not less than S$10m before the completion of RTO? As a result of this requirement, the Company would need to raise funds even though there is no certainty that the RTO will be completed. Please provide the Board's views on how this is in the best interest of the Company and its shareholders.**

Company's Response:

The Minimum Cash Requirement was agreed between the Parties as a result of arms-length commercial negotiations. The purpose of the Minimum Cash Requirement is to ensure that upon the Completion of the Proposed Acquisition, the Target Group would have immediate and ready access to funds to accelerate its growth.

In the event the funds are successfully raised and the Proposed Acquisition is not completed, the cash will remain in the Company and the Company can explore other opportunities. In view of the considerations set out in paragraph 2 of the Announcement (including in particular, the Company ceasing to hold any operating business upon completion of the Proposed Business Disposal), the Board is of the view that the Proposed Acquisition is beneficial to and is in the best interests of the Company and its Shareholders.

It is not uncommon for RTO transactions to have a "minimum cash requirement" condition as can be seen from the following precedents:

- SHC Capital Asia Limited: https://links.sgx.com/FileOpen/ReverseTakeoverTransaction_24Oct2016.ashx?App=Announcement&FileID=425873

- LH Group Limited: https://links.sgx.com/FileOpen/160303.Announcement_Term%20Sheet.ashx?App=Announcement&FileID=392539

10. Under the terms of the SPA, the Company undertakes to raise not more than S$16.85 million prior to completion of the RTO.

(a) How does this S$16.85 million reconcile with the Minimum Cash Requirement of S$10m?

Company's Response:

Please see below response for Question 10(b).

(b) The Company intends to utilise this S$16.85m proceeds for (i) partial payment of Consideration; (ii) Proposed S$2m Loan to the Target; (iii) meet the Minimum Cash Requirement; and (iv) Transactional Costs. Please provide breakdown of these 4 categories. At which point in time would each of these payment be required? Why is there a need to raise funds now? How would shareholders be able to vote on the fundraising exercise when there is no certainty that the RTO will be completed?

Company's Response:

The proceeds of S$16.85 million is intended to be utilised for:

(i) Payment of the cash portion of the Base Consideration, being S$6 million; and

(ii) Satisfaction of the Minimum Cash Requirement, whereby the Company shall have a cash balance of not less than S$10 million, before deducting (i) the Transactional Costs and (ii) the Proposed Loan of S$2 million (i.e. the Proposed Loan is part of the S$10 million amount).

Based on the above, the cash that needs to be raised by the Company is S$16 million. The remaining S$0.85 million is intended to be utilised for transaction expenses and other costs that the Company may incur.

The payments / requirements are to be satisfied as follows:

A. **Payment of cash component of Base Consideration.** As disclosed in paragraph 4.2(a) of the Announcement, the cash component of the Base Consideration is payable on Completion.

B. **Proposed Loan.** As disclosed in paragraph 5.4 of the Announcement, the Proposed Loan is to be disbursed on or before the date falling 3 months from the date of the SPA.

C. **Minimum Cash Requirement.** As disclosed in paragraph 4.6(f) of the Announcement, the Minimum Cash Requirement is to be satisfied prior to and as at completion of the Post-Completion Placement.

D. **Transactional Costs.** The Transactional Costs are payable based on the progress of the RTO in accordance with the terms agreed between the Company and its professionals advising on the RTO.

There is a need to raise the funds prior to Completion of the Proposed Acquisition because (1) satisfaction of the Minimum Cash Requirement is a condition precedent, and (2) the Company will require the cash to pay the cash portion of the Base Consideration. In the event the funds are successfully raised and the RTO is not completed, the cash will remain in the Company and the Company will continue to explore other opportunities.

(c) (i) What is the rationale for the Company to raise funds for the purpose of providing a proposed $2m loan to the Target?

(ii) It is disclosed that the Proposed Loan will be used to provide working capital to the Target Group for its expansion. In the same announcement, it is also stated that the Target Group is profitable, generated revenue of S$116.7m in FY2020 and has NAV of S$12.9m. Please explain why it is necessary for ASA to provide a loan to the Target when the Target Group is seemingly in a better financial position (based on its unaudited management accounts) and moreover, ASA has not even commenced due diligence on the Target.

(iii) Why is the Board of the view that it is in the interest of ASA and its shareholders to undertake fund raising for the purpose of funding the Target? Please provide detailed justifications / bases.

Company's Response:

The nature of the Target Group's business, including the distribution of video gaming related products, requires a significant amount of working capital. The Target Group has been relying on its past accumulated retained earnings, borrowings from banks and loans from the directors to sustain and expand the current business. The purpose of the Proposed Loan is to provide additional working capital to the Target Group for them to further expand their business, which will eventually benefit the Company's Shareholders following Completion of the Proposed Acquisition.

In the discussions with the Parties on the terms of the SPA, the Vendors have indicated that they would require funds to undertake activities to grow the business. As such, the Company agreed to provide the Proposed Loan as part of the overall transaction. The Board is of the view that the Proposed Loan should be considered in totality with the acquisition of the Target Group, and on this basis, is of the view that the Proposed Acquisition (including the Proposed Loan) is beneficial to and is in the best interests of the Company and its Shareholders. The Purchaser Fundraising is also part of the overall terms agreed between the Parties, and is undertaken not just for the Proposed Loan but also in preparation to satisfy the cash component of the Base Consideration of the Proposed Acquisition as well as the Minimum Cash Requirement.

The Company notes that the definitive agreement for the Proposed Loan has not been entered into, and in any case will be entered into on an arms-length basis. The Company will perform a risk assessment of the Target Group concurrently with negotiations with the Vendors on the terms of the Proposed Loan. As stated in paragraph 5.4 of the Announcement, the Proposed Loan is to be disbursed on or before the date falling 3 months from the date of the SPA, at which point the Company expects to have performed preliminary due diligence on the Target Group, and the audited financial statements and indicative valuation are expected to be available, before the loan is disbursed to the Target. If the Target Valuation is not in excess of S$150 million or any material issues are uncovered from the due diligence or audit investigations on the Target Group, and the Parties fail to reach an agreement after consulting in good faith for a period of 14 calendar days to find a solution acceptable to all Parties, the Proposed Acquisition will not proceed and the Proposed Loan will not be disbursed.

(d) How will the funds raised be safeguarded?

Company's Response:

The Company intends to place the funds raised in an escrow account.

Further, the Company notes that it will be considered a cash company upon completion of the Proposed Business Disposal, pursuant to Rule 1017(1)(a) of the Catalist Rules. Accordingly, upon completion of the Proposed Business Disposal, 90% of the Company's cash and short-dated securities will be placed in an escrow account. Withdrawal of any such funds will be subject to the approval of SGX-ST.

(e) What will happen to the funds raised in the event the RTO does not complete?

Company's Response:

In the event the funds are successfully raised and the RTO is not completed, the cash will remain in the Company and the Company will continue to explore other opportunities.

(f) Please provide the financial advisor's (CEL Impetus) view on whether such fund raising , proposed loan to Target, Minimum Cash Requirement is common / normal market practice? Please explain.

Company's Response:

It is not uncommon for a purchaser to extend a loan to a target company as can be seen in the following precedents:

- E2-Capital Holdings Limited: https://links.sgx.com/FileOpen/E2-Blue%20Sky%20SPA%20Announcement.ashx?App=ArchiveAnnouncement&FileID=315136
- Memstar Technology Limited: https://links.sgx.com/FileOpen/MS-3rdSupplementaryAgmt.ashx?App=Announcement&FileID=361627

Please refer to Question 9 above for RTO transactions with a "minimum cash requirement". The need for fund raising depends on the terms agreed by the parties as well as available cash in the company in each case. In this case, the Minimum Cash Requirement, which is not uncommon, necessitates the need for fund raising.

11. **In relation to the Fundraising exercise to raise S$16.85m:**

(a) **Has the Company entered into agreements with Advance Opportunities Fund, Advance Opportunities Fund 1 and / or its group of funds, to raise funds via the issuance of convertible debt instruments? What are the key terms of the fund raising exercise? What other funding options did the Board consider?**

Company's Response:

The Company has not entered into definitive binding agreements in relation to the Purchaser Fundraising. However, the Company has entered into a non-binding indicative term sheet with Advance Opportunities Fund, whereby certain key terms of the fundraising exercise have been agreed in-principle. These key terms are set out in paragraph 4.8 of the Announcement.

The other funding options considered by the Board include fundraising by way of rights issues, share placements and the disposal of subsidiaries.

(b) **Why did the Board decide on raising funds via issuance of convertible securities which is highly dilutive and with potentially downward pressure on share price. How does this help the Company to meet the requirements of issue price of $0.20 or $0.50 for RTO on Catalist and Mainboard respectively? Why is this in the best interest of the Company and its shareholders?**

Company's Response:

The Purchaser Fundraising is not intended to help the Company satisfy the requirements in relation to issue price under the listing rules. Instead, the intention of the fundraising exercise is to satisfy the Minimum Cash Requirement and to pay the cash portion of the Base Consideration.

As disclosed in paragraph 4.8 of the Announcement, it is intended for the Purchaser Fundraising to be subject to a floor conversion price and maximum number of shares issuable. The combination of these limitations are intended to reduce and limit the level of dilution and downward pressure on the Company's share price.

For the avoidance of doubt, the Company is currently still negotiating with Advance Opportunities Fund on the terms of the definitive agreement in relation to the Purchaser Fundraising. As such, the Company will assess whether the terms are in the best interests of the Company and its Shareholders when such terms are finalised. The Company will also provide its view and rationale in the Company's announcement relating to the same.

12. **Considering that such share consolidation exercise and fund-raising exercise will massively dilute some of the minority shareholders' shareholding, please provide a shareholding distribution table to show how shareholders will be diluted in the event all the share consolidation and fund raising exercises are carried out.**

Company's Response:

To avoid confusing Shareholders at this stage, the Company will provide the requested shareholding distribution table in its announcement with respect to the Purchaser Fundraising, when the definitive binding agreement relating to the Purchaser Fundraising has been entered into with Advance Opportunities Fund.

13. The Introducer being Structured Capital Solutions will be paid introducer fees of S$6m (being 5% of the base consideration S$120 million).

(a) Is this within the market norm for introducer fees?

Company's Response:

The introducer fee was negotiated between the Introducer and the Company, for the services provided and to be provided by the Introducer in facilitating the consummation of the Proposed Acquisition. Based on precedent RTO transactions, 5% is also in line with the market range in respect of introducers' fees.

(b) Please provide details on Structured Capital, Brandon Chong and Ong Li Shian.

Company's Response:

The Introducer, Structured Capital Solutions Inc, is an investment holding company incorporated in the British Virgin Islands. As stated in paragraph 5.3 of the Announcement, Brandon Chong and Ong Lee Shian each hold a 50% shareholding interest in the Introducer. Brandon Chong and Ong Lee Shian are also the directors of the Introducer.

Brandon Chong is a professional accountant with 20 years' experience in corporate management and professional services, while Ong Lee Shian was formerly a banker.

(c) Are the directors Brandon Chong and Ong Li Shian related, directly or indirectly, with the Company's directors and controlling shareholders and their associates, the Vendors and Advance Opportunities Fund, Advance Opportunities Fund 1 and/or its group of funds through its respective nominated managers?

Company's Response:

Brandon Chong and Ong Lee Shian are not related, directly or indirectly, to the Company's directors and controlling shareholders and their associates, the Vendors and Advance Opportunities Fund, Advance Opportunities Fund 1 and/or its group of funds through its respective nominated managers.

14. Condition precedent (g) requires, amongst others, that the Company enters into an agreement with Mr Seah Chong Hoe and Dato' Michael Loh Soon Gnee ("Undertaking Shareholders") whereby the Company shall assign its rights to receive $5.8m to the Undertaking Shareholders (the "Assignment"), and in turn the Undertaking Shareholders shall waive all loans / indebtedness (expected to be S$3.9m as at 30 Nov 2021) owing by the Company to them. What is the rationale of this arrangement? Why is the Company prepared to accept this given that the amounts owning by the Company to the Undertaking Shareholders is less than the Assignment amount assigned by the Company to the Undertaking Shareholders?

Company's Response:

The rationale of the arrangement and the reasons why the Company is prepared to accept the arrangement are as follows:

(a) the Assignment is in respect of deferred consideration that will be paid over the period from the date of completion of the Proposed Business Disposal until November 2023. As such, the Company is willing to ascribe a discount on this amount in view of the risk of default;

(b) the arrangement reduces the pressure on the Company's cash flow; and

(c) the arrangement ensures that the loans/indebtedness of the Undertaking Shareholders will be settled and will not impact satisfaction of the Zero Liability Requirement.

15. Please set out the key milestones and an indicative timeline for key events in relation to the proposed RTO from now till completion of the proposed RTO, including but not limited to the First Share Consolidation / Bonus Warrant Share Consolidation, Issue of redeemable convertible notes, RTO share consolidation, issue of vendor and introducer shares, completion of RTO.

Company's Response:

Please see the following indicative timeline leading to submission of the Circular:

	Event	**Indicative Timeline**
1.	Sign and announce SPA	Week beginning 7 June 2021
2.	Appointment of Valuer, IFA and other professionals	Between 14 June 2021 and 25 June 2021
3.	Preparation of Circular	June 2021 to September 2021
4.	Audit and preparation of MD&A	June 2021 to September 2021
5.	Completion of due diligence	September 2021
6.	Submission of RTO application	4Q 2021
7.	Completion of RTO	1Q 2022

The Company will provide further details, including the indicative timeline, on the Proposed Bonus Warrants Issue, Bonus Warrants Share Consolidation and the Purchaser Fundraising in the announcement(s) relating to the same.

16. The Company has appointed CEL Impetus Corporate Finance Pte. Ltd. as its financial adviser in respect of the Proposed Acquisition. Whilst the Company and Vendors have not decided whether to remain on Catalist or undertake a transfer to the Mainboard upon completion of the proposed RTO, the Company is currently a Catalist issuer and will need to comply with requirements of the Catalist Rules. Pursuant to Catalist Rule 1015 and Practice Note 7D, a Full Sponsor is requirement to advise on a RTO, and a sponsor is required to advise on transfer of a Catalist issuer to the Mainboard. Please advise who will be the full sponsor for the proposed RTO.

Company's Response:

The Company is aware of the need to have a Full Sponsor to undertake the RTO and is in the process of appointing a Full Sponsor to be a joint-financial adviser. The Company will make the relevant announcement once the appointment is finalized.

17. Has the Company appointed professionals to advise on the proposed RTO? Please name the professionals. Who has been advising ASA on the proposed RTO and the structuring of the transaction?

Company's Response:

The Company has appointed ZICO Insights Law LLC to assist with the RTO transaction documentation. The Company has appointed CEL Impetus Corporate Finance Pte Ltd as its financial adviser to the RTO and is in the process of appointing another joint-financial adviser who is a Full Sponsor to assist with the RTO preparation.

The terms and structure of the RTO were negotiated directly between the Company and the Vendors and were broadly finalized by the time professionals were engaged to assist on the transaction documentation.

By Order of the Board
ADVANCED SYSTEMS AUTOMATION LIMITED

Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi
Chairman
Advanced Systems Automation Limited
Dated: 14 June 2021

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