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

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS ("AUDITED FINANCIAL STATEMENTS") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025") AND MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR FY2025

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1. INTRODUCTION

1.1 Pursuant to Rule 704(4) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules"), the Board of Directors (the "Board") of Advanced Systems Automation Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that the Company's independent external auditor, CLA Global TS Public Accounting Corporation ("CLA"), had issued a disclaimer of opinion (the "Disclaimer of Opinion") in their independent auditor's report dated 25 August 2026 (the "Independent Auditor's Report 2025") on the Audited Financial Statements for FY2025.

1.2 The bases for the Disclaimer of Opinion are in relation to (i) the consolidation adjustments recorded in the consolidated financial statements of the Group, and (ii) the use of the Group's going concern assumption.

1.3 The Board has carefully reviewed and considered the independent auditor's report, which includes a Disclaimer of Opinion on the audited financial statements for FY2025. The Board takes the matters raised by the auditor very seriously and is actively taking steps to address the underlying issues to ensure full transparency and compliance moving forward. The Board wishes to clarify that the disclaimer of opinion reflects an absence of sufficient evidence rather than a definitive adverse finding regarding the accuracy or integrity of the financial records. Pursuant to paragraph 3A of Appendix 7C of the Catalist Rules, the Board wishes to respond to the key bases for the disclaimer of opinion and the efforts being taken to resolve each outstanding audit issue, as the case may be.

1.4 Pursuant to Rule 704(5) of the Catalist Rules, the Board also wishes to announce the material variances between the Audited Financial Statements for FY2025 and the unaudited condensed consolidated financial statements of the Group for the interim six months and full financial year for FY2025 dated 6 March 2025 ("Unaudited Results"). The details of the material variances are set out in Appendix A as annexed hereto.

1.5 A copy of the Independent Auditor's Report 2025, extracts of Note 2.1 and other relevant sections of the Notes to the Audited Financial Statements in relation to the Disclaimer of Opinion are appended to this announcement. Shareholders of the Company ("Shareholders") are advised to read this announcement in conjunction with the Independent Auditor's Report and the Audited Financial Statements. The annual report of the Group for FY2025, which will contain the

Independent Auditor's Report 2025 and the Audited Financial Statements, will be released in its entirety on SGXNET in due course.

1.6 The Board is of the view that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirms that all material information in relation to the Group has been duly made public.

The Board bases its assessment on the following:

- Comprehensive disclosure of material facts: The Company ensures prompt, transparent disclosures via SGXNet regarding major corporate updates, unaudited financial statements, transactional activities (such as warrants conversion and charges in shareholdings interests, etc.), and operational developments. The delay in completing the FY2025 audit — and consequently in releasing the FY2025 audited results and the 1Q2026/HY2026 unaudited results, given that the FY2025 closing balance affects the FY2026 opening balance — arose from the additional time required to recover and substantiate supporting financial documentation for FY2024 and FY2025, rather than from any decision to withhold information. Notwithstanding this delay, the Board is satisfied that all material information concerning the financial position of the Group has continued to be disclosed to shareholders through the Company's other SGXNet announcements issued during the intervening period.
- Effect of the delay on comprehensiveness of disclosure: The Board has specifically considered whether the delay in releasing audited and interim results has impaired the comprehensiveness of disclosure to Shareholders, and is of the view that it has not, for the following reasons: (i) the delay arises from a discrete and disclosed cause — the additional time required to complete the FY2025 audit — rather than from the suppression of adverse information; (ii) the Company has kept Shareholders informed of the reasons for, and progress of, the delay through successive SGXNet announcements, including its extension-of-time application, SGX RegCo's rejection of that application, and revised indicative timelines; and (iii) material developments arising during the delay period — including the settlement with ASTI Holdings Limited, the statutory demand from Zico Capital Pte Ltd statutory demand, the proposed debt-to-equity settlement agreements and the disposal of the LSO Group — have been separately announced as they arose, rather than held back pending completion of the audit. The Board therefore does not consider that the delay, of itself, has resulted in Shareholders being deprived of material information necessary to trade in the Company's Shares on an informed basis.
- No undisclosed material information: The Board affirms that it is not aware of any undisclosed material information or developments that would necessitate withholding or require a trading halt to prevent a false market.
- Operational and financial continuity: Where specific queries or extraordinary events have arisen, the Board carefully evaluates their financial impact. If an event is assessed not to have a material adverse impact on the Group's overall financial position — and the Group continues to operate in the ordinary course of business — the Board determines that investors possess adequate context to evaluate the stock.

2. BASES FOR DISCLAIMER OF OPINION

<u>On Page 4 of the Independent Auditor's Report 2025, the bases for the disclaimer of opinion were stated as:</u>

(i) **<u>Inability to obtain sufficient appropriate audit evidence over the consolidated financial statements of the Group</u>**

<u>CLA's Disclaimer of Opinion:</u>

"As at the date of this report, management was unable to provide sufficient supporting information and documentation to substantiate certain consolidation adjustments recognised in the consolidated financial statements of the Group for the financial year ended 31 December 2025. In addition, the intercompany balances and transactions reflected in the intercompany reconciliation matrix could not be fully reconciled between the respective Group entities. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the completeness and accuracy of the related intercompany eliminations and consolidation adjustments.

Our independent auditor's report on the consolidated financial statements of the Group for the financial year ended 31 December 2024 contained a disclaimer of opinion in respect of similar matters. As those matters remain unresolved as at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the related opening balances as at 1 January 2025. Accordingly, we were unable to determine whether any adjustments to the opening balances were necessary and whether such adjustments might have affected the current year's financial statements or the comparability of the current year's figures and the corresponding figures."

<u>Efforts taken by the Company to resolve the issue:</u>

The Board takes cognisance of CLA's opinion and the management has commenced the following efforts to address the issues mentioned.

(a) Addressing and Substantiating Consolidation Adjustments

To resolve the inability to fully substantiate certain consolidation adjustments recognized in the consolidated financial statements, management has taken immediate corrective actions:

- Comprehensive Re-verification of Working Papers: The finance team is currently conducting a thorough, line-by-line reconstruction and audit trail mapping of all consolidation journals, elimination entries, and translation adjustments.
- Engagement of External Accounting Support: The Company is looking to supplement internal resources and bridge documentation gaps — partially exacerbated by past historical handover challenges — by engaging external accounting specialists to independently review and validate the mechanics and mathematical accuracy of the consolidation models.
- Enhanced Audit Readiness Documentation: A centralized repository for consolidation schedules is being established to ensure that every consolidation adjustment is backed by clear, verifiable third-party documentation or primary source documents.

(b) Resolving Intercompany Balances and Reconciliation Matrix Gaps

To address the challenges faced in fully reconciling intercompany balances and transactions between respective Group entities:

- Bilateral Subsidiary Reconciliation Exercises: Management has mandated a comprehensive, bottom-up reconciliation exercise between all active operating subsidiaries (including regional entities and recent acquisitions).

Each subsidiary finance lead is required to sign off on monthly intercompany statements.

- Standardized Intercompany Matrix: A revised, standardized group-wide intercompany reconciliation matrix has been deployed. This tool tracks trade, non-trade, and loan balances separately, highlighting timing differences, unbilled goods, and settlement mismatches in real-time.
- Discrepancy Elimination Assurance: Immediate dedicated efforts are being made to isolate long-standing historical variances, investigate root causes (such as differing functional currencies or unrecorded debit/credit notes), and propose formal adjustments for the Board's and Audit Committee's review.

(c) Strengthening Internal Controls and Financial Reporting Governance

The Board recognizes that resolving the underlying technical audit qualifications requires structural upgrades to the Group's financial framework:

- Implementation of tighter controls within the financial reporting system to prevent unverified manual journal entries at the consolidation level.
- The independent internal auditor has been tasked with reviewing the Group's financial close process, inventory of records, and intercompany protocols to ensure recurring systemic gaps are permanently closed.
- Strict standard operating procedures (SOPs) are being drafted for finance personnel transitions to prevent information loss or documentation gaps during staffing changes.

(ii) **Going concern**

CLA's Disclaimer of Opinion:

"As disclosed in Note 2.1 to the financial statements, the Group and Company incurred net losses of S$5,550,000 and S$10,962,000 respectively, and the Group recorded a net operating cash outflow of S$189,000 for the financial year ended 31 December 2025. As at that date, the Group and the Company were in net current liabilities positions of S$8,162,000 and S$8,711,000, respectively.

As disclosed in Note 32(c) to the financial statements, on 5 March 2026, the Company received a notice of demand from Zico Capital Pte. Ltd. ("ZICAP") for S$627,708, including interest, allegedly due under the engagement agreements between the Company and ZICAP. Subsequently, on 1 July 2026, the Company received a statutory demand from solicitors acting for ZICAP for an increased sum of S$643,534, including interest, in respect of invoices for continuing sponsorship services and financial advisory services provided in connection with the acquisition of the LSO Group (Note 30(a)), failing payment of which within three weeks, ZICAP has stated its intention to commence winding-up proceedings against the Company. Management disputes the claim and intends to resist it, and to apply to set aside the statutory demand and oppose any winding-up proceedings that may be commenced. As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the likely outcome of the claim and its potential impact on the Group's and the Company's ability to continue as going concerns.

Separately, as disclosed in Note 32(d) to the financial statements, the Company had previously received letters of demand from ASTI Holdings Limited ("ASTI") in relation to outstanding management fees and loans allegedly owed by the Company. On 30 March

2026, the Company and ASTI reached an amicable settlement of the related suit (HC/OC 839/2025) and entered into a settlement agreement, pursuant to which the Company is required to pay ASTI by instalments an aggregate settlement sum of S$6,000,000 over the period from 1 July 2026 to 1 July 2030.

These events and conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

Nevertheless, the Board of Directors of the Company has concluded that the use of the going concern basis of accounting in the preparation of the financial statements for the financial year ended 31 December 2025 remains appropriate after considering the assumptions disclosed in Note 2.1 to the financial statements.

As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding certain key assumptions underlying management's assessment of the Group's and the Company's ability to continue as going concerns, including the proposed deferral of the shareholder loan repayments, the proposed debt-equity swap with AOF I and the outcome of the ZICAP claim. Accordingly, we were unable to conclude whether the use of the going concern basis of accounting in the preparation of the accompanying financial statements is appropriate.

Efforts taken by the Company to resolve the issue:

Notwithstanding the Disclaimer of Opinion, the Board of Directors of the Company has concluded that the use of the going concern assumption in the preparation of the financial statements for FY2025 remains appropriate. The Board's views and justifications supporting the Company's going concern status are anchored on several key operational and financial assumptions, strategic measures, and active debt-management steps that include:

- ongoing performance and sales projections from the Group's operating subsidiaries;
- asset disposals and major transactions such as the implementation of planned major corporate moves designed to streamline operations and inject liquidity, eg. the proposed disposal of the LSO Group;
- corporate and capital restructuring, eg. the execution of debt-to-equity arrangements, debt settlement agreements, and other capital-strengthening exercises to clean up the balance sheet;
- debt stays and settlement agreements with creditors such as ASTI Holdings Limited, etc,
- active management of claims to mitigate immediate liquidity shocks, eg. from the statutory demand received from Zico Capital Pte. Ltd.
- rebuilding records by the management and external professionals to reconstruct financial records and fulfill documentation requests, and
- internal audits and new hires to stabilize corporate governance and ensure transparent reporting going forward, among other measures.

3. CAUTIONARY STATEMENT

3.1 Notwithstanding the bases for the disclaimer of opinion in the Independent Auditor's Report 2025, based on the abovementioned, the Board is of the opinion that the Group and the Company will be able to operate as a going concern and the use of the going concern assumption in the preparation and presentation of the Audited Financial Statements is appropriate.

3.2 The Board confirms that to the best of its knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

3.3 Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers if they are in doubt about the actions that they should take.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy and completeness of the information contained in this announcement and confirm, having made reasonable enquiries, that to the best of their knowledge and belief, the information contained in this announcement is accurate and not misleading in any material respect, and that no material fact relating to the matters disclosed in this announcement has been omitted which would render any statement herein misleading.

By Order of the Board of
ADVANCED SYSTEMS AUTOMATION LIMITED

CHNG HEE KOK
Independent and Non-Executive Chairman
25 August 2026

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*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (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 Mr. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271.

Extracts from the Independent Auditor's Report 2025 in the Auditred Financial Statements for the Financial Year Ended 31 December 2025

Pages 4 to 7:

Independent Auditor's Report to the Members of Advanced Systems Automation Limited

Report on the Audit of Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Advanced Systems Automation Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and of the statement of financial position of the Company as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Bases for Disclaimer of Opinion

Inability to obtain sufficient appropriate audit evidence over the consolidated financial statements of the Group

As at the date of this report, management was unable to provide sufficient supporting information and documentation to substantiate certain consolidation adjustments recognised in the consolidated financial statements of the Group for the financial year ended 31 December 2025. In addition, the intercompany balances and transactions reflected in the intercompany reconciliation matrix could not be fully reconciled between the respective Group entities. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the completeness and accuracy of the related intercompany eliminations and consolidation adjustments.

Our independent auditor's report on the consolidated financial statements of the Group for the financial year ended 31 December 2024 contained a disclaimer of opinion in respect of similar matters. As those matters remain unresolved as at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the related opening balances as at 1 January 2025. Accordingly, we were unable to determine whether any adjustments to the opening balances were necessary and whether such adjustments might have affected the current year's financial statements or the comparability of the current year's figures and the corresponding figures.

Report on the Audit of Financial Statements (continued)

Bases for Disclaimer of Opinion (continued)

Going concern

As disclosed in Note 2.1 to the financial statements, the Group and Company incurred net losses of S$5,550,000 and S$10,962,000 respectively, and the Group recorded a net operating cash outflow of S$189,000 for the financial year ended 31 December 2025. As at that date, the Group and the Company were in net current liabilities positions of S$8,162,000 and S$8,711,000, respectively.

As disclosed in Note 32(c) to the financial statements, on 5 March 2026, the Company received a notice of demand from Zico Capital Pte. Ltd. ("ZICAP") for S$627,708, including interest, allegedly due under the engagement agreements between the Company and ZICAP. Subsequently, on 1 July 2026, the Company received a statutory demand from solicitors acting for ZICAP for an increased sum of S$643,534, including interest, in respect of invoices for continuing sponsorship services and financial advisory services provided in connection with the acquisition of the LSO Group (Note 30(a)), failing payment of which within three weeks, ZICAP has stated its intention to commence winding-up proceedings against the Company. Management disputes the claim and intends to resist it, and to apply to set aside the statutory demand and oppose any winding-up proceedings that may be commenced. As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding the likely outcome of the claim and its potential impact on the Group's and the Company's ability to continue as going concerns.

Separately, as disclosed in Note 32(d) to the financial statements, the Company had previously received letters of demand from ASTI Holdings Limited ("ASTI") in relation to outstanding management fees and loans allegedly owed by the Company. On 30 March 2026, the Company and ASTI reached an amicable settlement of the related suit (HC/OC 839/2025) and entered into a settlement agreement, pursuant to which the Company is required to pay ASTI by instalments an aggregate settlement sum of S$6,000,000 over the period from 1 July 2026 to 1 July 2030.

These events and conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

Nevertheless, the Board of Directors of the Company has concluded that the use of the going concern basis of accounting in the preparation of the financial statements for the financial year ended 31 December 2025 remains appropriate after considering the assumptions disclosed in Note 2.1 to the financial statements.

As at the date of this report, we were unable to obtain sufficient appropriate audit evidence regarding certain key assumptions underlying management's assessment of the Group's and the Company's ability to continue as going concerns, including the proposed deferral of the shareholder loan repayments, the proposed debt-equity swap with AOF I and the outcome of the ZICAP claim. Accordingly, we were unable to conclude whether the use of the going concern basis of accounting in the preparation of the accompanying financial statements is appropriate.

Report on the Audit of Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Bases for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on the Audit of Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Bases for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Hock Xiu Min, Sandy.

CLA Global TS Public Accounting Corporation

Public Accountants and Chartered Accountants

Singapore

25 August 2026

Note 2.1, Pages 15 to 16:

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

The financial statements are expressed in Singapore Dollar and all values have been rounded to the nearest thousand ("S$'000") unless otherwise stated.

Interpretations and amendments to published standards effective in 2025

On 1 January 2025, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern basis

The Group's and the Company's net (liabilities)/assets were S$(6,603,000) (2024: S$(16,000)) and S$(9,201,000) (2024: S$1,670,000) respectively. However, the Group and Company's current liabilities exceeded its current assets by S$8,162,000 (2024: S$4,378,000) and S$8,711,000 (2024: S$7,079,000) respectively. In addition, the Group incurred a net loss of S$5,553,000 (2024: net loss of S$6,380,000) and generated a net operating cash outflow of S$189,000 (2024: S$1,822,000) for the financial year ended 31 December 2025. These conditions cast doubt on the appropriateness of the going concern assumption used by the Group and the Company.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern basis (continued)

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the board of directors are confident that the Group will generate positive cash flow based on a cash flow projection of 12 months from the end of the financial year prepared by management.

In preparing the cash flow projection, the Group has taken the following into consideration:

(a) The deferment of the purchase consideration of approximately S$4,090,000 relating to the acquisition of the LSO Group (Note 18). As at 31 December 2025, management has obtained an extension that allows the repayment of the consideration to be deferred to a date beyond the next 12 months;

(b) As disclosed in Note 18 to the financial statements, the loan due to a shareholder amounted to $1,715,082 as at 31 December 2025, which is repayable in accordance with the repayment plan set out in the loan agreement dated 6 June 2023. Management is seeking a deferral of the repayment of the outstanding amounts by 24-months, accordingly no cash outflows has been forecast in respect of the amount due to the shareholder within the next 12 months;

(c) As disclosed in Note 32(a) to the financial statements, amount due to Advance Opportunities Fund I ("AOF I") by the Company amounted to an aggregate S$2,300,000 in principal as at 31 December 2025 pursuant to the Debt Settlement Agreement. The Company has entered into a conditional Debt-Equity Swap Agreement with AOF I dated 31 December 2025, pursuant to which AOF I has agreed to subscribe for 555,555,555 new ordinary shares at S$0.0036 each in full and final satisfaction of S$2,000,000 of the debt, subject to conditions including shareholders' approval at an extraordinary general meeting. As at the date of this report, the conditions to the Debt-Equity Swap Agreement have not been satisfied, and accordingly no cash outflow has been forecast in respect of the S$2,000,000 within the next 12 months;

(d) As disclosed in Note 32(b) to the financial statements, the Company is contesting the claim raised in the statutory demand from ZICAP dated 1 July 2026 for S$643,534; accordingly, no cash outflow has been forecast for the full amount claimed; and

(e) As disclosed in Note 32(c) to the financial statements, the Company has entered into a settlement agreement with ASTI dated 30 March 2026, pursuant to which the aggregate settlement sum of S$6,000,000 is payable in five instalments from 1 July 2026 to 1 July 2030, and this committed payment schedule has been factored into the Group's cashflow forecast.

Based on the above, the board of directors has assessed and are of the view that it is appropriate that the financial statements of the Group and Company be prepared on a going concern basis.

If the Group and the Company were unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

Note 18, Pages 46 to 48:

18. Trade and other payables

	Group		
	31 December 2025 S$'000	**31 December 2024 S$'000** (Restated)	**1 January 2024 S$'000**
Current			
Trade payables	2,864	2,811	665
Other creditors	1,297	1,266	301
Deferred cash settlement	1,020	1,462	1,597
Loans due to a shareholder	1,200	800	400
Amount due to a related party	375	304	318
Amount due to a former corporate shareholder	1,000	1,000	1,893
Reclassified from redeemable convertible notes (Note 19)	2,485	2,485	-
Amount due to a former director	-	322	-
Accrued operating expenses	3,013	1,803	1,801
	13,254	12,253	6,975
Non-current			
Deferred consideration	4,090	4,583	-
Loans due to a shareholder	515	825	1,649
Amount due to a former corporate shareholder	5,000	8,586	9,116
	9,605	13,994	10,765
Total trade and other payables	22,859	26,247	17,440

	Company		
	31 December 2025 S$'000	**31 December 2024 S$'000** (Restated)	**1 January 2024 S$'000**
Current			
Trade payables	-	-	11
Other creditors	1,467	1,207	274
Deferred cash settlement	1,020	1,462	1,597
Loans due to a shareholder	1,200	800	400
Amounts due to subsidiaries	1,979	1,689	1,235
Amount due to a related party	-	-	318
Amount due to a former corporate shareholder	1,000	1,000	1,886
Reclassified from redeemable convertible notes (Note 19)	2,485	2,485	-
Amount due to a former director	-	322	330
Accrued operating expenses	1,007	585	329
	10,158	9,550	6,380
Non-current			

Deferred consideration	4,090	4,583	-
Loans due to a shareholder	515	825	1,649
Amount due to a former corporate shareholder	5,000	8,586	9,116
	9,605	13,994	10,765
Total trade and other payables	19,763	23,544	17,145

Trade payables

Trade payables are non-interest bearing. Trade payables are normally settled on 30 – 120 days (2024: 30 – 120 days) credit terms.

Deferred cash settlement

This relates to an amount owing to Mr. Seah Chong Hoe, a shareholder, director and Chief Executive Officer of the Company, arising from the acquisition of subsidiaries during the financial year ended 31 December 2018. Mr Seah ceased to be a director and Chief Executive Office of the Company during the financial year ended 31 December 2025. The amount is interest free, unsecured and repayable on demand.

Loans due to a shareholder

Loans due to a former shareholder of the Company are unsecured, bears a fixed interest rate of 5% (2024: 5%) per annum and repayable by yearly instalments, with the final instalment due in 2028.

Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, repayable on demand and are to be settled in cash except for an outstanding balance of S$400,000 (2024: S$400,000), which bears interest at floating rates ranging from 4.25% to 4.73% (2024: 5.69% to 5.90%) per annum and is repriced on a quarterly basis.

Amount due to a related party

Amount due to a related party is unsecured, interest-free, repayable on demand and is to be settled in cash.

Amount due to a former corporate shareholder

For the financial year ended 31 December 2025, the amount to an external party is unsecured and repayable by annual instalments, with the final instalment due in 2030 (Note 32(d).

For the financial year ended 31 December 2024, the amount due to an external party comprise an interest-free and unsecured balance of S$1,192,000 and an interest-bearing balance of S$8,394,000, which bore floating interest rates ranging from 5.69% to 5.90% per annum and was repriced on a quarterly basis. The amount due to an external party is repayable by yearly instalments, with the final instalment due in 2029.

Amount due to a former director

The amount due to a former director is unsecured, interest-free, repayable on demand and is to be settled in cash.

Deferred consideration

Deferred consideration represents the outstanding purchase consideration payable to the Vendors in connection with the acquisition of LSO Organization Holdings Pte. Ltd. and its subsidiaries. The deferred consideration is unsecured and interest free.

Trade and other payables denominated in foreign currencies as at 31 December 2025 and 2024 are as follows:

	Group	
	2025	**2024**
	S$'000	**S$'000**
Ringgit Malaysia	874	704

Note 30, Pages 71 to 74:

30. Business combinations

(a) Acquisition of LSO Organization Holdings Pte. Ltd. (“LSO OHPL”), which holds Lim Shrimp Organization Ltd. (“LSO BVI”) and LSO BVI held Lim Shrimp Org Sdn. Bhd (“LSOSB”) as its subsidiary corporations (collectively, the “LSO Group”)

On 2 August 2024 ("Completion Date"), the Company completed the acquisition from Mr Lim Chen Chong, Ms Lim Yu, Victoria and Structured Capital Solutions Inc. (collectively, the “Vendors”) of 100% equity interest of LSO Group.

The principal activity of LSO Group is that of aquaculture management. As a result of the acquisition, the Group is expected to benefit from opportunities within the aquaculture industry, enabling it to capture growth trends and support efforts to turn around the Group’s loss-making position. Combined with a positive business outlook, the acquisition may contribute to potential growth in the Company’s market capitalisation, increased investor interest, and, consequently, an improvement in the trading liquidity of the Company’s shares.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

	Provisional	Adjusted
	S$’000	S$’000
Share consideration	12,000	4,431
Deferred consideration	6,000	5,847
Bridging loan	2,000	2,000
Settlement of pre-existing relationship	-	(40)
Total consideration	20,000	12,238

(ii) Effect on cash flows of the Group

	Provisional	Adjusted
	S$’000	S$’000
Cash and bank balances in subsidiary corporation acquired equivalent to cash inflow on acquisition	5	5

30. Business combinations (continued)

(a) Acquisition of LSO Organization Holdings Pte. Ltd. ("LSO OHPL"), which holds Lim Shrimp Organization Ltd. ("LSO BVI") and LSO BVI held Lim Shrimp Org Sdn. Bhd ("LSOSB") as its subsidiary corporations (collectively, the "LSO Group") (continued)

(iii) Identifiable assets acquired and liabilities assumed

	Provisional value	**Adjusted at fair value**
	S$'000	**S$'000**
Cash and bank balances	5	5
Trade and other receivables (Note (v) below)	450	245
Deferred income tax assets	-	182
Total assets	455	432
Trade and other payables	(1,236)	(1,245)
Deferred income tax liabilities	-	(144)
Total liabilities	(1,236)	(1,389)
Total identifiable net liabilities	(781)	(957)
Less: Settlement of pre-existing relationship	-	(40)
Add: Non-controlling interest at fair value	-	477
Add: Goodwill (Note 12)	19,407	12,758
Consideration transferred for the business	18,626	12,238

(iv) Acquisition-related costs

The Group did not incur any acquisition-related costs in respect of the acquisition of LSO Group.

(v) Acquired receivables

The fair value of trade and other receivables is S$450,000 and include trade receivables with a fair value of S$189,000.

(vi) Goodwill

The Group had recognised a provision goodwill of S$19,407,000 from the acquisition of LSO Group in financial year ended 31 December 2024. The goodwill subsequently has been adjusted to $12,758,000 in the final independent valuation report.

(vii) Revenue and contribution

The acquired business contributed revenue of S$1,176,000 and net loss of S$591,000 to the Group from the period from 2 August 2024 to 31 December 2024.

Had LSO Group been acquired from 1 January 2024, consolidated revenue and consolidated loss for the financial year ended 31 December 2024 would have been S$2,077,000 and S$2,712,000 respectively.

30. Business combinations (continued)

(a) Acquisition of LSO Organization Holdings Pte. Ltd. ("LSO OHPL"), which holds Lim Shrimp Organization Ltd. ("LSO BVI") and LSO BVI held Lim Shrimp Org Sdn. Bhd ("LSOSB") as its subsidiary corporations (collectively, the "LSO Group") (continued)

(viii) Accounting of the acquisition of LSO Group

The acquisition of LSO Group was completed during the financial year ended 31 December 2024. The purchase price allocation of the acquisition of LSO Group in the financial year ended was provisional. The Group has engaged an independent valuer to determine the fair value of the assets acquired and the independent valuation report has subsequently been finalised in financial year ended 31 December 2025. At the reporting date, the fair value of the purchase consideration of LSO Group and the fair value of total identifiable net liabilities, which have been determined as the final result of the independent valuation was S$11,230,000 and S$957,000 respectively. Goodwill arising from this acquisition, the carrying amount of deferred income tax assets and liabilities, has been adjusted retrospectively.

(b) Acquisition of LSO Pacific Pte. Ltd. ("LPPL")

On 17 December 2025, the Group completed the acquisition of 100% of the equity interest in LSO Pacific Pte. Ltd. for a total cash consideration of S$3.

LSO Pacific Pte. Ltd. was dormant at the acquisition date and had no material assets or liabilities. Following the acquisition, it became a wholly owned subsidiary of the Group.

The acquisition did not have a material effect on the Group's financial position, financial performance or cash flows. Accordingly, the detailed financial effects of the acquisition have not been separately disclosed.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

	S$'000
Cash paid equivalent to consideration transferred for the business (Note (b) below)	*

* less than S$1,000

(ii) Effect on cash flows of the Group

	S$'000
Cash paid (as above)	*
Less: Cash and bank balances in subsidiary corporation acquired equivalent to cash inflow	2

on acquisition	
Cash inflow on acquisition	2

30. **Business combinations** (continued)

(b) Acquisition of LSO Pacific Pte. Ltd. ("LPPL") (continued)

(iii) Identifiable assets acquire and liabilities assumed

	At fair value S$'000
Cash and bank balances	2
Other receivables	7
Total assets	9
Other payables	(12)
Total liabilities	(12)
Total identifiable net liabilities	(3)
Add: Goodwill	3
Consideration transferred for the business	*

* less than S$1,000

(iv) Acquisition-related costs

The Group did not incur any acquisition-related costs in respect of the acquisition of LPPL.

(v) Goodwill

The Group recognised a goodwill of S#,000 arising from the acquisition of LPPL.

(vi) Revenue and contribution

The acquired business is dormant with no revenue and contributed net loss of S$1,000 to the Group from the period from 18 to 31 December 2025.

Had LPPL been acquired from 1 January 2025, consolidated loss for the financial year ended 31 December 2025 would have been $5,000.

(vii) Accounting for the acquisition of LPPL

The fair value of the assets and liabilities was determined by management, as the assets and liabilities acquired did not involve significant judgement as the fair values are carried at amortised cost approximate their carrying amounts.

Note 32, Pages 75 to 78:

32. Events subsequent to the reporting date

(a) Debt-to-Equity Swap Agreement

On 31 December 2025, the Company entered into a conditional debt-to-equity swap agreement ("Debt-Equity Swap Agreement") with Advance Opportunities Fund I ("AOF I"), an existing shareholder and noteholder of the Company, pursuant to which AOF I agreed to subscribe for 555,555,555 new ordinary shares in the capital of the Company ("Settlement Shares") at an issue price of S$0.0036 per share, in full and final satisfaction of S$2,000,000 of debt owed by the Company to AOF I.

Upon completion, the Settlement Shares will represent approximately 25.02% of the Company's enlarged share capital, and AOF I will become a controlling shareholder of the Company. The remaining balance of the debt owed to AOF I (S$300,000 in principal, plus accrued interest of S$307,109 as at 31 December 2025) will continue to be owed by the Company and will accrue interest at 5% per annum from 1 January 2026

Completion of the proposed debt-to-equity swap is subject to a number of conditions precedent, including approval-in-principle from the SGX-ST and approval of shareholders at an extraordinary general meeting to be convened.

32. Events subsequent to the reporting date (continued)

(a) Debt-to-Equity Swap Agreement (continued)

Subsequent to the reporting date, the Company and AOF I have twice mutually agreed to extend the deadline for fulfilment of the conditions precedent:

- On 12 March 2026, the long stop date was extended from 31 March 2026 to 30 June 2026;
- On 22 June 2026, the long stop date was further extended from 30 June 2026 to 15 August 2026; and
- On 18 August 2026, the long stop date was further extended from 15 August 2026 to 31 October 2026.

As these conditions have not been satisfied as at the date these financial statements were authorised for issue, the proposed debt-to-equity swap has not been completed.

(b) Proposed Disposal of LSO Organization Holdings Pte. Ltd.

On 30 January 2026, subsequent to the reporting date, the Company entered into a conditional sale and purchase agreement ("SPA") with PT Sumber Mas Konstruksi Tbk ("Purchaser"), a company listed on the Indonesia Stock Exchange, pursuant to which the Company will dispose of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. ("Target"), a wholly-owned subsidiary of the Company principally engaged in aquaculture farm management, operations, and related technology licensing ("Proposed Disposal").

The aggregate consideration for the Proposed Disposal is up to S$13,000,000, to be satisfied in full by the issuance of new shares by the Purchaser ("Consideration Shares") pursuant to a proposed rights issue by the Purchaser to be completed no later than 30 June 2027. The final consideration amount, the issue price per Consideration Share, and the number of Consideration Shares to be issued have not been fixed as at the date these financial statements were authorised for issue, and will be determined based on an independent valuation of the Target Group to be obtained by the Company.

As the SPA had not yet been executed and remained subject to numerous conditions precedent, shareholder approval, and regulatory clearances. Accordingly, the assets and liabilities of the Target Group have not been reclassified or presented separately as held for sale in these financial statements, and no adjustment has been made to their carrying amounts as a result of the Proposed Disposal.

(c) *Dispute with Zico Capital Pte. Ltd.*

Subsequent to the reporting date, the Company received a series of demands from Zico Capital Pte. Ltd. ("ZICAP"), the Company's previous continuing sponsor, in relation to fees allegedly owing under engagement agreements for continuing sponsorship services and financial advisory services rendered in connection with the Company's acquisition of LSO Organization Holdings Pte. Ltd.

On 6 March 2026, the Company received a letter of demand from ZICAP for payment of S$627,708 (including interest). Subsequently, on 1 July 2026, the Company received a statutory demand from solicitors acting for ZICAP for a revised sum of S$643,534 (including interest), failing payment of which ZICAP indicated it would commence winding-up proceedings against the Company. The Company disputed the validity of the claim and, on 17 July 2026, appointed legal counsel to contest the statutory demand and oppose any winding-up proceedings that might be commenced.

32. Events subsequent to the reporting date (continued)

(c) Dispute with Zico Capital Pte. Ltd. (continued)

The Company disputes the claim made by ZICO Capital Pte. Ltd. (“ZICAP”) under the statutory demand. The Company has commenced proceedings against ZICAP in the General Division of the High Court of the Republic of Singapore under Suit No. HC/OC 642/2026, seeking damages of approximately S$6.79 million, together with interest, arising from alleged breaches of duty by ZICAP in its capacity as the Company’s continuing sponsor and financial adviser.

Pending the determination of the Suit, the Company has also applied for an interim injunction to restrain ZICAP from commencing winding-up proceedings against the Company based on the statutory demand. ZICAP disputes the Company’s claims and has indicated that it will not commence winding-up proceedings pending the Court’s determination of the injunction application. The injunction application has been fixed for hearing on 31 August 2026. As at the date of this report, the proceedings remain before the High Court and their ultimate outcome cannot be determined with certainty.

The Board is of the view that, notwithstanding this dispute, the Group and the Company will continue to operate as a going concern, and that the ultimate outcome of this matter cannot be reliably estimated as at the date these financial statements were authorised for issue.

(d) Settlement of Legal Proceedings with ASTI Holdings Limited

As disclosed in the Group's financial statements for the financial year ended 31 December 2024, the Company had been engaged in a legal dispute with ASTI Holdings Limited ("ASTI") in relation to loans and corporate services alleged to be owing to ASTI, culminating in the commencement of Suit No. HC/OC 839/2025 by ASTI against the Company for an aggregate sum of approximately S$9,873,139, together with the Company's cross-claims against ASTI. As at 31 December 2025, this matter remained unresolved and outstanding.

Subsequent to the reporting date, on 30 March 2026, the Company and ASTI entered into a settlement agreement ("Settlement Agreement") in full and final settlement of all claims and counterclaims arising out of or in connection with the Suit. Pursuant to the Settlement Agreement, the Company agreed to pay ASTI an aggregate sum of S$6,000,000, payable in five instalments from 1 July 2026 to 1 July 2030, as follows:

Instalment	**Payment Date**	**Amount (S$)**
1st	1 July 2026	1,000,000
2nd	1 July 2027	1,500,000
3rd	1 July 2028	1,500,000
4th	1 July 2029	1,000,000
5th	1 July 2030	1,000,000

32. Events subsequent to the reporting date (continued)

(d) Settlement of Legal Proceedings with ASTI Holdings Limited

Under the Settlement Agreement, each instalment payment is subject to a cure period upon default (seven days, save for the first instalment which is subject to a three-week cure period), failing which ASTI is entitled to claim an escalating default amount corresponding to the relevant instalment milestone, ranging from S$9,800,000 (in the event of default on the first instalment) down to S$1,000,000 (in the event of default on the fifth instalment), together with interest accruing from the date of default.

Subsequent to 31 December 2025, the Company requested, and on 25 June 2026 was granted, an extension of time for payment of the first instalment, such that S$300,000 (30% of the first instalment) remains due on 1 July 2026, with the balance of S$700,000 payable by 1 August 2026. All other terms of the Settlement Agreement remain unchanged. Subsequently the Company further requested, in which ASTI consented to a further extension and variation in relation to the payment of the balance S$700,000 pursuant to which the Company paid the sum of S$305,000 (which included agreed legal costs contribution of S$5,000) on 31 July 2026 and the balance S$400,000 together with agreed interest of S$3,271 payable by 1 September 2026.

(e) Incorporation and/or Acquisition of Indirect Subsidiary Corporations

On 22 July 2026, Lim Shrimp Organization Limited (“LSO BVI”) incorporated a wholly owned subsidiary corporation, LSO Aquaculture Technology Pte. Ltd. (“LSO AT”) in Singapore. LSO BVI holds 100% of the issued share capital of LSO AT, resulting in the Company having an effective indirect interest of 50%. The aggregate consideration for the incorporation of LSO AT was S$1, which was satisfied by LSO BVI and funded from its internal resources. The net asset value attributable to the relevant interest as at 24 August 2026 was approximately S$1. The principal activity of LSO AT is that of holding companies of firms engaged in non-financial and insurance activities.

On 22 July 2026, LSO BVI also incorporated a wholly owned subsidiary corporation, LSO Aquaculture Technology (China) Limited (“LSO AT (China)”) in the People’s Republic of China. LSO BVI holds 100% of the issued share capital of LSO AT (China), resulting in the Company having an effective indirect interest of 50%. The registered share capital of CNY50,000 is to be contributed by LSO BVI in cash via telegraphic transfer and funded from its internal resources. The net asset value attributable to the relevant interest as at 24 August 2026 was approximately CNY Nil. The principal activities of LSO AT (China) are technology promotion and application services.