



## Advanced Systems Automation Limited

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

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### RESPONSE TO QUERIES FROM SGX REGCO

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The board of directors (the “**Board**” or “**Directors**”) of Advanced Systems Automation Limited (the “**Company**”) refers to the Company’s announcements on 23 September 2024 in relation to (i) the appointment of Mr Chng Hee Kok (“**Mr Chng**”) as a Non-Executive and Independent Director, and (ii) the appointment of Mr Ling Chung Yee, Roy (“**Mr Ling**”) as a Non-Executive and Independent Director (“**Appointment Announcements**”).

The Singapore Exchange Regulation (“**SGX**”) notes that Mr Chng and Mr Ling are/were directors of the entities with certain material matters.

In addition, SGX notes that Mr Chng had declared that he is/was a director of several entities which, amongst others, have been investigated for a breach of law or regulatory requirement governing corporations in Singapore or elsewhere, in connection with matters occurring or arising during that period when he was so concerned with the entity, has been the subject of past investigation or disciplinary proceedings and has been reprimanded by the regulatory authorities in Singapore.

The Board would like to provide the following information in response to the queries raised by the SGX in respect of the Appointment Announcements.

#### **SGX Query 1**

**Please provide Mr Chng and Mr Ling’s explanation, with supporting bases, on why the material matters concerning Debao were not disclosed in their respective Appointment Announcements.**

#### *Background*

The “material matters” concerning Debao which SGX is referring to are:

- (a) the receipt of a notification of delisting from the SGX on 2 March 2022 (“**Notification of Delisting of Debao**”); and
- (b) the disclaimer of opinion issued on 6 January 2021 for its FY2019 Financial Statements which highlighted the litigation case involving key management of Foshan Nanhai Chuangxintian Hotel Management Co., Ltd (“**Chuangxintian**”) arising from the suspected scam case by Shenzhen Binhai Fund Management Co. Ltd., which owns 40% of Chuangxintian (“**Chuangxintian Issue**”).

### *Mr Chng's response*

Mr Chng had joined the board of Debao on 1 April 2022 so as to assist Debao in the directed delisting process, since he has the relevant knowledge and experience. Mr Chng had not disclosed the aforesaid matters in relation to Debao in his Appointment Announcement as (i) he was not on the board of Debao at the material time of the Chuangxintian Issue; and (ii) he is of the view that the Notification of Delisting of Debao is not a matter which falls under the disclosure requirements pursuant to Appendix 7F of the Catalist Rules.

### *Mr Ling's response*

Mr Ling was on the board of Debao from 25 February 2019 to 31 October 2022. Mr Ling had not disclosed the aforesaid matters in relation to Debao in his Appointment Announcement as (i) he is of the view that the Notification of Delisting of Debao is not a matter which falls under the disclosure requirements pursuant to Appendix 7F of the Catalist Rules; and (ii) he is currently not aware of any investigation or disciplinary proceedings taken against him by any authorities or regulators, nor was he reprimanded or issued any warning by any authorities or regulators in relation to the Chuangxintian Issue. Mr Ling also wishes to mention that, according to Debao's response to SGX query on 23 August 2024, Debao was not involved in the Shenzhen Binhai Fund Management Co. Ltd scam case, and Debao group did not receive any questioning or investigation from the police bureau in the PRC.

## **SGX Query 2**

**Was the Sponsor aware of the material matters concerning Debao Property Development Ltd. ("Debao")? If yes, did the Sponsor advise Mr Chng and Mr Ling to disclose the material matters in their respective Appointment Announcements? If the Sponsor did not advise them or was not aware of the material matters, please explain why, together with supporting bases.**

### *Sponsor's response*

The Sponsor is aware of the material matters highlighted by SGX concerning Debao. The Sponsor is of the view that these need not be disclosed in the respective Appointment Announcements in view of the following:

#### Notification of Delisting of Debao

The Notification of Delisting of Debao does not fall under any disclosure requirements pursuant to Appendix 7F of the Catalist Rules.

#### Chuangxintian Issue

Based on publicly available information (including confirmations by Mr Chng and Mr Ling), (i) Mr Chng and Mr Ling are not shareholders, directors or management of Chuangxintian or Binhai; (ii) Debao and Chuangxintian are not the subject of the investigation by the relevant authority in the PRC and they are not asked to assist in any investigations; (iii) Binhai is not part of Debao's group of companies and is not related to Debao; and (iv) Mr Chng and Mr Ling are, currently, not aware of any investigation or disciplinary proceedings taken against them by any authorities or regulators, nor were they reprimanded or issued any warning by any authorities or regulators in relation to the Chuangxintian Issue. The Sponsor also noted that Debao has clarified in its announcement on 23 August 2024 that it was not involved in the Shenzhen Binhai Fund Management Co. Ltd scam case, and it did not receive any questioning or investigation from the police bureau. As such, the Chuangxintian Issue does not fall under any disclosure requirements pursuant to Appendix 7F of the Catalist Rules.

### **SGX Query 3**

**Please provide Mr Ling's explanation, with supporting bases, on why the material matters concerning UFH were not disclosed in his appointment announcement.**

#### *Background*

The "material matters" concerning UFH which SGX is referring to are:

- (a) the directed appointment by the SGX of a special auditor to conduct a special audit in respect of certain matters in the disclaimer of opinion issued on UFH's FY2020 audited financial statements ("**Special Audit**"); and
- (b) the receipt of a notification of delisting from the SGX on 14 August 2024 ("**Notification of Delisting of UFH**").

#### *Mr Ling's response*

Mr Ling has been on the board of UFH since 20 November 2015. The Audit Committee of UFH appointed KPMG Forensic ("**KPMG**"), a division of KPMG Services Pte Ltd on 17 December 2021 to conduct the Special Audit in accordance with the terms of engagement dated 13 December 2021, as approved by the SGX. The Special Audit Report by KPMG was released on 5 August 2024.

Mr Ling had not disclosed the aforesaid matters in relation to UFH in his Appointment Announcement as (i) he is of the view that the Notification of Delisting of UFH is not a matter which falls under the disclosure requirements pursuant to Appendix 7F of the Catalist Rules; and (ii) he is currently not aware of any investigation or disciplinary proceedings taken against him by any authorities or regulators, nor was he reprimanded or issued any warning by any authorities or regulators in any matters relating to the Special Audit.

### **SGX Query 4**

**Please explain why the Sponsor did not advise Mr Ling to disclose the material matters concerning United Food Holdings Limited ("UFH") in his appointment announcement, but which was disclosed by Mr Chng in his.**

#### *Sponsor's response*

The Sponsor had not advised the disclosure of the said material matters concerning UFH in Mr Ling's Appointment Announcements in view of the following:

#### Special Audit

During the due diligence interview with Mr Ling, it was mentioned that the Special Audit was directed by the Audit Committee of UFH, and that Mr Ling was not aware of any investigation or disciplinary proceedings taken against him by any authorities or regulators, nor was he reprimanded or issued any warning by any authorities or regulators in any matters relating to the Special Audit.

Regretfully, the Sponsor inadvertently missed out relevant announcements by UFH and did not realise in time that the Special Audit was a directive from the SGX and would thus constitute an "investigation by regulatory authorities", thus necessitating a disclosure in Mr Ling's Appointment Announcement.

Please refer to the Replacement Appointment Announcement pursuant to Appendix 7F of the Catalist Rules for Mr Ling, released on 29 September 2024 on SGXNet.

#### Notification of Delisting of UFH

The Notification of Delisting of UFH does not fall under any disclosure requirements pursuant to Appendix 7F of the Catalist Rules.

#### **SGX Query 5**

**Please provide us with Mr Chng, Mr Ling and the Sponsor's respective confirmations that there are no other omissions of material information by Mr Chng and Mr Ling in their respective Appointment Announcements, including but not limited to, their involvement in companies which have been the subject of investigation or disciplinary proceedings or has been reprimanded by the regulatory authorities.**

#### *Company's response*

Each of Mr Chng and Mr Ling has confirmed that there are no other omissions of material information in their respective Appointment Announcements, including but not limited to, their involvement in companies which have been the subject of investigation or disciplinary proceedings or has been reprimanded by the regulatory authorities.

#### *Sponsor's response*

Based on (i) the aforesaid confirmations provided by Mr Chng and Mr Ling, (ii) public announcements on SGXNet as of the date of the respective Appointment Announcements, and (iii) the due diligence conducted to-date (including the commissioning of an independent and professional risk assessment firm), the Sponsor is not aware of any other omissions of material information by Mr Chng and Mr Ling in their respective Appointment Announcements, including but not limited to, the aforesaid involvement in companies which have been the subject of investigation or disciplinary proceedings or has been reprimanded by the regulatory authorities.

#### **SGX Query 6**

**Please provide the Nominating Committee's and the Sponsor's respective assessments, together with supporting bases, on Mr Chng's suitability to be appointed as a director of the Company. Such assessment should take into account, amongst others, past and current investigations in entities of which Mr Chng is / was associated with; recent developments in ASA and accordingly the resources expected of board members, Mr Chng's ability to devote sufficient time and resources; board dynamics and efficacy of the board as a whole.**

#### *Company's response*

The Nominating Committee noted that even though Mr Chng had served as a director in companies under investigation, the due diligence conducted did not show any disciplinary proceedings against him or any reprimands of him by any authorities or regulators.

The Nominating Committee believes that with his past working experience and directorship in listed companies, Mr Chng would be able to contribute positively to the Company. Mr Chng brings with him his past experience across different industries such as manufacturing, property development,

hospitality and food & beverage, which may complement the new aquaculture business that the Company is now venturing into.

The Nominating Committee is satisfied with Mr Chng's assurance that he is able to devote sufficient time and resources to his appointment as a Non-Executive and Independent Director of the Company.

#### *Sponsor's response*

In assessing the suitability of Mr Chng for his appointment as a Non-Executive and Independent Director, the Sponsor has (i) commissioned independent background checks and conducted relevant desktop searches, (ii) reviewed his curriculum vitae and declaration form, and (iii) interviewed him prior to his appointment.

The Sponsor noted the past and current investigations in entities of which Mr Chng is/was associated with, and has obtained confirmation from Mr Chng that (a) he was/is currently not aware of any investigations taken against him by any authorities or regulators, (b) there was no disciplinary proceedings taken against him by any authorities or regulators, (c) he was/is not being reprimanded or issued any warnings by any authorities or regulators. In addition, the Sponsor also noted that Mr Chng is not placed on the SGX Directors' and Executive Officers' Watchlist.

Notwithstanding the past and current investigations involving entities which Mr Chng is/was associated with, Mr Chng has the experience, knowledge and qualifications to serve as a Director of the Company. The Sponsor noted that (i) Mr Chng was formerly a Member of Parliament of Singapore from 1984 to 2001; (ii) Mr Chng's business experience and leadership positions spanned across different industries such as manufacturing, property development, hotel management and food & beverage; (iii) Mr Chng was previously the chief executive officer of Yeo Hiap Seng Ltd, Scotts Holdings Limited, Hartawan Holdings Limited, HG Metal Manufacturing Limited, Chemical Industries FE Ltd and LH Group Limited; and (iv) Mr Chng holds a Master of Business Administration degree from the National University of Singapore, and had completed the Program for Executive Development at IMD Lausanne Switzerland. Mr Chng currently does not have any principal commitment, and has confirmed that he is able to devote sufficient time and resources for his appointment as a Non-Executive and Independent Director of the Company.

In assessing the board dynamics and efficacy of the Board as a whole, the Sponsor takes into consideration the current nature and scope of the Group's operations, as well as the range of expertise and experience possessed by the new Board members. It is noted that following the appointment of the new Board members, the Board will comprise members from diverse background and having relevant industry knowledge as well as experience and expertise in accounting and finance, business management and corporate development. The aforesaid diverse skills, experience and attributes of the Board members is expected to provide effective strategic directions and governance of the Group's business operations.

#### **SGX Query 7**

**Please provide the Nominating Committee's and the Sponsor's respective assessments, together with supporting bases, on Mr Ling's suitability to be appointed as a director of the Company. Such assessment should take into account, amongst others, past and current investigations in entities of which Mr Ling is / was associated with; recent developments in ASA and accordingly the resources expected of board members, Mr Ling's ability to devote sufficient time and resources; board dynamics and efficacy of the board as a whole.**

#### *Company's response*

The Nominating Committee noted that even though Mr Ling had served as a director in companies under investigation, the due diligence conducted did not show any disciplinary proceedings against him or any reprimands of him by any authorities or regulators.

The Nominating Committee had assessed Mr Ling's qualifications and experience and believes that he would be able to contribute to the Board as he is familiar with SGX listing rules and all the other legal and statutory obligations. In addition, Mr Ling comes with finance knowledge and would be able to contribute meaningfully as a member on the Audit Committee. Mr Ling's appointment will bring age diversity to the Board. He is also able to help the Company improve its sustainability reporting.

The Nominating Committee is satisfied with Mr Ling's assurance that he is able to devote sufficient time and resources to his appointment as a Non-Executive and Independent Director of the Company.

#### *Sponsor's response*

In assessing the suitability of Mr Ling for his appointment as a Non-Executive and Independent Director, the Sponsor has (i) commissioned independent background checks and conducted relevant desktop searches, (ii) reviewed his curriculum vitae and declaration form, and (iii) interviewed him prior to his appointment.

The Sponsor noted the past and current investigations in entities of which Mr Ling is/was associated with, and has obtained confirmation from Mr Ling that (a) he was/is currently not aware of any investigations taken against him by any authorities or regulators, (b) there was no disciplinary proceedings taken against him by any authorities or regulators, (c) he was/is not being reprimanded or issued any warnings by any authorities or regulators. In addition, the Sponsor also noted that Mr Ling is not placed on the SGX Directors' and Executive Officers' Watchlist.

Notwithstanding the past and current investigations involving entities which Mr Ling is/was associated with, Mr Ling has the experience, knowledge and qualifications to serve as a Director of the Company. The Sponsor noted that (i) Mr Ling has investment banking experience and has expertise in digital finance, sustainable investing and Asia real estate; (ii) Mr Ling is an Academic Programme Director; (iii) Mr Ling is a Chartered Financial Analyst; and (iv) Mr Ling graduated from INSEAD and the National University of Singapore. Mr Ling currently does not have any principal commitment and has confirmed that he is able to devote sufficient time and resources for his appointment as a Non-Executive and Independent Director of the Company.

In assessing the board dynamics and efficacy of the Board as a whole, Sponsor takes into consideration the current nature and scope of the Group's operations, as well as the range of expertise and experience possessed by the new Board members. It is noted that following the appointment of the new Board members, the Board will comprise members from diverse background and having relevant industry knowledge as well as experience and expertise in accounting and finance, business management and corporate development. The aforesaid diverse skills, experience and attributes of the Board members is expected to provide effective strategic direction and governance of the Group's business operations.

In the event that any of the material matters mentioned herein or such other event develops into actual investigative matters or disciplinary proceedings against Mr Chng and/or Mr Ling, including the issue of reprimands or warnings, by any authorities or regulators, the Nominating Committee and the Sponsor will re-assess their suitability as Directors.

By Order of the Board

**ADVANCED SYSTEMS AUTOMATION LIMITED**

Dato' Sri Mohd Sopiyan B. Mohd Rashdi  
Chairman  
29 September 2024

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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