



ADVANCED SYSTEMS AUTOMATION LIMITED

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

**PROPOSED CONSOLIDATION OF EVERY SIXTY FIVE (65) EXISTING ORDINARY SHARES
IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE
IN THE CAPITAL OF THE COMPANY**

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Advanced Systems Automation Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a share consolidation of every sixty five (65) existing issued ordinary shares (“**Shares**”) in the capital of the Company (“**Existing Shares**”) held by the shareholders of the Company (“**Shareholders**”) as at a record date to be determined by the Directors (“**Record Date**”) into one (1) ordinary share in the capital of the Company (collectively referred to as the “**Consolidated Shares**” and each, a “**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).
- 1.2 As a result of the Proposed Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every sixty five (65) Existing Shares held prior to the Proposed Share Consolidation at the Record Date.
- 1.3 Pursuant thereto, the Company is proposing an extraordinary general meeting (“**EGM**”) to seek Shareholders’ approval for the Proposed Share Consolidation. The Company will be despatching a Shareholders’ circular (“**Circular**”) in relation to the Proposed Share Consolidation and the notice of EGM in due course, via announcement on the Singapore Exchange’s website and the Company’s website.

2. INFORMATION ON THE PROPOSED SHARE CONSOLIDATION

- 2.1 Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders’ holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Record Date. After the Record Date, every sixty five (65) Existing Shares registered in the name, or standing to the credit of the Securities Account⁽¹⁾, of each Shareholder or Depositor⁽²⁾ (as the case may be) as at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.
- 2.2 Each Consolidated Share will rank *pari passu* in all respects with each other. Trading in the Consolidated Shares on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) will be in board lots of one hundred (100) Consolidated Shares.

⁽¹⁾ Means the securities account maintained by a Depositor with the Central Depository (Pte) Limited but does not include a securities sub-account maintained with a Depository Agent (as defined in Section 81SF of the Singapore Securities and Futures Act 2001 (“**SFA**”).

⁽²⁾ As defined in Section 81SF of the SFA.

- 2.3 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of Existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Share arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and/or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (a) disregarding, or (b) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.
- 2.4 **Shareholders who hold less than sixty five (65) Existing Shares as at the Record Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of sixty five (65) Shares as at the Record Date.**
- 2.5 **Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in odd lots on the SGX-ST should note that the SGX-ST's unit share market is available to allow trading in odd lots with a minimum size of one (1) Consolidated Share on the SGX-ST. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying Consolidated Shares. As odd lots of Consolidated Shares can be traded on the unit share market of the SGX-ST, no separate arrangement will be made for the trading of such odd lots. The unit share market for trading of such odd lots may be illiquid, Shareholders who hold odd lots may have to bear disproportionate transaction costs in trading their shares and may find difficulty in realising the fair market price of such Consolidated Shares. Shareholders who wish to trade on the unit share market should contact their stockbroker, bank manager, or other professional adviser for details on trading.**
- 2.6 As at the date of this announcement, the Company has an issued and paid-up share capital of approximately S\$148,841,000, comprising 22,324,126,058 Existing Shares. The Company has no treasury shares or subsidiary holdings. On the assumption that there will be no new Shares issued by the Company up to the Record Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the issued and paid-up share capital of the Company will be approximately S\$148,841,000, comprising 343,448,093 Consolidated Shares, following the completion of the Proposed Share Consolidation.
- 2.7 The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of fractional entitlements.

3. VOLUME WEIGHTED AVERAGE PRICE (“VWAP”) PER SHARE

For the six (6)-month period from 17 April 2023 up to 18 October 2023 (being the last trading date of the Shares preceding the date of this announcement), the VWAP of each Share for trades done on the Catalist was S\$0.001. Following the completion of the Proposed Share Consolidation, the theoretical adjusted VWAP of each Consolidated Share will be S\$0.065.

4. RATIONALE OF THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation is undertaken in conjunction with the Company’s proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. (“**Proposed Acquisition**”) for an aggregate consideration of S\$20.0 million payable in the following manner:

- (a) S\$12.0 million by way of the allotment and issuance of 184,615,385 new ordinary shares in the capital of the Company (“**Consideration Shares**”) at an issue price of S\$0.065 per Consideration Share on a post-consolidation basis after completion of the Proposed Share Consolidation; and
- (b) S\$8.0 million in cash, comprising a S\$2.0 million bridging loan and S\$6.0 million balance cash payment within six (6) months from the completion date of the Proposed Acquisition.

Please refer to the separate announcement released by the Company dated 27 October 2023 for further information on the Proposed Acquisition.

The Board also believes that the Proposed Share Consolidation will be beneficial to the Company and its Shareholders for the following reasons:

(a) **Reduction of volatility of the Share price**

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. Given their susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares. The Board believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of the Share price and reduce fluctuations in the Company’s market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

(b) **Reduction of the dilutive impact to the Share price**

The Proposed Share Consolidation will be carried out prior to the issuance of new Shares, including the issuance of Consideration Shares. This would serve to reduce the volatility and therefore the potentially dilutive impact of the Share price.

For the avoidance of doubt, the Proposed Acquisition is conditional upon the Proposed Share Consolidation. However, the Proposed Share Consolidation is not conditional upon the Proposed Acquisition, or any other corporate proposals to be undertaken by the Company.

Shareholders should note however that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated above, nor is there assurance that such results (if achieved) can be sustained in the longer term.

5. APPROVALS AND CONDITIONS

5.1 The Proposed Share Consolidation is subject to, among others:

- (a) receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST; and
- (b) approval of the Shareholders by ordinary resolution of the Proposed Share Consolidation at an EGM to be convened.

5.2 An application will be made to the SGX-ST, via the Company's Sponsor, to obtain its approval-in-principle for the dealing in, listing of and quotation for the Consolidated Shares arising from the Proposed Share Consolidation. An announcement on the outcome of the application will be made in due course. The listing approval from the SGX-ST is not to be taken as an indication of the merits of the Consolidated Shares, the Company and/or its subsidiaries.

6. CIRCULAR

The Circular containing further details of the Proposed Share Consolidation, together with a notice of the EGM of the Company, will be despatched to Shareholders in due course.

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, to the best of the knowledge of the Board: (a) none of the Directors (other than in his capacity as Director or Shareholder of the Company, as the case may be) of the Company has any interest, direct or indirect in the Proposed Share Consolidation; and (b) there are no substantial shareholders in the Company who have any interest, direct or indirect, in the Proposed Share Consolidation, other than through their respective shareholdings in the Company.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation and the Company, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Share Consolidation is subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Share Consolidation will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
ADVANCED SYSTEMS AUTOMATION LIMITED**

**DATO' SRI MOHD SOPIYAN B. MOHD RASHDI
CHAIRMAN**

27 OCTOBER 2023

*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 Listing Manual Section B: Rules of Catalist.*

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.

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.