



ADVANCED SYSTEMS AUTOMATION LIMITED

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

PROPOSED ACQUISITION OF COMPANIES - UPDATE ON PROFIT GUARANTEE

The board of directors (the “**Board**” or “**Directors**”) of Advanced Systems Automation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements dated 9 April 2018 and 4 December 2018, and the circular to Shareholders of the Company dated 7 September 2018 (the “**Circular**”) in relation to the Proposed Acquisition (as defined in the Circular).

Unless otherwise defined herein, capitalised terms used herein shall bear the same meaning ascribed to them in the Circular.

Further to the Completion of the Proposed Acquisition on 4 December 2018, the Board wishes to inform the Shareholders that based on the consolidated audited financial statements of the Target Companies as prepared by RSM Chio Lim LLP in relation to the financial year commencing from 1 March 2018 and ending on 28 February 2019 (“**FY2019**”), the Actual Profit for the same period amounted to S\$1,285,962.

The Actual Profit in FY2019 is lower than the S\$1,500,000 guaranteed for FY2019 under the Profit Guarantee was due to, amongst others, the on-going US-China trade dispute, audit adjustments in relation to depreciation and closing stock, and the adoption of the Group’s accounting policy by the Target Companies.

As the Actual Profit for FY2019 is less than S\$1,500,000, the requirement as provided under Section 2.3.2(a) of the Circular has not been met and accordingly, half of the Restricted Shares amounting to S\$1,500,000 shall not be released from the restrictions provided under Section 2.3.2 of the Circular. The Company confirms that there is no material variation in the terms of the Proposed Acquisition. For the avoidance of doubt, pursuant to the terms of the SPA, no shortfall will be paid to the Company by Vendor for FY2019. The amount of shortfall, if any, to be paid to the Company, will be calculated based on the aggregate amount of profits for FY2019 and for the financial year commencing 1 March 2019 and ending 29 February 2020 (“**FY2020**”).

As RSM Chio Lim LLP are still finalizing and preparing the consolidated audited financial statements of the Target Companies for FY2020, the Board will inform the Shareholders of the results in relation to the same once ready.

The Company will release further announcement(s) as and when there are material developments on this matter.

By Order of the Board

DATO’ KHOR GARK KIM
Lead Independent Director
Advanced Systems Automation Limited
22 April 2020

*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 Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the SGXST 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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