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

TERM SHEET IN RELATION TO THE PROPOSED DISPOSAL OF MICROFITS (BEIJING) TECHNOLOGY CO., LTD

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1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of the Company is pleased to announce that the Company has on 3 September 2018 entered into a non-binding term sheet (the "**Term Sheet**") with Gao Xi Guo. (the "**Purchaser**"), in relation to the Company's proposed disposal of the entire issued and paid-up share capital of its wholly-owned subsidiary, Microfits (Beijing) Technology Co., Ltd ("**MBT**") (the "**Sale Shares**") (the "**Proposed Disposal**").

2. INFORMATION ON MBT

MBT was incorporated on 3 November 2006 with a registered capital of US$11.08 million.

MBT is principally engaged in the business of designing, developing and manufacturing semiconductors for equipment and components which are used for, *inter alia*, the production of medical and scientific equipment.

3. INFORMATION ON THE PURCHASER

The Purchaser, a citizen of the People's Republic of China, is the founder of Beijing Zhongjia Huitong Real Estate Development Co., Ltd. which has a registered capital of RMB100 million and is in the principal business of, *inter alia*, real estate development, professional contracting, property management and urban landscaping.

4. SALIENT TERMS OF THE TERM SHEET

The Term Sheet is intended to set out the basis for further discussion in respect of the Proposed Disposal and the main principles that will underlie the legally binding definitive documentation (the "**Definitive Agreements**") that the parties to the Term Sheet will enter into concerning the Proposed Disposal. Some of the salient terms are set out below:

4.1 Consideration

The indicative purchase consideration is up to RMB1. The consideration was arrived at on an arm's length and on a 'willing buyer willing seller' basis, and after taking into account, among other factors, the financial performance and financial position of MBT. The consideration is subject, *inter alia*, to satisfactory due diligence and the agreed terms and conditions.

4.2 Representations and Warranties

The sale and purchase agreement will contain customary representations and warranties from the Company including without limitation in relation to the (i) authority to enter into the sale and purchase agreement, (ii) title to the Sale Shares (free from any mortgage, pledge or guarantee and any third party's recourse and (iii) MBT.

4.3 Exclusivity and Validity

The Company and MBT shall grant the Purchaser an exclusive period of up to forty-five (45) days from the date of the Term Sheet or such later date as the parties may agree to allow the Purchaser to conduct due diligence in respect of MBT and to negotiate and execute the Definitive Agreements.

The Term Sheet and the provisions therein shall expire upon the earlier of (i) the date falling ninety (90) days from the date of the Term Sheet and (ii) the date of executive of the SPA, unless extended by mutual agreement by the Company and the Purchaser or as may be required by relevant authorities.

4.4 Governing Law

The Term Sheet and the Definitive Agreements shall be governed by law of the Singapore, and the parties shall submit to the non-exclusive jurisdiction of the courts of Singapore.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date hereof, none of the Directors, controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective directorships and shareholdings in the Company, if any.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement ("**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 Term Sheet, the Proposed Disposal, the Company and its subsidiaries, 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 the Announcement in its proper form and context.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when appropriate, including when Definitive Agreements have been entered into in relation to the Proposed Disposal.

The Board wishes to emphasise that there is no certainty or assurance that Definitive Agreements in respect of the Proposed Disposal will be entered into, or that the Proposed Disposal will materialise. Shareholders and potential investors of the Company should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

DATO' KHOR GARK KIM
Lead Independent Director
Advanced Systems Automation Limited
3 September 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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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