



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

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors (the “**Board**”) of Advanced Systems Automation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 29 February 2024 in relation to the Group’s unaudited consolidated financial statements for the financial year ended 31 December 2023 (“**FY2023**”) (the “**Unaudited Financial Statements**”). Further reference is made to the audited consolidated financial statements of the Group for FY2023 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditors included in the Company’s annual report for FY2023 (“**2023 Annual Report**”) which will be released on the SGXNet in due course.

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, the Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, following the finalisation of the audit for FY2023, the Company’s independent auditors have proposed certain adjustments and reclassifications which the management of the Company has adopted accordingly in respect of the statements of financial position, consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows in the Audited Financial Statements.

Details and explanations of the material variances between the Audited Financial Statements and the Unaudited Financial Statements are set out below:

Statement of Financial Position as at 31 December 2023

Group	Audited Financial Statements	Unaudited Financial Statements	Difference
	\$'000	\$'000	\$'000
Non-Current Assets			
Property, plant and equipment	6,354	6,403	(49) ⁽¹⁾
Right-of-use assets	495	425	70 ⁽²⁾
Current Assets			
Inventories	809	751	58 ⁽³⁾
Tax recoverable	138	135	3 ⁽⁴⁾
Current Liabilities			
Other liabilities	1,801	2,149	(348) ⁽⁵⁾
Trade and other payables	5,174	9,532	(4,358) ⁽⁶⁾
Convertible notes	2,587	-	2,587 ⁽⁷⁾
Income tax payable	66	93	(27) ⁽⁸⁾
Loans and borrowings	662	657	5 ⁽⁹⁾
Non-Current Liabilities			
Trade and other payables	10,765	8,905	1,860 ⁽¹⁰⁾
Loans and borrowings	1,339	1,345	(6) ⁽¹¹⁾
Deferred tax liabilities	478	344	134 ⁽¹²⁾
Equity attributable to owners of the Company			
Foreign currency translation reserve	(1,050)	(1,051)	1 ⁽²³⁾
Accumulated losses	(152,904)	(153,138)	234 ⁽¹³⁾

Notes:

- (1) Reclassification of asset under hire purchase from property, plant and equipment of \$70,000 to right-of-use assets, partially offset by prior year subsidiary level reversal of impairment of property, plant and equipment of \$21,000 not captured in group level.
- (2) Reclassification of asset under hire purchase from property, plant and equipment of \$70,000 to right-of-use assets.
- (3) Reclassification from cost of sales to inventories of \$58,000.
- (4) Adjustment on additional tax recoverable of \$3,000 arising from one of the subsidiaries.
- (5) Reversal of staff related cost of \$348,000.
- (6) Reclassification of \$2,500,000 to convertible notes and \$1,858,000 to trade and other payables under non-current liabilities.
- (7) Reclassification of \$2,500,000 from trade and other payables under current liabilities, and adjustment of \$87,000 arising from fair value adjustment of the convertible notes.
- (8) Adjustment on income tax payable of \$27,000 arising from one of the subsidiaries.
- (9) Reclassification of \$5,000 from loans and borrowings to non-current liabilities.
- (10) Reclassification of \$1,860,000 from trade and other payables under current liabilities, partially offset by adjustment to exchange rate of \$2,000 to cost of sales.
- (11) Reclassification of \$5,000 from loans and borrowings from current liabilities and adjustment arising from exchange difference of \$1,000.
- (12) Additional deferred tax liabilities of \$134,000 arising from one of the subsidiaries.
- (13) Adjustment due to changes in income statement.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for FY2023

Group	Audited Financial Statements	Unaudited Financial Statements	Difference
	\$'000	\$'000	\$'000
Cost of sales	(8,913)	(8,973)	60 ⁽¹⁴⁾
Other income	137	51	86 ⁽¹⁵⁾
General and administrative costs	(4,307)	(4,654)	347 ⁽¹⁶⁾
Finance costs, net	(804)	(820)	16 ⁽¹⁷⁾
Other expenses, net	(1,988)	(1,821)	(168) ⁽¹⁸⁾
Income tax expense	(340)	(232)	(108) ⁽¹⁹⁾

Notes:

- (14) Reclassification of cost of sales to inventories of \$58,000, and adjustment arising from exchange difference of \$2,000.
- (15) Reclassification of foreign exchange gain of \$66,000, gain on disposal of \$28,000 and reversal of impairment of \$21,000 relating to property, plant and equipment, partially offset by provision of doubtful debt of \$13,000 and reclassification of interest income of \$16,000 to finance costs.
- (16) Reversal of staff related cost of \$348,000 and adjustment arising from exchange difference of \$1,000
- (17) Reclassification of interest income of \$16,000 to finance costs.
- (18) Adjustment on loss of \$87,000 arising from fair value adjustments of the convertible notes, reclassification of foreign exchange gain of \$66,000, gain on disposal of property, plant and equipment of \$28,000, partially offset by provision of doubtful debt of \$13,000.
- (19) Adjustment on additional deferred tax liabilities of \$134,000 and foreign exchange loss of \$4,000, partially offset by the lower income tax payable of \$27,000 and additional tax recoverable of \$3,000.

Consolidated Statement of Cash Flows for FY2023

Group	Audited Financial Statements	Unaudited Financial Statements	Difference
	\$'000	\$'000	\$'000
Net cash flows generated from operating activities			
Loss before income tax	(3,677)	(4,019)	342 ⁽²⁰⁾
Fair value loss on convertible notes	87	-	87 ⁽²¹⁾
Interest income	(47)	(31)	(16) ⁽²²⁾
Effect of unrealized exchange gain	(365)	(374)	9 ⁽²³⁾
Trade and other receivables and prepayment and advances	(277)	(2,290)	2,013 ⁽²⁴⁾
Inventories	152	210	(58) ⁽²⁵⁾
Trade and other payables, contract liabilities and other liabilities	661	3,528	(2,867) ⁽²⁶⁾
Net cash flows used in investing activities			
Purchase of property, plant and equipment	(660)	(731)	71 ⁽²⁷⁾
Proceeds from disposal of property, plant and equipment	71	38	33 ⁽²⁸⁾
Issuance of bridging loan	(2,000)	-	(2,000) ⁽²⁹⁾
Net cash flows generated from financing activities			
Payment of principal portion of lease liabilities	(212)	(115)	(97) ⁽³⁰⁾
Proceeds from bank borrowings	908	936	(28) ⁽³¹⁾
Proceed from convertible loan note	2,500	-	2,500 ⁽³²⁾
Interest paid	(144)	(155)	11 ⁽³³⁾

Notes:

- (20) Adjustment due to changes in income statement.
- (21) Adjustment on loss of \$87,000 arising from fair value adjustments on the convertible notes.
- (22) Reclassification of interest income of \$16,000 to offset finance costs.
- (23) Adjustment on exchange gain upon finalisation of the Group's financial results.
- (24) Reclassification of bridging loan of \$2,000,000 from operating activities to investing activities, and reclassification to trade and other payables, contract liabilities and other liabilities of \$13,000.
- (25) Reclassification of cost of sales to inventories of \$58,000.
- (26) Reclassification of proceeds from convertible notes of \$2,500,000 from operating activities to financing activities, reversal of staff related cost of \$348,000, reclassification from trade and other receivables and prepayment and advances of \$13,000, and adjustment on trade and other payables, contract liabilities and other liabilities of \$6,000.
- (27) Reclassification of purchase of property, plant and equipment to payment of principal portion of lease liabilities of \$71,000.
- (28) Reclassification of proceeds from bank borrowings of \$28,000 and adjustment arising from foreign exchange of \$5,000.
- (29) Reclassification of bridging loan of \$2,000,000 from operating activities to investing activities.
- (30) Reclassification from purchase of property, plant and equipment of \$71,000, interest paid of \$11,000 and adjustment arising from foreign exchange of \$15,000.
- (31) Reclassification of proceeds from bank borrowings to proceeds from disposal of property, plant and equipment of \$28,000.
- (32) Reclassification of proceeds from convertible notes of \$2,500,000 from operating activities to financing activities.
- (33) Reclassification of interest paid to payment of principal portion of lease liabilities of \$11,000.

Shareholders of the Company ("**Shareholders**") are advised to read this announcement in conjunction with the Independent Auditors' Report and the Audited Financial Statements which will form part of the 2023 Annual Report, which will be released on the SGXNet in due course.

Shareholders and potential investors of the Company are advised to exercise caution in trading the shares of the Company. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company 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

Dato' Sri Mohd. Sopiyan B. Mohd. Rashdi

Chairman

Advanced Systems Automation Limited

2 August 2024

*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 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.