



ADVANCED SYSTEMS AUTOMATION LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 198600740M

**PROPOSED ISSUANCE OF BONUS WARRANTS
("PROPOSED BONUS WARRANTS ISSUE")**

1. INTRODUCTION

1.1. 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 Company's announcements dated 27 October 2023 in relation to:

- (1) the proposed acquisition of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte Ltd for an aggregate consideration of S\$20.0 million ("**Proposed Acquisition**"); and
- (2) the proposed 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 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 The Board wishes to announce that subject to completion of the Proposed Share Consolidation, the Company is proposing a bonus issue of up to 103,034,428 free warrants ("**Warrants**"), each carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") within two (2) years from issuance date ("**Exercise Period**") at an exercise price of S\$0.045 for each New Share ("**Exercise Price**"), to be credited on the basis of three (3) Warrants for every ten (10) existing Shares (on a post-consolidated basis) held by the Shareholders as at a record date to be determined by the Directors ("**Warrants Record Date**"), fractional entitlements to be disregarded ("**Proposed Bonus Warrants Issue**").

1.3 The Proposed Bonus Warrants Issue will be undertaken after the completion of the Proposed Share Consolidation. As such, as a result of the Proposed Bonus Warrants Issue, each Shareholder will receive three (3) Warrants for every ten (10) Consolidated Shares held as at the Warrants Record Date.

1.4 Pursuant thereto, the Company is proposing an extraordinary general meeting ("**EGM**") to seek Shareholders' approval for the Proposed Bonus Warrants Issue. The Company will be despatching a Shareholders' circular ("**Circular**") in relation to the Proposed Bonus Warrants Issue and the notice of EGM in due course, via announcement on the Singapore Exchange's website and the Company's website.

2. PRINCIPAL TERMS OF THE PROPOSED BONUS WARRANTS ISSUE

2.1. The following is a summary of principal terms of the Warrants:

Form : The Warrants will be issued in registered form and will be constituted by a deed poll (the “**Deed Poll**”) to be executed by the Company.

The Deed Poll will set out, among others, the terms and conditions of the Warrants (the “**Terms and Conditions of the Warrants**”) and which may from time to time be amended, supplemented or modified in accordance with its terms.

Exercise Period : Each holder of a Warrant (the “**Warrantholder**”) will have the right, by way of exercise of each Warrant, to subscribe for one (1) New Share at the Exercise Price during the period commencing on (and including) the date the Warrants are first issued, listed and quoted on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and expiring at 5.00 p.m. on the date immediately preceding 24 months from the date of the issue, listing and quotation of the Warrants, unless such date is a date on which the Register of Members, the Share Transfer Books, the register of Warrantholders of the Company (the “**Register of Warrantholders**”) and/or the depository register (the “**Depository Register**”) (as the case may be) is closed, and/or is not a day of which the SGX-ST is open for trading in securities (“**Market Day**”), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register of Warrantholders and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the Terms and Conditions of the Warrants.

At the expiry of the Exercise Period, any Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

Exercise Price : Subject to adjustments of the Exercise (as set out in the Terms and Conditions of the Warrants) referred to in “Adjustments” below, the initial price payable for each New Share upon the exercise of a Warrant (the “**Exercise Price**”) is S\$0.045, payable in full upon exercise of the Warrant and which represents a discount of an approximately 30.77% to the last transacted price of the Shares of S\$0.065 (on a post-consolidated basis after the completion of the Proposed Share Consolidation) on the Catalist of the SGX-ST on 18 October 2023, being the last trading day on which trades were done on the Shares prior to the release of this announcement.

Issue Size : As at the date hereof, the Company has 22,324,126,058 Shares (excluding treasury Shares) that have been issued and are fully paid-up.

Upon completion of the Proposed Share Consolidation, the Company shall have 343,448,093 Consolidated Shares in its issued and paid-up share capital ("**Prevailing Share Capital**").

Based on the Prevailing Share Capital, up to 103,034,428 Warrants shall be issued, on the basis of three (3) free Warrants for every ten (10) Consolidated Shares. Assuming all Warrants issued are exercised, 103,034,428 New Shares shall be issued and allotted.

Listing : An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of, and quotation for the Warrants and the New Shares on Catalist.

In the event that there are adjustments to the number of Warrants which would require additional Warrants and/or New Shares (as the case may be) to be issued, the Company will seek the approval of the SGX-ST for the dealing in, listing of, and quotation for, such additional Warrants and/or New Shares on the Catalist of the SGX-ST at the relevant time.

Trading : Each board lot of Warrants will consist of 100 Warrants. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Catalist of the SGX-ST.

Upon the listing of and quotation for the Warrants and the New Shares on the Catalist of the SGX-ST, the Warrants and the New Shares, when issued, will be traded on Catalist under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Warrants and the New Shares effected through the SGX-ST and/or The Central Depository (Pte) Limited ("**CDP**") shall be made in accordance with the 'Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited' and (in the case of the Warrants) the "Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Warrants", as the same may be amended from time to time.

Status of the New Shares : The New Shares shall, when allotted and issued upon the exercise of the Warrants, be fully paid and shall rank for any dividends, rights, allocations or other distributions that may be declared or paid, the Distribution Record Date (as defined below) for which is on or after the relevant date of exercise of the Warrants and shall rank *pari passu* in all respects with the then existing Shares.

For the purpose herein, “**Distribution Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Adjustments

: The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the Terms and Conditions of the Warrants. Subject to Terms and Conditions of the Warrants, such circumstances customarily include:

- (a) any consolidation or subdivision of the Shares;
- (b) capitalisation of profits or reserves;
- (c) capital distribution;
- (d) rights issues of Shares or options over Shares at less than 95% of the current market price; and/or
- (e) an issue of shares (other than a rights issue or an issue of shares to members of the Company who elect to receive shares in lieu of cash as dividends) if the total effective consideration for each Share is less than 90% of the current market price.

Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company via an announcement on SGXNET in compliance with the Catalist Rules.

Winding up

: In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as soon or soon after it despatches such notice to its members give notice thereof to the Warranholders and thereupon, each Warranholder shall be entitled to exercise all or any of his Warrants at any time not later than two (2) business days prior to the proposed general meeting in accordance with the Terms and Conditions of the Warrants whereupon the Company shall, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant New Shares to the Warranholder credited as fully paid.

If a resolution is passed for a members' voluntary winding-up of the Company, then if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantheolders, or some person designed by them for such purpose by Extraordinary Resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantheolders.

Subject to the foregoing, if the Company is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, (a) give notice to the Warrantheolders of the expiry of the Exercise Period in accordance with the Terms and Conditions of the Warrants and make an announcement of the same to the SGX-ST and (b) take reasonable steps to despatch to the Warrantheolders notices in writing to their addresses recorded in the Register of Warrantheolders or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Alteration to Terms : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantheolder and prejudicial to the Shareholders shall be made unless the alterations are made pursuant to the Terms and Conditions of the Warrants or the prior approval of Shareholders at a general meeting has been obtained.

Governing law : The terms of the Warrants are governed by the laws of Singapore.

2.2. Fractional Entitlements

All fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders (as defined below) and will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Shareholders should note that subject to the requirement of SGX-ST, the Warrants are quoted on Catalist in board lot sizes of 100 Warrants. Following the Proposed Bonus Warrants Issue, Shareholders who hold odd lots of the Warrants (i.e. less than 100 Warrants) and who wish to trade in odd lots on Catalist should note (where applicable) the setting up of the Unit Share Market of the SGX-ST to allow for trading of odd lots.

2.3. Eligibility of Shareholders to Participate in the Proposed Bonus Warrants Issue

The Warrants to be issued pursuant to the Proposed Bonus Warrants Issue will be credited and allotted to Shareholders whose names appear in the records of the CDP or the Register of Members of the Company, as the case may be, as at the Warrants Record Date, with registered addresses in Singapore or who have, at least three (3) consecutive market days prior to the Warrants Record Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents ("**Entitled Shareholders**").

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Warrants will NOT be offered or credited or allotted (as the case may be) to Shareholders with registered addresses outside Singapore as at the Warrants Record Date and who have not, at least three (3) market days prior thereto, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**").

If it is practicable, the Warrants which would otherwise be allotted to Foreign Shareholders will at the absolute discretion of the Company, be sold on Catalist and the net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register or the Register of Members (as the case may be) as at the Warrants Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such amount will be retained for the sole benefit of the Company or otherwise dealt with as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP or the Directors or share registrar or the Sponsor (as defined herein) and their respective officers in respect of such sales or the proceeds thereof, of such entitlements to the Warrants.

Where such Warrants are sold on Catalist, they will be sold at any such price or prices as the Company, may in its absolute discretion, decide and deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP or the Directors or share registrar or the Sponsor (as defined herein) in respect of such sales.

Any entitlements to the Warrants not taken up for any reason and fractional entitlements to the Warrants which are disregarded and not allotted to Entitled Shareholders will be aggregated and sold on Catalist for the benefit of the Company or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

3. RATIONALE OF THE PROPOSED BONUS WARRANTS ISSUE AND USE OF PROCEEDS FROM EXERCISE OF WARRANTS

3.1. Rationale

The Proposed Bonus Warrants Issue will provide Shareholders with the opportunity to increase their equity participation in the Company by subscribing for New Shares through the exercise of Warrants, thereby encouraging trading liquidity and greater participation by investors and broadening the shareholder base of the Company, particularly in view of the Proposed Acquisition.

In addition, the Proposed Bonus Warrants Issue will also enable to Company to raise funds and provide additional financial flexibility to the Group. The estimated net proceeds arising from the exercise of the Warrants will potentially increase the Company's capital base, strengthen its balance sheet and provide additional resources and working capital required to support the expanding business operations and other financial needs of the Group.

3.2. Use of Proceeds

As the Warrants are issued free to Shareholders, there will be no proceeds raised directly from the Proposed Bonus Warrants Issue.

Assuming that all 103,034,428 Warrants are issued and are all exercised within the relevant Exercise Period, the Company will receive gross proceeds of approximately S\$4.6 million. The estimated net proceeds from the exercise of the Warrants, after deducting estimated expenses and related expenses of the Proposed Bonus Warrants Issue, will amount to approximately S\$4.5 million ("**Net Proceeds**").

The Company intends to utilise the Net Proceeds for investments, repayment of borrowings and/or general working capital purposes for the Group, as the Directors may deem fit in the interests of the Company. As the actual amount of Net Proceeds received by the Company from the exercise of the Warrants will depend on when and the extent to which such Warrants are exercised, the percentage allocation for the intended use cannot be determined as at the date of this announcement.

As and when any material amount of the Net Proceeds is disbursed, the Company will make the necessary announcements on the utilisation of the Net Proceeds and whether the use of Net Proceeds is in accordance with the stated use. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company's interim and full-year financial statements and annual report(s). Where the Net Proceeds have been used for general working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds for general working capital in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds for the uses identified above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

4. APPROVAL FOR THE PROPOSED BONUS WARRANTS ISSUE

4.1. The Proposed Bonus Warrants Issue is subject to, *inter alia*, the following:-

- (a) receipt of the listing and quotation notice ("**Notice**") from the SGX-ST for the dealing in, listing of and quotation for the Warrants and New Shares on the Catalist of the SGX-ST;
- (b) the lodgement of the Offer Information Statement ("**OIS**"), together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Proposed Bonus Warrants Issue, with the SGX-ST acting as agent of the Monetary Authority of Singapore; and
- (c) there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants.

- 4.2. An application will be made to the SGX-ST for permission to deal in, and the listing of and quotation for all the Warrants and the New Shares on Catalist. An appropriate announcement on the outcome of the application will be made in due course. The OIS will be lodged with the SGX-ST acting as agent of the Monetary Authority of Singapore in due course before the Warrants are issued. The date for the Warrants Record Date will only be fixed and announced after the SGX-ST has issued the Notice or approved the Proposed Bonus Warrants Issue (as the case may be).

5. OFFER INFORMATION STATEMENT

The terms and conditions of the Proposed Bonus Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Bonus Warrants Issue will be contained in the OIS to be issued by the Company in due course.

6. RESPONSIBILITY STATEMENT

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) 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 Bonus Warrants Issue, 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 any 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.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholder(s) of the Company has any interest, direct or indirect, in the Proposed Bonus Warrants Issue other than through their respective shareholdings in the Company.

8. EGM, CIRCULAR AND FURTHER ANNOUNCEMENTS

The Company intends to convene an EGM to seek Shareholders' approval for the Proposed Bonus Warrants Issue. A circular to Shareholders containing, *inter alia*, information on the Proposed Bonus Warrants Issue ("**Circular**"), together with the Notice of EGM, will be sent to Shareholders in due course.

Further announcements will also be made in connection with the Bonus Warrants as and when appropriate.

Shareholders should note that there is no assurance that the Proposed Bonus Warrants Issue will take place and Shareholders and potential investors should exercise caution when trading in the Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

**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 ("**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.