



ADVANCED SYSTEMS AUTOMATION LIMITED

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

**PROPOSED ISSUANCE OF 5.0% REDEEMABLE CONVERTIBLE NOTES IN AGGREGATE
PRINCIPAL AMOUNT OF UP TO SGD20,000,000 (THE “PROPOSED RCN ISSUANCE”)**

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Advanced Systems Automation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that it has on 24 October 2023 entered into a conditional subscription agreement with (a) Advance Opportunities Fund I (“**AOF I**”) and (b) Advance Opportunities Fund VCC (acting for and on behalf of and for the account of AOF Singapore Opportunities Fund VCC) (“**AOF VCC**”) (the “**Subscribers**” and each a, “**Subscriber**”) for the Proposed RCN Issuance (“**Subscription Agreement**”).

2. DETAILS OF THE PROPOSED RCN ISSUANCE

The Proposed RCN Issuance involves the issuance of up to 5.0% redeemable convertible notes convertible into new ordinary shares in the capital of the Company (collectively, “**Shares**” and each, a “**Share**”) with an aggregate nominal value of up to SGD20.0 million (“**Notes**” and each a, “**Note**”), subject to terms and conditions as set out in the Subscription Agreement.

The Notes will be issued in three (3) tranches (each a “**Tranche**”), namely:

- (a) Tranche 1 (“**T1**”) of SGD2.5 million comprising of 1 sub-tranche of SGD2.5 million;
- (b) Tranche 2 (“**T2**”) of SGD2.5 million comprising of five (5) equal sub-tranches of SGD500,000 each (“**ST01 to ST05 of T2**”); and
- (c) Tranche 3 (“**T3**”) of SGD15 million comprising of 30 equal sub-tranches of SGD500,000 each (“**ST01 to ST30 of T3**”).

The Company intends to raise up to:

- (a) SGD5.0 million vide the issuance of T1 and T2 Notes subject to the T1 & T2 Maximum Conversion Shares (defined herein); and
- (b) SGD15.0 million vide the issuance of T3 Notes subject to the T3 Maximum Conversion Shares (defined herein).

The Notes will not be listed and/or quoted on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) or any other stock exchange.

The Notes are convertible at the option of the holder of the Notes (“**Noteholder(s)**”) into Shares at the conversion terms and/or redeemable at the election of the Company or on the T1 & T2 Maturity Date or the T3 Maturity Date (defined herein) in cash, subject to the terms and conditions as set out in the Subscription Agreement.

2.1 Salient terms of the Notes

The salient terms of the Notes are as follows:

Issue Size	:	Up to SGD20.0 million in aggregate nominal value, divided into 3 tranches namely: (a) Tranche 1 of SGD2.5 million comprising of 1 sub-tranche of SGD2.5 million; (b) Tranche 2 of SGD2.5 million comprising of five (5) equal sub-tranches of SGD500,000 each; and (c) Tranche 3 of SGD15 million comprising of 30 equal sub-tranches of SGD500,000 each. The issuance of T3 shall be at the discretion of the Company wherein the Company has the right but not the obligation to issue ST01 of T3 on or before the 10 th Business Day (defined herein) following the fulfilment of the last of the T3 Conditions Precedent (defined herein).
Issue price (the “ Issue Price ”)	:	In relation to each sub-tranche of the relevant Tranche, the amount equivalent to 100% of the principal amount of the Notes for such sub-tranche.
T1 & T2 Maturity Date	:	12 months (1 year) from the Closing Date (defined herein) of T1
T3 Maturity Date	:	36 months (3 years) from the Closing Date of ST01 of T3
Method of issue	:	The Notes will be privately placed to and purchased by the Subscribers. No offering circular or information memorandum will be issued by the Company for the Proposed RCN Issuance.
Interest	:	5.0% interest per annum, payable in cash quarterly in arrears on 31 March, 30 June, 30 September and 31 December in each calendar year. Each Note shall cease to bear interest on (a) conversion into Shares; or (b) the date of redemption of such Notes; or (c) on T1 & T2 Maturity Date or T3 Maturity Date (as the case may be).

Issue and subscription date of T1 Notes	:	<p>The subscription of T1 is dependent on the fulfilment of the T1 Conditions Precedent (defined herein).</p> <p>Once fulfilled, the Subscribers are obliged to subscribe for T1 on the date falling 5 Business Days immediately after the last of the T1 Conditions Precedent are fulfilled or such other date as the Company and the Subscribers (the “Parties”) may agree in writing.</p>
Issue and subscription date of T2 Notes	:	<p>The subscription of the ST01 of T2 is dependent on the fulfilment of the T2 Conditions Precedent (defined herein).</p> <p>Once fulfilled, the Subscribers are obliged to subscribe for ST01 of T2 on the date falling 5 Business Days immediately after the last of the T2 Conditions Precedent are fulfilled or such other date as the Parties may agree in writing.</p> <p>The Subscribers’ obligation to subscribe for ST02 – ST05 of T2 Notes shall be subject to terms and conditions of the Subscription Agreement.</p>
Issue and subscription date of T3 Notes	:	<p>The issuance of T3 Notes shall be at the discretion of the Company wherein the Company has the right but not the obligation to issue ST01 of T3 on or before the 10th Business Day following the fulfilment of the last of the T3 Conditions Precedent (defined herein).</p> <p>The Subscribers obligation to subscribe for ST02 – ST30 of T3 shall be subject to terms and conditions of the Subscription Agreement.</p>
Concurrent Subscription	:	<p>In respect of ST02 to ST05 of T2 and ST02 to ST30 of T3, at any time prior to full conversion of the preceding sub-tranche,</p> <p>(a) the Subscribers shall be entitled (at its sole election) to subscribe for 1 or more sub-tranches in T2 or T3 (as the case may be) even though the preceding sub-tranche(s) of T2 or T3 (as the case may be) have yet to be converted; and</p> <p>(b) the Company shall be obliged to issue such sub-tranche(s) on or before the 5th Business Day from the date of such written request issued by the Subscribers (or such other date as the Parties may agree in writing), such date being the Closing Date of such subsequent sub-tranche.</p>

Allocation of the Notes amongst Subscribers	:	The Subscribers or the Subscribers' Agent (defined herein) (as the case may be) has the right to jointly issue an allocation notice to the Company informing the Company of the allocation of the Notes in such sub-tranche subscribed for by the Subscribers.
General Mandate	:	<p>In regards to the offer or sale, or invitation for subscription or purchase, or the issue, of the T1 and T2 and the Conversion Shares (defined herein) arising therefrom upon the exercise of the Conversion Rights by the Subscribers, the Company intends to utilise the existing general mandate for the allotment and issue of new Shares or convertible securities granted by the Shareholders at the Company's annual general meeting held on 28 June 2023.</p> <p>The Company's number of issued shares (excluding treasury shares) as at 31 December 2022 is 22,324,126,05. As the date of this Announcement, the remaining number of Shares under the Company's existing general share issue mandate is 11,162,063,029 Shares (on a pre-consolidated basis prior to completion of the Proposed Share Consolidation (defined herein)). The Company has not utilised any of its existing general share issue mandate.</p> <p>The maximum number of shares to be allotted and issued pursuant to the conversion of T1 and T2 Notes are set out in "T1 & T2 Maximum Conversion Shares".</p>
Specific Mandate	:	The allotment and issue of T3 and T3 Maximum Conversion Shares arising therefrom upon the exercise of the Conversion Rights by the Subscribers will be subject to the approval of the Shareholders at a general meeting to be held by the Company.
Conversion	:	<p>Subject to and against compliance of the relevant Conditions (defined herein) under the Subscription Agreement:</p> <p>(a) Any T1 or T2 Note may be converted into Shares (the "Conversion Shares") at the option of the Noteholder from the date on which it is issued up to the close of business on the day falling seven (7) calendar days before the T1 & T2 Maturity Date.</p> <p>(b) Any T3 Note may be converted into Conversion Shares at the option of the Noteholder from the date on which it is issued up to the close of business on the day falling seven (7) calendar days before the T3 Maturity Date.</p>

		<p>(c) Subject always to the T1 & T2 Maximum Conversion Shares or T3 Maximum Conversion Shares (defined herein) (as the case may be), the number of Conversion Shares to which a Noteholder is entitled on conversion shall be determined by dividing the aggregate principal amount of the T1 or T2 Notes to be converted by the applicable T1 & T2 Conversion Price or T3 Conversion Price (defined herein).</p> <p>(d) The Company will deliver the Conversion Shares to the order of the person named for that purpose in the Conversion Notice (defined herein) within 2 Business Days following the Conversion Date (defined herein).</p>
T1 & T2 Conversion Price	:	<p>The price at which each Conversion Share shall be issued upon conversion of T1 & T2 Notes shall be:</p> <p>90% of the average volume weighted average price (“VWAP”) per share for the preceding five (5) Business Days to the relevant Conversion Date of the T1 & T2 Notes on which Shares were traded on the SGX-ST.</p>
T3 Conversion Price	:	<p>The price at which each Conversion Share shall be issued upon conversion of T3 Notes shall be:</p> <p>80% of the average of the Closing Prices per Share on any three (3) consecutive Business Days, to be determined at the sole discretion of the Noteholder, during the forty-five (45) Business Days immediately preceding the relevant Conversion Date of the outstanding T3 Notes.</p>
T1 & T2 Maximum Conversion Shares	:	<p>The maximum number of Conversion Shares which may be issued pursuant to the conversion of all the T1 Notes and T2 Notes pursuant to the Subscription Agreement, Conditions and the Catalist Rules shall be equivalent to 11,162,063,029 Shares (on a pre-consolidated basis prior to completion of the Proposed Share Consolidation (defined herein)) pursuant to the General Mandate.</p>
T3 Maximum Conversion Shares	:	<p>The maximum number of Conversion Shares which may be issued pursuant to the conversion of all the T3 Notes pursuant to the Subscription Agreement, the Conditions and the Catalist Rules shall be equivalent to 461,538,461 Shares (on a consolidated basis following completion of the Proposed Share Consolidation).</p>

Adjustments to the T1 & T2 Maximum Conversion Shares and T3 Maximum Conversion Shares	:	The T1 & T2 Maximum Conversion Shares and T3 Maximum Conversion Shares shall be subject to adjustments in the event of stock split and/or consolidation of the Shares (including the Proposed Share Consolidation), where such events have taken place.
Adjustments to the T1 & T2 Conversion Price and the T3 Conversion Price	:	<p>The adjustment provisions under the Subscription Agreement are customary provisions based on prescribed formulae in the event of significant adjustments including any consolidation of Shares, rights issue, bonus issue or stock split of the Shares.</p> <p>Save for the Proposed Share Consolidation and Proposed Warrants Issue, the Company undertakes not to carry out or cause to be carried out any corporate transactions which will result in an adjustment to the T1 & T2 Conversion Price or the T3 Conversion Price (as the case may be) unless with the prior written consent of the Subscribers, which shall not be unreasonably withheld.</p>
Default Redemption	:	<p>In the event of the occurrence of any Events of Default (as defined and set out in Appendix I of this announcement), the Company shall, upon receipt of a notice in writing from the Noteholders ("Relevant Notice"), redeem the outstanding Notes in cash at 118% of the aggregate principal amount of the Notes, together with accrued interest ("Default Redemption Amount")</p> <p>The Default Redemption Amount shall be subject to a default interest on a daily basis at the rate of 3.0% per month (the "Default Interest") commencing from the Business Day immediately following the date of the Relevant Notice up to and including the date on which the Noteholder receives full payment of the Default Redemption Amount together with accrued Default Interest.</p>
Non-Default Redemption	:	Subject to there being no Event of Default, the Company may at any time on or before the T1 & T2 Maturity Date or the T3 Maturity Date (as the case may be) (defined herein), redeem all or any part of the Notes which have been issued and remain outstanding at 115% of the principal amount of the outstanding Notes in cash together with all accrued interest (" Non-Default Redemption Amount ").
Redemption in the event the T1 & T2 Maximum Conversion Shares has been reached	:	In the event the T1 & T2 Maximum Conversion Shares have been reached, the Noteholder(s) shall issue a written notice to the Company (the " Redemption Notice ") and the Company shall redeem in cash the outstanding T1 & T2 Notes that are not capable of being converted, at 115% of the principal amount of the outstanding Notes, together with all accrued interest (the

		<p>“Redemption Sum”) and pay the Redemption Sum to the Noteholder within 14 Business Days of the Company’s receipt of the Redemption Notice.</p>
<p>Redemption in the event the T3 Maximum Conversion Shares has been reached</p>	:	<p>In the event the T3 Maximum Conversion Shares have been reached and the Company has failed to obtain the relevant Corporate Approvals (defined herein) and Authority Approvals (defined herein) to increase the T3 Maximum Conversion Shares (as the case may be), the Noteholder(s) shall issue a Redemption Notice and the Company shall redeem in cash, the outstanding Notes that are not capable of being converted at the Redemption Sum and pay the Redemption Sum to the Noteholder within 14 Business Days of the Company’s receipt of the Redemption Notice.</p>
<p>Conversion and Redemption of outstanding T1, T2 and T3 Notes on T1 & T2 Maturity Date or T3 Maturity Date</p>	:	<p>Any remaining T1 & T2 Notes or T3 Notes which are not redeemed or purchased, converted or cancelled by the Company on before the day falling 7 calendar days prior to the T1 & T2 Maturity Date or the T3 Maturity Date (as the case may be) shall be dealt with by the Company in the following manner:</p> <p>(a) T1 & T2 Notes</p> <p>(i) Any outstanding T1 and/or T2 Notes shall be converted by the Company in accordance with the T1 & T2 Conversion Price on the T1 & T2 Maturity Date.</p> <p>(ii) If the Company is unable to convert any of the outstanding T1 and/or T2 Notes due to a breach of the T1 & T2 Maximum Conversion Shares, the Company shall redeem in cash the outstanding T1 and/or T2 Notes at the Redemption Sum and pay the Redemption Sum to the Noteholders within 14 Business Days from the T1 & T2 Maturity Date.</p> <p>(b) T3 Notes</p> <p>(i) Any outstanding T3 Notes shall be converted by the Company in accordance with the T3 Conversion Price on the T3 Maturity Date.</p> <p>(ii) If the Company is unable to convert any of the outstanding T3 Notes due to a breach of the T3 Maximum Conversion Shares, the Company shall redeem in cash the outstanding T3 Notes at the Redemption Sum and pay the Redemption Sum to the Noteholders within 14 Business Days from the T3 Maturity Date.</p>

<p>Conditions precedent to the closing of T1 (“T1 Conditions Precedent”)</p>	<p>:</p>	<p>The conditions precedent to the closing of T1 to be fulfilled by the Company on or before the T1 Fulfilment Date (defined herein) are briefly as follows:</p> <ul style="list-style-type: none"> (a) the Company has a valid and subsisting General Mandate for the allotment and issue of the T1 Notes and for the Conversion Shares upon the conversion of T1 Notes. Such approval shall not have been amended, withdrawn, revoked or cancelled on or before the Closing Date of T1; (b) the Company has obtained all necessary Corporate Approvals for the Proposed RCN Issuance and the Conversion Shares arising therefrom. In addition, such Corporate Approvals shall not have been amended, withdrawn, revoked or cancelled on or before the Closing Date of T1; (c) all necessary Other Approvals (defined herein) relating to the Proposed RCN Issuance and the Conversion Shares arising therefrom (if any) shall have been obtained and such approvals remain valid and subsisting as at the Closing Date of T1; (d) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all material respects and the Company shall have performed all of its undertakings or obligations under the Subscription Agreement to be performed; and (e) delivery of such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the Proposed RCN Issuance. <p>If any of the above conditions precedent are not satisfied or waived by the Subscribers on or before the T1 Fulfilment Date, the Subscription Agreement shall <i>ipso facto</i> cease, and the Parties shall be released and discharged from their respective obligations, save for costs and expenses payable as provided in the Subscription Agreement, indemnity by the Company and any antecedent breaches.</p>
<p>T1 Fulfilment Date</p>	<p>:</p>	<p>The date falling one (1) calendar month from the date of the Subscription Agreement (or such other date as the Parties may agree in writing)</p>

<p>Conditions precedent to the closing of T2 (“T2 Conditions Precedent”)</p>	<p>:</p>	<p>The conditions precedent to the closing of ST01 of T2 to be fulfilled by the Company on or before the T2 Fulfilment Date (defined herein) (where applicable) are briefly as follows:</p> <ul style="list-style-type: none"> (a) the Company has a valid and subsisting General Mandate for the allotment and issue of T2 Notes and for the Conversion Shares arising therefrom. Such approval shall not have been amended, withdrawn, revoked or cancelled on or before the Closing Date of ST01 to ST05 of T2; (b) the completion of the Proposed Share Consolidation by the Company; (c) the Corporate Approvals for the Proposed RCN Issuance and the Conversion Shares arising therefrom obtained by the Company shall not have been amended, withdrawn, revoked or cancelled prior to each subsequent Closing Date of ST01 to ST05 of T2 having been obtained in form and substance satisfactory to the Subscribers in its sole and absolute discretion and remaining valid and subsisting as at the Closing Date of ST01 of T2; (d) the SGX-ST having granted or agreed to grant the listing of and permission to deal in the Conversion Shares of the T1 and T2 Notes and such approval and permission not subsequently being revoked or withdrawn on or before the Closing Date of ST01 of T2; (e) all necessary Other Approvals relating to the Proposed RCN Issuance and the Conversion Shares arising therefrom (if any) obtained by the Company shall not have been amended, withdrawn, revoked or cancelled on or prior to the Closing Date of ST01 of T2 having been obtained in form and substance satisfactory to the Subscribers in its sole and absolute discretion and remaining valid and subsisting as at each subsequent Closing Date of ST01 of T2; (f) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all respects and the Company shall have performed all of its undertakings or obligations under the Subscription Agreement to be performed; and
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	<p>(g) delivery of such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the Proposed RCN Issuance.</p> <p>If any of the above T2 Conditions Precedent are not satisfied or waived by the Subscribers on or before the T2 Fulfilment Date, the Subscription Agreement shall <i>ipso facto</i> cease, and the Parties shall be released and discharged from their respective obligations, save for costs and expenses payable in relation to the Notes and/or Conversion Shares, indemnity by the Company and any antecedent breaches.</p> <p>In respect of ST02 to ST05 of T2, the Subscribers shall only be obliged to subscribe for each respective sub-tranche of T2 if:</p> <p>(h) all the Corporate Approvals for the Proposed RCN Issuance and the Conversion Shares arising therefrom shall not have been amended, withdrawn, revoked or cancelled on or prior to each Closing Date of ST02 to ST05 of T2 and remains valid and subsisting as at each subsequent Closing Date of ST02 to ST05 of T2;</p> <p>(i) the SGX-ST's approval and permission to grant the listing of and permission to deal in the Conversion Shares of the T1 and T2 Notes not subsequently being revoked or withdrawn on or before the subsequent Closing Date of ST02 to ST05 of T2</p> <p>(j) all necessary Other Approvals relating to the Proposed RCN Issuance and the Conversion Shares arising therefrom (if any) shall not have been amended, withdrawn, revoked or cancelled on or prior to each Closing Date of ST02 to ST05 of T2 and remains valid and subsisting as at each subsequent Closing Date of ST02 to ST05 of T2; and</p> <p>(k) at each subsequent Closing Date of ST02 to ST05 of T2, (i) all the representations, warranties, undertakings and covenants of the Company including the Warranties set out in this Agreement shall be accurate and correct in all respects at, and as if made on, that Closing Date; and (ii) the Company shall have performed all of its undertakings or obligations hereunder to be performed on or before that Closing Date.</p>
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T2 Fulfilment Date	:	The date falling three (3) calendar months from the date of the Subscription Agreement (or such other date as the Parties may agree in writing).
Conditions precedent to the closing of T3 (“ T3 Conditions Precedent ”)		<p>The conditions precedent to the closing of ST01 of T3 to be fulfilled by the Company on or before the T3 Fulfilment Date are briefly as follows:</p> <ul style="list-style-type: none"> (a) the approvals of Shareholders obtained by the Company at the extraordinary general meeting of Shareholders for: <ul style="list-style-type: none"> (i) the invitation for subscription, or the issue, of T3 Notes and the allotment and the issue of the Conversion Shares arising therefrom in and all other matters in relation thereto and in connection therewith, shall remain effective and not have been amended, withdrawn, revoked, rescinded or cancelled and, where such approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendments being reasonably acceptable to the Subscribers, and to the extent that any such conditions are required to be fulfilled on or before each subsequent Closing Date of ST01 to ST30 of T3, they are fulfilled; and (ii) the approval for the Proposed Acquisition (defined herein) and the requisite resolutions in relation to the Proposed Acquisition. (b) SGX-ST having granted or agreed to grant the listing of and permission to deal in the Conversion Shares in respect of the T3 Notes and such approval and permission not subsequently being revoked or withdrawn on or before the Closing Date of ST01 of T3 Notes; (c) all necessary Other Approvals relating to the Proposed RCN Issuance and the Conversion Shares arising therefrom (if any) shall not have been amended, withdrawn, revoked or cancelled on or prior to the Closing Date of ST01 of T3 and remains valid and subsisting at the Closing Date of ST01 of T3; (d) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all respects and the Company shall have performed all of its undertakings or obligations under the Subscription

		<p>Agreement to be performed; and</p> <p>(e) delivery of such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the Proposed RCN Issuance.</p> <p>If any of the above T3 Conditions Precedent are not satisfied or waived by the Subscribers on or before the T3 Fulfilment Date, the Subscription Agreement shall <i>ipso facto</i> cease, and the Parties shall be released and discharged from their respective obligations, save for costs and expenses payable in relation to the Notes and/or Conversion Shares, indemnity by the Company and any antecedent breaches.</p> <p>In respect of ST02 to ST30 of T3, the Subscribers shall only be obliged to subscribe for each of ST02 to ST30 of T3 if:</p> <p>(f) all the Corporate Approvals for the Proposed RCN Issuance and the Conversion Shares arising therefrom shall not have been amended, withdrawn, revoked or cancelled on or prior to each Closing Date of ST02 to ST30 of T3 and remains valid and subsisting as at each subsequent Closing Date of ST02 to ST30 of T3;</p> <p>(g) the SGX-ST's approval and permission to grant the listing of and permission to deal in the Conversion Shares of the T3 Notes not subsequently being revoked or withdrawn on or before the subsequent Closing Date of ST02 to ST30 of T3;</p> <p>(h) all necessary Other Approvals relating to the Proposed RCN Issuance and the Conversion Shares arising therefrom (if any) shall not have been amended, withdrawn, revoked or cancelled on or prior to each Closing Date of ST02 to ST30 of T3 and remains valid and subsisting as at each subsequent Closing Date of ST02 to ST30 of T3; and</p> <p>(i) at each subsequent Closing Date of ST02 to ST30 of T3, (i) all the representations, warranties, undertakings and covenants of the Company including the Warranties set out in this Agreement shall be accurate and correct in all respects at, and as if made on, that Closing Date; and (ii) the Company shall have performed all of its undertakings or obligations hereunder to be performed on or before that Closing Date.</p>
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T3 Fulfilment Date	:	Means the date falling six (6) calendar months from the date of the Subscription Agreement or such other date as the Parties may agree in writing.
Administrative Fee	:	An administrative fee of 6.0% of the aggregate nominal value subscribed of each sub-tranche of the Notes is payable by the Company to ZICO Asset Management Pte. Ltd. on the Closing Date of each sub-tranche of the Notes.

2.2 SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

Please refer to Appendix 1 for the salient terms of the Subscription Agreement.

2.3 INFORMATION ON THE SUBSCRIBERS

AOF VCC

AOF VCC (UEN: T22VC0307) is an umbrella variable capital company incorporated under the Variable Capital Companies Act 2018 of Singapore (“**VCC Act**”) acting on behalf of and for the account of AOF Singapore Opportunities Fund (UEN: T22VC0307-SF005) (a sub-fund set up under AOF VCC). Mr. Tan Choon Wee, Mr. Lim Khoon Siong and Mr. Lin Kuan Liang, Nicolas (“**Mr. Lin**”) are the directors of AOF VCC. Mr. Tan is also the sole management shareholder of AOF VCC.

The assets and liabilities of AOF VCC have been segregated in accordance with Section of the VCC Act.

AOF VCC has appointed ZICO Asset Management Pte. Ltd. (“**ZICOAM**”) to serve as the discretionary investment manager of all its investments. ZICOAM has been granted a capital markets services licence to conduct fund management activities regulated under the Securities and Futures Act 2001 of Singapore (“**SFA**”) by the Monetary Authority of Singapore (“**MAS**”).

AOF I

AOF I is an open-ended fund incorporated as an exempted company with limited liability in the Cayman Islands in 2016. AOF I is structured as a regulated mutual fund for the purposes of the mutual funds law of the Cayman Islands and is registered with the Cayman Islands Monetary Authority. As AOF I is a collective investment scheme which offers its participating shares to accredited investors in Singapore, AOF I is registered as a restricted foreign scheme with MAS. Mr. Lin and Mr. Tan are directors of AOF I and Mr. Tan is the sole management shareholder of AOF I.

AOF I has appointed ZICOAM to serve as the discretionary investment manager of all of its investments.

The Subscribers have prior to the entry into this Subscription Agreement, entered into other subscription agreements in regard to subscription of convertible instruments with other listed companies listed in the Asia-Pacific region.

The Company was looking to raise funds to *inter alia* fund the Proposed Acquisition¹, raise general working capital and strengthen its balance sheets amongst others, and was introduced to Mr. Tan. Subsequent to the introduction, the Company decided to enter into the Subscription Agreement with the Subscribers.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscribers are not related to any of the Directors, substantial shareholders of the Company or their respective associates and there is no connection (including any business relationships) between the Directors or substantial shareholders of the Company and each of the Subscribers. The Subscribers are subscribing for the Notes solely for investment purposes only.

3. NET PROCEEDS AND ALLOCATION

The Company intends to raise up to S\$20,000,000 gross proceeds from the Proposed RCN Issuance. The net proceeds, after deducting estimated fees and expenses (including the abovementioned administrative fee and expenses of approximately S\$1,200,000), are approximately S\$18,800,000 (the "**Net Proceeds**"). The Company intends to use the Net Proceeds in the following manner:

Use of Net Proceeds	Allocation
Proposed Acquisition	S\$8,000,000
General Working Capital	S\$2,000,000
Future expansion plans and investments	S\$8,800,000

The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in its interim and full-year financial statements issued under the Catalist Rules and the Company's annual report. 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 any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Directors are of the opinion that taking into consideration the present bank facilities and the Proposed Acquisition, the working capital available to the Group is not sufficient to meet its present requirements. However, after taking into consideration the present bank facilities and Net Proceeds of the Proposed RCN Issuance, the working capital available to the Group is sufficient to meet its present requirements, as well as to fund the Proposed Acquisition.

¹ Please refer to the Company's announcement on SGXNET dated 27 October 2023 on the proposed acquisition by the Company of 100% of the issued and paid-up share capital of LSO Organization Holdings Pte. Ltd. ("**Proposed Acquisition**").

4. RATIONALE FOR ISSUING THE NOTES

The Company recorded negative working capital of S\$2.5 million and a net liability position of S\$4.2 million as at 30 June 2023, and had incurred losses of S\$1.1 million for the 6-month financial period ended 30 June 2023. The Proposed RCN Issuance will enable the Company to strengthen its balance sheet, shore up liquidity, and fund the expansion and diversification of its existing core business by way of, amongst others, acquisitions of other profitable business including but not limited to the Proposed Acquisition, which would enable the Company to further improve its financial performance and position in the near future.

The Proposed RCN Issuance will also allow the Company to increase its market capitalisation, and be better positioned to capture additional investor interest and, consequently, improved the trading liquidity of its Shares.

5. APPLICATION TO THE SGX-ST

The Company's Sponsor, ZICO Capital Pte. Ltd., will be submitting an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist in respect of the T1 Notes, T2 Notes and T3 Notes.

For the avoidance of doubt, as the T2 Notes are subject to the fulfilment of the T2 Conditions Precedents and the issuance of the T3 Notes are at the option of the Company, ZICO Capital Pte. Ltd. will submit the application for the listing and quotation for the Conversion Shares in respect of the T2 Notes upon the Company's fulfilment of the T2 Conditions Precedents and the T3 Notes as and when required.

The Company will make the necessary announcement upon the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Conversion Shares in respect of the T1 Notes, T2 Notes and T3 Notes (as and when applicable) on the Catalist.

The Notes will not be listed on the Official List of the SGX-ST.

6. FINANCIAL EFFECTS

At the date of this announcement, the actual T1 & T2 Conversion Price and T3 Conversion Price is not ascertainable as it is based on the prevailing trading prices of the Company on Conversion Date. Other than the T1 Notes and T2 Notes, the Company has the discretion not to exercise its right to issue the T3 Notes. Accordingly, the total principal amount of Notes to be issued is also not determinable at the date of this announcement.

The financial effects pursuant to the Proposed RCN Issuance Group's net tangible assets ("**NTA**") per Share and earnings per Share ("**EPS**") are prepared solely for illustrative purposes only, and are based on the following assumptions:

- (i) the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2022;

- (ii) the completion of the Proposed Share Consolidation²;
- (iii) the full exercise of the warrants pursuant to the Proposed Warrants Issue³;
- (iv) the full conversion (and no cash redemption by the Company) of the Notes, amounting to an aggregate principal amount of S\$20.0 million into the Conversion Shares, based on the T1 & T2 Maximum Conversion Shares and the T3 Maximum Conversion Shares;
- (v) the financial effects exclude any accrued interest arising from the bridging loan granted by the Company to the vendors in respect of the Proposed Acquisition, and the Notes; and
- (vi) the completion of the Proposed Acquisition taking place contemporaneously with the full conversion of the Notes into the Conversion Shares.

As at 31 December 2022	Before Proposed RCN Issuance	After the Proposed Share Consolidation, the Proposed Warrants Issue, and the Proposed RCN Issuance ⁽²⁾	After full conversion of the Notes into Conversion Shares ⁽³⁾
Group			
NTA (S\$'000)	(4,857) ⁽¹⁾	(221)	29,645
Number of issued shares in the Company ('000)	22,324,126	446,483 ⁽⁴⁾	1,293,591 ⁽⁵⁾
Number of Conversion Shares (‘000)	-	-	633,263 ⁽⁶⁾
NTA per Share (Singapore cents)	(0.024)	(0.049)	0.023
EPS (Singapore cents)	0.0001	0.0001	0.0138 ⁽⁷⁾

² Please refer to the Company's announcement on SGXNET dated 27 October 2023 on the proposed consolidation of every 65 existing ordinary shares in the capital of the Company into 1 ordinary share in the capital of the Company ("**Proposed Share Consolidation**").

³ Please refer to the Company's announcement on SGXNET dated 27 October 2023 on the proposed issuance of bonus warrants by the Company following the completion of the Proposed Share Consolidation ("**Proposed Bonus Warrants Issue**").

Notes:

- (1) NTA is based on the net assets attributable to owners of the Company less intangible assets of the Company.
- (2) The above financial effects computation has accounted for (i) the Proposed Share Consolidation; (ii) the Proposed Warrants Issue; and the Proposed RCN Issuance.
- (3) For illustrative purposes and for completeness, the Company has assumed that full conversion (and no cash redemption by the Company) of the Notes, amounting to an aggregate principal amount of S\$20.0 million into the Conversion Shares, will take place contemporaneously with completion of the Proposed Acquisition.
- (4) On a post-Share consolidation basis and includes the 103,034,428 new Shares pursuant to the full exercise of the warrants.
- (5) Includes the 103,034,428 new Shares pursuant to the full exercise of the warrants, the issuance of the 184,615,384 consideration shares, and the 1,900,000 success Shares allotted and issued to the professionals and the introducer in connection with the Proposed Acquisition. Please refer to the announcement dated 27 October 2023 on the Proposed Acquisition, for further details.
- (6) Based on T1 & T2 Maximum Conversion Shares of 171,724,046 Shares and the T3 Maximum Conversion Shares of 461,538,461 Shares.
- (7) EPS includes the net profit of the Target Group for the financial year ended 31 December 2022, which comprises solely that of its operating subsidiary, LSO BVI, after accounting for the Target's 50% shareholding interest in LSO BVI.

For the avoidance of doubt, Shareholders should note that nothing in this announcement may be treated as a representation by the Company as to the trading price of the Shares on the SGX-ST during the term of the Notes or for any other period of time.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

There will not be any prospectus or offer information statement issued in connection with the Proposed RCN Issuance undertaken by way of private placement in accordance with Section 272B of the SFA.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, other than in their respective capacity as Directors or Shareholders of the Company, and controlling Shareholders of the Company, has any interest, direct or indirect, in the Proposed RCN Issuance, other than through their respective shareholdings (if any) in the Company.

9. 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 enquires, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed RCN Issuance, 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 the 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, through reasonable enquiries

10. DOCUMENTS FOR INSPECTION

A copy of the Subscription Agreement will be made available for inspection during normal business hours at the registered office of the Company at 33 Ubi Avenue 3, #08-69, Vertex, Singapore 408868 for a period of three (3) months from the date of this Announcement.

11. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading the Shares as there is no certainty or assurance as at the date of this Announcement, the Proposed RCN Issuance will be completed.

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 advisers if they have any doubt about the actions that 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 ("**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.

APPENDIX I
OTHER MATERIAL DEFINITIONS / TERMS OF THE SUBSCRIPTION AGREEMENT

Form and Denomination	:	The Notes will be issued in registered multiples of SGD10,000 and are serially numbered.
Authority Approvals	:	<p>Prior to the issue of the Notes and in any event no later than the T1 Fulfilment Date, T2 Fulfilment Date or T3 Fulfilment Date (as the case may be), the necessary approvals and/or consents of SGX-ST or any other Regulatory Authorities in respect of:</p> <p>(a) the allotment and issuance of Conversion Shares upon the exercise of the Conversion Rights in respect of T1 Notes, T2 Notes and T3 Notes, as the case may be;</p> <p>(b) the listing of and quotation notice from the SGX-ST for the Conversion Shares arising from the T1 Notes, T2 Notes and T3 Notes upon the exercise of the Conversion Rights by the Subscribers on the Catalist; and</p> <p>(c) such other relevant approvals, in relation thereto and in connection therewith</p> <p>and in relation thereto, do all such acts and things and execute and file all such documents as may be required, and where any of such Authority Approvals are obtained, such Authority Approvals not having been amended, withdrawn, revoked, rescinded or cancelled prior to the Closing Date.</p>
Business Day	:	Means a day which banks are open for business in Singapore and SGX-ST is open for trading in Singapore ending at 5.00 pm (Singapore time);
Conditions	:	Means the terms and conditions of the Notes to be attached to each Note certificate.
Conversion Shares	:	Means ordinary shares in the capital of the Company to be allotted and issued by the Company upon the conversion of the Notes in accordance with the provisions of the Subscription Agreement and the Conditions.
Closing Date	:	Means, in respect of the Notes, the date on which such sub-tranche of the Notes is subscribed for and issued pursuant to the Subscription Agreement.
Closing Price	:	Means in respect of a Share, on any particular Business Day, the closing price of the Shares on the Catalist for one Share on that day (as adjusted pursuant to the Conditions) PROVIDED

		<p>THAT in the event that there has been no trading of the Shares on that day the “Closing Price” shall mean the closing price of one Share (as adjusted pursuant to Conditions) on the Catalist on the preceding Business Day on which there was trading of the Shares and PROVIDED FURTHER THAT in the event that trading of the Shares is suspended, the “Closing Price” means, in respect of a Share, the last reported trading price of one Share (as adjusted pursuant to the Conditions) on the Catalist on the Business Day immediately prior to such suspension.</p>
Conversion Date	:	The date on which the Company is in receipt of the Conversion Notice.
Conversion Notice	:	The notice to be provided by the Noteholder(s) in regard to the exercise of its Conversion Right, the form of which is agreed upon and set out in the Subscription Agreement.
Corporate Approvals	:	<p>Prior to the issue of the Notes and in any event no later than the T1 Fulfilment Date, T2 Fulfilment Date or T3 Fulfilment Date (as the case may be), the approval of the board of directors of the Company is obtained for:</p> <ul style="list-style-type: none"> (a) the offer or sale, or invitation for subscription or purchase, or the issue, of the Notes on the Conditions; (b) the allotment and issue of Conversion Shares upon the exercise of the Conversion Rights by the Subscribers in respect of the Notes; and (c) all other matters in connection therewith and in relation thereto, and to do all such acts and things and execute and file all such documents as may be required. <p>and in relation thereto, do all such acts and things and execute and file all such documents as may be required, and where any of such Corporate Approvals are obtained, such Corporate Approvals not having been amended, withdrawn, revoked, rescinded or cancelled prior to the Closing Date.</p>
Conversion Right	:	The right granted to the Noteholder to convert the Notes in accordance to the terms and conditions of the Subscription Agreement.
Other Approvals	:	Prior to the Closing Date of each Note and in any event no later than the T1 Fulfilment Date or T2 Fulfilment Date or T3 Fulfilment Date (as the case may be), apply for and obtain all other necessary approvals, consents, and waivers from any relevant party (other than the Corporate Approvals and

		Authority Approvals for the transactions contemplated under the Subscription Agreement (in particular but without limitation the issue by the Company and the subscription by the Subscriber of the Notes, allotment and issuance of Conversion Shares upon exercise of the Conversion Rights by the Subscriber in respect of the Notes.
Proposed Share Consolidation	:	The share consolidation to be undertaken to be undertaken by the Company wherein 65 Shares existing as at the date of the Subscription Agreement shall be consolidated into 1 new ordinary share in the Company.
Proposed Warrants Issue	:	Following the completion of the Proposed Share Consolidation, the issuance by the Company of 3 free warrants for every 10 consolidated shares in the Company.
Regulatory Authorities	:	Means all relevant governmental agencies or departments in Singapore and other regulatory authorities in Singapore having jurisdiction or authority over all the transactions contemplated under the Subscription Agreement, including but not limited to the Sponsor and SGX-ST.
Subscriber(s) not crossing 15% threshold	:	<p>Where pursuant to an exercise of Conversion Rights, either:</p> <p>(a) the aggregate Conversion Shares held by the Subscribers after the allotment and issued of Conversion Shares represents 15% or more of the enlarged share capital of the Company; or</p> <p>(b) the aggregate Conversion Shares held by the Noteholder and its concert parties (as defined under The Singapore Code on Take-overs and Mergers) after the allotment and issue of such Conversion Shares will require the Noteholder and its concert parties to make a general mandatory offer for all the issued Shares in the Company,</p> <p>the Noteholder shall not be entitled to such exercise.</p>
Subscribers Ability to Terminate	:	<p>The Subscribers may at its absolute discretion, by notice in writing to the Company, terminate this Agreement at any time before the Closing Date, in any of the following circumstances:</p> <p>(a) there shall have come to the notice of the Subscribers any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations, warranties, undertakings and covenants set forth in the Subscription Agreement including any of the warranties</p>

		<p>or the failure to perform any of the Company's representations, warranties, undertakings, covenants or obligations set forth in the Subscription Agreement in any material respect; or</p> <p>(b) the T3 Suspension has occurred and the Company fails to obtain the relevant approvals (including the Authority Approval) to increase the T3 Maximum Conversion Shares to be allotted and issued to the Subscribers pursuant to their exercise of their Conversion Right under T3 within 3 months from the date of the suspension notice from the Subscribers; or</p> <p>(c) if any of the conditions precedent has not been satisfied to the reasonable satisfaction of the Subscribers; or</p> <p>(d) non-fulfilment of the completion obligations and /or T1, T2 or T3 Conditions Precedent pursuant to the terms set out in the Subscription Agreement; or</p> <p>(e) if in the opinion of the Subscribers: -</p> <p style="padding-left: 40px;">(i) there shall have been any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations, or affecting the properties, of the Company or any of its Subsidiaries, taken as a whole to perform its obligations under the Subscription Agreement and the conditions of the Notes.</p> <p style="padding-left: 40px;">(ii) there shall have been an imposition of a new legal or regulatory restriction not in effect on the date hereof, or any change in the interpretation of existing legal or regulatory restrictions, that adversely affects the ability of the Company and/or its Subsidiaries, taken as a whole, to perform its obligations under the Subscription Agreement, or the offering, sale or delivery of the Notes or the Conversion Shares; or</p> <p>(f) an Event of Default has occurred in respect of any convertible securities, notes, bonds or other similar securities of the Company or any of its Subsidiaries issued and outstanding; or</p> <p>(g) there shall have been a suspension, or material limitation of trading of any shares of the Company by the SGX-ST for five (5) consecutive Business Days save for</p>
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		<p>trading halts made at the request of the Company for pending corporate announcement(s) or circular(s) pending clearance by SGX-ST or other regulatory or governmental bodies; or</p> <p>(h) there shall have been a delisting or an order for delisting or a threatened delisting of the Company from the SGX-ST; or</p> <p>(i) an Event of Default has occurred and is continuing; or</p> <p>(j) any of the Corporate Approvals, Authority Approvals or Other Approvals, consents or waivers obtained by the Company pursuant to the Subscription Agreement are revoked, rescinded or cancelled prior to the relevant Closing Date or, where any such approvals were obtained subject to any conditions which were required to be fulfilled on or before each Closing Date, they were not fulfilled.</p>
<p>Events of Default (each, an “Event of Default”)</p>	<p>:</p>	<p>The significant Events of Default under the Subscription Agreement are, <i>inter alia</i>, as follows</p> <p>(a) there is a default in any payment by the Company pursuant to the relevant Conditions, and such default in payment is not remedied by the Company within 7 Business Days from the due date of such payment;</p> <p>(b) there is default by the Company in the payment of the principal or interest in respect of the Notes or any of them when due in accordance with the terms and conditions of the Subscription Agreement;</p> <p>(c) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation (including the payment of the principal and/or interest in respect of the Notes and performance of its obligations to allot and issue Shares arising from the conversion of the Notes as and when a Noteholder exercises its Conversion Rights in accordance with the Conditions), contained in the Notes and on its part to be performed or observed, and such default is not remedied by the Company within 7 Business Days from the date the Company becomes aware of the default and such a Noteholder does not waive its rights pursuant to such default;</p>

		<p>(d) the delisting or an order for delisting or threatened delisting of the Shares from the SGX-ST or a suspension of trading save for any trading halt by the Company pending corporate announcements, or material limitation of the Shares on the SGX-ST for a period of five (5) consecutive Business Days or more; and</p> <p>(e) any credit facilities granted to the Company or any of its subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse effect on the Group's ability to perform its obligations under the Subscription Agreement.</p>
Cancellation Fee	:	In the event the issue and subscription of T1 does not take place on the Closing Date of T1, the Company shall pay a cancellation fee of S\$100,000 (" Cancellation Fee ") to the Subscribers (who shall be entitled at their discretion to jointly notify the Company to apportion payment of the Cancellation Fee in such proportion to each Subscriber) on demand.
T3 Suspension		<p>At any point before the T3 Maturity Date, the Subscribers shall have the right to by a notice in writing to the Company, suspend any further subscription of T3 Notes, if the aggregate of</p> <p>(a) all Conversion Shares, which has been issued following the exercise of a Conversion Right in respect of the T3 Notes; and</p> <p>(b) the number of Conversion Shares represented by the product of the number of all existing outstanding T3 Notes which has been issued and subscribed for and the Issue Price divided by the Minimum Conversion Price,</p> <p>would breach the T3 Maximum Conversion Shares.</p>
Subscriber's Agent	:	During the subsistence of the Subscription Agreement as long as the Company's obligations remain outstanding under the Agreement, the Subscriber shall be entitled to by delivering a written notice to the Company (" Authorisation Notice "), appoint any authorised agent to act for and on behalf of each of the Subscribers respectively in respect of all its rights, obligations and entitlements set out under the Subscription Agreement with effect from the date set out in the Authorisation Notice.
Governing Law	:	Singapore laws.